STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC FOR (1) APPROVAL OF AND A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A FEDERALLY MANDATED PIPELINE SAFETY II COMPLIANCE PLAN; (2) AUTHORITY TO RECOVER FEDERALLY MANDATED COSTS INCURRED IN CONNECTION WITH THE PIPELINE SAFETY II COMPLIANCE PLAN; (3) APPROVAL OF THE ESTIMATED FEDERALLY MANDATED COSTS ASSOCIATED WITH THE PIPELINE SAFETY II COMPLIANCE PLAN; (4) AUTHORITY FOR THE TIMELY RECOVERY OF 80% OF THE FEDERALLY MANDATED COSTS THROUGH RIDER 190 - FEDERALLY MANDATED COST ADJUSTMENT RIDER ("FMCA MECHANISM"); (5) AUTHORITY TO DEFER 20% OF THE FEDERALLY MANDATED COSTS FOR RECOVERY IN NIPSCO'S NEXT GENERAL RATE CASE; (6) APPROVAL OF SPECIFIC RATEMAKING AND ACCOUNTING TREATMENT; AND (7) APPROVAL OF ONGOING REVIEW OF THE PIPELINE SAFETY II COMPLIANCE PLAN; ALL PURSUANT TO IND. CODE § 8-1-8.4-1 ET SEQ., § 8-1-2-19, § 8-1-2-23, AND § 8-1-2-42.	)	CAUSE NO. 45560

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

PUBLIC'S EXHIBIT NO. 2 –TESTIMONY OF OUCC WITNESS
BRIEN R. KRIEGER

NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC
CAUSE NO. 45560
TESTIMONY OF OUCC WITNESS BRIEN R. KRIEGER

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Brien R. Krieger, and my business address is 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana 46204.

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

A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a utility analyst in the Natural Gas Division. For a summary of my educational and professional experience and general preparation for this case, please see Appendix BRK-1.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to evaluate if Northern Indiana Public Service Company LLC's ("NIPSCO" or "Petitioner") case-in-chief for its Pipeline Safety Compliance Plan II ("Plan II") satisfies Indiana Utility Regulatory Commission ("Commission") requirements to receive a Certificate of Public Convenience and Necessity ("CPCN") for serving the public convenience and necessity. The Plan must contain federally mandated compliance projects as defined under Ind. Code § 8-1-8.4-2 and specifically the Plan must allow NIPSCO to comply directly or indirectly with Pipeline and Hazardous Materials Safety Administration standards ("PHMSA Rules"). I present my review and analysis for the eleven specific projects contained within Plan II. Ten of Plan II projects are a continuation of Pipeline

Safety Projects approved in Petitioner's first Compliance Plan, Cause No. 45007. (Order September 19, 2018.)

Q: What are your recommendations for Plan II?

A: I recommend the Commission approve Petitioner's Plan II and issue a CPCN to NIPSCO for its federally mandated compliance project, Plan II.

II. OVERVIEW OF NIPSCO'S PLAN II

Q: Under what Statutes did Petitioner file its case?

A: NIPSCO requests approval, through its Verified Petition for its Pipeline Safety Compliance Plan II, for a CPCN to implement Plan II, recovery of costs to implement Plan II through a cost adjustment mechanism, and deferral of unrecovered costs to implement Plan II all pursuant to Indiana Code § 8-1-8.4 and §§ 8-1-2-19, -2-23 and -2-42.

Petitioner submits its Plan II as a compliance project under Ind. Code § 8-1-8.4-2 ("Compliance Project") and anticipates Plan II will allow NIPSCO to comply directly or indirectly with PHMSA Rules. Petitioner requests recovery of federally mandated costs incurred in connection with Plan II for operation and maintenance ("O&M") expenses to carry out eleven Plan II projects.

My analysis included a review to determine if Petitioner has met the requirements for: finding the public convenience and necessity will be served by NIPSCO receiving a CPCN for a federally mandated compliance project; the Pipeline Safety Compliance Plan is a compliance project under Ind. Code § 8-1-8.4-2; and the Pipeline Safety Compliance Plan will allow NIPSCO to comply directly or indirectly with the PHMSA Rules.

NIPSCO requests recovery of federally mandated costs incurred in connection with Plan II. I considered in my review and analysis if the costs incurred in connection with Plan II are federally mandated costs under Ind. Code § 8-1-8.4-4.

Q: Is NIPSCO's Plan II a continuation of Cause No. 45007?

