

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. 8-1-8.5 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

PETITIONER'S REPLY TO POST-HEARING FILINGS

Northern Indiana Public Service Company LLC ("NIPSCO"), by counsel,
respectfully submits this reply to the Indiana Office of Utility Consumer Counselor's

("OUCC") proposed form of order ("OUCC PO"), NIPSCO Industrial Group's ("IG") Post-Hearing Brief ("IG Brief") and form of proposed order ("IG PO"), Citizens Action Coalition of Indiana, Inc.'s ("CAC") Exceptions to Petitioner's Proposed Order ("CAC PO"), and Primary Energy Recycling Holdings LLC's ("Primary Energy") Proposed Order ("Primary PO"), all filed in this Cause on August 15, 2024.¹ As explained herein, the proposed orders submitted by these parties should be rejected in their entireties.

In short, nothing in the responsive post-hearing filings should compel the Commission to take any action other than to approve NIPSCO's CT Project, incorporating a year-end 2027 in-service date and the modifications NIPSCO proposed in its rebuttal testimony. NIPSCO has submitted substantial evidence supporting its request for a CPCN and specifically has supported the preferred configuration. The OUCC "agrees that load-following replacement generation capacity is necessary to reliably serve NIPSCO's customers" and "recognizes that NIPSCO's IRP and updated analysis shows additional replacement capacity for retiring generation is needed to preserve reliability, resiliency, and stability."² The Commission has recognized that in a dramatically shifting generation landscape, the need for fast-start/quick ramping resources is magnified. *Southern Ind. Gas & Elec. Co.*, Cause No. 45564 (IURC 6/28/2022), pp. 18-19. As identified by MISO, NERC, the MISO IMM, and others, this need is increasing and the proposed

¹ Abbreviations used herein are those previously defined and used in NIPSCO's Proposed Order. To the extent this Reply does not address a specific issue in this proceeding, NIPSCO relies on its testimony and exhibits, as well as its Proposed Order submitted in this Cause.

² Pub. Ex. 1, pp. 3 and 10.

CT Project in its preferred configuration addresses needed attributes to directly support NIPSCO's overall generation portfolio. NIPSCO's Flexible Resource Analysis concluded there is a significant growth in the need for faster ramping/quicker starting resources and directly supports that there is now a need for 400 MW of peaking capacity and, specifically with respect to configuration, that need must address the 150 MW of growth in the need for capacity with a ramp rate of 10 minutes by 2030. This need was the basis for which the RFP was structured.³

The IG PO and Brief rest entirely on a statutory interpretation argument, in which the IG argues that if NIPSCO's CT Project at the exact size proposed here was not directly contemplated in its most recent IRP, it cannot be granted a CPCN. This fails on purely textual analysis. It should also fail as a matter of regulatory policy, as the CT Project remains consistent with recent portfolio analyses that show a need for critical reliability functions within NIPSCO's service territory to properly complement its largely renewable generation portfolio – a need that was identified with robust and numerous analyses as part of NIPSCO's 2021 IRP and affirmed in the 2023 portfolio analysis. To the extent the IG Brief and PO restate arguments alleging the CT Project is not “right sized” because the underlying portfolio analysis does not reflect reductions in Rate 531 Tier 1 demand, NIPSCO's rebuttal testimony (Pet. Ex. 7-R, pp. 18-19) rebutted this criticism and pointed out that, at least through 2033, even with the 400 MW CT Project, NIPSCO will

³ NIPSCO PO at 18-21, 30, 45-47.

likely still require additional capacity purchases or additions to meet current MISO planning requirements, as well as potential future changes associated with MISO's resource accreditation rules.

