
VERIFIED REBUTTAL TESTIMONY OF VINCENT A. PARISI

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

2 A1. My name is Vincent A. Parisi and my business address is 801 E. 86th Ave.,
3 Merrillville, Indiana 46410. I am President and Chief Operating Officer for
4 Northern Indiana Public Service Company LLC ("NIPSCO" or
5 "Company").

6 **Q2. On whose behalf are you submitting this direct testimony?**

7 A2. I am submitting this testimony on behalf of NIPSCO Generation LLC
8 ("GenCo")

9 **Q3. Are you the same Vincent A. Parisi who adopted the Verified Direct**
10 **Testimony of Erin E. Whitehead on April 11, 2025 in this Cause?**

11 A3. Yes.

12 **Q4. What is the purpose of your rebuttal testimony?**

13 A4. The purpose of my rebuttal testimony is to respond to the Indiana Office of
14 Utility Consumer Counselor ("OUCC"), NIPSCO Industrial Group

1 ("Industrial Group"), Citizens Action Coalition of Indiana, Inc. ("CAC"),
2 the Board of County Commissioners of LaPorte County ("LaPorte"), Clean
3 Grid Alliance ("CGA"), Takanock, Inc. ("Takanock"), and DX Hammond
4 JV LLC ("DX Hammond") regarding their positions on GenCo's requested
5 relief. Specifically, I offer testimony about (1) the appropriate scope of this
6 proceeding; (2) the public interest standard under which the Commission
7 should evaluate GenCo's request; (3) certain clarifications and
8 commitments as to (a) the scope of GenCo's operations, (b) the
9 Commission's oversight, and (c) the relationship between GenCo and
10 NIPSCO; and (4) why it is appropriate for the Commission to decline
11 jurisdiction of the CPCN Statute. My rebuttal testimony is limited to a
12 discussion of the issues set out below, and the failure to address each and
13 every issue in each piece of testimony does not imply agreement with the
14 positions taken by any party with respect to other issues.

15 **Q5. Are you sponsoring any attachments to your rebuttal testimony?**

16 A5. Yes. I am sponsoring the following attachments, all of which were prepared
17 by me or under my direction and supervision:

Attachment 1-R-A	NIPSCO Responses to Industrial Group Requests 4-001 and 4-004 and NIPSCO Response to OUCC Request 3-005
Confidential Attachment 1-R-B	GenCo Response to Industrial Group Request 1-009, including Industrial Group Request 1-009 Confidential Attachment A

Q6. Please provide an overview of GenCo's request in this proceeding.

A6. Pursuant to Ind. Code § 8-1-2.5-5, GenCo is requesting that the Commission issue an order declining jurisdiction over certain aspects of GenCo's purchase, ownership, development, financing, construction, and operation of generating facilities and related assets.¹ The specific sections of the Indiana Code for which declination is being requested are delineated in Attachment A to the Verified Petition ("Petition Attachment A"). GenCo was created as a vehicle for generation resources to be developed in a way that, on the one hand, reasonably and appropriately protects NIPSCO and its customers from financial risk while, on the other hand, allows the size and types of generation megaload customers seek to be developed at a

¹ Throughout my testimony, I use the terminology of "construction, ownership, and operation of generating facilities and related assets" for consistency. I note, however, that GenCo will also potentially own and operate the substation and transformation equipment utilized to provide service to megaload customers and may also enter into power purchase agreements with third parties that will be utilized (along with GenCo-owned generation) to provide energy and capacity to NIPSCO.

1 speed that would otherwise not be feasible under a more traditional
2 construct.

3 **Q7. Do you have any general comments after reviewing the prefiled**
4 **testimony from the OUCC and other intervening parties?**

5 A7. Yes. While there are divergent interests among the OUCC and the other
6 intervenors, no party disputed what GenCo explained in its case-in-chief –
7 that Indiana and northwestern Indiana is the focus of significant megaload
8 customer interest. See Pet. Ex. 1, pp. 4-7. Specifically, DX Hammond
9 Witness Pavlik testified (at 3) that DX Hammond is planning to add an
10 additional 200 megawatts to its current data center campus in Hammond,
11 Indiana. Takanock Witness Davies testified (at 6-7) that: “Takanock is
12 developing a data center project in Elkhart County, Indiana. Due to
13 demand from its potential data center customers, and given Indiana’s
14 availability of applicable land, electric-transmission facilities, natural gas
15 infrastructure and fiber capacity, and proximity to major urban centers,
16 Takanock may pursue additional projects in Indiana.” CGA Witness
17 Piontek (at 23) provided Figure 1 from Indianapolis Business Journal
18 showing 10 data centers currently in development (including DX

1 Hammond's data center campus). Seven of the 10 in-development projects
2 are located in northwest Indiana.

3 As I discuss later, there also appears to be general alignment that a
4 regulatory strategy needs to be deployed to address this opportunity.

5 Given this very real interest, NIPSCO has developed a megaload strategy.

6 The first step in that strategy is approval of GenCo's requested limited
7 declination in this proceeding. As GenCo established in its case-in-chief

8 filing, approval of the requested limited declination of jurisdiction will
9 serve the public interest. As I further explain later, nothing raised by the

10 OUCC or intervenors changes that GenCo's request is in the public interest.

11 Further, the stakeholders who generally represent retail customers'
12 interests (OUCC, Industrial Group, CAC, and LaPorte) are mostly focused

13 on recommendations that they believe will further the goal of protecting
14 retail customers' interests. The other intervenors (Takanock, DX

15 Hammond, and CGA) are mostly focused on protecting data center
16 customers (a type of megaload) and independent power producers. The

17 latter is not what this proceeding is about; rather, the focus should be to
18 find a path forward that approves GenCo's request in this proceeding so

1 that NIPSCO can further develop and present its megaload strategy to the
2 Commission for approval.

3 I also found the OUCC and the intervening parties' insistence on
4 addressing issues outside the scope of this proceeding shows a lack of
5 appreciation that review and approval of the declination request of GenCo,
6 a separate entity from NIPSCO, is a necessary step *before* more clarity on
7 NIPSCO's overall megaload strategy can be finalized and presented to the
8 Commission.

9 **Q8. Please explain further what you mean by outside the scope of this**
10 **proceeding.**

11 A8. As acknowledged in the Commission's February 27, 2025 docket entry,
12 GenCo's request in this proceeding is that the Commission find it to be a
13 "public utility" within the meaning of Ind. Code § 8-1-2-1 and Ind. Code §
14 8-1-8.5-1 and an "energy utility" within the meaning of Ind. Code § 8-1-2.5-
15 2 and that the Commission decline to exercise its jurisdiction over certain
16 aspects of GenCo's purchase, ownership, development, financing,
17 construction, and operation of generating facilities and related assets only

1 with respect to certain statutes as provided in Petition Attachment A and
2 find such limited declination of jurisdiction will serve the public interest.²

3 Rather than frame all their issues to this limited declination request, parties
4 have attempted to expand the scope to include NIPSCO, a party not seeking
5 any relief in this proceeding, and its overall megaload strategy. The OUCC
6 and intervening parties then went on to express concerns with an alleged
7 lack of clarity. Although not an exhaustive list, examples of issues outside
8 the scope of this proceeding include:

- 9 • terms and conditions on any future NIPSCO-GenCo power purchase
10 agreement ("PPA") offered by Industrial Group Witness Gorman (at
11 17-18);
- 12 • future NIPSCO Tariff offering conditions offered by Industrial
13 Group Witness Gorman (at 18);
- 14 • allocation of NiSource costs to NIPSCO offered by Industrial Group
15 Witness Gorman (at 19-20);
- 16 • terms to include in any megaload customer special contracts (citing
17 to approved settlement in *Indiana Michigan Power Company*, Cause
18 No. 46097) offered by CAC Witness Thomas (at 17-18);

² In the referenced docket entry, the Commission went on to explain: "The nature of Petitioner's request and the need to ensure a thorough yet administratively efficient process at the determined pace of the procedural schedule above will require all parties to focus the scope of any filings to the request placed before the Commission. [recitation of Ind. Code § 8-1-2.5-5(b) considerations] Therefore, arguments and evidence presented should be reasonably framed to those issues."