A: Yes. Ten of the eleven Plan II projects are continued from Cause No. 45007 (Order September 19, 2018). Project No. PSCP2 Mt. Simon Well Logging Project is not a direct continuation, but underground natural gas storage well logging inspections were performed in Cause No. 45007 at the Trenton Well site. Cause No. 45560 is a stand-alone Petition and is not tied to any other Petitions, unlike Cause No. 45007, which was linked to Cause No. 45183. Petitioner cites the same PHMSA criteria for each project as in Cause No. 45007 and expands its underground storage PHMSA discussion based upon the PHMSA Storage Final Rule. (Petitioner's Exhibit No. 2, page 16, line 16 to page 17, line 19.)

Q: Please provide an overview of Plan II.

A: Plan II consists of eleven specific O&M projects ("Compliance Projects") intended to enable the utility to comply with PHMSA Rules. Three project types make up 78% of the total costs. Project No. PSCP8 MAOP – Distribution Project is 29%, Project No. PSCP7 Legacy Cross Bore Inspection is 23%, and two underground storage well logging projects (Project No. PSCP1 and Project No. PSCP2) make up 26%. The Maximum Allowable Operating Pressure ("MAOP") Distribution Project entails validation of records, leak surveys, and remediation of leaks on the distribution system. (Petitioner's Exhibit No. 2, page 50, lines 9-12.)

III. ANALYSIS OF PLAN II COMPLIANCE PROJECTS

Q: What support did NIPSCO provide to demonstrate Plan II is consistent with the PHMSA Rule requirements?

A: Petitioner cites specific parts of the Code of Federal Regulations – Title 49 Part 192 (the "Code") as reasons for the Plan II projects. The Code involves both prescriptive and non-prescriptive projects. The non-prescriptive projects provide the structure of on-going risk assessments, continuous improvement, and planning. PHMSA enacted 49 CFR Part 192, Subpart O that mandates creation of a Transmission Integrity Management Program ("TIMP") and 49 CFR Part 192 Subpart P that mandates creation of a Distribution Integrity Management Program ("DIMP"). The DIMP and TIMP projects are PSCP4 DIMP/TIMP Administration/Verification Project, PSCP8 MAOP Distribution Project, PSCP9 Preventative & Mitigative Measures Project, PSCP10 Annual Plan Improvements Project, and PSCP11 MAOP Transmission Project. The remaining seven projects are prescriptive and in underground storage well logging, monitoring of casing corrosion, fiberglass risers, and legacy cross bore inspections.

Q: What support did NIPSCO provide for its estimated project costs?

A: Mr. Steven W. Sylvester's testimony provided project descriptions and total project cost estimates for projects PSCP1-PSCP8. (Petitioner's Exhibit No. 2, pages 20-50.) Mr. Joseph C. Craycraft's testimony provided project descriptions and total project cost estimates for projects PSCP9-PSCP11. (Petitioner's Exhibit No. 3, page 12-25.) Petitioner provided workpapers and responses to the Industrial Group's ("IG") data request ("DR"), to support the derivation of each total project cost as described in Mr. Sylvester's and Mr. Craycraft's testimony. I did not find

the testimony and the workpapers satisfied my understanding of the requirements of a federally mandated project needing cost estimates as required by Indiana Code § 8-1-8.4-6(b)(1)(B), which provides:

> A description of the projected federally mandated costs associated with the proposed compliance project, including costs that are allocated to the energy utility: (i) in connection with regional transmission expansion planning and construction; or (ii) under a Federal Energy Regulatory Commission approved tariff, rate schedule, or agreement.

The OUCC and Petitioner discussed my concerns on September 3 and September 10, 2021. Subsequently, Petitioner provided the OUCC with updated workpapers and filed supplemental testimony (Cause No. 45560, Petitioner's Exhibit 1-S) to include clarified, and defined, workpaper cost estimates. (Petitioner's Confidential Attachment 1-S-A.) My analysis of each project follows and is based upon Petitioner's Verified Direct Testimony, DR responses, Supplemental Testimony, OUCC and NIPSCO discussions, and updated workpapers - Petitioner's Confidential Attachment 1-S-A.