As proposed, the design of the CT Project is intended to meet the intermittent nature of solar and wind resources through the particular technology selected – the aeroderivative turbines – to which the OUCC and CAC continue to object. But these parties give short shrift to the key operational functions of the aeroderivative turbines, thereby placing their thumb on the scale between the costs and benefits this particular technology provides. NIPSCO's best estimate of the cost to construct the CT Project is \$100 million less than the only bid it received that could meet the Project's technical specifications. This \$100 million in savings is produced because NIPSCO has taken on the responsibility of managing the construction of the CT Project, a savings the other parties ignore and would seemingly prefer to pass by. Despite the assumption of risk NIPSCO has taken on, these parties continue to object to portions of NIPSCO's indirect costs⁴ and recommend cuts to line items such as NIPSCO's escalation from 5% to 3%. Perhaps most egregiously, the OUCC and CAC fail to even acknowledge the ultimate impact of their collective recommendations, which would be to reverse course back to soliciting RFP bids in a second EPC bid event that would derail the CT Project's

⁴ Regarding indirect costs, the CAC PO acknowledges (at 34) NIPSCO's rebuttal testimony and concludes "no double counting actually occurred." The OUCC PO appears to abandon its prior position on indirect costs, and simply recognizes its prefiled testimony (OUCC PO at 13) but includes no findings reconciling that testimony with NIPSCO's rebuttal testimony.

construction schedule, jeopardize its MISO replacement generator interconnection rights, and *would add costs to the Project's best estimate and associated cost recovery through rates*, all of which are not in the best interest of NIPSCO and its customers. Further, there is no guarantee the type of EPC bidder they prefer would even respond. No matter their preference, NIPSCO's current proposal is reasonable. Given that NIPSCO has a demonstrated history of constructing complex, first-of-their-kind generation projects, has partnered with Sargent and Lundy ("S&L") throughout each stage of the Project's development, including design and competitive procurement, and has agreed to ongoing Commission review under Ind. Code § 8-1-8.5-6, this outcome would be extreme.

NIPSCO filed supplemental testimony supporting its decision to extend the in-service date of the CT Project by 12 months to more reasonably account for unpredictable changes in the lead times for critical circuit breakers the Project needs to operate. NIPSCO's rebuttal testimony eliminated the cost of pollution control equipment that the Project, as designed, does not now require (but may in the event that federal environmental regulations change)⁵ and accepted the OUCC's recommendation to apply its short-term debt rate, allowance for funds used during construction ("AFUDC"), to

⁵ The OUCC PO (at 18) contains a finding that "NIPSCO's best estimate also includes unnecessary pollution control technology costs, which can be sought in a subsequent federally mandated cost tracker proceeding" – but at page 21 acknowledges NIPSCO updated the best estimate to reflect the removal of the SCR, and that "as federal environmental regulations change, applicable Indiana law and/or regulations offer options utilities may consider for recovering compliance costs, including the FMCA statute." NIPSCO's rebuttal testimony clearly states the SCR and its attendant costs have been removed from the CT Project and its best estimate. To the extent the OUCC's PO contains findings related to this inaccuracy, the Commission should decline to adopt that language.

post-in-service carrying costs (“PISCC”) as opposed to its long-term weighted average cost of capital (“WACC”). The CT Project meets the requirements of a CPCN, and the best estimate of the cost to construct the Project is reasonable and should be approved.

The CT Project is also consistent with Indiana’s Five Pillars. NIPSCO customers will benefit from the resiliency, reliability, and stability of their electric service while also reaping the benefits associated with more environmentally sustainable sources of energy. Led by NIPSCO, the CT Project will be constructed as affordably as reasonably possible based on market-informed pricing and commitments with vendors for long lead time equipment. Through ongoing review, the Commission retains oversight of the CT Project throughout its continued development and construction through 2027.

On ratemaking issues, the IG and OUCC chose not to propose any findings related to cost recovery in their respective post-hearing submissions, while the CAC continues to advance the curious notion that “gross financing savings” means “net present value.” NIPSCO’s GCT Mechanism is allowed through Ind. Code ch. 8-1-8.8 financial incentives, as it replaces retiring coal-fired generation and will result in approximately \$91 million gross financing savings to customers, mainly through the near elimination of PISCC and depreciation.⁶ The GCT Mechanism, the first of which will be filed within 30 days of a final order in this Cause, should be approved as proposed.

⁶ NIPSCO PO at 43.