- 1 • arguments for treatment of revenues/profits offered by CAC Witness
2 Thomas (at 23) and LaPorte Witness O'Connell (at 13);
- 3 • allocation of transmission and distribution ("T&D") costs to any
4 megaload customer signing a special contract offered by CAC
5 Witness Thomas (at 22);
- 6 • experience with trying to obtain electric service from NIPSCO and
7 the other options it pursued, and recommendations for how NIPSCO
8 should provide service presented by Takanock Witness Davies (at 7-
9 17);
- 10 • NIPSCO being required to use Rate 531 or establish a new tariff
11 offered by LaPorte Witness McConnell (at 19-22) and Takanock
12 Witness Davies (at 14-15);
- 13 • alleged "risk" to NIPSCO customers of not being adequately
14 compensated for value/benefit NIPSCO provides to GenCo offered
15 by LaPorte Witness O'Connell (at 25); and
- 16 • desire for legislative changes to Ind. Code ch. 8-1-2.3, the Electric
17 Service Territory Act, offered by Takanock Witness Davies (at 14-15).

18 **Q9. What is your response to the above identified out of scope issues?**

19 A9. While I can appreciate the parties' desire to have a full understanding of
20 NIPSCO's overall megaload strategy, whether or not GenCo is viable is
21 foundational to finalize NIPSCO's megaload strategy. If NIPSCO does not
22 have clarity on if and how it can use the GenCo structure, it cannot fully
23 know *how* to craft megaload customer special contracts and NIPSCO-
24 GenCo PPAs. It is these agreements that will allow NIPSCO to address the
25 out-of-scope issues noted above. While the parties seek to have all their

1 issues related to the megaload customer special contracts and the NIPSCO-
2 GenCo PPAs addressed as part of GenCo's request in this proceeding, these
3 out-of-scope issues ignore the foundation an approved GenCo structure
4 supplies.

5 Despite this overreach, as evidenced in the attached data request responses,
6 NIPSCO has committed to file any megaload customer special contracts
7 and NIPSCO-GenCo PPAs in future proceedings, which is the venue in
8 which many of these issues should be addressed.³ As further discussed
9 below, GenCo commits to align the amount of generation it develops with
10 reasonably anticipated needs of NIPSCO's megaload customers. I also
11 discuss further clarifications and commitments GenCo is willing to make to
12 its declination request and intended structure to address some of the issues
13 raised by the OUCC and intervenors. NIPSCO is also offering cross-
14 answering testimony to provide additional clarity on NIPSCO's current
15 megaload strategy in response to issues raised by the OUCC and other
16 intervening parties targeted at NIPSCO and to affirm that it is willing to be

³ See NIPSCO's responses to Industrial Group Request 4-001, Industrial Group Request 4-004, and OUCC Request 3-005, which are included in Attachment 1-R-A to my testimony.

1 bound by the commitments GenCo is making. Likewise, GenCo is also
2 committing to be bound by the commitments NIPSCO makes in this
3 proceeding.

4 **Q10. Takanock Witness Davies (at 15) argues that NIPSCO should be required**
5 **to “offer a tariff for customers with defined eligibility characteristics” for**
6 **prospective data center customers.⁴ Understanding that this is outside the**
7 **scope of this proceeding, could you briefly respond to this argument?**

8 A10. He is correct (at 15) that ordering NIPSCO to make a tariff offering
9 (including opening access to the market akin to NIPSCO Rate 531) is not
10 what this proceeding is about, as it is a request to issue a directive to
11 NIPSCO, not GenCo. As noted in Paragraph 4 of the Verified Petition,
12 service to customers with these kinds of service requirements is not
13 contemplated under NIPSCO's existing tariff. GenCo was formed in
14 recognition that the service requirements for data centers and the potential
15 risks to NIPSCO and its customers are very different from those of any
16 other customers, as discussed in Paragraph 5 of the Verified Petition.

⁴ LaPorte Witness O'Connell (at 20, 22, 24) raises similar issues about using a tariff-based rate but does not go so far as to argue for the Commission to order NIPSCO to develop and use a tariff-based rate.

MANY PARTIES AGREE A REGULATORY STRATEGY IS NEEDED FOR MEGALOAD CUSTOMERS

1 Q11. Did many of the parties agree that it is reasonable for a regulatory
2 strategy to be developed for megaload customers?

3 A11. Yes. Although not an exhaustive list, the following are examples of
4 feedback from the other parties showing an overall alignment for a
5 regulatory strategy for megaload customers:

- 6 • Takanock Witness Davies (at 5) explained that “[g]iven the
7 significant amount of power being requested and the related
8 investment, there are reasonable regulatory concerns with potential
9 cost-shifting related to electric service for data centers and other
10 megaload customers.”
- 11 • CAC Witness Thomas (at 13) testified that “[t]he most important
12 risks [related to serving new megaload customers] were identified in
13 GenCo witness Erin E. Whitehead’s testimony. These risks include
14 the costs incurred to serve megaload customers being shifted to
15 existing customers and the financial risk related to ownership of
16 generation assets should megaload customers’ demand diminish or
17 disappear before expiration of the useful life of the generation
18 assets.”
- 19 • OUCC Witness Latham (at 2) explained that the OUCC is “not
20 opposed to the isolating structure underlying GenCo’s request.” He
21 went on to testify (at 7) that “[t]he creation of a separate entity to
22 provide the generation needs for NIPSCO and its new megaload
23 customers could substantially reduce the risk of burdening
24 NIPSCO’s existing customers with the significant investment this
25 generation will require.”

1 Q12. How does GenCo's requested relief resolve some of these issues, in
2 service of the public interest?

3 A12. As I explained in my direct testimony (at 31-33), some of which bears
4 repeating here given the other parties alignment, having GenCo construct,
5 own, and operate the generation facilities and related assets reasonably
6 isolates and mitigates the risk associated with these potential customers
7 from NIPSCO's current customer base, but also brings the benefits of this
8 unprecedented economic development to NIPSCO's customers and to
9 Indiana.⁵ The exemptions from the various provisions of Ind. Code ch. 8-1-
10 8.5 outlined in Petition Attachment A are to eliminate provisions that have
11 limited application to this structure and are also to assure speed-to-market,
12 which is necessary to attract megaload customers.

13 It is important to remember that the Commission will continue to maintain
14 visibility into NIPSCO as the only customer of GenCo and will retain
15 approval authority each time a megaload customer special contract or
16 NIPSCO-GenCo PPA is brought to the Commission for approval. This

⁵ These benefits are also discussed in NIPSCO's Response to OUCC Request 3-005, which is included in Attachment 1-R-A to my testimony.