Project Nos. PSCP1 Trenton Well and PSCP2 Mt. Simon Well Logging Projects

Project No. PSCP1 is a continuation of Project No. PS10 Underground Storage Integrity Project from Cause No. 45007. Project No. PSCP2 Mt. Simon Well Logging is a new project but has the same PHMSA requirements as the Trenton underground wells. NIPSCO cited 49 CFR 192 Section 12 and referenced PHMSA's Interim Final Rule on Underground Storage as the applicable PHMSA Rule in support of original Trenton well logging projects. PHMSA's Interim Rule on Underground Storage became the Final Rule on Underground Storage effective

on March 31, 2020. The Final Rule requires the performance of baseline assessments for all underground storage wells to be completed prior to March 31, 2027. Petitioner is applying the final rule at Trenton and Mt. Simon wells. Petitioner states the Final Rule mandates that additional actions be performed to ensure the safety and integrity of the wells and the well facilities. (Petitioner's Exhibit No. 2, page 21, lines 1-7.)

Petitioner provided separate estimates for costs on a per well basis for the Trenton site and the Mt. Simon site. The estimated cost for Project No. PSCP1 is for logging the remaining 76 wells at the Trenton storage site along with hiring one additional engineer and a site supervisor. The estimated cost for Project No. PSCP2 anticipates logging all 46 wells at the Mt. Simon underground storage site plus one engineer and additional site supervision costs.

The estimated logging costs per well are approximately the same costs for the completed wells at the Trenton site in Cause No. 45007. Petitioner's well estimate for Mt. Simon is approximately 15% greater than the cost per well at the Trenton site. Both projects add a single person dedicated to the well logging projects plus additional supervision costs of $13,000-$15,000 per year at the underground storage facilities.

I do not have issues with the cost of the additional personnel. The nature of well logging relating to wellbore tubing, casing, and cementing is variable based upon each individual well condition. Informed and knowledgeable NIPSCO personal should hold the well logging costs in check. Petitioner's estimates are

acceptable, and Petitioner has validated reasons for the well logging based upon the Final Rule for Underground Storage.

Project No. PSCP3 – Test Station Casings Project

In support of this project, NIPSCO cited 49 CFR 192.467, which outlines control of external corrosion by electrical isolation, and 49 CFR 192.935, which outlines additional preventative and mitigative measures operators must take to evaluate risk and minimize corrosion inside casings, as the applicable PHMSA rules. These are the same CFR's Petitioner cited in Cause No. 45007 for Project Nos. PS18 (capital) and PS22 (O&M) casing projects. Petitioner says PSCP3 is a continuation of PS22 from Cause No. 45007. (Petitioner's Exhibit No. 2, page 26, line 18 to page 27, line 2.) Petitioner expects to install test stations on approximately 500 casings. (*Id*., page 27, lines 10-11.) As of March 31, 2021, NIPSCO has installed corrosion test stations on 713 casing sites. (*Id.*, page 26, line 18 to page 27, line 2, footnote 3.)

Using Attachment PSC-PR-6 from Cause No. 45007 FMCA-6, I calculate $2,021 of O&M cost per casing ($1,610,000/800 casings) for Project No. PS22, which sets a baseline O&M cost for Cause No. 45560. I calculate estimated cost of $4,597 ($2,298,827/500) per casing for Project No. PSCP7 using Petitioner's quantity and cost provided in testimony from Cause No. 45560. (*Id.*, page 28, line 11.) Petitioner's only original support for estimates is found on page 28, lines 3-4 of Petitioner's Exhibit No. 2, which states: "The project cost estimates were developed based on the time and materials necessary to install a test station."

My analysis of PSCP3 is that PSCP3 is a continuation of PS22 from Cause No. 45007. Initially, I concluded the Project No. PSCP3 Casings Project cost estimate should align with the average actual cost per casing in Cause No. 45007.

Petitioner's workpapers submitted through the DR process did not provide reasons why the average cost of a casing test station doubled. Petitioner has clarified why the prior average cost is not applicable to this Cause through detailed project cost review meetings, a PSCP3 Budget Estimate Development, and an updated PSCP3 workpaper; this information is contained in Petitioner's Confidential Attachment 1-S-A.

Petitioner's reasons for the additional costs are for road cuts and special site conditions which are a function of railroad crossings. Petitioner indicated, through conversation, that less complicated and less special or easier casing projects were chosen to be completed in the prior Cause, thus the prior average cost is lower and is not indicative of the expected costs in this Cause.

I recommend the Commission approve PSCP3 - Test Station Casings Project.

