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INDIANA UTILITY
REGULATORY COMMISSION

CAC Exhibit 1 (Redacted)

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC ("NIPSCO") AND NIPSCO GENERATION LLC ("GENCO") FOR (1) APPROVAL OF A SPECIAL CONTRACT ("DATA CENTER CUSTOMER #1 SPECIAL CONTRACT") PURSUANT TO IND. CODE §§ 8-1-2-24 AND 8-1-2-25; (2) APPROVAL OF A POWER PURCHASE AGREEMENT ("PPA") BETWEEN NIPSCO AND GENCO; (3) APPROVAL OF ALTERNATIVE REGULATORY PLANS PURSUANT TO IND. CODE §§ 8-1-2.5-5 AND 8-1-2.5- 6 FOR BOTH NIPSCO AND GENCO; AND (4) APPROVAL OF DEPRECIATION ACCRUAL RATES FOR GENERATION AND TRANSMISSION ASSETS TO BE CONSTRUCTED TO FULFILL THE OBLIGATIONS IN THE DATA CENTER CUSTOMER #1 SPECIAL CONTRACT AND PPA.	**CAUSE NO. 46322**

DIRECT TESTIMONY OF BENJAMIN INSKEEP

ON BEHALF OF

CITIZENS ACTION COALITION OF INDIANA, INC.

HIGHLY CONFIDENTIAL REDACTED

JANUARY 27, 2026

Table of Contents

I. INTRODUCTION 3
II. NIPSCO-AMAZON SPECIAL CONTRACT 6
a. Five Pillars 6
b. Shared System Charges Amount 7
c. Shared System Credit Allocation 13
d. Timing of Shared System Credits 15
e. Residential Credit Rate Design & Bill Line Item 16
f. Customer Fund 17
g. Reliability, Resiliency, and Stability 18
h. Environmental Sustainability 21
i. Contract Renewal 24
j. Compliance Filings 25
III. CONCLUSION 27

I. INTRODUCTION

Q. Please state your name, position, and business address.

A. My name is Benjamin Inskeep, and I am Program Director at Citizens Action Coalition of Indiana, Inc. ("CAC"). My business address is 1915 West 18th Street, Suite C, Indianapolis, Indiana 46202.

Q. Please describe your current responsibilities.

A. I have served as CAC's Program Director since March 2022. In that role, I work to advance CAC's policy and programmatic priorities related to energy, utilities, and consumer affordability and protection.

Q. Please briefly summarize your prior employment and educational background.

A. My prior employment includes working as a policy analyst at the North Carolina Clean Energy Technology Center at North Carolina State University in 2014-2016. From 2016-2022, I was an energy consultant at EQ Research LLC, where I contributed to regulatory and legislative tracking services, performed customized research and analysis, and served as an expert witness in utility regulatory proceedings. I earned a Bachelor of Science in Psychology with Highest Distinction and General Honors Notation from Indiana University in 2009. In 2012, I earned both a Master of Science in Environmental Science and a Master of Public Affairs from the O'Neill School of Public and Environmental Affairs at Indiana University, receiving the Top GPA Award. I completed the EUCI's Utility Accounting 101 course in April 2023.

Q. Have you previously filed testimony before the Indiana Utility Regulatory Commission?

A. Yes. Attachment BI-1 identifies the cases in which I have previously filed testimony.

Q. Are you sponsoring any other attachments?

A. Yes. Attachment BI-2 and Attachment BI-2-HC provide public and highly confidential responses, respectively, to data requests cited in this testimony.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of CAC.

Q. What is the purpose of your testimony in this proceeding?

A. On November 7, 2025, Northern Indiana Public Service Company LLC ("NIPSCO") and NIPSCO Generation LLC ("GenCo") (collectively, "Joint Petitioners") filed a petition requesting approval of a Special Contract executed between NIPSCO and Amazon Data Services, Inc. ("Amazon"), and a Power Purchase Agreement between NIPSCO and GenCo ("PPA"), along with an alternative regulatory plan. My testimony responds to the Joint Petitioners' requested relief.

Q. Please summarize your conclusions and recommendations.

A. While the Special Contract and PPA address many of the concerns that have been raised by CAC in prior proceedings regarding the potential impacts of new large load customers, there are several key aspects of the Special Contract that have not been adequately demonstrated to be just and reasonable and in the public interest, particularly given the 2,400 MW in Amazon data center capacity under the Special Contract is among the largest contracted capacity commitments between a utility and a data center customer in the nation to CAC's knowledge. I recommend that the Commission approve the Special Contract with conditions and modifications to address the concerns identified by CAC below as required by the Five Pillars (affordability, reliability, resiliency, stability, and environmental

sustainability) and the public interest as it relates to transparency. Specifically, I recommend the Commission:

Affordability

- Base the annual Shared System Credit to be provided to NIPSCO existing ratepayers on an amount equivalent to $0.014725 per kWh (the current Transmission Charge for large industrial customers under Rate 631), which will rightfully triple the benefit received by ratepayers from the Special Contract.
- Allocate no less than 50% of the Shared System Credit to residential customers to address residential affordability concerns in NIPSCO's service territory.
- Require Commission approval of any future extensions to the Special Contract, at which time any modifications to terms and conditions in the Special Contract will be considered.

Environmental Sustainability

- Deny the proposed Contract Generation Assets and instead direct Joint Petitioners to work with Amazon to develop a more balanced portfolio of resources, including a substantial portfolio of clean energy resources such as solar and wind, to serve Amazon's unprecedented load.
- Direct NIPSCO to prevent Amazon from using any backup diesel generators at its Data Center Locations as a tool for providing demand response.

Reliability, Resiliency, and Stability

- Require NIPSCO to undertake the appropriate study and implement the identified mitigation measures associated with potential reliability, resiliency, and stability issues from these unprecedented large loads that have unique characteristics and risks.
- Direct NIPSCO to directly assign the cost of all mitigation measures to Amazon.

Transparency

- Direct NIPSCO to make quarterly compliance filings in this Cause reporting on the key topics identified in my testimony below to keep the Commission, stakeholders, and the public updated about the Special Contract.
- Direct NIPSCO to show on a separate line item on customer bills information about each tracker mechanism, including the Shared System Credit; but to the extent this proposal is not adopted, the Commission should reject NIPSCO's proposal to only show the Shared System Credit, but not other trackers, as a separate line item.

II. NIPSCO-AMAZON SPECIAL CONTRACT

a. Five Pillars

Q. What are the Five Pillars of Electric Utility Service?

A. The General Assembly enacted Ind. Code § 8-1-2-0.6 in 2023, providing that "it is the continuing policy of the state that decisions concerning Indiana's electric generation resource mix, energy infrastructure, and electric service ratemaking constructs must consider" certain enumerated attributes of electric utility service referred to as the "Five Pillars of Electric Utility Service" ("Five Pillars" or "Pillars"). The Five Pillars are reliability, affordability, resiliency, stability, and environmental sustainability. This proceeding impacts electric generation resource mix, energy infrastructure, and electric service ratemaking constructs, and therefore the Five Pillars apply to the Commission's decision in this Cause.