1 includes the authority to reject such agreements if they are not found to be
2 just, reasonable, and in the public interest, as well as the ongoing authority
3 to ensure the parties to such agreements are complying with their
4 obligations thereunder. Commission approval and ongoing jurisdiction
5 over these contracts is largely ignored by many parties who offered
6 testimony on April 1, 2025.

7 Potential megaload customers, as evidenced by those who filed testimony
8 in this proceeding, are highly sophisticated, demand high service, and have
9 many choices available to them when determining where to make
10 developments. GenCo's requested limited declination of jurisdiction in this
11 proceeding will enable NIPSCO to support Indiana's efforts to position
12 itself to compete effectively with other states to attract this economic
13 development by providing a vehicle for speed-to-market, which is critical
14 to these megaload customers. It is important that NIPSCO be able to attract
15 these customers, reasonably insulate current NIPSCO customers from any
16 attendant risks, while also allowing interested stakeholders, including
17 NIPSCO customers and the State of Indiana, to enjoy the benefits of such
18 unprecedented economic development.

THE PUBLIC INTEREST

1 Q13. You previously mentioned the scope of this proceeding as delineated in
2 the docket entry issued by the Presiding Officers. What is the standard
3 for approval of GenCo's requested relief?

4 A13. The standard for approval of GenCo's requested relief is set forth in Ind.
5 Code § 8-1-2.5-5(a), which requires a determination that "the public interest
6 requires the commission to commence an orderly process to decline to
7 exercise, in whole or in part, its jurisdiction over either the energy utility or
8 the retail energy service of the energy utility, or both." Therefore, whether
9 the public interest requires declination is the ultimate finding the
10 Commission must make.

11 In making that finding, the statute directs the Commission to "consider"
12 certain enumerated factors:

13 (b) In determining whether the public interest will be served, the
14 commission shall consider the following:

15 (1) Whether technological or operating conditions, competitive
16 forces, or the extent of regulation by other state or federal
17 regulatory bodies render the exercise, in whole or in part, of
18 jurisdiction by the commission unnecessary or wasteful.

19 (2) Whether the commission's declining to exercise, in whole or
20 in part, its jurisdiction will be beneficial for the energy utility,
21 the energy utility's customers, or the state.

1 (3) Whether the commission's declining to exercise, in whole or
2 in part, its jurisdiction will promote energy utility efficiency.

3 (4) Whether the exercise of commission jurisdiction inhibits an
4 energy utility from competing with other providers of
5 functionally similar energy services or equipment.
6

7 Importantly, these factors to be “considered” are not elements that GenCo
8 must prove. As noted by the Commission in *Indianapolis Power & Light Co.*,
9 Cause No. 45729 (IURC 10/21/2022), p. 13, “while the [ARP] statute directs
10 the Commission to consider the enumerated factors, the statute does not
11 require that all factors be applicable. The Commission has previously
12 declined jurisdiction where only a couple of statutory considerations were
13 applicable. *See e.g., Calvary Energy Center, LLC*, Cause No. 45474, pp. 20-21
14 (IURC May 26, 2021).”

15 **Q14. Why is this important?**

16 A14. Several of the parties’ witnesses approach the factors as if they are
17 “elements” to be proven.⁶ GenCo offered evidence related to each of these
18 factors in its case-in-chief, as the Commission is tasked with considering
19 each factor in making its public interest finding, but it is not mandatory that

⁶ *See, e.g.,* CAC Witness Thomas beginning at p. 6; OUCC Witness Latham, pp. 7-8. to
pertine.

1 the Commission issue an affirmative finding with respect to each of the four
2 factors. And, as noted by the OUCC, the public interest is not limited to
3 these four enumerated factors. GenCo's approach has been to seek limited
4 declination by listing specific statutes for which declination has been
5 sought, and for each such statute, enumerating the factors that GenCo
6 contends support the required Commission determination of the public
7 interest. This information is set forth in Petition Attachment A. For the
8 most part, the other parties have ignored the section-by-section approach
9 taken by GenCo in Petition Attachment A. Further, they have ignored the
10 public interest factors set forth in that same attachment and the service of
11 the public interest discussed elsewhere in GenCo's case-in-chief. Instead,
12 they ask for the requested relief to simply be denied in total. And they take
13 a broad-based approach to the public interest finding rather than looking at
14 the public interest and the four enumerated factors for each requested
15 section. As OUCC Witness Latham (at 16) acknowledges, the Commission
16 is not limited to the four enumerated factors and has considered other
17 factors in determining the public interest. I agree, and, as evidenced in
18 GenCo's case-in-chief and reiterated and clarified in this rebuttal testimony,
19 the ultimate public service GenCo will provide is to be the foundation of

1 NIPSCO's megaload strategy, which is designed to significantly reduce risk
2 to jurisdictional customers. This is in the public interest.

3 **Q15. Are there exceptions to your statement that "for the most part" the other**
4 **parties have ignored Petition Attachment A?**

5 A15. Yes. I will note that no party has disputed the individual statements set
6 forth in the column labeled "Public Interest Explanation" for each of the
7 sections listed on Petition Attachment A. A few parties did, however,
8 approach GenCo's requested relief by reviewing specific statutes. OUCC
9 Witness Latham, Industrial Group Witness Gorman, and CGA Witness
10 Piontek did respond to a few of the specific statutes listed in Petition
11 Attachment A. I respond to their specific statutory section analysis in a
12 section below related to Commission oversight of GenCo, along with a
13 separate, longer section with respect to the certificate of public convenience
14 and necessity ("CPCN") requirements in Ind. Code ch. 8-1-8.5.

SCOPE OF GENCO OPERATIONS, COMMISSION OVERSIGHT, AND GENCO'S
RELATIONSHIP WITH NIPSCO

15 **Q16. Several parties offered a variety of opinions on potential safeguards or**
16 **requirements that they believe should be put in place if the Commission**

1 **were to ultimately grant GenCo's declination request. Broadly speaking,**
2 **what is GenCo's response to these proposals?**

3 A16. First, I would note that GenCo appreciates that several parties did not fully
4 oppose the declination request and, instead, offered a path forward for
5 GenCo and the Commission to consider, where much of the relief GenCo
6 seeks could be approved but with certain safeguards or requirements
7 placed on GenCo's operations and/or GenCo's interactions with NIPSCO.

8 As I reviewed testimony offered on April 1, 2025, including testimony by
9 some parties that proposed requirements be placed on GenCo if its
10 declination request were approved, they generally fell into two categories.
11 On the one hand, there were the traditional "consumer parties" (such as the
12 OUCC, CAC, and Industrial Group) who regularly participate in NIPSCO's
13 regulatory proceedings and who largely focused their testimony on
14 concerns related to protection of NIPSCO and its current customers. On the
15 other hand, certain parties (such as CGA⁷ and Takanock) did not, in my
16 opinion, focus on protection of NIPSCO and its current customers and

⁷ Above, I also directly responded to CGA Witness Piontek's testimony regarding the 4 statutory factors that are to be considered by the Commission when making a determination about the public interest.

1 instead focused on their own corporate interests in opposing GenCo's
2 declination request.