<u>Project No. PSCP4 – DIMP/TIMP Administration / Leak Data Verification Project</u>

PSCP4 is a continuation of PS6 from Cause No. 45007. NIPSCO cited 49 CFR 192.1007(e)(i) as the applicable PHMSA rule in support of this project. This is the same PHMSA requirement Petitioner cited for Project No. PS6 in Cause No. 45007. This part of the PHMSA Code provides for the development and monitoring of performance measures from an established baseline to evaluate the effectiveness of a utility's integrity management program. PSCP4 adds two additional full time

Compliance Specialists to complement the one full time Compliance Specialist hired and approved as part of PS6 in Cause No. 45007. Petitioner provided detailed responsibilities for the new Compliance Specialists in this Cause. (Petitioner Exhibit No. 2, page 30, line 14 to page 31, line 9.)

Among other data to be collected, the Code specifies the number of hazardous leaks that must be measured and eliminated or repaired. The O&M cost estimate for this project was based on mid-point salary positions of the three Compliance Specialists (*Id.*, page 31, lines 16-18.) I reviewed job descriptions for these positions and reviewed salary ranges for similar positions in the utility industry. I found a salary range for 2022 of $60,836 – $103,577 per year for a utility Compliance Specialist with engineering knowledge. Petitioner did not provide the salary of any individual specialist but from Petitioner's data I calculate a first-year salary to be approximately $75,000 not including any benefits or overheads. This salary is reasonable based on the salary range I found for a similar position.

I conclude Petitioner's estimates with Petitioner's stated responsibilities for these positions are reasonable to ensure compliance with PHMSA requirements. I do not have any issues with PSCP6 being presented as a Compliance project within Plan II.

<u>Project No. PSCP5 – Fiberglass Riser Replacement Project</u>

PSCP5 Fiberglass Riser Replacement Project is a continuation of PS6 from Cause No. 45007. NIPSCO cited 49 CFR 192.1007(d) as the applicable PHMSA rule in support of this project in Cause No. 45007 and in this case. Petitioner indicates by addressing known risks of leaks in fiberglass risers on its system it is complying

with DIMP, 49 CFR Part 102, Subpart O. (Petitioner's Exhibit No. 2, page 39, lines 6-9.)

NIPSCO plans to replace 17,000 risers between 2022 and 2026. (*Id.*, page 37, lines 7-8.) Through informal discussions Petitioner indicated its O&M total estimate is based upon inspecting and replacing approximately 3,400 fiberglass risers per year for the five-year period (2022-2026). In informal discussions, Petitioner has commented it expects approximately 18,000 fiberglass risers will remain on its system at the start of 2022. Petitioner has commented that it is aware not all fiberglass risers on its system will be addressed by the end of Plan II.

Using Petitioner's estimates, I calculate the cost per riser replaced to be $162/riser ($2,755,818/17,000). (O&M $ Estimate Plan II Attachment A/17,000 risers.) I recommend approval of Petitioner's O&M cost estimate based upon replacement of 17,000 fiberglass risers but with Petitioner providing reasons if actual costs exceed estimated replacement cost of $162 per riser.

<u>Project No. PSCP6 – Legacy Cross Bore Remediation Project</u>

PSCP6 Legacy Cross Bore Remediation Project is a continuation of PS9 from Cause No. 45007. NIPSCO cited 49 CFR 192.1007(d) in support of this project in Cause No. 45007 and DIMP, 49 CFR Part 192, Subpart P in this Cause, as applicable PHMSA rules for this project. 49 CFR 192.1007(d) mandates that measures designed to reduce risks from failures in its distribution pipelines must be identified and implemented. DIMP requires Local Distribution Companies to evaluate their systems and identify risks based upon the relative threats. This project is intended to proactively repair cross-bores in NIPSCO's distribution system that

may be found in conjunction with Project No. PSCP7 Legacy Cross Bore Inspection.

The O&M cost estimate for this project is based on an average cost of $2,300 per actual cross-bore remediation completed by NIPSCO during the period 2018-2020. (Petitioner's Exhibit No. 2, page 42, lines 12-16.) This is a long enough period to establish the average remediation cost per natural gas related cross bore.

Petitioner had remediated 84 cross bores as of March 31, 2021 (Cause No. 45007 FMCA-6, Petitioner's Exhibit No. 3, page 20, lines 8-11.) In Cause No. 45560 Petitioner estimates it will remediate 108 cross bores per year (2022-2026). (Petitioner's Exhibit No. 2, page 43, lines 2-4.) Petitioner is increasing its number of inspection crews by four and the expected sewer lineage to be inspected by a factor of four as Petitioner discusses in Project No. PSCP7. I do not have issues with Petitioner's estimation process.

I recommend approval of Petitioner's O&M cost estimate based upon repairing 507 cross bores with actual costs validated against an estimated repair cost per cross bore equal to $2,300/repaired cross bore.