Q. Do Joint Petitioners argue that the Special Contract and PPA are consistent with the Five Pillars?

A. No. While Joint Petitioners address, to a limited extent, how the Special Contract and PPA address affordability, reliability, and resiliency, they do not address grid stability or environmental sustainability. This is odd because consistency with the Five Pillars is mandatory, not discretionary, and Joint Petitioners bear the burden of proof in this proceeding. By failing to address the Five Pillars in their case-in-chief, the Commission and stakeholders do not have the opportunity to fully evaluate the consistency of the requested relief with Indiana law with respect to the Five Pillars. I address the consistency of the Special Contract with the Five Pillars, among other issues, in the following sections.

b. Shared System Charges Amount

Q. What are Joint Petitioners proposing regarding the Shared System Charges and crediting mechanism associated with the Special Contract?

A. One of the components of the Special Contract is that Amazon will pay the Shared System Charges. NIPSCO would pass back the Shared System Charges collected from Amazon to NIPSCO's existing ratepayers via the Shared System Credit, a new tracker mechanism that would be updated on a semi-annual basis, with a true-up mechanism to reconcile variances.

The Shared System Charges assessed on Amazon are comprised of [redacted], as detailed in Joint Petitioners' Highly Confidential Attachment 1-B, Exhibit C-3. [redacted][1] [redacted].[2] The Shared System Charges total [redacted]. This is the primary compensation that existing customers will receive from Amazon for its 2,400 MW of load utilizing, and

[1] [redacted].

[2] Parisi Highly Confidential Direct Testimony 28:3-5.

potentially putting massive strain on, the shared system that has been built, maintained, and upgraded by funds from existing NIPSCO ratepayers.

Q. Joint Petitioners forecast that the Shared System Credit will result in approximately $1 billion being passed back to existing NIPSCO ratepayers. Do you agree that, since this is a sizeable amount, it should be approved?

A. No. Simply because the overall amount of the credit will be significant does not mean that the credit mechanism is reasonable. To be clear, CAC supports the concept proposed by NIPSCO whereby existing customers will receive a bill credit to compensate them for Amazon's use of the shared system. However, it is important that the Shared System Credit is set at an amount that is just and reasonable and in the public interest. NIPSCO bears the burden of proving that the Shared System Credit received by existing ratepayers meets this standard.

Q. Are the Shared System Charges only reflective of the shared transmission system that will used by Amazon?

A. No. According the Joint Petitioners, the Shared System Charges are "intended to account for the incidental use of any of NIPSCO's existing infrastructure, which is not necessarily limited to transmission and distribution assets."[3]

Q. How do the Shared System Charges compare to the current rates that large industrial customers pay specifically for transmission service under NIPSCO's Rate 631?

A. Rate 631 applies to the very largest industrial customers on NIPSCO's system today, whose facilities are among the largest non-data center power users in the state of Indiana. Therefore, the Rate 631 current cost-based transmission rate provides an important

[3] Parisi Direct Testimony, footnote 9.

comparison point, as it would be reasonable to assume Amazon should contribute no less for its use of the shared system than NIPSCO's very large industrial customers contribute towards the shared transmission system specifically. For example, Google and Amazon data centers in Indiana Michigan Power's service territory are paying the same rates as I&M's industrial customers under Tariff I.P., including the same rates for transmission service.[4] Currently, Rate 631 includes a $0.014725 per kWh Transmission Charge for all usage tiers, which is [redacted] the Shared System Charges of [redacted]. Rate 631 customers also pay a TDSIC Tracker charge (currently, $0.000417 per kWh for Rate 631 Tier 1).[5]

Q. What would the Shared System Credit be for existing NIPSCO customers if the Shared System Charges were set equal to the current Transmission Charge paid by Rate 631 customers for the 15-year Special Contract term?

A. Based on publicly available information, I estimate the Shared System Credit would total between $1.1 billion and $3.5 billion (representing bookend load factors of 30% and 95%, respectively, for Amazon's aggregate data center capacity), and nearly $3 billion assuming a load factor of 80% over 15 years. To make these estimates, for each year of the Special Contract, I used estimated annual contract capacity multiplied by 8,760 hours per year, multiplied by an assumed load factor to calculate estimated electricity consumption, which was converted in kWh and multiplied by the Transmission Charge to determine the estimated Shared System Credit. To estimate future annual demand, I started with the contract capacity of 2,400 MW beginning in 2033 and assumed it stayed at that level

[4] Cause No. 46097.
[5] NIPSCO, accessed January 25, 2026, https://www nipsco.com/docs/librariesprovider11/rates-and-tariffs/electric-rates/2025-to-current/appendix-j.pdf

through the end of the 15-year term. For years before 2033, I assumed service starting on January 1, 2027, with a linear annual load ramp to 2033, since the actual load ramp under the Special Contract is not publicly available.

This calculation illustrates that existing NIPSCO customers could be getting shortchanged based on the amount NIPSCO plans to provide via the Shared System Credit for Amazon's use of the shared system, as NIPSCO is proposing to only provide an estimated $1 billion back to customers, whereas customers would likely receive nearly $3 billion or more if NIPSCO credited ratepayers in an amount equivalent to the rate it charges its very largest industrial customers for using the shared transmission system.

Table 1. Estimated Shared System Credit When Set Equal to the Current Rate 631 Transmission Charge, Based on Different Load Factor Assumptions

	Estimated	Annual Shared System Credit		
Year	Capacity (MW)	30% Load Factor	80% Load Factor	95% Load Factor
2027	343	$ 13,273,174	$ 35,395,130	$ 42,031,717
2028	686	26,546,348	70,790,261	84,063,435
2029	1029	39,819,522	106,185,391	126,095,152
2030	1372	53,092,696	141,580,522	168,126,869
2031	1715	66,365,870	176,975,652	210,158,587
2032	2058	79,639,043	212,370,782	252,190,304
2033	2400	92,873,520	247,662,720	294,099,480
2034	2400	92,873,520	247,662,720	294,099,480
2035	2400	92,873,520	247,662,720	294,099,480
2036	2400	92,873,520	247,662,720	294,099,480
2037	2400	92,873,520	247,662,720	294,099,480
2038	2400	92,873,520	247,662,720	294,099,480
2039	2400	92,873,520	247,662,720	294,099,480
2040	2400	92,873,520	247,662,720	294,099,480
2041	2400	92,873,520	247,662,720	294,099,480
Total Shared System Credit		**$ 1,114,598,332**	**$ 2,972,262,218**	**$ 3,529,561,384**

In Workpaper BI-1HC, I also provide the same calculations as in Table 1, but using Highly Confidential information from the Special Contract rather than making the above assumptions about the load forecast. This analysis shows [redacted]

[redacted]. Note that the Transmission Charge is expected to increase over time for Rate 631 and other NIPSCO customers, so holding it constant at its current rate for Amazon would reflect a significant discount over the 15-year Special Contract term relative to the Transmission Charges likely to be paid by Rate 631 customers during the same period.

