

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY LLC FOR (1) ISSUANCE OF A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY (“CPCN”) PURSUANT TO IND. CODE CH. 81- )  
8.5 TO CONSTRUCT AN APPROXIMATELY 400 )  
MEGAWATT NATURAL GAS COMBUSTION TURBINE )  
 (“CT”) PEAKING PLANT (“CT PROJECT”); (2) APPROVAL )  
OF THE CT PROJECT AS A CLEAN ENERGY PROJECT )  
AND AUTHORIZATION FOR FINANCIAL INCENTIVES )  
INCLUDING TIMELY COST RECOVERY THROUGH )  
CONSTRUCTION WORK IN PROGRESS RATEMAKING )  
UNDER IND. CODE CH. 8-1-8.8; (3) AUTHORITY TO )  
RECOVER COSTS INCURRED IN CONNECTION WITH )  
THE CT PROJECT; (4) APPROVAL OF THE BEST )  
ESTIMATE OF COSTS OF CONSTRUCTION ASSOCIATED )  
WITH THE CT PROJECT; (5) AUTHORITY TO )  
IMPLEMENT A GENERATION COST TRACKER )  
MECHANISM ("GCT MECHANISM"); (6) APPROVAL OF )  
CHANGES TO NIPSCO'S ELECTRIC SERVICE TARIFF )  
RELATING TO THE PROPOSED GCT MECHANISM; (7) )  
APPROVAL OF SPECIFIC RATEMAKING AND )  
ACCOUNTING TREATMENT FOR THE CT PROJECT; )  
AND (8) ONGOING REVIEW OF THE CT PROJECT, ALL )  
PURSUANT TO IND. CODE CH. 8-1-8.5 AND 8-1-8.8, AND )  
IND. CODE §§ 8-1-2-0.6 AND 8-1-2-23. )**

**CAUSE NO. 45947**

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR  
PUBLIC’S EXHIBIT NO. 5  
TESTIMONY OF  
OUCC WITNESS BRITTANY L. BAKER**

**April 16, 2024**

Respectfully submitted,



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T. Jason Haas  
Deputy Consumer Counselor  
Attorney No. 34983-29

**TESTIMONY OF OUCC WITNESS BRITTANY L. BAKER**  
**CAUSE NO. 45947**  
**NORTHERN INDIANA PUBLIC SERVICE COMPANY, LLC**

**I. INTRODUCTION**

1 **Q: Please state your name and business address.**

2 A: My name is Brittany L. Baker, and my business address is 115 W. Washington  
3 Street, Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed as a Utility Analyst in the Indiana Office of Utility Consumer  
6 Counselor's ("OUCC") Electric Division. A summary of my educational  
7 background and experience is included in Appendix A attached to my testimony.

8 **Q: What is the purpose of your testimony?**

9 A: As part of its proposal for a new natural gas combustion turbine ("CT") peaking  
10 plant ("CT Project"), Northern Indiana Public Service Company, LLC ("NIPSCO")  
11 is proposing cost recovery using its weighted average cost of capital ("WACC") as  
12 the rate of return for capital project financing costs for the "Generation Cost  
13 Tracker" ("GCT") revenue requirement. This would remain in effect until the cost  
14 of the facility is rolled into base rates in NIPSCO's next general rate case. My  
15 testimony explains why NIPSCO should use the CT Project's actual borrowing rate  
16 rather than NIPSCO's WACC, if the Indiana Utility Regulatory Commission  
17 ("Commission") approves cost recovery. I agree with the recommendation of other  
18 OUCC witnesses to deny the Certificate of Public Convenience and Necessity

1 (“CPCN”) as requested, but I offer recommendations in the event the Commission  
2 grants approval.

3 **Q: Are you sponsoring any attachments to your testimony?**

4 A: Yes. I am sponsoring:

- 5 • OUCC Attachment BLB-01: NiSource Inc. and Subsidiaries Operating  
6 Companies Rates for 2023;
- 7 • OUCC Attachment BLB-02: Residential Bill Impact;
- 8 • OUCC Attachment BLB-03: OUCC Adjustments;
- 9 • OUCC Attachment BLB-04: WACC v. Short-term Borrowing Cost  
10 Difference;
- 11 • OUCC Attachment BLB-05: Applicable pages from NiSource’s Form 10-  
12 K as of December 31, 2023;
- 13 • OUCC Attachment BLB-06: NIPSCO’s response to OUCC DR 9-007; and  
14 • OUCC Attachment BLB-07: NIPSCO’s response to OUCC DR 10-003.