3 That is not to say the non-consumer parties raised no issues that should be
4 evaluated by the Commission, but for purposes of evaluating whether
5 GenCo's declination request is in the public interest, my rebuttal testimony
6 predominantly focuses on safeguards and requirements that the consumer
7 parties believe should be put in place if the Commission approves GenCo's
8 request, as these relate most directly to the Commission's evaluation of the
9 public interest.

10 **Q17. What concerns were raised by the consumer parties?**

11 A17. OUCC Witness Latham (at 17) stated that the "primary factor" he
12 recommends be considered "is whether NIPSCO's current customers are
13 protected from any financial harm or responsibility associated with GenCo
14 and its development, construction, and ownership of generation assets, and
15 a careful weighing of the purported benefits against the risks." Industrial
16 Group Witness Gorman (at 5) similarly expressed two primary concerns
17 related to (1) a need for clear separation of NIPSCO and GenCo, and (2) an
18 alleged increased risk to NIPSCO and its customers under GenCo's

1 proposal, because NIPSCO would face the risk of GenCo defaulting on its
2 contract with NIPSCO, in addition to the traditional risk that a customer
3 could default on a special contract with NIPSCO.⁸ LaPorte Witness
4 O'Connell (at 25) was concerned about the possibility that NIPSCO
5 customers could bear the costs associated with stranded generation assets.

6 As noted above, the OUCC and Industrial Group each offered various
7 requirements or safeguards that should be placed on GenCo (and to a
8 certain extent, NIPSCO) to address their concerns if the Commission
9 ultimately approves the declination request.

10 **Q18. How do you think about these requirements or safeguards that were**
11 **offered by the consumer parties?**

12 A18. As I reviewed testimony and considered the various proposals offered by
13 the consumer parties, they generally fell into three categories: (1) the scope
14 of GenCo and its operations, (2) the Commission's ongoing oversight of
15 GenCo and its activities, and (3) the interaction and relationship between
16 GenCo and NIPSCO. Immediately below, I address each of these

⁸ This argument is responded to by NIPSCO Witness Napoe in his cross-answering testimony.

1 categories. From GenCo's perspective, the first two categories are most
2 directly relevant to GenCo's declination request, but in an attempt to be
3 responsive to what GenCo heard from stakeholders, I also address the third
4 category.

5 Some of my testimony below clarifies what GenCo envisioned in the first
6 instance and confirms that there is alignment among GenCo and
7 stakeholders, while other items discussed below are new commitments
8 GenCo is making in direct response to testimony offered by stakeholders.

9 **Q19. Before you respond to specific concerns or requests from the various**
10 **parties, please clarify what GenCo's overarching purpose is, as well as**
11 **what it is not.**

12 **A19.** GenCo's purpose is straightforward—it is proposed as a vehicle to develop
13 the generation resources NIPSCO reasonably anticipates will be necessary
14 to ultimately be used by NIPSCO to serve load from megaload customers,
15 and to do so in a way that reasonably and appropriately protects NIPSCO
16 and its customers from potential risks related to the significant capital
17 investment that is expected to be necessary. The size of potential generation
18 additions and the speed at which potential customers desire to take service

1 are unlike anything I have experienced in my many decades in the energy
2 industry, which is also a key reason GenCo was created and declination of
3 certain Commission jurisdiction is being sought, including specifically
4 declination under the CPCN Statute.

5 Industrial Group Witness Gorman testified (at 10) that “[a]t the extreme,
6 this initiative could be the first step in completely deregulating the power
7 production function currently performed by NIPSCO.” I can state
8 unequivocally that neither GenCo nor NIPSCO have any desire to
9 deregulate the generation functions for utilities in Indiana. Similarly, in
10 response to CGA Witness Piontek’s claim (at 25-26) that GenCo could be
11 used “to capture an outsized share of the wholesale power market with any
12 excess capacity NIPSCO GenCo would sell to MISO[,]” I again can confirm
13 that GenCo has no desire or plans to become an independent power
14 producer, provide energy or capacity to any utility other than NIPSCO, or
15 otherwise materially overbuild its generation portfolio in an attempt to
16 capture a share of the MISO wholesale power market.

1 Much of this should have been clear from its case-in-chief, but with the
2 commitments made below, there should be no doubt as to the purpose and
3 scope of GenCo's planned operations.

Scope of GenCo Operations

4 **Q20. What commitments is GenCo willing to make in response to stakeholder**
5 **concerns related to the scope of GenCo and its operations?**

6 A20. First, as stated in my direct testimony (at 12, 32), GenCo will only have one
7 customer—NIPSCO.⁹ This reality will naturally limit the size and scope of
8 GenCo's generation investment and operations, as NIPSCO will not have
9 the ability to enter into PPAs for an infinite amount of energy capacity and
10 will only seek to contract with GenCo for the energy and capacity it
11 reasonably expects to need to serve its megaload customers. Thus,
12 Industrial Group Witness Gorman's request (at 10) that "NIPSCO will be
13 GenCo's only customer" and that GenCo not attempt to attract other
14 customers in competitive markets is a commitment GenCo has already
15 made.

⁹ As noted in my direct testimony (fn 4), and for sake of clarity, to the extent GenCo has energy and capacity beyond what is needed for NIPSCO to serve its retail load, GenCo may also offer excess energy and capacity in the wholesale market.

1 Second, while NIPSCO will be GenCo's only customer, GenCo and NIPSCO
2 commit¹⁰ that GenCo will only supply energy and capacity for NIPSCO's
3 megaload customers and not existing non-megaload customers. This
4 confirmation is consistent with my direct testimony¹¹ and is in direct
5 response to Industrial Group Witness Gorman's request (at 10) that "GenCo
6 should be the supplier of capacity and/or energy only for new megaload
7 customers[.]" However, GenCo and NIPSCO will not foreclose the
8 possibility that they could enter into an agreement related to provision of
9 energy and/or capacity for non-megaload customers, as there could be a
10 time in the future when doing so would be beneficial to NIPSCO's current
11 customers, and the companies do not want to foreclose this potential. If the
12 companies desire to do so at some point in the future, GenCo would not
13 have such authority under its declination order, and the companies would
14 need to file a separate request with the Commission for approval at that
15 time.

¹⁰ There are certain commitments that impact or relate to both NIPSCO and GenCo. While I address GenCo's commitments, NIPSCO Witness Napoe confirms in his cross-answering testimony that NIPSCO is likewise making the same commitments.

¹¹ The expectation that NIPSCO will contract with GenCo as related to megaload customer needs is peppered throughout my direct testimony and is confirmed in Questions / Answers 16-17.

1 Third, GenCo commits that the generation under its control will be tailored
2 to NIPSCO's anticipated megaload needs, guided by NIPSCO's ongoing
3 integrated resource planning process and informed by customer
4 negotiations and Commission-approved special contract demand. This is
5 not to say that there will not be periods of time during which GenCo's
6 available generation may exceed the needs of NIPSCO's megaload
7 customers,¹² especially because resources necessarily must be brought
8 online in advance of customers taking service or increasing their load
9 ramp.¹³ And GenCo will also be looking at a combination of capacity,
10 energy, and carbon-free energy requirements of NIPSCO's megaload
11 customers as it plans for and procures generation resources. This
12 commitment is offered in response to testimony of various parties, who
13 express concerns that GenCo could be used as a vehicle to create a large
14 independent power producer or otherwise may expand the scope of its

¹² Because GenCo will be offering its excess energy and capacity into the wholesale market during periods where it may be long, this will benefit, rather than harm, NIPSCO's other customers, as additional resources being offered into the market will lead to relatively lower wholesale market prices.