Q. Does the Shared System Credit mean that NIPSCO customers will experience lower bills as a result of Amazon data centers?

A. Not necessarily. While large load customers like Amazon result in more electric sales, spreading out the costs of existing system assets, large load customers will also impose increased costs on the shared system that will create upwards pressure on rates of a currently unknown magnitude. For example, the existing system could endure additional wear and tear from the data centers, requiring components to be replaced sooner than otherwise, and NIPSCO incurring higher capital expenditures and O&M expense in the future than it otherwise would. While I recognize that the Special Contract provides that Amazon will pay for direct, incremental transmission upgrades, indirect costs can also be material. Likewise, data center load growth is putting upwards pressure on the cost of new generation, bilateral capacity, and capacity auction clearing prices, the costs of which are ultimately borne by consumers. Therefore, it is undetermined what the net effect of a large load customer like Amazon will have on consumer bills, notwithstanding the proposed Shared System Credit that will flow to NIPSCO ratepayers.

Q. Have Joint Petitioners provided any analysis or data to demonstrate the reasonableness of the Shared System Charges?

A. No. Joint Petitioners have not provided any analysis to demonstrate that the Shared System Charges are just and reasonable or in the public interest.

Q. Are there other factors that suggest a higher Shared System Credit for ratepayers should be applied?

A. Yes. In addition to the analysis above, NIPSCO, GenCo, and their parent companies stand to substantially increase revenues and make a significant return through the addition of the Amazon Special Contract. At the same time, Hoosiers in northwest Indiana are experiencing significant affordability challenges, as described below.

Q. Do you have any concerns about the [redacted]?[6]

A. Yes. The Special Contract provides that [redacted][7] [redacted]. Therefore, it is unclear how this term will be implemented.

[6] [redacted]

[7] [redacted]

c. Shared System Credit Allocation

Q. How will NIPSCO reflect the Shared System Credit on customer bills?

A. The Shared System Credit is allocated across customer classes based on revenue, which would pass back about 38% of the Shared System Charges to NIPSCO's residential customers.

Q. What alternative allocation did Joint Petitioners consider?

A. NIPSCO considered passing back 50% of the Shared System Charges to NIPSCO's residential customers.

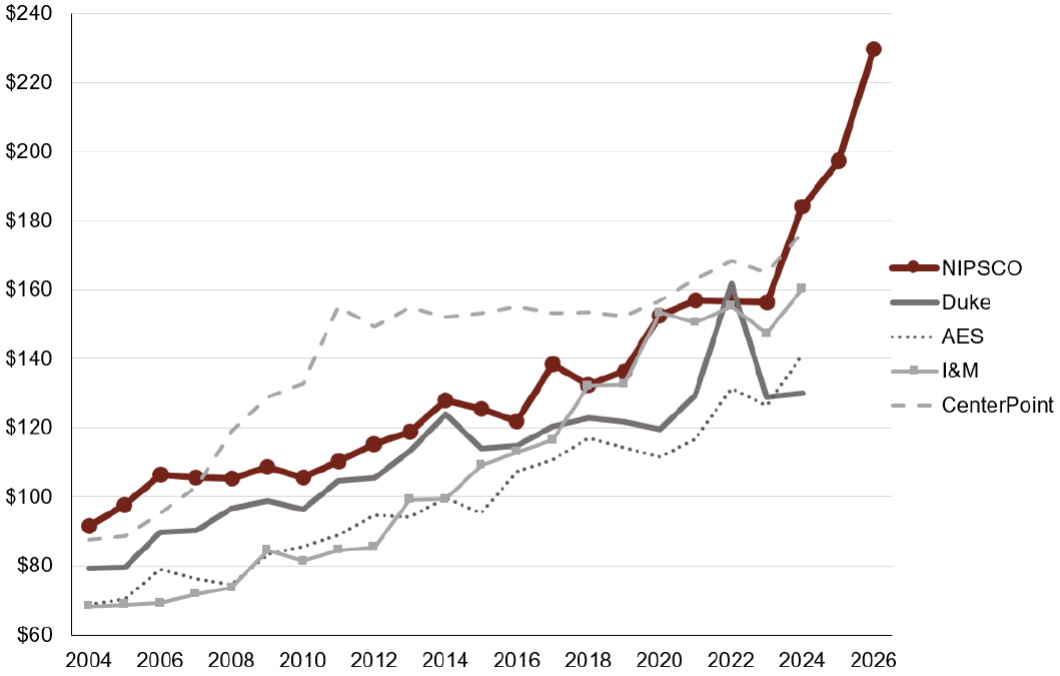
Q. Please respond to NIPSCO's cost allocation proposal and the alternative considered.

A. While I appreciate NIPSCO's proposal to pass back the Shared System Credit based on a revenue allocation on the basis of traditional cost of service principles, it is in the public interest in this case to adopt the alternative cost allocation proposal considered by NIPSCO, passing back at least 50% of the Shared System Credit to the residential class. As shown in Figure 1, reproduced from my testimony in Cause No. 46120 (NIPSCO's most recent electric base rate case), NIPSCO's residential customers have experienced sharp bill increases in recent years, with another increase coming via Step 2 rates to be implemented in March 2026.

NIPSCO currently has the highest monthly residential customer electric bill of any regulated electric utility in Indiana for 1,000 kWh of consumption.[8] Governor Braun and other policymakers have emphasized and prioritized residential utility affordability in recent statements and actions.

[8] IURC, 2025 Residential Bill Survey, available at: https://www.in.gov/iurc/files/2025-Electric-Residential-Bill-Survey-Updated.pdf

Figure 1. Residential Bills for 1,000 kWh[9]



In addition, residential customers will bear the burden of any negative externalities associated with the Amazon data centers' construction and operations (e.g., noise, traffic, fugitive dust, diesel generator emissions, direct and indirect water consumption, NGCC pollution, etc.).

Therefore, it is just and reasonable and in the public interest to help address acute residential affordability concerns and potential negative externalities associated with data centers by adopting an allocation of the Shared System Credit that is no less than 50% for the residential class.