With the arguments above incorporated below, NIPSCO now responds to specific items raised in the responsive post-hearing submissions.⁷

1. OUCC

The OUCC's allegation (OUCC PO at 22) that "[t]he requirement for a 10-minute start time in the EPC RFP, when an industrial frame can start in 11 minutes, deliberately resulted in a more expensive configuration as it necessitated the use of aeroderivative turbines" reveals that it still has not made a meaningful attempt to understand the technology or the technical specifications in the engineering study and competitive bid package. NIPSCO's evidence demonstrated that ramp rate is not the only key operational characteristic of the aeroderivative turbines – how many times a turbine can start per day, its heat rate, and its ability to run at low loads are also critically important – and the aeroderivative turbines have different and more efficient factors in those areas as compared to industrial frame units. (Pub. Ex. No. CX-1-C, NIPSCO's Response to OUCC DR 11-1.)⁸

Similarly, OUCC's assertion (OUCC PO at 22) that NIPSCO's EPC RFP "forced the selection of more expensive aeroderivative turbines for the facility" shows that it continues to ignore NIPSCO's rebuttal testimony that the EPC RFP freely allowed

⁷ Other than its petition to intervene and its response to objections thereto, Primary Energy's PO is its first substantive pleading in this Cause as it petitioned to intervene after the date set for prefiled intervenor testimony. NIPSCO notes that Primary's PO "redline" contained four underlined additions to NIPSCO's PO and did not include any modification to NIPSCO's proposed ordering paragraphs or any of the underlying relief requested in this Cause.

⁸ See also NIPSCO PO at 14.

potential bidders to provide bids that would include one larger industrial frame machine and multiple aeroderivative **or industrial frame units**. Mr. Baacke's rebuttal testimony (Pet. Ex. 5-R, pp. 3-4) plainly stated the constraints bidders needed to follow (consistent with the Flexible Resource Analysis) and explained that bidders were asked to select a combination of industrial frame and aeroderivative CTs (and optionally, reciprocating internal combustion engines). NIPSCO witness Warren from S&L testified that the EPC RFP was structured in a manner that is consistent with S&L's professional experience and with similar RFPs that Mr. Warren has reviewed within the power industry—something that is not challenged by the OUCC. (Pet. Ex. 4-R at 3.)

OUCC misstates the record at page 21 of its redline PO at which it attempts to respond to the fact that Witness Sanka did not provide the range for alleged "savings" that would be produced without the aeroderivative units and that it is Witness Krieger who proposes a reduction. NIPSCO's PO explains that Mr. Krieger's reduction is actually the result of mathematically comparing the cost of three aeroderivative units and a single larger frame unit.⁹ The flaw in this comparison is that this math does not follow Ms. Sanka's objection. Ms. Sanka alleged "NIPSCO failed to evaluate the configuration with one large industrial frame unit and smaller industrial frame, similarly sized to the aeroderivative turbines."¹⁰ The OUCC deletes the discussion of that flaw in its proposed

⁹ NIPSCO PO at 20.

¹⁰ Pub. Ex. 3, p. 6. (emphasis added)

order and recasts Ms. Sanka’s testimony as being critical of “NIPSCO for not evaluating a configuration with an industrial frame unit in lieu of aeroderivative units.”¹¹ That was not her objection. Ms. Sanka’s objection was as stated in NIPSCO’s PO and her objection is inconsistent with the need to have smaller units (frame or aeroderivative) that could meet the start-up ramp time that NIPSCO requires. As explained by Mr. Baacke (outlined above), the RFP allowed bidders to submit proposals that included smaller frame units similarly sized to the aeroderivative units.

OUCC PO also claims (at 21) NIPSCO “displayed its inexperience with project management” when it shifted the in-service date for the CT Project from year-end 2026 to year-end 2027 due to supply chain challenges with 345 kV breakers and generator step-up transformers when the exact opposite is true. NIPSCO’s decision to modify its planned in-service date when updated information from key suppliers changed—rather than forging ahead despite receiving such information—demonstrates NIPSCO’s diligence at the early stages of project development. The OUCC’s false narrative ignores Mr. Baacke’s rebuttal testimony that describes the 70% increase in breaker costs in just four months between the end of 2023 to the beginning of 2024. (Pet. Ex. 5-R at 26.)¹² Tellingly, the OUCC PO removes nearly every reference to the \$100 million cost differential between the only EPC RFP bid that met the technical specifications of the

¹¹ OUCC PO Redline at 21. (emphasis added)

¹² *See also* NIPSCO PO at 17.

