

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY LLC FOR (1) APPROVAL)
OF PETITIONER'S TDSIC PLAN FOR ELIGIBLE)
TRANSMISSION, DISTRIBUTION, AND STORAGE)
SYSTEM IMPROVEMENTS, PURSUANT TO IND.)
CODE § 8-1-39-10(a) INCLUDING TARGETED)
ECONOMIC DEVELOPMENT PROJECTS PURSUANT)
TO IND. CODE § 8-1-39-10(c), (2) AUTHORITY TO)
DEFER COSTS FOR FUTURE RECOVERY, (3))
APPROVAL FOR INCLUSION OF NIPSCO'S TDSIC)
PLAN PROJECTS IN ITS RATE BASE IN ITS NEXT)
GENERAL RATE PROCEEDING PURSUANT TO IND.)
CODE § 8-1-2-23, AND (4) AUTHORITY TO RECOVER)
OPERATION AND MAINTENANCE EXPENSES AS)
TDSIC COSTS PURSUANT TO IND. CODE § 8-1-39-7)
UNDER ITS APPROVED RIDER 888 – ADJUSTMENT)
OF CHARGES FOR TRANSMISSION, DISTRIBUTION)
AND STORAGE SYSTEM IMPROVEMENT CHARGES.)

CAUSE NO. 45557

IURC
PETITIONER'S

EXHIBIT NO. 7
10-5-21 AT
DATE REPORTER

**NIPSCO INDUSTRIAL GROUP'S RESPONSES TO NORTHERN INDIANA
PUBLIC SERVICE COMPANY LLC'S FIRST SET OF DISCOVERY REQUESTS**

The NIPSCO Industrial Group ("Industrial Group") provides the following responses to
Petitioner, Northern Indiana Public Service Company LLC's ("NIPSCO") First Set of Data
Requests as follows:

PRELIMINARY STATEMENT AND GENERALLY APPLICABLE OBJECTIONS

1. This response is made solely for the purpose of this action.
2. Any response to the propounded data requests is subject to all objections as to competence, relevance, materiality and admissibility, and any and all other objections on any applicable grounds, all of which objections and grounds are expressly reserved and may be interposed at the time of trial.
3. The following responses are given without prejudice to the Industrial Group's right to produce further or newly discovered responses, witnesses or evidence, or to add, modify or otherwise change or amend the responses herein. The information hereinafter set forth is true and correct as to the best knowledge of the Industrial Group as of this date, and is subject to correction for inadvertent errors, mistakes or omissions.

4. Inadvertent identification or production of privileged writings or information by the Industrial Group is not a waiver of any applicable privilege. Production of writings or information does not waive any objection, including, but not limited to, relevancy to the admission of such writings in evidence.

5. Writings prepared or sent in connection with this litigation, including, but not limited to, pleadings, motions, discovery responses and correspondence from counsel or documents previously given, are not included in the writings produced by the Industrial Group.

6. The Industrial Group objects to each request to the extent that it seeks information protected from disclosure by the attorney/client privilege, attorney work product doctrine and all other applicable privileges. The Industrial Group may produce responsive writings without waiving the foregoing objections.

Dated this 15th day of September, 2021.

Respectfully submitted,

LEWIS & KAPPES, P.C.

/s/ Aaron A. Schmoll

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the foregoing document have been served upon the following via electronic mail, this 15th day of September, 2021:

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NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-1

Request:

1-1. Please refer to Mr. Collins' testimony at pages 8-12, including specifically at page 12, lines 21-22.

- a. Admit that NIPSCO's System Deliverability category of projects is not being proposed to reduce system risk. To the extent your response is anything other than an unqualified admissions, please fully explain your response.
- b. Admit that NIPSCO's Grid Modernization category of projects is not being proposed to reduce system risk. To the extent your response is anything other than an unqualified admission, please fully explain your response.

Objection:

Response:

- a. Admit.
- b. Admit.