[9] Cause No. 46120, CAC Ex. 3, Fig. 1.

d. Timing of Shared System Credits

Q. Do you have any concerns about the timing of when customers will receive the Shared System Credit?

A. Yes. NIPSCO proposes to first collect Shared System Charges from Amazon and then pass back the collected revenues in a subsequent compliance filing on a semi-annual basis. For example, NIPSCO's second filing will include the six-month period April-September 2027 of historical cash received from Amazon, but it will not pass back revenues to customers via the Shared System Credit until the period January-June 2028.[10]

This delay between when Amazon provides the Shared System Charges to NIPSCO and when NIPSCO passes back the revenue via the Shared System Credit is unnecessarily long. A more reasonable approach is for NIPSCO to provide the Shared System Credit to ratepayers contemporaneously with NIPSCO's collection of the Shared System Charges from Amazon, by basing the Credit on a forecast of the total amount to be collected from Amazon during the period from the Charges. Any variance between the Shared System Charges collected from Amazon and the Shared System Credit provided to ratepayers could be reconciled in a subsequent semi-annual update period.

[10] Phillips Direct Testimony 13:8-11.

e. Residential Credit Rate Design & Bill Line Item

Q. How will NIPSCO reflect the Shared System Credit on customer bills?

A. NIPSCO proposes that the Shared System Credit (1) would be a fixed amount that is the same for each residential customer, and (2) be reflected as a separate line item on customer bills.[11]

Q. Do you have any concerns with the fixed credit rate design proposal for residential customers?

A. CAC does not oppose this rate design.

Q. Please respond to NIPSCO's proposal to create a separate line item in customer bills for the Shared System Credit?

A. CAC supports enhancing transparency on customer bills by showing, on separate line items, the applicable billing factor and associated bill amount for each and every tracker mechanism in effect at the time of billing. In contrast, selectively showing this information for trackers that reduce bills, while not showing it for other trackers, appears self-serving to the utility rather than for the benefit of ratepayers. Accordingly, I recommend that NIPSCO show on a separate line item both the tracker factor and the specific bill impact for each tracker in effect, including the Shared System Credit *and* all other existing trackers. If this proposal is not adopted, then I recommend the Commission reject NIPSCO's proposal to create a separate line item for only the Shared System Credit.

[11] Phillips Direct Testimony 12:5-7.

f. Customer Fund

Q. Please summarize the proposed Customer Fund.

A. Joint Petitioners are proposing the creation of a new Customer Fund made by contributions from Joint Petitioners' shareholders. Shareholder contributions will be based on the capacity of Amazon's load, so the amount will increase over time as Amazon's load ramps up. Joint Petitioners estimate $15 million for the Customer Fund over term of the Special Contract.[12] Joint Petitioners state that they "are willing to work with interested stakeholders on how these funds can best be utilized, but Joint Petitioners' intent is to help NIPSCO's customers and communities, including those who may be most impacted by rising costs of many life essentials."[13]

Q. What types of programs does CAC believe would be good candidates for funding from the Customer Fund?

A. Low-income customers tend to experience the most significant affordability challenges. Accordingly, CAC recommends that the funding be used to supplement the Low-Income Program shareholder contribution that NIPSCO previously agreed to under the approved settlement agreement in Cause No. 46120, with the funds used to enhance the benefits provided to program participants.[14] However, the General Assembly is currently considering House Bill 1002, which includes a low-income program and funding mechanism. If enacted in its current form or with substantively similar provisions, then it may be appropriate to use the Customer Fund for an alternative program. In such a case, CAC recommends that NIPSCO complement federal Weatherization Assistance Program

[12] Parisi Direct Testimony Q/A 13.
[13] Parisi Direct Testimony 15:13-16.
[14] Cause No. 46120, Final Order (June 26, 2025), p. 13 (describing a $1,500,000 annual shareholder contribution).

delivery by providing the funds to Indiana Community Action Association ("INCAA") for community action agencies to provide additional energy efficiency and weatherization of low-income housing, including unrestricted funding to address health and safety weatherization deferrals.

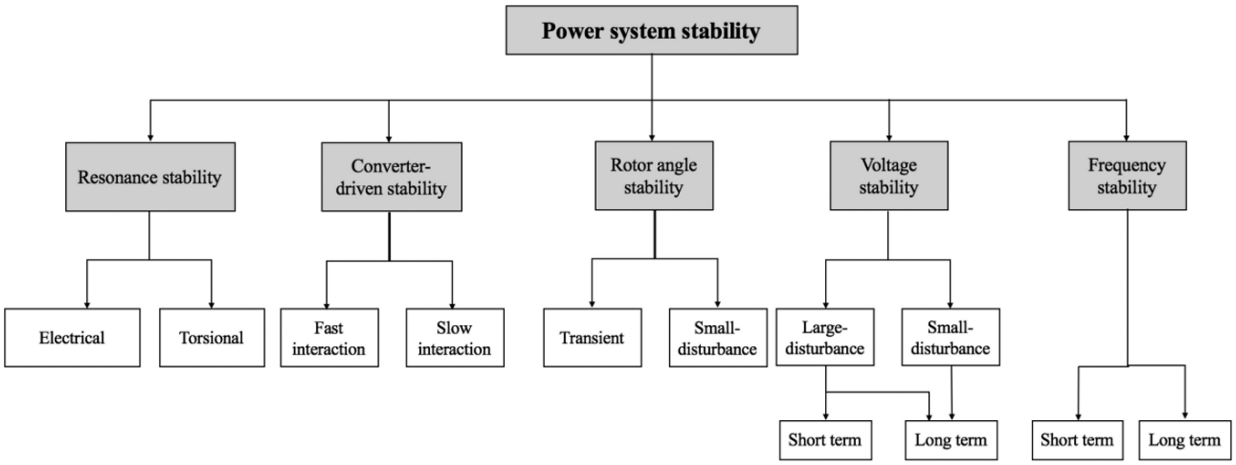
g. Reliability, Resiliency, and Stability

Q. Can data centers pose a significant grid stability concern?

A. Yes. In fact, the North American Electric Reliability Corp. ("NERC") established a Large Load Task Force ("LLTF") to better understand the reliability impacts of emerging large loads such as data centers, and their impact on the bulk power system. It published the white paper, "Characteristics and Risks of Emerging Large Loads" in July 2025,[15] which identified major grid stability and other reliability concerns associated with data centers. According to the LLTF, "There is already evidence that large loads impact BPS reliability."[16] For example, a NERC Incident Review of a July 10, 2024 event describes the grid stability issues that arose when 1,500 MW of data center load suddenly transferred its load to backup power systems in response to a grid disturbance, leading to frequency and voltage increases on the system.[17] The LLTF states, "To keep stability problems from adversely affecting BPS reliability, it is generally necessary to identify them proactively and put mitigations in place to ensure conditions conducive to instability are avoided."[18] Figure 1 provides the NERC LLTF's Taxonomy of Power System Stability.