Project and NIPSCO's best estimate from its proposed findings. NIPSCO has committed to manage the construction of the CT Project with its own internal resources, as well as with S&L's expert assistance, and this decision is reasonable and serves to reduce the cost of the Project itself. OUCC's refusal to reconcile this fact with its arguments on the affordability of the CT Project should not be accepted.

The aeroderivative turbines included in the preferred configuration of the CT Project will serve a critical function in NIPSCO's service territory and the grid at large. NIPSCO's 2021 IRP and its Flexible Resource Analysis prove out that long duration quick start ramping generation is vitally important to the reliability of NIPSCO's service territory, as the Company continues to retire its coal-fired generation and add significant renewable generation, including 1,285 MW of solar, 200 MW of wind, and 75 MW of storage resources expected to be online by the end of 2025. The OUCC PO (at 19) makes no meaningful attempt to reconcile NIPSCO's evidence supporting (1) the integrity of its EPC RFP process, (2) the beneficial attributes of the aeroderivative turbines, and (3) the fact that the only EPC bid response that met NIPSCO's technical specifications was \$100 million more than NIPSCO's proposed best estimate of construction of the CT Project.¹³ Removing the aeroderivative units based solely on an affordability claim would ignore every other pillar in the State's Five Pillars, as well as NIPSCO's evidence on the

¹³ NIPSCO PO at 10-16.

significant benefits this particular technology stands to provide to its customers in terms of reliability and resiliency.

2. IG

The CT Project is a utility specific proposal that is based upon an updated integrated resource plan pursuant to Ind. Code § 8-1-8.5-3(e)(1) (“Subsection 3(e)(1)”). In opposing it, IG conflates Subsection 3(e)(1) with Ind. Code § 8-1-8.5-3(e)(2) (“Subsection (e)(2)”). It is not a utility’s obligation to demonstrate consistency with an IRP as submitted pursuant to the Commission’s regulations governing the formal IRP submission process. This is clear in the plain language of Ind. Code § 8-1-8.5-5(b)(2) which requires:

[...] a finding that *either*:

(A) the construction, purchase, or lease will be consistent with the commission's analysis (or such part of the analysis as may then be developed, if any) for expansion of electric generating capacity; *or*

(B) the construction, purchase, or lease is consistent with a utility specific proposal submitted under section 3(e)(1) of this chapter and approved under subsection (d). However, if the commission has developed, in whole or in part, an analysis for the expansion of electric generating capacity and the applicant has filed and the commission has approved under subsection (d) a utility specific proposal submitted under section 3(e)(1) of this chapter, the commission shall make a finding under this clause that the construction, purchase, or lease is consistent with the commission's analysis, to the extent developed, and that the construction, purchase, or lease is consistent with the applicant's plan under section 3(e)(1) of this chapter, to the extent the plan was approved by the commission. (*emphasis added*)

IG is simply wrong when it contends that a submission under Ind. Code § 8-1-8.5-5(b)(2)(A) must also satisfy the requirements for a utility specific proposal under subsection (b)(2)(B). The two options are separated by “either” and “or.”

Subsection (b)(2)(B) then directs the reader to Subsection 3(e)(1). Reading the entirety of Ind. Code § 8-1-8.5-3(e) reveals that the IG is confusing Subsection 3(e)(1) with Subsection 3(e)(2) which states:

(e) In addition to such reports as public utilities may be required by statute or rule of the commission to file with the commission, a utility:

(1) may submit to the commission a current or updated integrated resource plan as part of a utility specific proposal as to the future needs for electricity to serve the people of the state or the area served by the utility; and

(2) shall submit to the commission an integrated resource plan that assesses a variety of demand side management and supply side resources to meet future customer electricity service needs in a cost effective and reliable manner.

The commission shall adopt rules under IC 4-22-2 concerning the submission of an integrated resource plan under subdivision (2).

IG argues that in order for a utility specific proposal to rely upon an “updated” IRP, the “update” must be a full, formal integrated resource plan. But the formal integrated resource plan is required by Subsection (3)(e)(2). That is the document which captures the present status of the integrated resource plan once every three years and is conducted pursuant to the Commission’s promulgated rules. The statute does not require a full and formal integrated resource plan to be prepared to be an “updated” integrated resource plan under Subsection 3(e)(1).