¹³ This could be based upon various factors, including timing of a resource coming online versus timing of customer load coming online; the "chunkiness" of a large resource coming online versus the size of NIPSCO's load requirements; the end of a special contract term; etc. This is further discussed in Confidential Attachment A to GenCo's response to Industrial Group Request 1-009, which is attached as Confidential Attachment 1-R-B to my testimony.

1 operations far beyond provision of service to NIPSCO to meet NIPSCO's
2 megaload customer needs. This is not GenCo's intent.

3 Fourth, and related to the point immediately above, GenCo commits to
4 providing capacity that is inclusive of the MISO planning reserve margin
5 requirements, which will ensure that the NIPSCO-GenCo PPA covers the
6 full load requirements of megaload customers, as discussed by CAC
7 Witness Thomas (at 21).

8 Finally, if GenCo develops behind-the-meter-generation service offerings,
9 it will be each customer's decision as to whether they have interest in
10 contracting with GenCo for such service. *See* Industrial Group Witness
11 Gorman at 19. This is not a retail service that NIPSCO would offer; neither
12 would it be a service GenCo would provide to NIPSCO via a PPA. Instead,
13 it would be a customer-driven decision, both with respect to if it has a desire
14 for behind-the-meter-generation and if it desires to work with GenCo to
15 provide such generation.

Commission Oversight of GenCo

16 **Q21. What commitments is GenCo willing to make in response to stakeholder**
17 **concerns related to ongoing Commission oversight of GenCo?**

1 A21. OUCC Witness Latham (at 21) emphasized the importance of the
2 Commission maintaining its jurisdiction under Ind. Code § 8-1-2-49
3 (relating to the ongoing review of books, accounts, and records) and,
4 acknowledged GenCo did not seek declination of this provision. As GenCo
5 did not request declination related to Ind. Code § 8-1-2-49 in its case-in-
6 chief, it would obviously have no objection to this—especially based on the
7 emphasis the OUCC placed upon it being retained by the Commission.

8 OUCC Witness Latham (at 19-20) also requested that the Commission retain
9 jurisdiction over three statutes that were part of GenCo's declination
10 request: (1) Ind. Code § 8-1-2-47, which relates to the Commission's
11 authority to adopt reasonable rules and regulations governing inspections,
12 tests, and audits; (2) Ind. Code § 8-1-2-51, which relates to the Commission's
13 general investigative authority; and (3) Ind. Code §§ 8-1-2-76 through -80,
14 relating to a public utility's need for Commission approval of a public
15 utility's plan(s) to issue debt. I respond to Mr. Latham's testimony relating
16 to each of these statutes below.

17 GenCo does not think it is necessary for the Commission to retain
18 jurisdiction under Ind. Code § 8-1-2-47 since the Commission will maintain

1 general audit authority under Ind. Code § 8-1-2-49. That said, GenCo is
2 willing to remove its request for declination under Ind. Code § 8-1-2-47.

3 With respect to Ind. Code § 8-1-2-51, as pointed out above, the Commission
4 will have approval authority and ongoing authority with respect to any
5 NIPSCO-GenCo PPAs and NIPSCO megaload customer special contracts.

6 This, in combination with the other sections of jurisdiction the Commission
7 will retain, is sufficient. Additionally, declination of jurisdiction does not
8 necessarily have to carry on in perpetuity. The Commission, the OUCC, or
9 any person with proper standing to file a complaint, can initiate
10 proceedings to revisit the determination of declination pursuant to Ind.
11 Code § 8-1-2.5-7 should circumstances warrant.

12 With respect to debt issuances under Ind. Code §§ 8-1-2-76 through -80,
13 GenCo is not aware of any instance where the Commission has required
14 debt issuances to be reported under a declination order. Also, since
15 NIPSCO and its customers will not be financially responsible for GenCo's
16 generation investments, GenCo does not believe Commission jurisdiction
17 needs to be retained.

1 **Q22. What is GenCo's response to CGA Witness Piontek's testimony (at**
2 **Attachment 1-A) that the Commission should retain jurisdiction related**
3 **to the CPCN Statute, clean coal technology, energy efficiency, and to**
4 **investigate, regulate rates and charges, address complaints, and enforce**
5 **statutes?**

6 **A22.** The CPCN Statute is addressed below. As to the clean coal technology
7 requirements, since GenCo has no coal-fired generation, there is no need to
8 retain jurisdiction over clean coal technology. With respect to energy
9 efficiency and rates and charges, since GenCo will not serve customers at
10 retail, that jurisdiction is simply not applicable and should be declined.

GenCo and NIPSCO Relationship and Interactions

11 **Q23. Please briefly explain the concerns raised by some parties about the**
12 **relationship and interactions between GenCo and NIPSCO and what**
13 **commitments GenCo is willing to make in response to those concerns.**

14 **A23.** One of the concerns raised by several parties relates to how GenCo and
15 NIPSCO will interact with each other, considering the plans expressed by
16 GenCo to enter into PPAs with NIPSCO and the fact that they are affiliated
17 companies. For example, CGA Witness Piontek (at 17-18) raised concerns

1 about potential cross-subsidies between NIPSCO and GenCo; CAC Witness
2 Thomas (at 20-21) argued for certain requirements related to cost allocation
3 between GenCo and NIPSCO; and Industrial Group Witness Gorman (at
4 11-12, 17) advocated for the creation of “affiliate guidelines” that would
5 govern the relationship between GenCo and NIPSCO, including offering an
6 example of affiliate guidelines previously agreed to between Citizens Gas
7 and the OUCC (Attachment MPG-1).

8 There are two primary commitments GenCo is willing to make to address
9 these issues. First, it has always been GenCo’s expectation that affiliate
10 guidelines would be created to govern its relationship with NIPSCO and
11 that such guidelines would be filed with the Commission and made
12 available to interested stakeholders. GenCo has not yet developed and
13 executed such guidelines, as it does not currently know the extent to which
14 its planned scope of operations may be impacted by a Commission order
15 approving its declination request, assuming the Commission ultimately
16 does so. Assuming approval of GenCo’s declination request, GenCo and
17 NIPSCO will work together to develop such guidelines and will submit
18 them to the Commission—which would occur no later than the time at

1 which the first NIPSCO-GenCo PPA is presented to the Commission for
2 approval.

3 Second, and along the same lines, GenCo will also enter into separate
4 service agreements with NIPSCO and NiSource Corporate Services
5 Company ("NCSC"). It is very likely that the GenCo-NCSC agreement will
6 largely mirror the current NIPSCO-NCSC agreement, as NCSC utilizes
7 materially similar agreements for all its operations companies. These
8 agreements would address things such as the scope of services to be
9 provided, compensation for such services, the allocation of costs to GenCo,
10 the bases for such cost allocation, etc. Like the affiliate guidelines discussed
11 immediately above, these service agreements will be filed with the
12 Commission no later than the date the first NIPSCO-GenCo PPA is
13 presented to the Commission for approval. Consistent with the request of
14 Industrial Group Witness Gorman (at 13), GenCo is also willing to file these
15 agreements either in a docketed proceeding (such as when a PPA is
16 presented) or in a 30-day filing—and will not simply provide notice to the
17 Commission that they have been executed.