[15] NERC LLTF, "Characteristics and Risks of Emerging Large Loads," July 2025, https://www nerc.com/globalassets/who-we-are/standing-committees/rstc/3_doc_white-paper-characteristics-and-risks-of-emerging-large-loads.pdf
[16] *Id.* at v.
[17] NERC, "Incident Review: Considering Simultaneous Voltage-Sensitive Load Reduction," January 8, 2025, https://www nerc.com/globalassets/our-work/reports/event-reports/incident_review_large_load_loss.pdf
[18] NERC LLTF, "Characteristics and Risks of Emerging Large Loads," July 2025, https://www nerc.com/globalassets/who-we-are/standing-committees/rstc/3_doc_white-paper-characteristics-and-risks-of-emerging-large-loads.pdf, p. 22.

Figure 2. NERC LLTF's Taxonomy of Power System Stability



Currently, the LLTF is finalizing another white paper that will assess gaps in existing practices, requirements, and reliability standards for emerging large loads. Later in 2026, the LLTF plans to develop a Reliability Guideline identifying risk mitigation and interconnection requirements for large loads.[19]

Q. Do you agree with Joint Petitioners that the Special Contract will increase the reliability and resiliency of NIPSCO's overall system?[20]

A. No. First, as Joint Petitioners recognize, the investments under the Special Contract "are directly related to [Amazon's] load requirements,"[21] rather than *system* reliability and resiliency. For example, approximately 3,000 MW of installed capacity is being constructed to serve up to 2,400 MW of Amazon load to ensure that NIPSCO has sufficient *accredited capacity* plus a reserve margin to serve Amazon. Currently, Joint Petitioners forecast that the planned 3,000 MW [redacted]

[19] NERC LLTF, "Work Plan," November 21, 2025, https://www.nerc.com/globalassets/who-we-are/standing-committees/rstc/lltf/lltf-work-plan.pdf.
[20] Parisi Direct Testimony Q/A 14.
[21] Parisi Direct Testimony 16:5.

[redacted]. Joint Petitioners have not provided sufficient evidence that the benefits of the new generation will necessarily outweigh the potential strain imposed on the system by the data centers such that reliability and resiliency of the overall system will be improved, as [redacted].

Second, [redacted]." To the extent the [redacted] which could negatively impact grid reliability, resiliency, and stability as a result of the large load from Amazon [redacted]

Q. What do you recommend?

A. Given the unique and unprecedented risks associated with loads of this magnitude, I recommend that the Commission direct NIPSCO to work proactively with Amazon and interested stakeholders to identify grid reliability, resiliency, and stability risks associated

[22] Joint Petitioners Highly Confidential Response to CAC Data Request 7-012(a) (included in Attachment BI-2HC) (showing [redacted].

[23] Joint Petitioners Highly Confidential Response to CAC Data Request 7-012(c) (included in Attachment BI-2HC).

with Amazon data centers and put adequate mitigation in place to ensure other customers are not negatively impacted from a reliability, resiliency, or grid stability perspective. It is unclear from Joint Petitioners' case-in-chief whether NIPSCO has adequately considered these particular Pillars.

h. Environmental Sustainability

Q. What resources do Joint Petitioners propose to construct and operate to meet Amazon's energy and capacity needs?

A. Joint Petitioners propose to construct and operate a 400 MW battery energy storage system ("BESS") and two natural gas combined cycle power plants totaling 2,600 MW.

Q. What concerns do you have regarding these resources?

A. The proposed 2,600 MW of new NGCC capacity would produce enormous air pollution and use vast quantities of water, substantially undermining environmental sustainability. As shown in Table 1, according to the air permit submitted by NIPSCO to the Indiana Department of Environmental Management ("IDEM"), the NGCCs could annually emit hundreds or thousands (depending on the pollutant) of tons of EPA Criteria Air Pollutants like particulate matter ("PM"), sulfur dioxide ("SO_2"), and nitrogen oxides ("NO_x"), and millions of tons of greenhouse gas emissions ("CO_2e"). Air pollutants in Table 1 cause smog to form, respiratory illnesses like asthma and bronchitis, emergency room visits, heart disease, stroke, cancer, and premature death, among other public health impacts.[24] Furthermore, the NGCCs could emit more than 7 million tons per year of CO_2e, nearly *four*

[24] *E.g., see* National Institute of Environmental Health Sciences, "Air Pollution and Your Health," https://www niehs.nih.gov/health/topics/agents/air-pollution; World Health Organization, "Air Quality, Energy and Health," https://www.who.int/teams/environment-climate-change-and-health/air-quality-energy-and-health/health-impacts; OEHHA State of California, "Health Studies of Criteria Air Pollutants," https://oehha.ca.gov/air/health-studies-criteria-air-pollutants

times higher than R.M. Schahfer Generating Station's 1.8 million tons emitted in 2023.[25] While the actual emissions are likely to be below the maximum potential emissions shown in Table 2 below, the emissions demonstrate the substantial potential air pollution associated with the large expansion of natural gas generation. In addition, NIPSCO was unable to provide a specific estimate of the water usage of the NGCCs,[26] but such facilities can withdraw millions of gallons per day.

Table 2. Potential Air Pollution from Schahfer NGCCs[27]

Pollutant	Description	Project Emission Increases (tons per year)
PM	Particulate Matter (i.e., soot)	147.5
PM_{10}	Particulate Matter (coarse particles)	253.1
$PM_{2.5}$	Particulate Matter (fine particles)	237.1
SO_2	Sulfur Dioxide	80.7
NO_x	Nitrogen Oxides	3,205.7
VOC	Volatile Organic Compounds	259.2
CO	Carbon Monoxide	614.1
SAM	Sulfuric Acid Mist	58.8
CO_2e	Carbon Dioxide Equivalent (i.e., greenhouse gas emissions)	7,071,597

Q. Do you agree with Joint Petitioners' characterization that "…this proceeding is not about approval of the generation resources being developed to serve the Customer…"[28]?

A. No. Joint Petitioners are requesting approval of the Special Contract, and describe in testimony the new generation assets that will be used to serve Amazon. [redacted]

[25] U.S. Environmental Protection Agency, "GHGRP State and Tribal Fact Sheet: Indiana," https://www.epa.gov/ghgreporting/ghgrp-state-and-tribal-fact-sheet
[26] NIPSCO Response to CAC Data Request 7-004(a) (contained in Attachment BI-1).
[27] NIPSCO Response to CAC Data Request 7-004(d); *see also* NIPSCO, "Application for Source Modification and Permit Modification Approvals: 2025 Combined Cycle Combustion Turbines Project, R.M. Schahfer Generating Station, Wheatfield, Indiana," Part 70 Operating Permit T073-45762-00008, Table 4-1, submitted to the Indiana Department of Environmental Management on September 5, 2025.
[28] Joint Petitioners' Highly Confidential Response to OUCC DR 2-1 (contained in Attachment BI-2-HC).

[redacted]. Therefore, the Commission is being asked to approve the resources in this proceeding.

