

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA )  
PUBLIC SERVICE COMPANY LLC FOR )  
APPROVAL PURSUANT TO IND. CODE §§ 8-1-2- ) CAUSE NO. 45403  
42(A), 8-1-8.8-11 OF TWO RENEWABLE ENERGY )  
POWER PURCHASE AGREEMENTS, INCLUDING )  
TIMELY COST RECOVERY. )


INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC’S EXHBIT NO. 4

TESTIMONY OF OUCC WITNESS  
MICHAEL D. ECKERT

SEPTEMBER 8, 2020

Respectfully submitted,

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

**TESTIMONY OF OUCC WITNESS MICHAEL D. ECKERT**  
**CAUSE NO. 45403**  
**NORTHERN INDIANA PUBLIC SERVICE COMPANY**

**I. INTRODUCTION**

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

2   A:   My name is Michael D. Eckert and my business address is 115 W. Washington St., Suite 1500  
3       South, Indianapolis, IN, 46204. I am employed as an Assistant Division Director in the  
4       Electric Division for the Indiana Office of Utility Consumer Counselor ("OUCC"). My  
5       qualifications are set forth in Appendix A of this document.

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

7   A:   I present my analysis of Northern Indiana Public Service Company LLC's ("NIPSCO" or  
8       "Petitioner") proposed cost recovery of 1) a Solar Energy Purchase Agreement between  
9       NIPSCO and Brickyard Solar, LLC ("Brickyard") dated June 30, 2020 ("Brickyard PPA"),  
10      and 2) a Solar Generation and Energy Storage Energy Purchase Agreement between  
11      NIPSCO and Greensboro Solar Center, LLC ("Greensboro") dated June 30, 2020  
12      ("Greensboro PPA"), collectively referred to as the "Solar PPAs." Should the Commission  
13      approve NIPSCO's Solar PPAs, I recommend approval of NIPSCO's proposed associated  
14      cost recovery.

15  **Q:   What have you done to formulate your opinions and prepare your testimony in this**  
16  **cause?**

17  A:   I reviewed NIPSCO's prefiled petition, testimony, attachments, both proposed Solar PPAs,  
18      and workpapers. I reviewed relevant Indiana Utility Regulatory Commission  
19      ("Commission") Orders and NIPSCO's responses to OUCC data requests. In addition, I  
20      reviewed pertinent sections of Title 8 of the Indiana Code and Title 170 of the Indiana

Administrative Code. Further, I participated in conference calls and meetings with NIPSCO representatives and other OUCC staff members regarding this Cause.

**Q: To the extent you do not address a specific item in your testimony, should it be construed to mean you agree with NIPSCO's proposals?**

A: No. Exclusions of any topics, issues or items NIPSCO proposes does not indicate my approval of these topics, issues or items. Rather, the scope of my testimony is limited to the specific topics discussed herein.

## **II. NIPSCO'S REQUESTED COST RECOVERY**

**Q. How does Petitioner propose to recover Solar PPA costs?**

A: Petitioner proposes to recover power purchase costs from retail customers through NIPSCO's Fuel Clause Adjustment ("FAC") proceedings, or successor mechanism, over the entire 20-year term of the Solar PPAs. Additionally, NIPSCO requests the Solar PPAs not be subject to the Ind. Code § 8-1-2-42(d)(1) FAC benchmark review or tests.<sup>1</sup>

**Q: Is NIPSCO's requested Solar PPA cost recovery treatment consistent with prior Commission authorized wind energy PPA cost recovery?**

A: Yes. The Commission authorized NIPSCO to recover costs of wind energy PPAs through the FAC in related Cause Nos. 43393,<sup>2</sup> 45195,<sup>3</sup> and 45196,<sup>4</sup> as well as Indiana Michigan Power Company ("I&M") related Cause Nos. 44034<sup>5</sup> and 44362.<sup>6</sup> In the Cause No. 43393 Order, it the Commission stated:

NIPSCO is hereby authorized to recover the wind PPAs' costs over their full term, pursuant to Ind. Code §§ 8-1-2-42(a) and 8-1-8.8, to be administered within NIPSCO's fuel adjustment charge ("FAC") proceedings (or a successor mechanism). This recovery shall not be subject to any FAC benchmark review or tests.<sup>7</sup>

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<sup>1</sup> Petitioner's Exhibit No. 1, Verified Direct Testimony of Andrew S. Campbell, page 24, lines 1-11.

<sup>2</sup> Commission Order dated July 24, 2008.

<sup>3</sup> Commission Order dated June 5, 2019.

<sup>4</sup> Commission Order dated June 5, 2019.

<sup>5</sup> Commission Order dated September 21, 2011.

<sup>6</sup> Commission Order dated November 25, 2013.

<sup>7</sup> See Cause No. 43393, Order, Ordering Paragraph 3, pp. 17-18 (July 24, 2008).