18 **Q: To the extent you do not address a specific topic, issue, or item in your  
19 testimony, should it be construed to mean you agree with NIPSCO’s proposal?**

20 A: No. My silence regarding any topics, issues, or items NIPSCO proposes does not  
21 indicate my approval of those topics, issues, or items. Rather, the scope of my  
22 testimony is limited to the specific items addressed herein.

## II. RATE OF RETURN FOR NIPSCO’S GCT MECHANISM

23 **Q: Please explain NIPSCO’s GCT request.**

24 A: NIPSCO requests cost recovery for the natural gas CT Project’s “capital,  
25 depreciation, tax, and financing costs incurred during the construction” using the  
26 GCT, a form of construction work in progress (“CWIP”) ratemaking.<sup>1</sup>

27 **Q: How would the proposed GCT operate?**

1 A: The proposed GCT would be a “semi-annual retail rate adjustment mechanism  
2 through which NIPSCO will timely recover costs associated with the CT Project.”<sup>2</sup>

3 The GCT rate would be forecasted and trued up every six months until the CT  
4 Project is included in rate base following NIPSCO’s next general rate case. The  
5 GCT is not specifically identified in the Indiana Code, but I.C. § 8-1-8.8-11(a)  
6 allows NIPSCO to recover the financing costs and allowance for funds used during  
7 construction (“AFUDC”).<sup>3</sup> Petitioner’s witness Kevin J. Blissmer states: “There  
8 will be no AFUDC reflected in the total cost of the CT Project except for the very  
9 limited AFUDC that has already been accrued and is expected to be accrued until  
10 rates take effect in March 2025.”<sup>4</sup>

11 **Q: Does I.C. ch. 8-1-8.8 allow NIPSCO to recover the financing costs of the CT**  
12 **Project through a tracker?**

13 A: Yes. I.C. § 8-1-8.8-11(a) states, in part:

14 Sec. 11. (a) The commission shall encourage clean energy  
15 projects by creating the following financial incentives for  
16 clean energy projects, if the projects are found to be just and  
17 reasonable:

18 (1) The timely recovery of costs and expenses  
19 incurred during construction and operation of  
20 projects described in section 2(1), 2(2), or 2(5) of  
21 this chapter.

22 I.C. § 8-1-8.8-12 also references cost recovery through a retail rate adjustment  
23 mechanism. Therefore, in this situation, the financial incentive authorized under

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<sup>1</sup> Petitioner’s Exhibit No. 8, Direct Testimony of Kevin J. Blissmer, p. 5, ll. 8-10.

<sup>2</sup> *Id.*, p. 5, ll. 3-5.

<sup>3</sup> *Id.*, p. 5, ll. 8-17.

<sup>4</sup> Petitioner’s Exhibit No. 8-S, Supplemental Direct Testimony of Kevin J. Blissmer, p. 5, ll. 11-14.

1 I.C. § 8-1-8.8-11(a) is the timely recovery of costs and expenses incurred during  
2 construction, which could be achieved through the GCT.

3 **Q: Does the OUCC have any concerns about NIPSCO's proposed rate of return**  
4 **for the GCT?**

5 A: Yes. The OUCC opposes NIPSCO's proposal to use NIPSCO's WACC as the GCT  
6 revenue requirement rate of return. Utilizing NIPSCO's recent average short-term  
7 borrowing rate of 5.86%<sup>5</sup> instead of its WACC , would save ratepayers an  
8 additional \$14,635,914 during construction.<sup>6</sup>

9 **Q: How did you arrive at this number?**

10 A: NIPSCO's financing cost calculations<sup>7</sup> appear in OUCC Attachment BLB-04 in the  
11 tab labeled "CWIP Tracker RR." In that tab, I adjusted the WACC rate to the  
12 current average short-term borrowing rate (5.86%) for the GCT from March 2025  
13 through February 2028. This adjustment flows through the other tabs within the  
14 attachment, showing the final result in the tab labeled "Summary." I then compared  
15 that number to NIPSCO's original number using the WACC rate. NIPSCO's  
16 estimated total financing costs using WACC for the CT project are  
17 \$1,609,808,326.<sup>8</sup> The estimated financing costs using NIPSCO's average short-

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<sup>5</sup> OUCC Attachment BLB-01.