Q. Do you have any other environmental sustainability concerns?

A. Yes. [redacted] diesel generators are typically used as backup generation at data centers, including Amazon's data center campus in New Carlisle, Indiana. When they operate, backup diesel generators create significant air pollution and are very noisy, creating a significant nuisance for communities hosting data centers. Backup diesel generators should only be used for true emergency conditions, and should not be used as demand response. In contrast, CAC supports Amazon using battery energy storage systems or making operational changes to participate in significant demand response.[29]

Q. What do you recommend?

A. I recommend that the Commission direct Joint Petitioners to modify the contract to provide for a more balanced portfolio of generation resources that appropriately takes environmental sustainability into consideration, including by incorporating substantial renewable energy generation into the resource mix. I recommend that the Commission

[29] *E.g., see* Cause No. 46276 (special contract between I&M and Google that includes a demand response component).

direct NIPSCO to prevent Amazon from using any backup diesel generators at its Data Center Locations as a tool for providing demand response and that the parties work with CAC and other interested stakeholders on the resource mix and demand response details.

i. Contract Renewal

Q. Please explain concerns you have regarding what could occur after the initial 15-year term.

A. [redacted] I recommend that the Commission expressly determine as a condition of approval of the Special Contract in this case that, to the extent NIPSCO and Amazon extend the Special Contract beyond the 15-year term identified in this case, such an extension must be approved by the Commission and that such a case would include within its scope consideration of whether any terms and conditions of the Special Contract, PPA, or Alternative Regulatory Plan should be modified. For instance, to the extent the Special Contract is extended beyond the 15-year term identified, it would be appropriate for the Commission to authorize the extension of Customer Fund and the Shared System Credit.

j. Compliance Filings

Q. What is NIPSCO proposing to submit as compliance filings in this Cause?

A. NIPSCO proposes to file [redacted] in a compliance filing in this Cause, subject to confidentiality protection.[30] NIPSCO also proposes to use a compliance filing if [redacted].[31]

Q. Are there any other items that should be included in NIPSCO's compliance filings in this Cause?

A. Yes. It is in the public interest for NIPSCO to provide regular status updates, subject to the appropriate confidentiality protection, on the Special Contract. The unprecedented size of the customer (2,400 MW total, with individual data center locations potentially as large as [redacted] MW),[32] the scale and cost of the generation assets that will be constructed to provide capacity and interconnection (roughly $7 billion),[33] and the potential financial ramifications of this deal and exposure to NIPSCO warrant a quarterly report up until the time at which Amazon has completed its load ramp.

Key information that should be included in quarterly NIPSCO compliance reports in this Cause includes:

- [redacted] the location, MWs, and ramp schedule of Amazon's proposed Data Center Locations [redacted]

[30] Parisi Highly Confidential Direct Testimony 27:4-6.
[31] Parisi Highly Confidential Direct Testimony 27:6-8.
[32] Joint Petitioners' Highly Confidential Response to CAC Data Request 7-1(b) (contained in Attachment BI-1HC).
[33] Parisi Direct Testimony 60:14-18.

- Status updates on the permitting and construction of each Contract Asset, including [redacted]
- Termination by Amazon of the Special Contract, as well as [redacted]
- Early Termination Notice(s) [redacted] received by NIPSCO from Amazon [redacted]
- [redacted]
- [redacted]
- [redacted]
- Status updates on the sale or lease, whether finalized or still under consideration, of any NIPSCO property to Amazon for data centers.
- Status updates on the water / wastewater services that NIPSCO is or intends to provide to Amazon's Data Center Locations.

Q. What do you recommend?

A. I recommend that the Commission direct NIPSCO to make quarterly compliance filings in this docket that include information on the topics I identify above, in addition to other information the Commission may wish to direct NIPSCO to include. To the maximum extent possible, NIPSCO should provide information in an unredacted form, and when more detailed information is confidential, NIPSCO should endeavor to provide more general information or summaries in a public format.

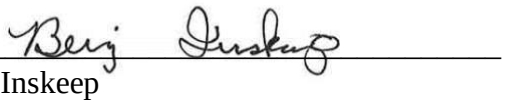
III. CONCLUSION

Q. Does this conclude your testimony?

A. Yes.

VERIFICATION

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



Ben Inskeep

January 27th, 2026

ATTACHMENT BI-1

Attachment B-1: Benjamin Inskeep's Expert Witness Experience

Indiana Utility Regulatory Commission

Cause No.	Case Description
46305	I&M IN-MI Cost Allocation
46301	I&M Expedited Generation Resource Plan
46284	NIPSCO 2024-2026 Demand Side Management
46268	AES IN Demand Response ARP
46258	AES IN 2025 Rate Case
46217	I&M Oregon CPCN
46193	Duke Cayuga Combined Cycle
45164 RA 5	I&M Resource Adequacy Rider
46120	NIPSCO 2024 Rate Case
46100	CenterPoint 2025-2027 DSM
46097	I&M Tariff I.P Case
46038	Duke Energy 2024 Rate Case
45947	NIPSCO CT CPCN
45990	CenterPoint 2023 Rate Case
45564 S1	CenterPoint and Texas Gas Transmission Agreement Cost Allocation
45967	NIPSCO 2023 Gas Rate Case
45933	I&M 2023 Rate Case
45911	AES Indiana 2023 Rate Case
45903	CenterPoint Culley East Coal Ash Compliance Project (Re-filed)
45894	CenterPoint 2024-28 TDSIC
45870	Indiana-American Water 2023 Rate Case
45849/45850	NIPSCO Electric/Gas 2024-26 DSM
45816	IURC Investigation regarding the Infrastructure Investment and Jobs Act
45868	I&M 4 Solar Projects
38703 FAC 133-S1	AES Indiana Eagle Valley Outage

45504	AES Indiana Excess Distributed Generation Tariff
45505	NIPSCO Excess Distributed Generation Tariff
45506	I&M Excess Distributed Generation Tariff
45508	Duke Energy Indiana Excess Distributed Generation Tariff
45700	NIPSCO Michigan City Coal Ash Compliance Project
45701	I&M Demand-Side Management Plan 2023-2025
45722	CenterPoint Securitization of AB Brown
45740	Duke Energy Indiana and International Paper Special Contract
45749	Duke Energy Indiana Coal Ash Compliance Project
45772	NIPSCO Electric Rate Case
45775	Duke Energy Indiana Low-Income Consumer Protections
45795	CenterPoint Culley East Coal Ash Compliance Project
45797	NIPSCO Schahfer Coal Ash Compliance Project
45803	Duke Energy Indiana Demand-Side Management Plan 2024-2026
45836	CenterPoint Wind Project CPCN
45843	AES Indiana EV Portfolio

Kentucky Public Service Commission

Case No.	Case Description
2020-00174	Kentucky Power's 2020 Rate Case
2020-00349	Kentucky Utilities' 2020 Rate Case
2020-00350	Louisville Gas & Electric's 2020 Rate Case

ATTACHMENT BI-2

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

CAC Request 7-001:

Please refer to Parisi Direct Testimony 6:6.

a. Please identify the address or latitude/longitude of each potential Data Center Location.
b. Please identify the data center capacity (MW) associated with each potential Data Center Location.
c. For each potential Data Center Location, please identify the estimated direct connect facilities cost, or estimated range of costs, associated with interconnection.
d. For each potential Data Center Location, please identify the estimated network upgrade costs, or estimated range of costs.