NIPSCO
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Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-2

Request:

- 1-2. Please refer to Mr. Collins' testimony at page 4, lines 20-24.
- a. pleased define what Mr. Collins means by the term "cost-justification requirement" as that term is used in this portion of his testimony. Include in your definition or explanation a differentiation between the concepts of monetary costs being justified by monetary benefits and the separate concept of all costs being justified by all associated benefits.
 - b. Admit that, with respect to evaluation of costs and benefits, *Section 10 of the TDSIC Statute* only requires a "determination whether the estimated costs of the eligible improvements included in the plan are justified by incremental benefits attributable to the plan." To the extent your response is anything other than an unqualified admission, please fully explain your response and identify which section or provision of the TDSIC Statute requires this demonstration or finding, or the relevant Commission order interpreting the TDSIC Statute requires this demonstration.
 - c. Admit that, with respect to evaluation of costs and benefits, *the TDSIC Statute* only requires a "determination whether the estimated costs of the eligible improvements included in the plan are justified by incremental benefits attributable to the plan." To the extent your response is anything other than an unqualified admission, please fully explain your response and identify which section or provision of the TDSIC Statute requires this demonstration or finding, or the relevant Commission order interpreting the TDSIC Statute requires this demonstration or finding.
 - d. Admit that, the TDSIC Statute, including but not limited to Section 10, does not require that monetary costs be justified by monetary benefits. To the extent your response is anything other than an unqualified admission, please fully explain your response and identify which section or provision of the TDSIC Statute requires this demonstration or finding, or the relevant Commission order interpreting the TDSIC Statute requires this demonstration or finding.

Objection:

The Industrial Group objects to subsections b, c, and d of this request to the extent those requests call for a legal conclusion.

Response:

Subject to the foregoing objections, the Industrial Group responds as follows:

- a. Mr. Collins means the statute requirement that “costs of the eligible improvements included in the plan are justified by incremental benefits attributable to the plan.”
- b. Admit. Mr. Collins also notes that Section 10 of the TDSIC Statute requires the Commission to make a determination that the TDSIC Plan is “reasonable” and that the public convenience and necessity requires the planned improvements.
- c. Admit. Mr. Collins also notes that Section 10 of the TDSIC Statute requires the Commission to make a determination that the TDSIC Plan is “reasonable” and that the public convenience and necessity requires the planned improvements.
- d. Admit. Mr. Collins also notes that Section 10 of the TDSIC Statute requires the Commission to make a determination that the TDSIC Plan is “reasonable” and that the public convenience and necessity requires the planned improvements.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-3

Request:

- 1-3. Please refer to Mr. Collins' testimony at pages 19-20.
- a. In preparing his testimony, did Mr. Collins review the direct testimony of Ms. Meece in this proceeding, including specifically at page 18, lines 11-12, which cites to the Commission's approval of NIPSCO's Gas TDSIC Plan in Cause No. 45330?
 - b. In preparing his testimony, did Mr. Collins review the Commission's final order in Cause Nos. 45330 or 45330-TDSIC-1?
 - i. If so, please explain whether Mr. Collins believes NIPSCO's proposal in this proceeding to reduce recovery of depreciation expense (as discussed by Ms. Meece in Questions / Answers 21 through 24) is consistent with what was approved by the Commission in Cause Nos. 45330 and 45330-TDSIC-1.
 - ii. If not, please explain why Mr. Collins did not review this order, when NIPSCO explicitly noted its proposal in this proceeding was consistent with what was approved in Cause No. 45330.
 - c. In preparing his testimony, did Mr. Collins review the testimony of NIPSCO, the OUCC, or any other party that was filed in Cause Nos. 45330 or 45330-TDSIC-1?
 - i. If yes, please identify with specificity which pieces of testimony from Cause Nos. 45330 and 45330-TDSIC-1 Mr. Collins reviewed.
 - ii. If no, please explain why Mr. Collins did not review any testimony in Cause Nos. 45330 and 45330-TDSIC-1, when NIPSCO explicitly noted its proposal in this proceeding was consistent with what was approved in Cause No. 45330.
 - d. Admit that, NIPSCO's proposal in this proceeding to reduce recovery of depreciation expense (as discussed by Ms. Meece in Questions / Answers 21 through 24) is consistent with what was approved by the Commission in Cause Nos. 45330 and 45330-TDSIC-1. To the extent your response is anything other than an unqualified admission, please fully explain your response.