<sup>6</sup> OUCC Attachment BLB-04, Summary, Line 10, Column D.

<sup>7</sup> Blissmer Supplemental Direct, Attachment 8-S-A.

<sup>8</sup> Blissmer Supplemental Direct, p. 5, ll. 2-3.

1 term rate total \$1,595,172,411.<sup>9</sup> NIPSCO's actual project borrowing rate would be  
2 used when truing up its CWIP tracker as explained above.

3 **Q: Why is NIPSCO's short-term borrowing rate more reasonable than**  
4 **NIPSCO's WACC?**

5 A: I.C. § 8-1-8.8-11(a) states the financial incentive is "timely recovery of costs and  
6 expenses incurred during construction." However, it does not state a required rate  
7 of return to be used for recovery of financing costs. Using NIPSCO's short-term  
8 borrowing rate would reflect how NIPSCO would finance the CT Project if it were  
9 to receive funds through more traditional methods, such as bank loans, and would  
10 reflect actual "costs and expenses incurred during construction." The WACC  
11 includes equity, which is not reasonable for ratepayers to pay during the  
12 construction period when the CT will not be used and useful. Using a lower interest  
13 rate will lower costs recovered through the GCT, promoting affordability for all  
14 ratepayers.

15 **Q: What is the most common method of financing for projects of this size?**

16 A: As OUCC witness Gregory L. Krieger testifies, projects of this size are generally  
17 financed through construction loans. However, NIPSCO states that during  
18 construction, it will rely on short-term debt and cash.<sup>10</sup>

19 **Q: Could NIPSCO finance the CT Project at a lower and more reasonable rate**  
20 **than WACC?**

21 A: Yes. NiSource (NIPSCO's parent company) and its subsidiaries had 2023 monthly  
22 rates for short-term debt between 4.74%-6.21% with an average of 5.86%. It also  
23 had monthly composite rates, including investments, between 4.68%-6.19% with

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<sup>9</sup> OUCC Attachment BLB-04, Summary, Line 9, Column A.

<sup>10</sup> OUCC Attachment BLB-07.

1 an average of 5.82%.<sup>11</sup> According to NiSource's Form 10-K as of December 31,  
2 2023, NiSource has been able to secure large unsecured financing at rates of  
3 5.25%,<sup>12</sup> which are lower than NIPSCO's 2023 average short-term borrowing rate.  
4 NiSource should be able to aid NIPSCO in obtaining low-interest debt if NIPSCO  
5 needs help in obtaining loans.

### III. AFFORDABILITY

6 **Q: What is NIPSCO's estimated residential bill impact for a customer using 668**  
7 **kWh?**

8 A: NIPSCO estimates the first GCT Tracker adjustment will increase a residential  
9 customer's bill using 668 kWh per month by \$0.56.<sup>13</sup>

10 **Q: Is the GCT Rate the same over the life of the CT Project?**

11 A: No. The GCT Rate would change every six months starting in March 2025 through  
12 December 2027, when recovery of the CT Project costs is expected to be rolled into  
13 base rates.<sup>14</sup>

14 **Q: Did you review and compare the residential bill impacts between NIPSCO's**  
15 **proposal and all OUCC recommendations?**

16 A: Yes. Table 1 calculates and compares the rate impacts of NIPSCO's proposal using  
17 the WACC and the OUCC's recommendations, including the \$14.6 million saved  
18 using the average short-term borrowing rate and Mr. Krieger's adjustments, on a  
19 residential customer using 1,000 kWh. Table 1 is created utilizing NIPSCO's

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<sup>11</sup> OUCC Attachment BLB-01.

<sup>12</sup> OUCC Attachment BLB-05.