1 Q24. What is GenCo's response to other testimony offered about GenCo and
2 NIPSCO interactions?

3 A24. With regards to the PPAs that will be entered into between NIPSCO and
4 GenCo, Industrial Group Witness Gorman (at 18) testified that "PPAs
5 between GenCo and NIPSCO associated with the provision of service to a
6 particular megaload customer should be presented in the anticipated
7 special contract review proceeding and should be subject to approval by
8 the Commission." CAC Witness Thomas (at 16) also testified that the
9 Commission should take three steps to "help mitigate this risk to NIPSCO's
10 existing retail customers[,] " which were: (1) ensuring that the annual
11 amounts paid by each megaload customer under its special contract with
12 NIPSCO are sufficient to cover the costs that NIPSCO pays under the
13 NIPSCO-GenCo PPA; (2) requiring annual reporting by NIPSCO of the
14 amounts collected from megaload customers and paid to GenCo and
15 requiring true ups of such payments; and (3) ensuring that the duration of
16 each special contract at least matches that of the NIPSCO-GenCo PPA for
17 serving that megaload customer.

1 As I discussed above, the scope of this proceeding is limited to GenCo's
2 request for limited declination of jurisdiction and is not about future
3 megaload customer special contracts (which GenCo will not even be a party
4 to) or future NIPSCO-GenCo PPAs. To the extent either type of agreement
5 is executed, it will be independently presented to the Commission for
6 review and approval under the applicable legal standard—and interested
7 stakeholders will have the opportunity to intervene and participate in these
8 proceedings. However, in the spirit of cooperation and to address concern
9 raised by Industrial Group Witness Gorman, GenCo is willing to commit to
10 submit all NIPSCO-GenCo PPAs to the Commission for approval.¹⁴ GenCo
11 and NIPSCO are open to submission of PPAs in the same filing as a related
12 megaload customer special contract but can commit to submit PPAs and
13 related megaload customer special contracts to the Commission at
14 approximately the same time, so they can be concurrently evaluated.

15 **Q25. Are there specific requests from stakeholders limiting the scope of**
16 **GenCo operations that GenCo is not willing to commit to?**

¹⁴ Such PPAs are affiliate contracts for energy and capacity and will also be required to be approved by the Federal Energy Regulatory Commission before becoming effective.

1 A25. Yes. Industrial Group Witness Gorman proposes (at 10) that (1) "NIPSCO
2 will not transfer to GenCo any existing generation assets supporting service
3 to non-megaload customers, and GenCo will not bid on or build any future
4 or replacement capacity to serve non-megaload customers" and (2)
5 "GenCo's assets will be limited to generation resources, and GenCo will not
6 own any substations, interconnection equipment to retail customers, or any
7 transmission facilities." GenCo understands this latter request to mean that
8 the Industrial Group does not want GenCo owning or operating
9 transmission and substation equipment that is part of the broader electric
10 grid, and not that they are opposed to GenCo owning customer-facing
11 substations. GenCo has no plans to own any substation-type equipment,
12 other than customer substations. With respect to the former request, GenCo
13 is willing to commit that it will not purchase any NIPSCO asset absent
14 explicit authorization from the Commission to do so. While GenCo
15 currently has no plans to purchase any current NIPSCO assets, at some
16 point in the future, it could be that doing so would present a benefit or cost
17 savings to NIPSCO and its non-megaload customers.

1 CAC Witness Thomas proposes (at 20) that the "Commission should
2 condition approval of GenCo's declination request on NIPSCO having a
3 right to match any offer to purchase GenCo assets and establish a process
4 for Commission review of sales of GenCo assets with stakeholder input.
5 This would offer some protection to NIPSCO's customers, with respect to
6 the value of any assets disposed of by GenCo." With the structure and
7 commitments presented in GenCo's case-in-chief and in rebuttal, GenCo is
8 limiting and mitigating NIPSCO customers' risk. It would be unreasonable
9 to mandate that GenCo first offer any assets to NIPSCO, unless there is an
10 accompanying guarantee of cost recovery from current NIPSCO customers,
11 which GenCo is not seeking.

12 In response to arguments from CAC Witness Thomas (at 23) and LaPorte
13 Witness O'Connell (at 13) seeking to force GenCo to give a portion of its
14 earnings to NIPSCO's customers, such arguments are outside the scope of
15 this proceeding, as GenCo has not presented any transaction or revenue
16 recovery to the Commission. Nothing prohibits CAC and LaPorte from
17 raising these arguments in the proper forum at the proper time, but this
18 declination proceeding is neither of those.

**THE CPCN STATUTE DOES NOT GENERALLY APPLY TO THE ACTIVITIES IN WHICH
GENCO WILL BE ENGAGED**

1 **Q26. Industrial Group Witness Gorman (at 15) and CGA Witness Piontek (at**
2 **10) objected to GenCo's request for declination with respect to the CPCN**
3 **requirements set forth in Ind. Code ch. 8-1-8.5 ("the "CPCN Statute").**
4 **Does the CPCN Statute generally apply to the activities in which GenCo**
5 **will be engaged?**

6 A26. No. To understand why, it is important to understand the regulatory
7 policies inherent in the CPCN Statute. The CPCN Statute requires prior
8 approval of the acquisition or construction of generation and establishes the
9 elements that must be proved to receive that prior approval. In addition to
10 public convenience and necessity, these elements include, but are not
11 limited to, a finding of the best estimate of costs, consistency with the
12 utility's integrated resource plan ("IRP"), and consideration of the
13 applicant's other arrangements for power with other electric utilities, as
14 well as other methods of providing service. See Ind. Code § 8-1-8.5-5.5. In
15 return, the energy utility is then assured recovery of and on the approved
16 costs that are incurred in reliance on the CPCN, even if the unit is
17 abandoned before being placed in service. See Ind. Code § 8-1-8.5-6.5. This

1 is the quid pro quo inherent in the CPCN Statute– in return for requiring
2 prior approval, the energy utility is assured recovery of its costs even if the
3 cost to develop the generation increases for reasons outside the utility's
4 control, generation is never placed into service, etc.

5 **Q27. Why does the CPCN Statute not apply to the activities in which GenCo**
6 **will be engaged?**

7 A27. GenCo will have no retail customers, proposes to not be subject to the
8 requirement to submit an IRP to the Commission,¹⁵ does not and will not
9 have “other arrangements” for power, and will only provide service at
10 wholesale. As such, GenCo will not provide the retail service falling within
11 the Commission's jurisdiction for which it could have “other methods” to
12 provide. Most importantly, however, GenCo will have no assurance of cost
13 recovery through retail rates but, rather, will only receive recovery of its
14 costs through payments from NIPSCO through a NIPSCO-GenCo PPA.
15 That PPA will only be entered into if NIPSCO executes a megaload
16 customer special contract.

¹⁵ 170 IAC 4-7-2.

1 Importantly, both that megaload customer special contract and the
2 NIPSCO-GenCo PPA will be submitted to the Commission for approval in
3 a docketed proceeding. Forcing GenCo to obtain prior approval of the
4 construction is to impose the “quid” of the CPCN Statute without providing
5 the “quo.” As noted above, there is a later proceeding (approval of the
6 megaload customer special contract and NIPSCO-GenCo PPA) before
7 GenCo will receive any ability for cost recovery.