1           Additionally, in its Cause No. 45195 and Cause No. 45196 Orders, the Commission stated:

2           NIPSCO is authorized to recover the Jordan Creek Wind Energy PPA Costs  
3           over their full term pursuant to Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-11, to  
4           be administered within NIPSCO's FAC proceedings (or successor  
5           mechanism). This recovery shall not be subject to any tests or benchmarks.<sup>8</sup>

6           and

7           NIPSCO is authorized to recover the Roaming Bison Wind Energy PPA  
8           Costs over their full term pursuant to Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-  
9           11, to be administered within NIPSCO's FAC proceedings (or successor  
10          mechanism). This recovery shall not be subject to any tests or FAC  
11          benchmarks.<sup>9</sup>

12          Further, in its Cause No. 44034 Order, the Commission stated:

13          I&M shall be and is hereby authorized to recover the purchased power costs  
14          incurred under the Wind REP A, including reasonable and necessary  
15          associated costs, such as wind forecasting and REC registry costs, over its  
16          full 20-year term pursuant to Ind. Code §§ 8-1-2-42(a) and 8-1-8.8, to be  
17          administered within I&M's fuel adjustment charge ("FAC") proceedings (or  
18          a successor mechanism). This recovery shall not be subject to any FAC  
19          benchmark review or tests.<sup>10</sup>

20          Finally, the Commission stated in its Cause No. 44362 Order:

21          I&M shall be and is hereby authorized to recover the purchased power costs  
22          incurred under the REPA, including reasonable and necessary associated  
23          costs, such as wind forecasting and REC registry costs, over its full 20-year  
24          term pursuant to Ind. Code § 8-1-2-42(a) and Ind. Code § 8-1-8.8, to be  
25          administered within I&M's FAC proceedings (or a successor mechanism).  
26          As provided in Paragraph 8B, the purchased power costs I&M seeks to  
27          recover during the 20-year term of the REPA shall not be subject to  
28          additional prudence review or the FAC benchmark test, but any associated  
29          costs I&M seeks to recover will remain subject to review and challenge in  
30          I&M's FAC (or any successor rate adjustment mechanism) proceedings.<sup>11</sup>

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<sup>8</sup> See Cause No. 45195, Order, Ordering Paragraph 3, pp. 12 (June 5, 2019).

<sup>9</sup> See Cause No. 45196, Order, Ordering Paragraph 3, pp. 12-13 (June 5, 2019).

<sup>10</sup> See Cause No. 44034, Order, Ordering Paragraph 2, pp 14-15 (August 31, 2011).

<sup>11</sup> See Cause No. 44362, Order, Ordering Paragraph 3, p. 12 (November 25, 2013).

1 In addition to the Cause Nos. referenced above, the Commission approved similar  
2 I&M wind energy PPAs, and timely recovery of costs associated with such PPAs, in Cause  
3 Nos. 43328<sup>12</sup> and 43750.<sup>13</sup>

4 **Q: Does the OUCC oppose NIPSCO's proposed Solar PPA cost recovery treatment?**

5 A: No. NIPSCO's proposed Solar PPA cost recovery is consistent with prior Commission  
6 energy PPA cost recovery treatment approval.

### **III. RECOMMENDATION**

7 **Q: What do you recommend with respect to NIPSCO's proposed Solar PPA cost**  
8 **recovery?**

9 A: Should the Commission approve NIPSCO's proposed Solar PPAs, despite the  
10 recommendations of OUCC witnesses Lauren M. Aguilar and Anthony A. Alvarez, I  
11 recommend the Commission authorize recovery of associated power purchase costs from  
12 retail customers through NIPSCO's FAC proceedings, or successor mechanism, over the  
13 entire 20-year term of the agreement.

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

15 A. Yes.

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<sup>12</sup> Commission Order dated November 28, 2007.

<sup>13</sup> Commission Order dated January 6, 2010.

**APPENDIX A – QUALIFICATIONS OF MICHAEL D. ECKERT**

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

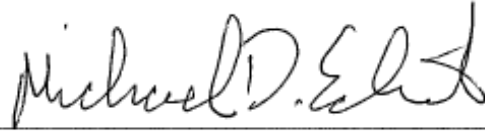
A: I graduated from Purdue University in West Lafayette, Indiana in December 1986, with a Bachelor of Science degree, majoring in Accounting. I am licensed in the State of Indiana as a Certified Public Accountant. Upon graduation, I worked as a Field Auditor with the Audit Bureau of Circulation in Schaumburg, Illinois until October 1987. In December 1987, I accepted a position as a Staff Accountant with the OUCC. In May 1995, I was promoted to Principal Accountant and in December 1997, I was promoted to Assistant Chief Accountant. As part of the OUCC's reorganization, I accepted the position of Assistant Director of its Telecommunications Division in July 1999. From January 2000 through May 2000, I was the Acting Director of the Telecommunications Division. During an OUCC reorganization, I accepted a position as a Senior Utility Analyst. As part of my continuing education, I have attended the National Association of Regulatory Utility Commissioner's ("NARUC") two-week seminar in Lansing, Michigan. I attended NARUC's Spring 1993 and 1996 seminar on system of accounts. In addition, I attended several CPA sponsored courses and the Institute of Public Utilities Annual Conference in December 1994 and December 2000.

**Q: Have you testified previously before the Commission?**

A: Yes.

**AFFIRMATION**

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

A handwritten signature in black ink, appearing to read "Michael D. Eckert", is written above a horizontal line.

By: Michael D. Eckert  
Assistant Director of the Electric Division  
Indiana Office of Utility Consumer Counselor

Cause No. 45403  
NIPSCO, LLC

Date: September 8, 2020


## **CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 4 Testimony of OUCC Witness Michael D. Eckert* has been served upon the following counsel of record in the captioned proceeding by electronic service on September 8, 2020.

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