NIPSCO's Flexible Resource Analysis and 2023 portfolio analysis are an appropriate and lawful basis upon which a CPCN for the CT Project can be granted. Indeed, as described in Pet. Ex. 7-R, pp. 12-14, the Commission has accepted and acknowledged the role of the 2023 portfolio analysis in resource decisions in a number of NIPSCO CPCN proceedings.¹⁴

3. CAC

CAC's public and confidential proposed orders are actually two proposed orders with the confidential proposed order including margin comments that reference confidential or highly confidential information. However, none of this additional information can appropriately be used in a Commission order, as (1) counsel is unaware of any statutory authority allowing the Commission to issue a confidential Order, and (2) portions of CAC's margin comments contain arguments that were not put forth in its prefiled evidence, in violation of the Commission's GAO 2020-5, Appendix A. This deficiency is prejudicial and undermines the fundamental fairness of Commission proceedings to the detriment of all parties if permitted.

CAC's PO also fails on the merits, as it continues to inaccurately characterize (at 27) NIPSCO's Flexible Resource Analysis without acknowledging NIPSCO's responsive

¹⁴ As noted in Pet. Ex. 7-R, p. 12, NIPSCO relied in part on the 2023 portfolio analysis in its CPCN application for a new solar project in Cause No. 45926 (Gibson Solar), its requests for approval of three PPAs in Cause Nos. 45887 (Appleseed Solar and Templeton Wind) and 45908 (Carpenter Wind), and in its requests for changes in cost and ownership structure for various solar and solar plus storage projects in Cause Nos. 45936, 46028, and 46032 – all of which have now been approved by the Commission.

rebuttal testimony. As an example, the Flexible Resource Analysis did compare the cost of different resource options, and it specifically evaluated a portfolio with additional battery storage resources and no new thermal peaking capacity and determined that a portfolio *with* thermal peaking capacity was *lower cost for customers*. This confirmed the same analysis that was performed in NIPSCO's 2021 IRP. (Pet. Ex. 7-R at 16-17.) The CAC PO also quibbles (at 27) with the system-level analysis for the remainder of MISO Zone 6 and the PJM regions of Indiana and Illinois, seemingly arguing that this analysis was outdated and should have incorporated Illinois' Climate and Equitable Jobs Act. This is a shockingly minor point and ignores the stipulated facts that renewable procurement under the Illinois Act is falling well below of its 2030 goal.¹⁵

These seemingly technical concerns belie CAC's actual disagreement with NIPSCO's Flexible Resource Analysis and 2023 portfolio analysis – that these analyses were conducted without the same level of stakeholder engagement as a full IRP. However, the only material change between the preferred portfolio from NIPSCO's 2021 IRP and its refreshed 2023 analysis is the increase in the CT's size from approximately 300 MW to 400 MW. Conducting additional stakeholder engagement would not have changed that result because those additional MWs of peaking capacity are objectively needed on NIPSCO's system. CAC's own witness Sommer shows an even larger capacity

¹⁵ The stipulated exhibit (NIPSCO-CAC Ex. 6 at 27-29) includes a link to the Illinois Commerce Commission full report, including the procurement summary in Figure 3-2: <https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2024-long-term-plan-20-oct-2023-.pdf>.

gap than NIPSCO, even with the CT Project included, in her direct testimony at page 24. Furthermore, as noted above, this same post-2021 IRP analysis has been relied upon by the Commission in approving other resource decisions already.

CAC's approach to the aeroderivative turbines is essentially the same as the OUCC's to which NIPSCO has responded in this Reply. However, CAC takes its rebuke one step further by raising, for the first time and in a comment in the margin of its "confidential" PO, alleged deficiencies in NIPSCO's decision matrix. As stated above, this is a clear procedural violation that would make relying on this assertion wholly inappropriate. Even worse, this allegation is entirely unsubstantiated, as they do not take into account the aeroderivative turbines' higher pressure needs, the relative ease with which it can remote started as compared to an industrial frame machine, and simple fact that a higher number of units provides greater availability to start and keep running. *See* Pet. Ex. 4-R at 20-21.