8 **Q28. Will the Commission have oversight over GenCo's construction of**
9 **generation?**

10 A28. Yes. For this reason, I disagree with CGA Witness Piontek's
11 characterization (at 10) of GenCo's request as being “unbounded or
12 blanket” and Industrial Group Witness Gorman's assertion (at 14) that
13 “GenCo would be able to construct generation resources . . . without any
14 need to obtain a CPCN and *with no* certification process or *regulatory*
15 oversight by the Commission whatsoever.” (Emphasis added.) As I previously
16 noted, GenCo has no cost recovery mechanism until a NIPSCO-GenCo PPA
17 is approved. GenCo ultimately will need a PPA for all generation that it
18 builds. Thus, the Commission will ultimately have the opportunity to

1 review the cost recovery associated with all GenCo generation. If GenCo
2 spends money on generation that is not ultimately backed by an approved
3 NIPSCO-GenCo PPA, NIPSCO's retail customers will not be paying any of
4 those costs. It is for this reason that the CPCN Statute is an example of one
5 statute over which jurisdiction should be declined.

6 The Commission's exercise of jurisdiction will be unnecessary and wasteful
7 and will inhibit NIPSCO's ability to attract megaload customers to Indiana
8 due to competition with other providers of retail service. Specifically, it
9 would be problematic were GenCo to be required to obtain a CPCN, as the
10 prohibition of Ind. Code § 8-1-8.5-2 that construction cannot begin until a
11 CPCN has been issued would apply. This would be a material hurdle to
12 timely development and procurement of needed generation resources,
13 which would impact GenCo's ability to attract megaload customers—for
14 the benefit of the State of Indiana, NIPSCO, and its customers.

15 The purpose of the CPCN Statute – protecting both the energy utility and
16 retail customers when new generation is proposed – is not fulfilled by
17 Commission jurisdiction over GenCo. Retail customers will be adequately
18 protected by the Commission's exercise of jurisdiction when it approves the

1 NIPSCO-GenCo PPA, and that approval will also be the source of recovery
2 for GenCo. Further, there is a need for speed-to-market in attracting
3 megaload customers to Indiana. It is not in the public interest to layer a
4 docketed proceeding of up to 240 additional days (or even a 150-day period
5 as suggested by Mr. Gorman (at 16)), as this would delay GenCo's ability
6 to develop necessary generation and would provide retail customers with
7 no additional protections beyond those already provided by approval of
8 the NIPSCO-GenCo PPA in a future, separate proceeding.

9 **Q29. Is GenCo willing to commit to providing the Commission with**
10 **information about the generation it intends to construct in the event**
11 **declination is granted as requested by GenCo in this proceeding?**

12 A29. Yes. To provide additional visibility beyond the megaload customer special
13 contract and NIPSCO-GenCo PPA filings, GenCo is committing to provide
14 certain reporting metrics in this proceeding, subject to confidentiality if
15 GenCo determines such protection is necessary. First, GenCo commits to
16 making a compliance filing in this Cause at least 30 days in advance of
17 beginning construction for each asset or group of assets GenCo is sourcing
18 to serve any individual megaload customer (the "Construction Compliance

1 Filing"). The Construction Compliance Filing will provide details relating
2 to the size, fuel source, and location of the generation asset(s). GenCo is
3 also willing to make semi-annual compliance filings to identify any changes
4 to the information included in the Construction Compliance Filing and
5 provide construction progress updates for all ongoing generation assets,
6 such as progress related to generation interconnection, permitting, zoning,
7 etc. (the "Semi-Annual Update Compliance Filing"). GenCo would make
8 its initial Semi-Annual Update Compliance Filing 90 days following the
9 issuance of an order in this Cause.

10 **Q30. Please briefly summarize your rebuttal testimony.**

11 A30. The opportunity presented by megaload customers is unlike anything
12 previously experienced in the industry. Attracting and serving these types
13 of customers has the potential to lead to tremendous benefits for Indiana,
14 NIPSCO, and its customers, but there are also accompanying challenges.
15 GenCo is being proposed in direct response to these challenges—including
16 enabling the development of needed generation resources more quickly
17 than under traditional regulation while providing reasonable and
18 appropriate protections to NIPSCO and its customers. Indiana, and

1 northwest Indiana in particular, will sit in a unique position compared to
2 the rest of the country in addressing load growth of this nature, both
3 protecting traditional customers from the most significant cost risks while
4 enabling unforeseen economic growth in the region.

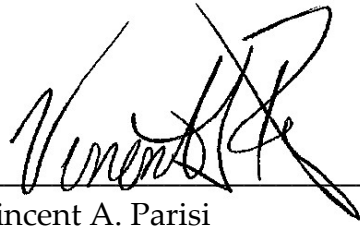
5 GenCo intentionally tailored its declination request to address the need for
6 speed-to-market but to also allow the Commission to maintain an
7 appropriate level of oversight of GenCo's operations. With the
8 clarifications and commitments GenCo has provided in this rebuttal
9 testimony, when evaluated under the appropriate legal standard, it is clear
10 that approval of GenCo's request for limited declination of jurisdiction is in
11 the public interest and should be approved.

12 **Q31. Does this conclude your prefiled rebuttal testimony?**

13 A31. Yes.

VERIFICATION

I, Vincent A. Parisi, President and Chief Operating Officer of 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.



Vincent A. Parisi

Date: April 14, 2025

Cause No. 46183
Northern Indiana Public Service Company LLC (NIPSCO)
Objections and Responses to the
NIPSCO Industrial Group's Fourth Set of Data Requests

Industrials Request 4-001:

Concerning the direct testimony of NIPSCO witness Erin Whitehead at page 13 through 16 which he outlines financial integrity under the proposal for the creation of NIPSCO GenCo; and with respect to this testimony please answer the following:

- a. Estimate NIPSCO's off balance sheet debt equivalents attributable to the purchased Power Agreement ("PPA") contractual obligations that NIPSCO will have with NIPSCO GenCo, for delivery of all production capacity and energy needed to reliably serve NIPSCO's retail customers.
- b. Please outline the expected structure of the PPA contract between NIPSCO and NIPSCO GenCo concerning capacity and energy needed to meet MISO resource adequacy obligations, take or pay provision, demand ratchet provision, credit enhancements, service reliability defaults penalties and contract terminations, if required, other.
- c. Please describe how take or pay provisions, billing demand ratchets, minimum bill, or other contract provisions that require NIPSCO to pay for power and help GenCo's ability to recover fixed costs and support its financial integrity.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks information that is confidential, proprietary and/or trade secret.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent the Request calls for speculation.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request seeks documents or information that are beyond the scope of this proceeding, as this proceeding is about NIPSCO GenCo's request for declination of certain aspects of the Commission's jurisdiction. In accordance with Paragraph 5 of the Presiding Officers' February 27, 2025 Docket Entry issued in this Cause, the scope of this proceeding is not about any agreement that may be reached in

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the future between NIPSCO GenCo and NIPSCO for delivery of production capacity and energy.