Project No. PSCP7 – Legacy Cross Bore Inspection

PSCP7 Legacy Cross Bore Inspection is a continuation of PS21 from Cause No. 45007. NIPSCO cited 49 CFR 192.1007(d) in support of this project in Cause No. 45007 and DIMP, 49 CFR Part 192, Subpart P in this Cause. 49 CFR 192.1007(d) mandates that measures designed to reduce risks from failures in its distribution pipelines must be identified and implemented, as applicable PHMSA rules for this project. DIMP requires LDC's to evaluate their systems and identify risks based

upon the relative threat. This project is intended to proactively investigate sewer lines to identify where sewer lines have been cross-bored into by natural gas lines.

Petitioner estimates it will investigate up to 800 miles or approximately 4.5 times the milage of sanitary sewers inspected in Cause No. 45007. The project is estimated to cost $17,842,944, which includes three full time positions to support the initiative. The sewer investigation costs include sewer camera investigation, sewer cleaning, traffic control, and the cost for three full-time positions. (Petitioner's Exhibit No. 2, page 46, lines 1-5.) Petitioner's estimate calculates to $22,303 per mile ($17,842,944/800 miles) of sewer to be investigated.

For my analysis, I compared average costs in this Cause ($22,303/inspected mile) against the average cost for completing 175 miles of inspection to March 31, 2021 in Cause No. 45007. The average cost of inspection of the completed 175 miles, which occurred in 2018, 2019, 2020, and the first quarter of 2021 is $15,792/mile, in Cause No. 45007.

My original analysis of PSCP7 determined the estimated costs exceed the actual costs of the project's origin – Project No. PS21 in Cause No. 45007 by approximately $7,000/mile. I concluded Project PS21 developed the specifications, requirements, and contractors to complete approximately 175 miles of sanitary inspections and PSCP7's estimated costs should compare similarly with actual average cost per mile in Cause No. 45007.

During discussions, Petitioner indicated the actual costs in Cause No. 45007 contained no camera crew sewer investigation costs. Municipalities provided this sewer location service at no cost to the utility. This potential location cost is now

included. Petitioner also indicated the inspection projects in this Cause would require additional traffic control.

NIPSCO provided additional detail in supplemental testimony indicating it had previously depended on the assistance of municipalities for sewer cleaning. This meant NIPSCO was only able to address cross bores at the convenience of the municipality, which hampered the ability to perform work in some situations. The workpaper does not provide that explanation as to the underlying reason to add sewer cleaning to the project in this plan. Additionally, NIPSCO provided detail to the OUCC regarding the use of camera crews for sewer mains and laterals and why additional traffic control was needed due to the location of the cross bores being addressed in this plan. (Petitioner's Exhibit 1-S, page 3, lines 7-15.)

Petitioner supplied PSCP7 Workpapers.xls in response to IG DR 1. The OUCC and Petitioner worked through the original workpaper to understand the reasons for additional costs as compared to PS21. PSCP7 Workpapers.xls adds the costs for traffic control, camera crews, and three additional employees to the average actual cost of PS21 in Cause No. 45007. Petitioner has now explained costs and the duties to be carried out by this additional labor and supplied estimated cost information for PSCP7. (Petitioner's Confidential Attachment 1-S-A, page 10 of 18.) I recommend the Commission approve PSCP7 - Legacy Cross Bore Inspection.

Project No. PSCP8 – MAOP - Distribution Project

Project No. PSCP8 is a continuation of Project No. PS23 from Cause No. 45007. NIPSCO cited 49 CFR 192 Subpart P as the applicable PHMSA rule in support of this project. This is the same PHMSA code Petitioner cited for Project No. PS6.

My analysis indicates this part of the Code requires the natural gas utility to continually assess the risks based upon known conditions of the distribution system. Petitioner says, in part, Project No. PSCP8 is designed to validate analog records and documents that have been converted to electronic data, which was done in the linens project of Cause No. 45007. (Petitioner's Exhibit No. 2, page 48, lines 10-14.) Petitioner states Project No. PSCP8's entire estimate is for required labor for Gas Measurement, Gas Service, Construction & Maintenance Employees, additional leak survey contractors, and external engineers. (*Id*., page 50, lines 6-8.)