Objection:

Response:

- a. Yes.
- b. Yes, Mr. Collins reviewed both orders.
 - i. Yes, it is Mr. Collins' opinion that NIPSCO's proposal in this proceeding to reduce recovery of depreciation expense appears to be consistent with what was approved by the Commission in Cause Nos. 45330 and 45330-TDSIC-1.
 - ii. Not applicable.
- c. Yes.
 - i. For Cause No. 45330, Mr. Collins reviewed the testimonies of NIPSCO's witnesses Becker, Bull, Racher and Wittorp; OUCC witness Grosskopf; and NIPSCO Industrial Group witness Phillips.

For Cause No. 45330-TDSIC-1, Mr. Collins reviewed the testimonies of NIPSCO's witnesses Becker, Dousias, Carr and Rea; OUCC witness Grosskopf; and NIPSCO Industrial Group witness Gorman.
 - ii. Not applicable.
- d. Admit.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-4

Request:

- 1-4. Please refer to Mr. Collins' testimony at page 22, lines 23-24.
 - a. Please confirm that the Industrial Group has not alleged that any project proposed by NIPSCO does not constitute an "eligible improvement" as that term is defined in the TDSIC Statute.
 - b. To the extent this is not confirmed, please identify each project the Industrial Group has alleged does not constitute an "eligible improvement," specify where such claim is made by Mr. Collins, and fully explain the basis for this claim.

Objection:

Response:

- a. Confirmed.
- b. Not applicable.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-5

Request:

1-5. Please refer to Mr. Collins' testimony at page 13, lines 1-3, where he takes issue with the fact that "NIPSCO does not propose any kind of offset for the incremental rate revenue associated with increased sales due to load growth."

- a. Please provide a list of each-and-every section or provision of the TDSIC Statute that would authorize the Commission to require such an adjustment or "offset" as proposed by Mr. Collins. Please also fully explain why or how each cited section or provision of the TDSIC Statute provides the Commission with such authority.

Objection:

The Industrial Group objects to this request to the extent it calls for a legal conclusion.

Response:

- a. Subject to the foregoing objections, Section 10 of the TDSIC Statute requires the Commission to make a determination that the TDSIC Plan is "reasonable." Further, in the Commission's Orders in Cause Nos. 44403 TDSIC 1 and 45530, the Commission approved a similar mechanism to address incremental revenues associated with rural extensions. In the absence of an offset, the Commission has discretion to consider the incremental revenue from load growth as a factor bearing on the determination of an appropriate pretax return for TDSIC purposes, under Section 13 of the TDSIC Statute.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-6

Request:

1-6. Please refer to Mr. Collins' testimony at page 13, lines 1-3, where he takes issue with the fact that "NIPSCO does not propose any kind of offset for the incremental rate revenue associated with increased sales due to load growth."

- a. Identify each instance where the Industrial Group has proposed an identical or materially similar "offset" associated with a TDSIC plan, whether related to a gas or electric TDSIC plan. To the extent such instances exist, please provide a copy of the piece of testimony and all attachments, exhibits, and work papers for each applicable instance.
 - i. For each instance, identify and explain all differences in the methodology or mechanism that was proposed by the Industrial Group in a prior proceeding as compared to what is proposed by Mr. Collins in this proceeding.
- b. Identify each instance where, to the Industrial Group's knowledge, any party has proposed an identical or materially similar "offset" associated with a TDSIC plan, whether related to a gas or electric TDSIC plan. To the extent such instances exist, please provide a copy of the piece of testimony and all attachments, exhibits, and work papers for each applicable instance if such documents are in the Industrial Group's possession. If such documents are not in the Industrial Group's possession, please identify, at minimum, the party, witness, cause number, and date associated with the testimony.
 - i. For each instance, identify and explain all differences in the methodology or mechanism that was proposed in a prior proceeding as compared to what is proposed by Mr. Collins in this proceeding.
- c. Admit that, to the best of the Industrial Group's knowledge, the Commission has never utilized an "offset" method or mechanism similar or identical to that proposed by Mr. Collins related to a TDSIC plan. To the extent your response is anything other than an unqualified admission, please fully explain your response.
- d. To the extent your response is anything other than an unqualified admission, please identify each instance where the Commission has utilized an "offset" method similar or identical to that proposed by Mr. Collins related to a

TDSIC plan and provide a copy of or citation to the applicable order, docket entry, or similar Commission document.