<sup>13</sup> Blissmer Supplemental Direct, p. 8, l. 10.

<sup>14</sup> OUCC Attachment BLB-06, NIPSCO response to OUCC DR 9-007.

1 supplemental response to OUCC DR 2.03 and is attached to my testimony as  
2 Attachment BLB-02.

Table 1

<b>PRE-RATE BASE RESIDENTIAL BILL IMPACT</b>			
<b>Utilizing 1,000 kWh</b>			
<b>6-Month Billing Period</b>	<b>WACC - 6.88%</b>	<b>OUCC Adjs - 5.86% plus GLK Adjs</b>	<b>Difference</b>
Mar '25 - Aug '25	\$ 0.83	\$ 0.58	\$ 0.25
Sep '25 - Feb '26	\$ 2.01	\$ 1.38	\$ 0.63
Mar '26 - Aug '26	\$ 3.32	\$ 2.27	\$ 1.05
Sep '26 - Feb '27	\$ 4.91	\$ 3.35	\$ 1.56
Mar '27 - Aug '27	\$ 5.69	\$ 3.89	\$ 1.81
Sep '27 - Feb '28	\$ 7.22	\$ 5.21	\$ 2.01

3 Table 2 shows the rate impacts between NIPSCO's proposal and the OUCC's  
4 recommendations once the CT Project is put into rate base.

Table 2

<b>MONTHLY RESIDENTIAL BILL IMPACT</b>			
<b>Utilizing 1,000 kWh</b>			
	<b>NIPSCO's Proposal</b>	<b>OUCC's Recommendation</b>	<b>Difference</b>
Annual Amort. Amounts based on Rate Base @ 12/31/2027	\$ 8.94	\$ 7.64	\$ 1.30

5

6 **Q: Are the OUCC's recommendations more affordable to ratepayers?**  
7 **A:** Yes. If the Commission approves the project, the OUCC's adjustments lower the  
8 increase to ratepayers over the GCT and over the life of the CT Project. Should the  
9 Commission accept recommendations raised by the other OUCC witnesses, the  
10 result will be lower costs for ratepayers. The issues raised by OUCC witnesses John  
11 Hanks and Roopali Sanka regarding industrial frame turbines would lower the cost



1 and operating and maintenance expenses. Mr. Krieger's recommendations would  
2 lower the cost of the project by adjusting the contingency, owner's cost, and indirect  
3 costs to be more reasonable and affordable. OUCC witness Cynthia Armstrong's  
4 recommendation lowers the cost by removing the capital investment for the SCR  
5 that is not necessary for a peaker plant like the CT Project. My recommendation  
6 would save ratepayers \$14.6 million during the construction of the CT Project in  
7 addition to the savings realized under other OUCC witness recommendations.

#### **IV. RECOMMENDATIONS**

8 **Q: What does the OUCC recommend in this Cause?**

9 A: If the Commission approves the CT Project, the OUCC recommends the  
10 Commission require NIPSCO to utilize its actual short-term borrowing rate as the  
11 rate of return for its GCT revenue requirement calculation.

12 **Q: Does this conclude your testimony?**

13 A: Yes.

**APPENDIX A**

1 **Q: Please describe your educational background and experience.**

2 A: I received a Bachelor of Science Degree in Business with a major in  
3 Accounting from the Kelley School of Business at IUPUI in 2014. I have four  
4 years of experience in the utility industry as a staff accountant at LWG CPAs &  
5 Advisors. I prepared individual, corporate, property, and non-profit tax returns;  
6 prepared monthly compilations for a town utility; and completed audits on rural  
7 electric membership cooperatives in Indiana, Illinois, and Ohio. In November 2022,  
8 I began my employment with the OUCC as a Utility Analyst II in the electric  
9 division. My duties consist of reviewing and testifying in trackers, rate cases, and  
10 other proceedings before the Commission. My focus is in analyzing the accounting  
11 and revenue requirements in the proceedings.