My original analysis of Project No. PSCP8 is that Petitioner did not meet the requirements of Indiana Code § 8-1-8.4-5, which requires project costs meet "Federally mandated requirements." Petitioner also did not meet the requirements of Indiana Code § 8-1-8.4-6(b)(1)(B), which provides:

> A description of the projected federally mandated costs associated with the proposed compliance project, including costs that are allocated to the energy utility: (i) in connection with regional transmission expansion planning and construction; or (ii) under a Federal Energy Regulatory Commission approved tariff, rate schedule, or agreement.

Petitioner explained the resources for PSCP8 are necessary for establishing records for maximum allowable operating pressure ("MAOP"), leak surveys with remediation of leaks, and regulator station control. (Petitioner's Exhibit No. 2, page 50, lines 9-12.) Without detailed costs for specific labor duties, it was difficult to ascertain the goal and potential achievement of PSCP8.

Upon request, Petitioner provided clarified descriptions of the type of labor and cost of the labor. (Petitioner's Confidential Attachment 1-S-A, pages 11-13.)

Through our discussion and Petitioner's updated workpaper, Petitioner has met the requirements of Indiana Code § 8-1-8.4-6(b)(1)(B). My analysis indicates Petitioner's additional cost, as compared to PS23 from Cause No. 45007, is necessary for Petitioner to achieve its goal of validating approximately 1,000 miles of distribution pipe. My recommendation is Project No. PSCP8 MAOP - Distribution Project should be approved by the Commission.

Project No. PSCP9 – Preventative & Mitigative Measures Project

Project No. PSCP9 is a continuation of Project No. PS3 from Cause No. 45007. NIPSCO cited 49 CFR §§ 192.911(h) and 192.935, which require the implementation of preventive and mitigative measures in high consequence areas ("HCAs"), as the applicable PHMSA rules for this project. This is the same PHMSA code section Petitioner cited for Project No. PS3 in Cause No. 45007. Petitioner describes this project as an investigative and study project that could lead to appropriate mitigation, which is not included in the project estimate. (Petitioner's Exhibit No. 3, page 12, line 19 to page 13, line 8.) Specifically, the estimate includes funding for investigating one measure: Station Asset and Equipment Assessments. (*Id*., page 16, lines 9-16.) I have no recommended changes to Project No. PSCP9 – Preventative and Mitigative Measures Project.

Project No. PSCP10 – Annual Plan Improvements Project

Project No. PSCP10 is a continuation of Project No. PS4 from Cause No. 45007. NIPSCO cited 49 CFR §§ 192.907, 192.911 and 192.937, which require operators to update TIMP plans based on experience and to continuously improve TIMP, as the applicable PHMSA rules for this project. Petitioner will use an external

consultant to improve the TIMP with the costs from Project No. PSCP10. I have no recommended changes to Project No. PSCP10 – Annual Plan Improvements Project.

Project No. PSCP11 – MAOP Transmission Project

Project No. PSCP11 is a continuation of Project No. PS24 from Cause No. 45007. NIPSCO cited 49 CFR §§ 192.607 as the applicable PHMSA Rule for this project. This Phase I rule is a final rule as of October 1, 2019, which requires maximum allowable operating pressure ("MAOP") documentation to be traceable, verifiable, and complete with all data gaps to be systematically addressed. The data attributes are to be placed into Petitioner's data repository. (Petitioner's Exhibit No. 3, page 22, lines 5-9.) Petitioner lists specific goals for this project to ultimately include data attributes into its geographic information system ("GIS"). I have no recommended changes to Project No. PSCP11 – MAOP Transmission Project.

IV. SPECIFIC ANALYSIS OF NIPSCO'S PLAN II AND RECOMMENDATIONS

Q: Does Petitioner's associated PHMSA designation justify each individual project.

A: Yes. I reviewed the CFRs and PHMSA Rules and conclude Plan II meets the CFR requirements, ultimately fulfilling both the TIMP Requirement – 49 CFR 192 Subpart O – Gas Transmission Pipeline Integrity Management and DIMP Requirement – 49 CFR 192 Subpart P – Gas Distribution Pipeline Integrity Management. All but one of the Plan II projects continue FMCA projects approved in Cause No. 45007. My recommended approval of Plan II is predicated on Petitioner striving for continuous improvement for project implementation and cost

reduction based upon Petitioner's experience in Cause No. 45007.

Q: What additional items did Petitioner request in this proceeding?

