

OFFICIAL EXHIBITS

Petitioner's Exhibit No. 3-R
Northern Indiana Public Service Company
Cause No. 44634
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REBUTTAL
VERIFIED ~~DIRECT~~ TESTIMONY OF RICHARD A. MORGAN

RAM

- 1 Q1. Please state your name, title and business address.
- 2 A1. My name is Richard A. Morgan. I am President of Morgan Marketing
3 Partners, LLC ("MMP"). My business address is 6205 Davenport Drive,
4 Madison, Wisconsin, 53711-2447. I am submitting this testimony on behalf
5 of Northern Indiana Public Service Company ("NIPSCO" or the
6 "Company").
- 7 Q2. Are you the same Richard A. Morgan that prefiled direct testimony in this
8 Cause on June 4, 2015?
- 9 A2. Yes.
- 10 Q3. What is the purpose of your rebuttal testimony?
- 11 A3. The purpose of my rebuttal testimony is to support the cost benefit analysis
12 of NIPSCO's updated proposed 2016-2018 Electric DSM Program for the
13 period of January 1, 2106 through December 31, 2018 ("2016-2018 Electric
14 DSM Program"), which was developed by MMP using the information
15 provided by the vendors selected by NIPSCO's Oversight Board ("OSB").
- 16 Q4. What does your analysis include?

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1 A4. The analysis performed by MMP included taking the data provided by the
2 selected vendors and performing an independent analysis of the costs and
3 benefits of those programs for NIPSCO's proposed 2016-2018 Electric DSM
4 Program. This was done utilizing DSMore, which I describe in my direct
5 testimony.

6 **Q5. For what period was the analysis performed?**

7 A5. The analysis was developed for the period of 2016-2018. It considers the
8 costs and benefits for each proposed program and the two portfolios –
9 residential and commercial and industrial ("C&I") and is updated to
10 include the Weatherization component added to the Income Qualified
11 program as well as other changes proposed by both vendors as program
12 designs, savings and budgets have continued to be refined.

13 **Q6. Did MMP maintain the overall approach and process used to perform the**
14 **analysis in your direct testimony?**

15 A6. Yes.

16 **Q7. Indiana Code § 8-1-8.5-10 ("Section 10") sets out what the Commission**
17 **should consider in making a determination of the overall reasonableness**
18 **of a plan. Specifically, Section 10 states the Commission should consider**

1 a cost and benefit analysis of the plan, including the likelihood of
2 achieving the goals of the energy efficiency programs included in the
3 plan. Does your analysis indicate that NIPSCO's updated plan is likely
4 to achieve the goals included in its proposed 2016-2018 Electric DSM
5 Program?

6 A7. Yes. The program goals for each year are similar to NIPSCO's achievement
7 in previous program years. These programs are also similar to other
8 programs we have analyzed by other utilities which have been successful
9 in meeting their goals. Given the history of the success of NIPSCO's
10 program and the similarity to other successful utility programs, it is my
11 opinion that NIPSCO will continue to successfully meet its goals with this
12 plan.

13 **Q8. Are NIPSCO's updated proposed programs cost effective?**

14 A8. Yes. As shown in Table 1, both the updated residential and C&I portfolios
15 pass the TRC and the UCT tests. All individual programs included in the
16 residential and C&I portfolios also pass the TRC and UCT tests except for
17 the Income Qualified program. Income Qualified programs don't typically
18 pass either test because the utility pays for all the measure costs and
19 installation costs to help the disadvantaged customers control their bills.

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Table 1

Residential Electric Programs 2016-2018									
	ALL RES	HEA	HVAC	RLP	SCH	RCY	APR	BEH	IQW
Utility (PAC) Test	2.24	1.07	2.97	4.12	3.65	1.33	1.01	2.85	0.61
TRC Test	1.91	1.07	2.06	2.46	3.65	1.33	1.01	2.85	0.61
RIM Test	0.32	0.23	0.61	0.27	0.29	0.27	0.28	0.37	0.25
Societal Test	2.44	1.34	3.09	3.35	4.48	1.53	1.39	2.87	0.84
Participant Test	12.27	N/A	2.76	9.32	N/A	N/A	N/A	N/A	N/A

C&I Electric Programs 2016-2018						
	ALL C&I	CUS	PRE	NC	RCx	SBDI
Utility (PAC) Test	7.03	6.44	7.94	15.35	4.36	4.54
TRC Test	2.98	3.96	2.00	10.54	2.92	2.56
RIM Test	0.31	0.31	0.33	0.33	0.26	0.27
Societal Test	4.31	5.66	2.94	15.86	3.50	3.71
Participant Test	7.77	11.53	4.45	31.92	14.54	8.13

KEY - Res Electric	
All Residential Electric Programs	ALL RES
Home Energy Analysis	HEA
HVAC Rebates	HVAC
Lighting	RLP
School Education	SCH
Appliance Recycling	RCY
Appliance Replacement	APR
Behavioral Program	BEH
Income Qualified Program	IQW

KEY - C&I Electric	
All C&I Electric Programs	ALL C&I
Custom Program	CUS
Prescriptive Program	PRE
New Construction	NC
Retro-commissioning Program	RCx
Small Business Direct Install	SBDI

1 **Q9.** Given your review of NIPSCO's updated plan, the analysis of the goals
2 and the cost benefit modeling results, do you believe that NIPSCO's
3 2016-2018 Electric DSM Program is cost effective and achievable??

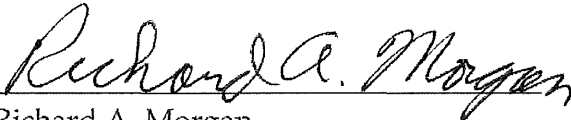
4 **A9.** Yes.

5 **Q10.** Does this conclude your rebuttal testimony?

6 **A10.** Yes.

VERIFICATION

I, Richard A. Morgan, President of Morgan Marketing Partners, LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.


Richard A. Morgan

Date: 9/25/15