12 **Q: Have you previously filed testimony in other Commission proceedings?**

13 A: Yes.

**NISOURCE INC. AND SUBSIDIARIES**  
**OPERATING COMPANIES RATES**  
**FOR 2023**

MONTH	DAYS	AVERAGE DAILY BALANCES			MONTHLY INTEREST ACCRUALS			MONTHLY RATES *		
		<u>S-T DEBT</u>	<u>INVESTMENT</u>	<u>COMPOSITE</u>	<u>S-T DEBT</u>	<u>INVESTMENT</u>	<u>COMPOSITE</u>	<u>S-T DEBT</u>	<u>INVEST</u>	<u>COMPOSITE</u>
		\$	\$	\$	\$	\$	\$	%	%	%
JAN	31	395,322,580.65	36,305,985.12	431,628,565.76	1,590,944.45	126,393.70	1,717,338.15	4.74%	4.10%	4.68%
FEB	28	1,349,107,142.86	36,983,985.87	1,386,091,128.72	5,627,180.85	123,373.32	5,750,554.17	5.44%	4.35%	5.41%
MAR	31	1,235,387,096.77	78,433,248.33	1,313,820,345.11	5,941,864.71	301,544.75	6,243,409.46	5.66%	4.53%	5.60%
APR	30	1,000,000,000.00	138,528,378.44	1,138,528,378.44	4,891,194.44	511,059.20	5,402,253.64	5.95%	4.49%	5.77%
MAY	31	1,086,774,193.55	20,486,949.78	1,107,261,143.33	5,601,801.65	95,443.12	5,697,244.77	6.07%	5.49%	6.06%
JUN	30	1,300,666,666.67	86,356,631.05	1,387,023,297.72	6,460,328.88	344,150.69	6,804,479.57	6.04%	4.85%	5.97%
JUL	31	1,645,806,451.61	4,240,897.92	1,650,047,349.53	8,311,447.51	16,630.16	8,328,077.67	5.95%	4.62%	5.94%
AUG	31	1,907,387,096.77	11,449,078.94	1,918,836,175.71	9,784,650.25	48,018.41	9,832,668.66	6.04%	4.94%	6.03%
SEP	30	2,044,333,333.33	7,580,124.26	2,051,913,457.59	10,124,862.86	29,760.29	10,154,623.15	6.03%	4.78%	6.02%
OCT	31	1,975,000,000.00	8,896,816.86	1,983,896,816.86	10,162,457.99	38,258.93	10,200,716.92	6.06%	5.06%	6.05%
NOV	30	2,206,633,333.33	9,961,623.20	2,216,594,956.53	11,075,697.63	39,322.92	11,115,020.55	6.11%	4.80%	6.10%
DEC	31	2,529,548,387.10	44,961,155.59	2,574,509,542.69	13,339,867.61	184,432.97	13,524,300.58	6.21%	4.83%	6.19%
Average	31	1,556,330,523.55	40,348,739.61	1,596,679,263.17	7,742,691.57	154,865.71	7,897,557.27	5.86%	4.52%	5.82%

**OUCC ATTACHMENTS BLB-02 thru 04**

**Excel Documents**

**CAUSE NO. 45947**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NISOURCE INC.****Liquidity and Capital Resources**

We continually evaluate the availability of adequate financing to fund our ongoing business operations, working capital and core safety and infrastructure investment programs. Our financing is sourced through cash flow from operations and the issuance of debt and/or equity. External debt financing is provided primarily through the issuance of long-term debt, accounts receivable securitization programs and our \$1.85 billion commercial paper program, which is backstopped by our committed revolving credit facility with a total availability from third-party lenders of \$1.85 billion. We entered into a \$1.0 billion term agreement in the fourth quarter of 2022 and a \$650.0 million term credit agreement in the fourth quarter of 2023. On January 3, 2024, we terminated and repaid in full our \$1.0 billion term credit agreement and our \$650.0 million term credit agreement. On March 24, 2023, we completed the issuance and sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs. On June 8, 2023, we completed the issuance and sale of a reopening of \$300.0 million of 5.25% senior unsecured notes maturing in 2028 and \$450.0 million of 5.40% senior unsecured notes maturing in 2033, which resulted in approximately \$742.5 million of net proceeds after discount and debt issuance costs. On June 15, 2023, we redeemed all 400,000 shares of Series A Preferred Stock for a redemption price of \$1,000 per share, or \$400.0 million in total. As of December 31, 2023, the ATM program and the associated equity distribution agreements expired. On December 31, 2023, we consummated the NIPSCO Minority Interest Transaction in exchange for a capital contribution of \$2.16 billion in cash. See Note 4, "Noncontrolling Interest," Note 6, "Equity," Note 7, "Short-Term Borrowings," and Note 8, "Long-Term Debt," in the Notes to the Consolidated Financial Statements for more information.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2024 and beyond.