Objection:

With respect to subsections (a)(i) and (b)(i), the testimonies identified in subsections a and b speak for themselves. The Industrial Group objects to this Request to the extent the request solicits an analysis, calculation, or compilation that has not already been performed and the Industrial Group objects to performing.

Response:

- a. Industrial Group witness Nick Philips filed testimony on October 30, 2014, in Cause No. 44403 TDSIC 1, that supported NIPSCO's proposal to provide an 80% margin credit associated with rural extensions. Mr. Philips also testified that all margin due to new service should be included in the credit mechanism.
 - i. Please see Objection and the Industrial Group Response to NIPSCO Request 1-6 (a).
- b. OUCC witness Mark Grosskopf filed testimony on October 30, 2014, in Cause No. 44403 TDSIC 1 that supported NIPSCO's proposal to provide a margin credit associated with rural extensions, but stated that the remaining 20% of the margin credit should serve as an additional offset to the TDSIC costs, rather than deferred to the next rate case.

NIPSCO witness Frank Shambo filed testimony on August 28, 2014, in Cause No. 44403 TDSIC 1, that proposed an 80% margin credit associated with rural extensions.

 - i. Please see Objection and the Industrial Group Response to NIPSCO Request 1-6 (b).
- c. Deny. See Industrial Group Response to NIPSCO Request 1-5.
- d. See Industrial Group Response to NIPSCO Request 1-5.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-7

Request:

1-7. Please refer to Mr. Collins' testimony at pages 15-16, where he discusses NIPSCO's decision to terminate its previous TDSIC plan effective May 31, 2021.

- a. Admit that, to the best of the Industrial Group's knowledge, NIPSCO has not violated any term of the Stipulation and Settlement Agreement approved by the Commission in Cause No. 44733. To the extent your response is anything other than an unqualified admission, please fully explain your response and specifically identify which term or provision the Industrial Group alleges has been violated.
- b. Admit that, to the best of the Industrial Group's knowledge, NIPSCO is currently in compliance with all terms of the Stipulation and Settlement Agreement approved by the Commission in Cause No. 44733. To the extent your response is anything other than an unqualified admission, please fully explain your response and specifically identify which term or provision the Industrial Group believes NIPSCO is not currently in compliance with.

Objection:

The Industrial Group objects to this request to the extent it calls for a legal conclusion.

Response:

Subject to the foregoing objections, the Industrial Group responds as follows:

- a. Admit.
- b. Admit.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-8

Request:

1-8. Please refer to Mr. Collins' testimony at page 5, lines 21-22 and page 12, lines 9-11.

- a. Admit that NIPSCO has substantially completed the projects associated with NIPSCO's prior electric TDSIC Plan. To the extent your response is anything other than an unqualified admission, please fully explain your response.

Objection:

Response:

- a. Admit. It is Mr. Collins' understanding that through January, 2021, NIPSCO completed \$781 million of the \$1.19 billion in projects associated with NIPSCO's prior electric TDSIC plan. See Mr. Collins' direct testimony at page 6, lines 2-4.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-9

Request:

1-9. Please refer to Mr. Collins' testimony at page 16, lines 1-7, where he states that the "Commission should scrutinize the increasing spending under the new plan in light of the cost caps previously agreed upon that are no longer in place."

- a. Admit that the Stipulation and Settlement Agreement approved by the Commission in Cause No. 44733 reserved the right for NIPSCO to terminate its prior TDSIC Plan *and* file a new TDSIC Plan for approval by the Commission. To the extent your response is anything other than an unqualified admission, please fully explain your response.
- b. Admit that the Stipulation and Settlement Agreement approved by the Commission in Cause No. 44733 explicitly provides that all cost caps will no longer be effective "if NIPSCO files a new TDSIC Plan, which the Commission approves." To the extent your response is anything other than an unqualified admission, please fully explain your response.