Like the OUCC, CAC continues to argue that NIPSCO is not equipped to properly manage the construction of the CT Project. The CAC PO states (at 33) that the CT Project is not being managed by "more experienced hands sitting in-house" and has the Commission halting any progress on the CT Project (at 32) because it is uncomfortable that "the proverbial buck" is not "stopped with a more experienced responsible party." NIPSCO's evidence has demonstrated that its internal team is capable of executing the CT Project on time and on budget. NIPSCO has also requested ongoing review of the CT

Project through its development and construction. Any remaining doubt on this should be eliminated by NIPSCO's rebuttal testimony that clearly stated that S&L will be involved on-site during construction and will conduct the CTs' start-up testing and commissioning before they are in-service.¹⁶ CAC hangs on (at 44) to its criticisms of the EPC RFP bid event while failing to acknowledge that using an EPC for the Project would have cost customers \$100 million more than NIPSCO's best estimate.

CAC is the only party to make a substantive response in post-hearing submissions regarding NIPSCO's request for construction work in progress ("CWIP") ratemaking as a "financial incentive" pursuant to Ind. Code § 8-1-8.8-11(a). Both of CAC's arguments are inconsistent with the plain meaning of the statute and would be unreasonable interpretations. First, a "clean energy resource", for these purposes, includes "[e]lectricity that is generated from natural gas at a facility constructed or repowered in Indiana after July 1, 2011, which displaces electricity generation from an existing coal fired generation facility." Ind. Code § 8-1-37-4(21) (*emphasis added*). There is no question that Schahfer Units 17 and 18 are existing coal fired generation facilities that are presently generating electricity. There is no question that Michigan City Unit 12 is also an existing coal fired generation facility. The CT Project will unquestionably displace some of that energy – indeed the CT Project is replacement generation through MISO's interconnection process that is utilizing the interconnection rights for Schahfer Units 17

¹⁶ NIPSCO PO at 23.

and 18. The statute does not require that all of the energy generated by the gas unit displace electricity generated from coal-fired generation, or that the CT Project displace all of the electricity generated by the coal-fired plant.¹⁷ It does not require (as the CAC argues) that the CT Project is “being constructed to displace energy from an existing coal-fired generation facility.”¹⁸ What the statute requires is that the CT Project displace electricity that is generated from these coal-fired units, and CAC can make no credible argument that it does not.

CAC’s PO next engages in linguistic gymnastics to argue that “gross financing savings” under Ind. Code § 8-1-8.8-11(a) means “net present value.” CAC resorts to consulting dictionaries for the definition of “gross,” and noting that “gross” means “exclusive of deductions.”¹⁹ Then, CAC violates its own definition by arguing that a “deduction” must be made for the time value of money; *i.e.*, to present the savings at a “net” present value. “Gross” means “gross” – no deductions. “Gross” does not mean “net.”

After proposing to reject the GCT Mechanism, CAC then utterly ignores that NIPSCO has proposed relief in the alternative. As set forth in the Verified Petition and as explained by Witness Blissmer in direct testimony,²⁰ if the GCT is not approved as

¹⁷ NIPSCO PO at 37.

¹⁸ CAC PO at 51-52.

¹⁹ CAC PO at 53.

²⁰ Pet. Ex. 8, p. 9 n.1

proposed, NIPSCO has sought alternative relief. Specifically, NIPSCO seeks authority to accrue PISCC and to defer depreciation from the date the CT Project is placed in service until the cost of the CT Project is reflected in NIPSCO's rates, either through the GCT Mechanism or in a general rate case. This alternative request was not opposed in any party's evidence and should be approved if the GCT Mechanism is not approved in the format proposed. If the GCT Mechanism were rejected outright or if the forward looking nature of the Mechanism were rejected, then PISCC would result and depreciation would commence before recovery begins.²¹

4. PRIMARY ENERGY

As noted above, Primary's PO is its first substantive submission in this Cause. Its "redline" PO contains four underlined additions to NIPSCO's PO – one of which adds language to the recitation of NIPSCO witness Augustine's rebuttal testimony that does not exist. (Primary PO at 4.) This addition should be outright stricken.