Objections:

Joint Petitioners object to this Request on the grounds and to the extent that this Request seeks information that is highly confidential, confidential, proprietary and/or trade secret.

Response:

Subject to and without waiver of the foregoing general and specific objections, Joint Petitioners are providing the following response:

a. Amazon has not finalized the locations of its Data Center Locations. However, there is potential for a Data Center Location to be sited in [redacted]. Another potential Data Center Location could be sited [redacted].
b. As noted in subpart a., Data Center Locations have not been finalized, nor have the MW loads for the potential sites. However, it is anticipated that the [redacted] site could have a load of approximately [redacted]. The [redacted] could have a load of approximately [redacted].
c. Total estimated cost for the direct connect facilities at the potential Data Center Location sited in [redacted] (includes substation and line). Total estimated cost for the direct connect facilities at the potential Data Center Location sited [redacted] (includes substation and line).

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

d. NIPSCO is not aware of additional network upgrades required by MISO at this time. However, MISO's evaluation under its Expedited Project Review (EPR) process is ongoing.

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

CAC Request 7-004:

Please refer to the natural gas combined cycle power plants (Parisi Direct Testimony 25:5-10).

a. Please identify the estimated annual water withdrawals, consumption, and discharge associated with the plants once fully constructed and placed in service.
b. Please identify the source(s) of water to operate the plant.
c. Please identify the estimated annual electricity production at the plants once fully constructed and placed in service.
d. Please identify the estimated annual emissions (tons or pounds of each Criteria Air Pollutants and carbon dioxide) associated with the plants once fully constructed and placed in service.

Objections:

Joint Petitioners object to this Request on the grounds and to the extent that this Request seeks information that is highly confidential, confidential, proprietary and/or trade secret.

Joint Petitioners further object to this Request on the separate and independent grounds and to the extent the Request is irrelevant, not reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of this proceeding.

Joint Petitioners further object to this Request on the separate and independent grounds and to the extent the Request calls for speculation.

Joint Petitioners further object to this Request on the separate and independent grounds and to the extent the Request 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, Joint Petitioners are providing the following response:

a) The design of the combined cycle power plant has not been finalized, and therefore "annual water withdrawals, consumption, and discharge associated with the plants once fully constructed and placed in service" is not known. Estimating such use would necessarily involve speculation and be dependent on a number of variables outside of NIPSCO or GenCo's control, including the demand in MISO, weather

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

patterns, fuel prices (both for natural gas and other generation resources), etc., as water use will be driven by energy production.

b) The water sources are expected to be the [redacted] through the existing intake settling basin at [redacted], and to a much lesser extent, groundwater.

c) The annual electricity production is not known at this time. Estimating such production would necessarily involve speculation and be dependent on a number of variables outside of NIPSCO or GenCo's control, including the demand in MISO, weather patterns, fuel prices (both for natural gas and other generation resources), etc.

d) The annual maximum potential-to-emit (PTE) of the combined cycle power plant is estimated in the table below. Actual emissions are expected to be less than these values.

Pollutant	**Emissions (Tons/Year)**
PM	147.5
PM10	253.1
PM2.5	237.5
SO2	80.7
NOx	3,205.7
CO	614.1
CO2e	7,071,597

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

CAC Request 7-012:

Please provide for each season (spring, summer, fall, winter) of each year of the special contract:

a. The amount of accredited capacity that NIPSCO/GenCo will need to fully cover its resource adequacy obligation associated with the Amazon data centers (i.e., full contract capacity, plus reserve margin).
b. The amount of accredited capacity that NIPSCO forecasts will be provided by the battery storage system and the natural gas plants, respectively, that are being constructed to serve the Amazon data centers.
c. To the extent that there is insufficient accredited capacity for any season of any year of the special contract, please identify how NIPSCO/GenCo would address that shortfall under the special contract.

Objections:

Joint Petitioners object to this Request on the grounds and to the extent that this Request seeks information that is highly confidential, confidential, proprietary and/or trade secret.

Response:

Subject to and without waiver of the foregoing general and specific objections, Joint Petitioners are providing the following response:

a. See the table below.

MISO Planning Year	Forecasted and Approximate Accredited Capacity Need by MISO Planning Year End	Forecasted Accredited Capacity From Generation Assets by MISO Planning Year End
2027/28		[redacted]
2028/29		
2029/30		
2030/31		
2031/32		
2032/33		

b. See the table above.

Cause No. 46322
Joint Petitioners' Objections and Responses to
Citizens Action Coalition of Indiana, Inc.'s
Seventh Set of Data Requests

c. [redacted]

Cause No. 46322
Joint Petitioners' Objections and Responses to
Indiana Office of Utility Consumer Counselor's
Second Set of Highly Confidential Data Requests

OUCC Highly Confidential Request 2-001:

[redacted]

Cause No. 46322
Joint Petitioners' Objections and Responses to
Indiana Office of Utility Consumer Counselor's
Second Set of Highly Confidential Data Requests