A: In the petition, Petitioner requested the following items:

- Determining the PHMSA rules are federally mandated requirements as defined by Ind. Code § 8-1-8.4-5;
- Finding that NIPSCO is an energy utility as defined by Ind. Code § 8-1-8.4-3;
- Finding that Plan II is a compliance project under Ind. Code § 8-1-8.4-2;
- Finding that Plan II will allow NIPSCO to comply directly or indirectly with the PHMSA Rules;
- Finding that costs incurred with Plan II are federally mandated costs under Ind. Code § 8-1-8.4-4; and
- Approval of ongoing review of Plan II as part of Petitioner's semi-annual FMCA Mechanism filings.

Per Ind. Code, the PHMSA rules are federally mandated requirements, and Petitioner is an energy utility. Petitioner's Plan II meets Ind. Code requirements for a compliance project, and Petitioner will carry out the federal mandates with specific Plan projects. My analysis indicates the projects comply directly or indirectly with PHMSA rules. The associated costs are federally mandated costs. If Plan II is approved, my understanding is that Petitioner intends to file a semi-annual update for ongoing review and potential Commission approval.

Q: Please summarize your recommendations.

A: After analyzing Plan II, I recommend the Commission issue a CPCN for this federally mandated compliance project, Plan II.

Q: Does this conclude your testimony?

A: Yes.

AFFIRMATION

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

Brien R. Krieger

Brien R. Krieger
Utility Analyst II
Indiana Office of
Utility Consumer Counselor
45560
Northern Indiana Public Service Co.

9/28/21

Date

APPENDIX BRK-1 TO THE TESTIMONY OF OUCC WITNESS BRIEN R. KRIEGER

I. PROFESSIONAL EXPERIENCE

Q: Please describe your educational background and experience.

A: I graduated from Purdue University in West Lafayette, Indiana with a Bachelor of Science Degree in Mechanical Engineering in May 1986, and a Master of Science Degree in Mechanical Engineering in August 2001 from Purdue University at the IUPUI campus.

From 1986 through mid-1997, I worked for PSI Energy and Cinergy progressing to a Senior Engineer. After the initial four years as a field engineer and industrial representative in Terre Haute, Indiana, I accepted a transfer to corporate offices in Plainfield, Indiana where my focus changed to industrial energy efficiency implementation and power quality. Early Demand Side Management ("DSM") projects included ice storage for Indiana State University, Time of Use rates for industrials, and DSM Verification and Validation reporting to the IURC. I was an Electric Power Research Institute committee member on forums concerning electric vehicle batteries/charging, municipal water/wastewater, and adjustable speed drives. I left Cinergy and worked approximately two years for the energy consultant, ESG, and then worked for the OUCC from mid-1999 to mid-2001.

I completed my Master's in Engineering in 2001, with a focus on power generation, including aerospace turbines, and left the OUCC to gain experience and practice in turbines. I was employed by Rolls-Royce (2001-2008) in Indianapolis working in an engineering capacity for military engines. This work included: fuel-flight regime

performance, component failure mode analysis, and military program control account management.

From 2008 to 2016 my employment included substitute teaching in the Plainfield, Indiana school district, grades 3 through 12. I passed the math Praxis exam requirement for teaching secondary school. During this period, I also performed contract engineering work for Duke Energy and Air Analysis. I started working again with the OUCC in 2016.

Over my career I have attended various continuing education workshops at the University of Wisconsin and written technical papers. While previously employed at the OUCC, I completed Week 1 of NARUC's Utility Rate School hosted by the Institute of Public Utilities at Michigan State University. In 2016, I attended two cost of service/rate-making courses: Ratemaking Workshop (ISBA Utility Law Section) and Financial Management: Cost of Service Ratemaking (AWWA).

In 2017, I attended the AGA Rate School sponsored by the Center for Business and Regulation in the College of Business & Management at the University of Illinois Springfield and attended Camp NARUC Week 2, Intermediate Course held at Michigan State University. I completed the Fundamentals of Gas Distribution on-line course developed and administered by Gas Technology Institute in 2018. In October 2019, I attended Camp NARUC Week 3, Advanced Regulatory Studies Program held at Michigan State University by the Institute of Public Utilities.

My current responsibilities include reviewing and analyzing Cost of Service Studies ("COSS") relating to cases filed with the Commission by natural gas, electric and water utilities. Additionally, I have taken on engineering responsibilities within the

OUCC's Natural Gas Division, including participation in "Call Before You Dig-811" incident review and natural gas emergency response training.

Q: Have you previously filed testimony with the Commission?