**Operating Activities**

Net cash from operating activities for the year ended December 31, 2023 was \$1,935.1 million, an increase of \$525.7 million from 2022. This increase in cash from operating activities was primarily driven by year over year change in accounts receivable collections driven by the implementation of new rates and the impact of lower gas prices as compared to 2022, partially offset by lower accounts payables also driven by lower gas prices.

**Investing Activities**

Net cash used for investing activities for the year ended December 31, 2023 was \$3,571.6 million, an increase of \$1,001.4 million from 2022. Our current year investing activities were comprised of increased capital expenditures related to system growth and reliability as well as payments to renewable generation asset developers related to milestone payments for certain of our BTA projects in 2023, as well as the property insurance settlement related to the Greater Lawrence Incident received in the prior year.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (continued)

**8. Long-Term Debt**

Our long-term debt as of December 31, 2023 and 2022 is as follows:

Long-term debt type	Maturity as of December 31, 2023	Weighted average interest rate (%)	Outstanding balance as of December 31, (in millions)	
			2023	2022
<b>Senior notes:</b>				
NiSource	August 2025	0.95 %	\$1,250.0	\$1,250.0
NiSource	May 2027	3.49 %	1,000.0	1,000.0
NiSource	December 2027	6.78 %	3.0	3.0
NiSource	March 2028	5.25 %	1,050.0	—
NiSource	September 2029	2.95 %	750.0	750.0
NiSource	May 2030	3.60 %	1,000.0	1,000.0
NiSource	February 2031	1.70 %	750.0	750.0
NiSource	June 2033	5.40 %	450.0	—
NiSource	December 2040	6.25 %	152.6	152.6
NiSource	June 2041	5.95 %	347.4	347.4
NiSource	February 2042	5.80 %	250.0	250.0
NiSource	February 2043	5.25 %	500.0	500.0
NiSource	February 2044	4.80 %	750.0	750.0
NiSource	February 2045	5.65 %	500.0	500.0
NiSource	May 2047	4.38 %	1,000.0	1,000.0
NiSource	March 2048	3.95 %	750.0	750.0
NiSource	June 2052	5.00 %	350.0	350.0
<b>Total senior notes</b>			<b>\$10,853.0</b>	<b>\$9,353.0</b>
<b>Medium term notes:</b>				
NiSource	May 2027	7.99 %	\$ 29.0	\$ 29.0
NIPSCO	June 2027 to August 2027	7.64 %	58.0	58.0
Columbia of Massachusetts	December 2025 to February 2028	6.37 %	15.0	15.0
<b>Total medium term notes</b>			<b>\$ 102.0</b>	<b>\$ 102.0</b>
<b>Finance leases:</b>				
NiSource Corporate Services	February 2024 to September 2027	2.89 %	\$ 30.5	\$ 48.6
NIPSCO	December 2027 to November 2035	4.77 %	61.2	16.5
Columbia of Ohio	December 2025 to March 2044	6.16 %	90.3	83.5
Columbia of Virginia	July 2029 to November 2039	6.23 %	16.1	17.0
Columbia of Kentucky	May 2027	3.79 %	0.2	0.2
Columbia of Pennsylvania	July 2027 to May 2035	4.49 %	7.1	8.9
<b>Total finance leases</b>			<b>\$ 205.4</b>	<b>\$ 174.7</b>
<b>Unamortized issuance costs and discounts</b>			<b>\$ (81.1)</b>	<b>\$ (76.1)</b>
<b>Total Long-Term Debt</b>			<b>\$11,079.3</b>	<b>\$9,553.6</b>

Details of our 2023 long-term debt related activity are summarized below:

- On March 24, 2023, we completed the issuance sale of \$750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately \$742.2 million of net proceeds after discount and debt issuance costs.
- On June 8, 2023, we completed the issuance and sale of \$300.0 million of 5.25% senior unsecured notes maturing in 2028 (the "2028 Notes"). The terms of the 2028 Notes, other than the issue date and the price to the public, are identical to the terms of, and constitute as a reopening of, our 5.25% senior unsecured notes due 2028 issued on March 24, 2023. With the incremental issuance, we now have \$1.05 billion of 5.25% senior unsecured notes maturing in 2028. On June 8, 2023, we also completed the issuance and sale of \$450.0 million of 5.40% senior unsecured notes maturing in 2033. These issuances resulted in approximately \$742.5 million of total net proceeds after discount and debt issuance costs.

**Cause No. 45947**  
**Northern Indiana Public Service Company LLC's**  
**Objections and Responses to**  
**Indiana Office of Utility Consumer Counselor's Ninth Set of Data Requests**

**OUCC Request 9-007**

Please answer the following questions regarding NIPSCO's next rate case filing:

- a. When does NIPSCO anticipate filing its next rate case?
- b. When does NIPSCO anticipate the CT Project costs to be absorbed into rate base?

**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 that this Request seeks information protected from disclosure by the attorney/client privilege and the work product privilege. Analysis done at the instruction of and for the benefit of NIPSCO's outside counsel was done in anticipation of potential litigation and would reveal the thoughts and mental impressions of NIPSCO's attorneys.

**Response:**

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

- a. NIPSCO has not announced any plans to file an electric rate case. In this filing and in the models provided in direct testimony, NIPSCO has assumed that a rate case would be filed in 2026 with base rates implemented in two steps so that Step 1 base rates would be implemented September 1, 2027 with a June 30, 2027 rate base cutoff, and Step 2 base rates would be implemented March 1, 2028 with a December 31, 2027 rate base cutoff.
- b. NIPSCO estimates that the CT project would be placed in service in December 2027. As such, per the assumptions described in part (a) above, the CT Project would be included in Step 2 base rates implemented March 1, 2028.

**Cause No. 45947**  
**Northern Indiana Public Service Company LLC's**  
**Objections and Responses to**  
**Indiana Office of Utility Consumer Counselor's Tenth Set of Data Requests**

For the following questions, the term "project financing" means short-term financing secured by NIPSCO for a project or projects prior to or during construction and/or prior to NIPSCO recovering costs through a ratemaking mechanism. Please explain NIPSCO's project financing methods in general by answering the following questions:

**OUCC Request 10-003:**

Does NIPSCO use any of the following project financing methods:

- a. Are project bonds or project debt issuance utilized?
- b. Are bank or financial institution term agreements utilized?
- c. Are project specific bonds utilized?
- d. Is project specific commercial paper utilized?
- e. Is cash from operations utilized?
- f. Is cash on hand utilized?
- g. Is long term general debt issued and utilized?
- h. Is long term project specific debt issued and utilized?
- i. Are revolving credit facilities utilized?
- j. Is short term general debt, less than 2 years, issued and utilized?
- k. Is short term project specific debt issued and utilized?
- l. Are commercial project financing or private lending companies utilized?
- m. Are extended payable terms pursued and utilized?
- n. Is Private Equity financing or private debt placement utilized?
- o. Are intercompany, extended term payables utilized?
- p. Are there any other methods of project financing used that are not identified in this question?

**Objections:**

NIPSCO objects to this Request on the grounds and to the extent that this Request is vague and ambiguous because rate base is not financed by "project financing."

**Response:**

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

For permanent financing, NIPSCO relies upon its capital structure. During construction, NIPSCO will rely on short term debt and cash.



**AFFIRMATION**

I affirm, under the penalties for perjury, that the foregoing representations are true.



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Brittany L. Baker  
Utility Analyst II  
Indiana Office of Utility Consumer Counsel  
Cause No. 45947  
NIPSCO, LLC

Date: April 16, 2024

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 5 Testimony of OUCC Witness Brittany L. Baker* has been served upon the following counsel of record in the captioned proceeding by electronic service on April 16, 2024.

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