

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN)
INDIANA PUBLIC SERVICE COMPANY LLC)
FOR (1) APPROVAL OF AN ADJUSTMENT)
TO ITS GAS SERVICE RATES THROUGH)
ITS TRANSMISSION, DISTRIBUTION, AND)
STORAGE SYSTEM IMPROVEMENT)
CHARGE ("TDSIC") RATE SCHEDULE; (2))
AUTHORITY TO DEFER 20% OF THE) CAUSE NO. 44403-TDSIC-11
APPROVED CAPITAL EXPENDITURES AND)
TDSIC COSTS FOR RECOVERY IN)
PETITIONER'S NEXT GENERAL RATE)
CASE; AND (3) APPROVAL OF)
PETITIONER'S UPDATED 7-YEAR GAS)
PLAN, INCLUDING ACTUAL AND)
PROPOSED ESTIMATED CAPITAL)
EXPENDITURES AND TDSIC COSTS THAT)
EXCEED THE APPROVED AMOUNTS IN)
CAUSE NO. 44403-TDSIC-9, ALL PURSUANT)
TO IND. CODE CH. 8-1-39-9.)

PETITIONER'S RESPONSE TO REQUEST FOR INFORMATION

Northern Indiana Public Service Company LLC, by counsel, hereby submits its response to the Indiana Utility Regulatory Commission's request for additional information in its May 21, 2020 Docket Entry as follows:

Request for Information:

In Cause No. 44403, NIPSCO indicated that public convenience and necessity would be met for rural extensions by converting propane users to natural gas. Please indicate how many propane customers were converted to natural gas during the life of the TDSIC Plan and how that amount compares to the original estimate.

Response:

In Cause No. 44403, NIPSCO witness Frank Shambo estimated that approximately 2,600 rural services per year would be extended during the seven year life of NIPSCO's Gas TDSIC Plan. Cause No. 44403, Petitioner's Exhibit FAS at p. 18.¹ The public convenience and necessity associated with rural extensions was expected to be partially met from customer savings associated with conversion to natural gas from propane, and rural extensions were planned to run in parallel with NIPSCO's new business projects to develop efficient project designs and focus on savings to other customers beyond those converting from propane or other fuels. *Id.* at p. 20.

As rural projects were built beginning in 2014, it became clear that (a) the term "conversion" encompassed more than just conversion from propane, and (b) it was difficult to identify with clarity the factor(s) driving individual customers to connect with newly installed rural mains when the opportunity for natural gas became available. Customers connecting to rural TDSIC projects in later years may be driven by a combination of factors or for reasons unrelated to the desire to switch fuels.

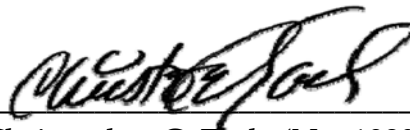
¹ NIPSCO witness Mark Small explained some of the key parameters for the analysis used to derive NIPSCO's estimated number of connections, including projected rates of connection for the first five years a rural project was to be in service. Cause No. 44403, Petitioner's Exhibit MGS at pp. 42-43.

Over the six years of the TDSIC Plan, NIPSCO has refined its data collection techniques and systems, with 2019 providing the most complete data available regarding the types of services installed. NIPSCO utilized the 2019 data and extrapolated the results of the type of installation for years 2014-2019 (actual total rural services installed each year is known, just not the exact ratio of the types of connection). The table below reflects that analysis.

Total Rural Services	2014	2015	2016	2017	2018	2019	Total
Actual Total Rural Services	2,308	3,199	2,772	3,193	3,085	3,304	17,861
Forecasted Services in Cause 44403	2,600	2,600	2,600	2,600	2,600	2,600	15,600
Variance (Actual to Forecast)	(292)	599	172	593	485	704	2,261

Rural Service Conversion Fuel Estimates		2014	2015	2016	2017	2018	2019	Total
TDSIC - CONVERSION: ELECTRIC	17.4%	402	557	483	556	538	576	3,112
TDSIC - CONVERSION: OIL	0.8%	19	26	22	26	25	27	144
TDSIC - CONVERSION: OTHER	1.7%	39	54	47	54	52	56	300
TDSIC - CONVERSION: PROPANE	21.5%	495	687	595	685	662	709	3,835
TDSIC - CONVERSION: WOOD	0.7%	16	22	19	22	21	23	122
TDSIC - NEW CONSTRUCTION	57.9%	1,337	1,853	1,606	1,850	1,787	1,914	10,348
	100.0%	2,308	3,199	2,772	3,193	3,085	3,304	17,861

Respectfully submitted,



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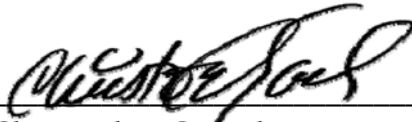
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served by email transmission upon the following:

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Dated this 27th day of May, 2020.



Christopher C. Earle