A: Yes. I have provided written testimony concerning COSS in Cause Nos. 44731, 44768, 44880, 44988, 45027, 45072, 45116, 45117, 45214, 45215, 45447, and 45468. Additionally, I have provided written testimony for Targeted Economic Development ("TED") projects in 2017/2018/2020 and various Federal Mandate Cost Adjustment ("FMCA") and Transmission, Distribution, and Storage System Improvement Charges ("TDSIC") petitions. I filed testimony or provided analysis in the following FMCA or TDSIC 7-Year Plan or Tracker petitions: Cause Nos. 44003, 44429, 44430, 44942, 45131, 45007, 45264, 45330 and 45400.

While previously employed by the OUCC, I wrote testimony concerning the Commission's investigation into merchant power plants, power quality, Midwest Independent System Operator and other procedures. Additionally, I prepared testimony and position papers supporting the OUCC's position on various electric and water rate cases during those same years.

II. BACKGROUND OF TESTIMONY ANALYSIS

Q: Please describe the review you conducted to prepare this testimony.

A: I reviewed NIPSCO's Petition, Testimony, and Attachments for this Cause. I also reviewed Petitioner's prior Cause No. 45007 including all the individual FMCA recovery filings and the Commission's Orders for Cause No. 45007 and Cause No. 45183. I participated in OUCC case team meetings concerning Petitioner's case. I reviewed Petitioner's direct

testimony of Joseph C. Craycraft and Steven W. Sylvester focusing on project status for those projects continued from Cause No. 45007 and estimates.

Q: What PHMSA requirement establishes some of the criteria for a natural gas distribution utility?

A: PHMSA establishes standards and policies to improve the safety and integrity of the natural gas system to prevent incidents. Natural gas utilities are required by PHMSA to improve the integrity of natural gas systems in part, as prescribed in 49 CFR 192 Subpart P.

Q: What are some of the Indiana Code sections that apply to FMCA projects?

A: An FMCA project is established in accordance with Indiana Code § 8-1-8.4-5 - "Federally mandated requirements", which states:

> As used in this chapter, "federally mandated requirement" means a requirement that the commission determines is imposed on an energy utility by the federal government in connection with any of the following:
> (1) The federal Clean Air Act (42 U.S.C. 7401 et seq.).
> (2) The federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).
> (3) The federal Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.).
> (4) The federal Toxic Substances Control Act (15 U.S.C. 2601 et seq.).
> (5) Standards or regulations concerning the integrity, safety, or reliable operation of: (A) transmission; or (B) distribution; pipeline facilities.

and § 8-1-8.4-6(b)(1)(B), which provides:

> A description of the projected federally mandated costs associated with the proposed compliance project, including costs that are allocated to the energy utility: (i) in connection with regional transmission expansion planning and construction; or (ii) under a Federal Energy Regulatory Commission approved tariff, rate schedule, or agreement.

Additionally, new FMCA Projects can be proposed if the new project meets the criteria outlined in the governing PHMSA rule and is a valid federally mandated project in accordance with Indiana Code § 8-1-8.4-2.

Q: Please describe your analysis of the support provided by NIPSCO for project estimates in this Cause.

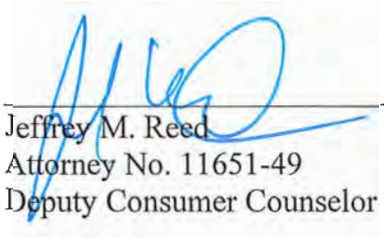
A: I reviewed the testimonial and evidentiary support provided by NIPSCO. I reviewed all projects discussed in Petitioner's testimony and the data contained in Petitioner's attachments. I analyzed Petitioner's testimony and exhibits looking for new projects not continued from Cause No. 45007, new estimates, PHMSA requirements, and scope. I also validated PHMSA requirements for projects continued from Cause No. 45007 and looked for any scope changes for these continued projects.

Q: Have you reviewed NIPSCO's Compliance Plan on a project basis?

A: Yes. I reviewed NIPSCO's entire Petition and testimony. I asked questions of Petitioner to better understand Petitioner's estimated costs, status, and continuation of projects.

September 29, 2021

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing ***OUCC TESTIMONY OF BRIEN R. KRIEGER*** has been served upon the following parties of record in the captioned proceeding by electronic service on September 29, 2021.

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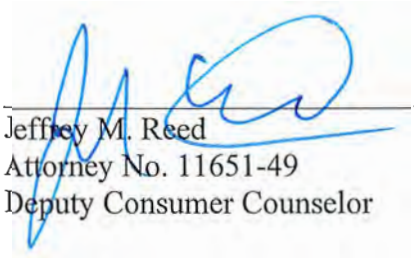

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