The three remaining additions in Primary's PO relate to implementing a premise that was never proven – that NIPSCO's IRP is somehow not adequately "open" to waste heat to energy resources. NIPSCO conducted three separate RFPs associated with its 2021 IRP. *See* NIPSCO's IRP, Pet. Ex. 7, Attachment 7-A (Part 1), at 115. As explained in NIPSCO's IRP, the RFPs requested all solutions regardless of technology. Event 1: wind

²¹ *Id.*

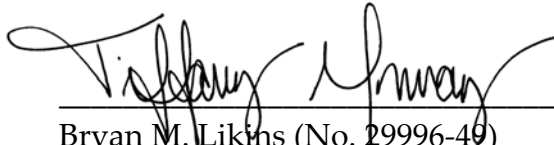
and wind paired with storage, Event 2: solar and solar paired with storage, and Event 3: thermal, stand-alone storage, emerging technologies, and other capacity resources.

Primary could have offered in their capacity for evaluation, and through the IRP process, attempted to transparently share input assumptions and solicit feedback. If Primary had offered comments within the IRP process, NIPSCO would have asked for more information on its available assets in order to understand whether those resources could meet NIPSCO's needs. Waste to heat energy resources have not been excluded from NIPSCO's IRP process, and importantly, Primary Energy offers no findings as to how its allegation otherwise would affect the matter at hand—NIPSCO's request for approval of a CPCN - nor would any such findings be supported. There is no need for a Commission order to incorporate any of Primary Energy's suggested language on this matter.

5. CONCLUSION

For the reasons set forth above, the Commission should reject the other parties' form of proposed orders in their entirety and adopt the findings included in NIPSCO's Proposed Order filed July 25, 2024.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tiffany Murray", is positioned above a horizontal line.

Bryan M. Likins (No. 29996-49)

Tiffany Murray (No. 28916-49)

NiSource Corporate Services - Legal

150 West Market Street, Suite 600

Indianapolis, Indiana 46204

Likins Phone: (317) 684-4922

Murray Phone: (317) 649-6424

Fax: (317) 684-4918

Likins Email: blikins@nisource.com

Murray Email: tiffanymurray@nisource.com

Nicholas K. Kile (No. 15203-53)

Lauren Aguilar (No. 33943-49)

Barnes & Thornburg LLP

11 South Meridian Street

Indianapolis, Indiana 46204

Kile Phone (317) 231-7768

Aguilar Phone (317) 231-6474

Fax: (317) 231-7433

Kile Email: nicholas.kile@btlaw.com

Aguilar Email: lauren.aguilar@btlaw.com

Attorneys for Petitioner

Northern Indiana Public Service Company LLC

CERTIFICATE OF SERVICE

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

Carol Sparks Drake
Jason Haas
Matthew Kappus
Indiana Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
cadrake@oucc.in.gov
thaas@oucc.in.gov
mkappus@oucc.in.gov
infomgt@oucc.in.gov

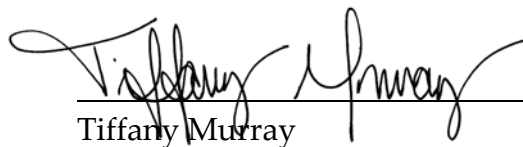
Jennifer Washburn
Reagan Kurtz
Citizens Action Coalition of Indiana, Inc.
1915 West 18th Street, Suite C
Indianapolis, Indiana 46202
jwashburn@citact.org
rkurtz@citact.org

Todd A. Richardson
Joseph P. Rompala
Amanda Tyler
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282
trichardson@lewis-kappes.com
jrompala@lewis-kappes.com
atyler@lewis-kappes.com

Phillip Casey
Taylor Carpenter
Calfee, Halter & Griswold LLP
3900 Salesforce Tower
111 Monument Circle
Indianapolis, Indiana 46204
pcasey@calfee.com
tcarpenter@calfee.com
scoe@calfee.com

Anthony Alfano
Antonia Domingo
United Steelworkers
aalfano@usw.org
adomingo@usw.org

Dated this 22nd day of August, 2024.


Tiffany Murray