Objection:

The Industrial Group objects to this request to the extent it calls for a legal conclusion.

Response:

Subject to the foregoing objections, the Industrial Group responds as follows:

- a. Admit.
- b. Admit. Mr. Collins notes that the settlement provision is contingent on Commission approval, which has not occurred in this case.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-10

Request:

1-10. Please identify by cause number and date each Commission order related to a TDSIC Plan (whether gas or electric) that Mr. Collins reviewed, in whole or in part, between the date of NIPSCO's submission of its case-in-chief on June 1, 2021 and present.

Objection:

Response:

Cause No. 44403 TDSIC 1, 1-28-15
Cause No. 44733, 7-12-16
Cause No. 45264, 3-4-20
Cause No. 45330, 7-22-20
Cause No. 45330 TDSIC 1, 12-23-20

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-11

Request:

1-11. Please refer to Mr. Collins' testimony pages 16-18, where he challenges NIPSCO's cost estimates, including the inclusion of contingency in such estimates, which he claims is "unnecessary and inappropriate."

- a. In preparing his testimony, did Mr. Collins review the direct testimony of Mr. Vamos in this proceeding, including specifically at pages 49-53, where he discusses "Contingency As a Component of Estimation" and cites to the Commission's approval of contingency as a part of "best estimates" related to NIPSCO's Gas TDSIC Plan in Cause No. 45330?
- b. In preparing his testimony, did Mr. Collins review the Commission's final order in Cause No. 45330?
 - i. If so, please explain whether Mr. Collins believes NIPSCO's contingency proposal in this proceeding (as discussed by Mr. Vamos at pages 49-53) is consistent with what was approved by the Commission in Cause No. 45330.
 - ii. If not, please explain why Mr. Collins did not review this order, when NIPSCO explicitly noted its proposal in this proceeding was consistent with what was approved in Cause No. 45330.
- c. In preparing his testimony, did Mr. Collins review the testimony of NIPSCO, the OUCC, the Industrial Group, or any other party that was filed in Cause No. 45330?
 - i. If so, please identify with specificity which pieces of testimony from Cause No. 45330 Mr. Collins reviewed.
 - ii. If not, please explain why Mr. Collins did not review any testimony in Cause No. 45330, when NIPSCO explicitly noted its proposal in this proceeding was consistent with what was approved in Cause No. 45330.
- d. Admit that NIPSCO's proposal in this proceeding to include contingency as part of its "best estimate" (as discussed by Mr. Vamos at pages 49-53) is consistent with what was approved by the Commission in Cause No. 45330. To the extent your response is anything other than an unqualified admission, please fully explain your response.

Objection:

Response:

- a. Yes.
- b. Yes.
 - i. Based on Mr. Collins' review, it appears Mr. Vamos' proposal is consistent with the Commission's final order in Cause No. 45330.
 - ii. Not applicable.
- c. Yes.
 - i. Please see Industrial Group Response to NIPSCO Request 1.3(c)(i).
 - ii. Not applicable.
- d. Admit. Based on Mr. Collins' review, it appears Mr. Vamos' proposal is consistent with the Commission's final order in Cause No. 45330.

NIPSCO
Cause No. 45557
Data Request Set No. 1
Received: September 7, 2021

NIPSCO 1-12

Request:

1-12. Please refer to Mr. Collins' testimony at pages 16-18, where he challenges NIPSCO's cost estimates, including the inclusion of contingency in such estimates, which he claims is "unnecessary and inappropriate." Please also refer to Mr. Vamos' direct testimony at pages 49-53.

- a. Admit that, to the best of the Industrial Group's knowledge, NIPSCO has followed AACE cost estimation practices in preparing the cost estimates presented in this proceeding. To the extent your response is anything other than an unqualified admission, please fully explain your response and specifically identify which AACE practices NIPSCO has not followed.

Objection:

Response:

- a. Admit.