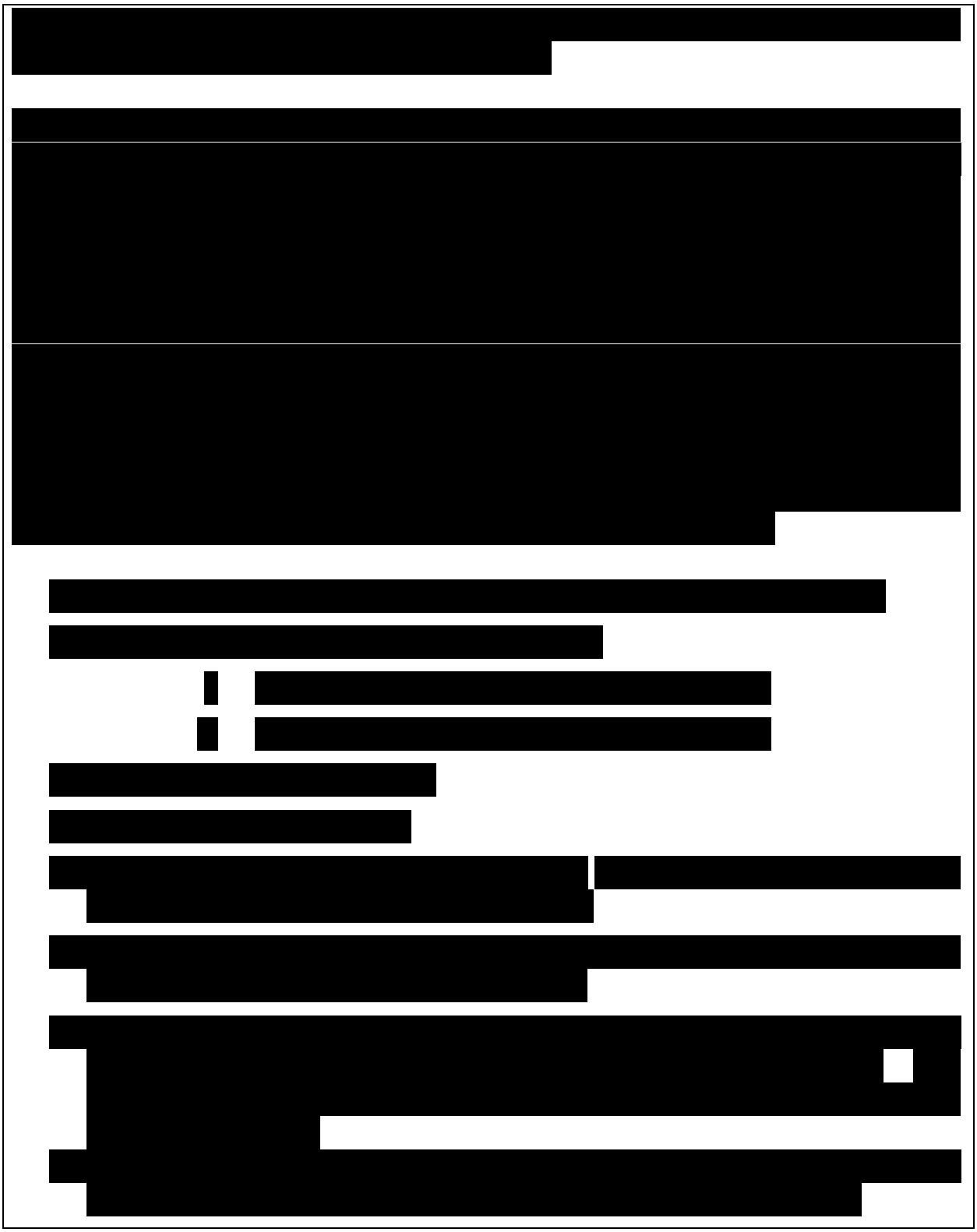
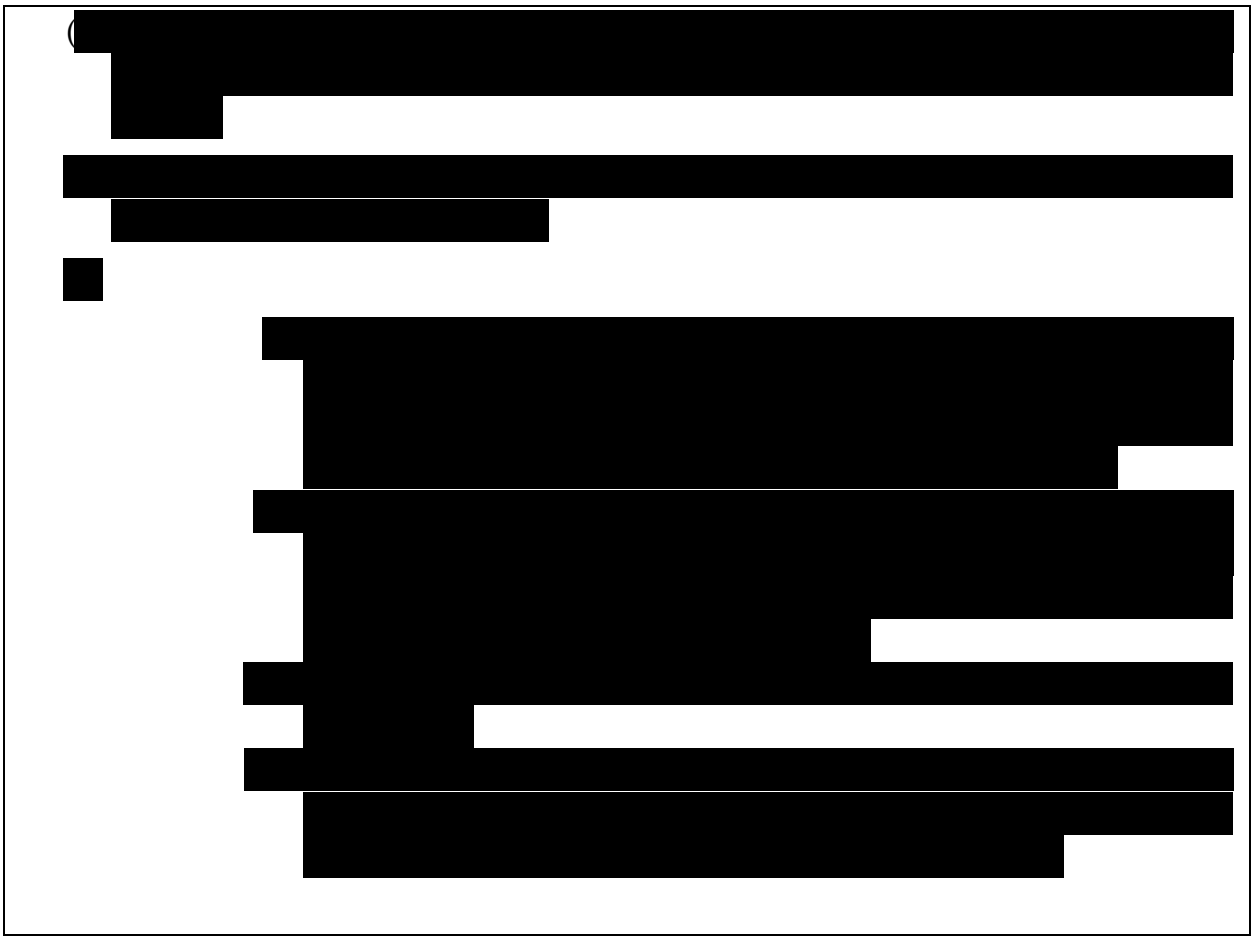
[redacted]

Objections:

[redacted]

Response:

Cause No. 46322
Joint Petitioners' Objections and Responses to
Indiana Office of Utility Consumer Counselor's
Second Set of Highly Confidential Data Requests



Cause No. 46322
Joint Petitioners' Objections and Responses to
Indiana Office of Utility Consumer Counselor's
Second Set of Highly Confidential Data Requests