NIPSCO further objects to subpart (a) of this Request on the separate and independent grounds and to the extent it solicits an analysis, calculation or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. A response to this Request would necessarily involve speculation, as it is dependent on numerous factors, including NIPSCO actually entering into a PPA with GenCo (which has not occurred), the size of that PPA, the terms of the PPA, etc. To the extent a PPA is executed, it will be presented to the Commission for approval in a separate proceeding. See also NIPSCO's objections.
- b. A response to this Request would necessarily involve speculation, as it is dependent on numerous factors, including NIPSCO actually entering into a PPA with GenCo (which has not occurred). To the extent a PPA is executed, it will be presented to the Commission for approval in a separate proceeding. See also NIPSCO's objections.
- c. A response to this Request would necessarily involve speculation, as it is dependent on numerous factors, including NIPSCO actually entering into a PPA with GenCo (which has not occurred). To the extent a PPA is executed, it will be presented to the Commission for approval in a separate proceeding. See also NIPSCO's objections.

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NIPSCO Industrial Group's Fourth Set of Data Requests

Industrials Request 4-004:

Concerning the potential uncertainty associated with financial integrity for the proposed NIPSCO GenCo, please answer the following:

- a. If NIPSCO GenCo is not able to supply high quality reliable power to NIPSCO at affordable rates, will NIPSCO have the right to seek a purchase power agreement with a non-affiliated supplier? Please explain answer.

Objections:

NIPSCO objects to this Request on the grounds and to the extent the Request calls for speculation.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request seeks documents or information that are beyond the scope of this proceeding, as this proceeding is about NIPSCO GenCo's request for declination of certain aspects of the Commission's jurisdiction. In accordance with Paragraph 5 of the Presiding Officers' February 27, 2025 Docket Entry issued in this Cause, the scope of this proceeding is not about any agreement that may be reached in the future between NIPSCO GenCo and NIPSCO for delivery of production capacity and energy.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request is vague and ambiguous as the term "high quality reliable power" is undefined.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request requires NIPSCO to address a hypothetical.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. A response to this Request would necessarily involve speculation, as it is dependent on numerous factors, including NIPSCO actually entering into a PPA with GenCo (which has not occurred), GenCo failing to meet its obligations under such PPA, etc. To the extent a PPA is executed, it

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will be presented to the Commission for approval in a separate proceeding. See also NIPSCO's objections.

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Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUC Request 3-005:

Will NIPSCO or its customers obtain any benefits other than the risk protection provided by the generation assets necessary to support megaload customers being excluded from NIPSCO's rate base? Please list all benefits, identify those that are quantifiable, and explain each one.

Objections:

NIPSCO objects to this Request on the grounds and to the extent the Request calls for speculation, as the requested information is not known and responding would necessarily involve speculation.

NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request is vague and ambiguous as the terms "benefits" and "obtain" are undefined. Additionally, it is unclear and ambiguous as to whether the Request is asking about all benefits from implementation of NIPSCO's overall megaload structure, or bringing additional generation online through NIPSCO GenCo, or something else.

To the extent this Request is asking about all benefits from implementation of NIPSCO's overall megaload structure, NIPSCO further objects to this Request on the separate and independent grounds and to the extent that this Request seeks documents or information that are beyond the scope of this proceeding, as this proceeding is about NIPSCO GenCo's request for declination of certain aspects of the Commission's jurisdiction. In accordance with Paragraph 5 of the Presiding Officers' February 27, 2025 Docket Entry issued in this Cause, the scope of this proceeding is not about information related to NIPSCO-customer arrangements or NIPSCO's overall strategy to serve megaload customers.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

Yes, NIPSCO reasonably expects that NIPSCO and its non-megaload customers will obtain benefits other than the risk protection provided by the generation assets necessary to support megaload customers being excluded from NIPSCO's rate base. Assuming (a) NIPSCO GenCo's petition is timely approved in full by the Commission; (b) NIPSCO's successful negotiation, execution, and timely Commission approval of one or more special contracts with megaload customers; and (c) timely Commission

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approval of the contractual arrangements between NIPSCO and NIPSCO GenCo, NIPSCO reasonably expects that the net result to its other customers will be lower total rates than otherwise would occur had no megaload customers been added to NIPSCO's system. As with traditional load growth, this is otherwise known as downward rate pressure.

NIPSCO also reasonably expects to have a more reliable and resilient electric system than otherwise would exist had megaload customers not been added, thereby allowing for new generation, and associated transmission and distribution, resources being brought to bear. But the realization and extent of any benefit is dependent on various factors, including obtaining the approvals noted above, the number and size of megaload customer additions, etc.

It is difficult to "list all benefits" that "NIPSCO or its customers [may] obtain" beyond the protection from financial risk. However, below, NIPSCO has provided a list and brief explanation of anticipated benefits that it expects NIPSCO and/or its customers may obtain.

- 1) Reliability, Resiliency, & Stability: As discussed on page 25 of Witness Whitehead's direct testimony, it is likely that additional dispatchable generation will be utilized to serve new megaload customers. As accredited generation capacity is brought online to match all megawatts of load from new customers, the net result should be a more reliable, resilient, and stable system—for the benefit of all NIPSCO's customers. To the extent added megaload customers pay for new transmission and/or distribution infrastructure that is added to NIPSCO's system, this also has the potential to further reliability and resiliency of NIPSCO's entire system, to the benefit of NIPSCO and all its customers. See also pages 25-26 of the direct testimony of Witness Whitehead.
- 2) Affordability: As documented in Section 12 of the pending Stipulation and Settlement Agreement in Cause No. 46120, NIPSCO's intention is that any large or megaload customer that may enter into a contract for electric service will commit to pay the direct, incremental costs associated with serving their load and some portion of the costs of NIPSCO's existing electric system. To the extent NIPSCO enters into such contract(s), NIPSCO has committed to file a proposal with the Commission to timely pass back to NIPSCO's current electric customers the revenues NIPSCO collects related to payment for recovery of some portion of the costs of NIPSCO's existing electric system paid by the large or mega load

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Objections and Responses to the
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customer(s). This is expected to result in cost savings to NIPSCO's customers, which would not be expected but for the addition of megaload customers to NIPSCO's system.

- 3) Environmental Sustainability: See pages 26-27 of the direct testimony of Witness Whitehead.

Cause No. 46183
NIPSCO Generation LLC (NIPSCO GenCo)
Objections and Responses to the
NIPSCO Industrial Group's First Set of Data Requests

<u>Industrials Request 1-009:</u>
Footnote 4 of the Direct Testimony of Erin Whitehead states that “to the extent NIPSCO GenCo has energy and capacity beyond what is needed for NIPSCO to serve its retail load, NIPSCO GenCo may also offer excess energy and capacity in the wholesale market.” How do you reconcile that statement with the statement made on Page 12 of the Erin Whitehead’s direct testimony – that “NIPSCO and NIPSCO GenCo will enter into a power purchase (or similar) agreement, whereby all energy and capacity from GenCo’s generation assets will be sold to NIPSCO and utilized by NIPSCO to serve megaload customers”?
<u>Objections:</u>
NIPSCO GenCo objects to this Request on the grounds and to the extent that this Request seeks information that is confidential, proprietary, and/or trade secret
<u>Response:</u>
Subject to and without waiver of the foregoing general and specific objections, NIPSCO GenCo is providing the following response: See GenCo-Industrials Request 1-009 Confidential Attachment A.

GenCo-Industrials Request 1-009 Confidential Attachment A
Cause No. 46183

