

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) CAUSE NO. 45947
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.)

VERIFIED PETITION

Northern Indiana Public Service Company LLC ("NIPSCO" or
"Petitioner") respectfully petitions the Indiana Utility Regulatory Commission
("Commission") for (1) issuance of a certificate of public convenience and
necessity ("CPCN") to construct an approximately 400 megawatt ("MW") 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 (“CWIP”) 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 (“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.

In accordance with Appendix A to General Administrative Order (“GAO”) 2023-03, Petitioner (1) provided notice of its intent to file a CPCN application to the Secretary of the Commission at least 30 days prior to the expected date of the filing (August 11, 2023); (2) met to discuss its filing with the Commission on May 8, 2023, the Indiana Office of Utility Consumer Counselor (“OUCC”) on May 24, 2023, and Citizens Action Coalition of Indiana, Inc. (“CAC”) on July 12, 2023; and (3) has included an index of issues with its case-in-chief, a copy of which is also attached hereto for convenience as Attachment A.

In accordance with Appendix A to GAO 2023-04, Petitioner has included an index with the location of information, discussions, and/or evidence regarding each of the Five Pillars with its case-in-chief, a copy of which is also attached hereto for convenience as Attachment B.

Petitioner has included a statutory index to locate Petitioner's case-in-chief witnesses addressing the information set out in Ind. Code §§ 8-1-8.5-4, 8-1 8.5-5, and 8-1-8.8-11 with its case-in-chief, a copy of which is attached hereto for convenience as Attachment C.

In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

Petitioner's Corporate Status

1. Petitioner is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. Petitioner renders electric and gas public utility service in the State of Indiana and owns, operates, manages and controls, among other things, plant and equipment within the State of Indiana used for the generation, transmission, distribution and furnishing of such service to the public. Petitioner is a wholly owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

Petitioner's Regulated Status

2. NIPSCO is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and § 8-1-8.5-1, an "energy utility" as that term is defined in Ind. Code § 8-1-2.5-2, and an "eligible business" as that term is defined in Ind. Code § 8-1-8.8-6. NIPSCO is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

3. Petitioner is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

4. Pursuant to the Commission's Order dated September 24, 2003, in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to Midcontinent Independent System Operator, Inc. ("MISO"), a regional transmission organization operated under the authority of FERC, which controls the use of Petitioner's transmission system and the dispatching of its generating units. Petitioner also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

Petitioner's Operations

5. Petitioner is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter,

Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana. NIPSCO owns, operates, manages and controls plant and equipment within the State of Indiana that is in service and used and useful in the generation, transmission, distribution, and furnishing of such service to the public. NIPSCO has maintained and continues to maintain its properties in a reliable state of operating conditions.

Background

6. NIPSCO submitted an Integrated Resource Plan to the Commission on November 15, 2021 (“2021 IRP”). As in its 2018 IRP,¹ NIPSCO’s 2021 IRP included a retirement analysis to assess different retirement dates for various elements of its existing fleet. The 2021 IRP continued to affirm the retirement of coal-fired capacity as the most cost-effective pathway for NIPSCO’s customers. The 2021 IRP also concluded that additional solar capacity and a diverse mix of other resources including storage, flexible thermal generation resources/emerging technologies, and market purchases/capacity were necessary additions to NIPSCO’s portfolio to meet current and future load and reserve margin requirements. NIPSCO performed a portfolio analysis in 2023 (the “2023 portfolio analysis”) to incorporate market shifts and changes that had occurred since the 2021 IRP, specifically MISO market rule updates, passage of the federal Inflation

¹ NIPSCO submitted an Integrated Resource Plan to the Commission on October 31, 2018 (“2018 IRP”).

Reduction Act, updated market pricing from NIPSCO's requests for proposals ("RFP") in 2022, and portfolio needs.

7. NIPSCO's 2018 IRP resulted in a preferred portfolio for NIPSCO's generation that called for (a) the retirement of 75% of NIPSCO's coal-fired generation by 2023 and 100% of the coal-fired generation by 2028, (b) the continued operation of NIPSCO's gas-fired Sugar Creek Generating Station, and (c) replacement of certain retired generation units largely with wind, solar, and energy storage. Section 9.4 of the 2018 IRP described a Short-Term Action Plan that outlined the key steps NIPSCO should take to select and implement resources to replace the 2023 retirements. The Short-Term Action Plan contemplated an all-source RFP, which NIPSCO undertook on May 14, 2018 and additional RFPs, which NIPSCO undertook in 2019. NIPSCO performed a portfolio analysis in 2020 as part of its ongoing and periodic review of its generation portfolio that demonstrated that when considering the latest expectations for NIPSCO's load requirements, commodity market prices, and expected market rules changes, the RFPs undertaken in 2019 provided sufficient renewable capacity at a competitive cost to confirm the direction of the 2018 IRP's preferred portfolio.

8. To implement NIPSCO's 2018 Short Term Action Plan the Commission approved the following renewable projects:

- Wind Energy Purchase Agreement between NIPSCO and Rosewater Wind Farm LLC with an aggregate nameplate capacity of approximately 102 MW for a term of 15 years approved August 7, 2019 in Cause No. 45194. NIPSCO began receiving power and recovering costs associated with the Rosewater PPA on November 20, 2020.
- Wind Energy Purchase Agreement dated January 3, 2019, between NIPSCO and Jordan Creek Wind Farm LLC with an installed capacity of approximately 400 MW nameplate capacity for a term of 20 years approved June 5, 2019 in Cause No. 45195. NIPSCO began receiving power and recovering costs associated with the Jordan Creek Wind PPA on December 2, 2020.
- Wind Energy Purchase Agreement dated January 18, 2019, between NIPSCO and Roaming Bison Wind, LLC with an installed capacity of approximately 300 MW nameplate capacity for a term of 20 years approved June 5, 2019 in Cause No. 45196. The Roaming Bison PPA was terminated in February, 2020.
- Solar Energy Purchase Agreement between NIPSCO and Brickyard Solar, LLC dated June 30, 2020, with an installed capacity of approximately 200 MW (nameplate capacity, alternating current) for a term of 20 years approved January 27, 2021 in Cause No. 45403. The Brickyard PPA was terminated in July, 2023.
- Solar Generation and Energy Storage Energy Purchase Agreement between NIPSCO and Greensboro Solar Center, LLC dated June 30, 2020, with an installed capacity of approximately 100 MW (nameplate capacity, alternating current), as well as an attached battery with an installed capacity of approximately 30 MW (nameplate capacity, alternating current), for a term of 20 years approved January 27, 2021 in Cause No. 45403. The Greensboro PPA was terminated in July, 2023.
- Solar Generation and Energy BTA Energy Contract for Differences between NIPSCO and Dunn's Bridge Solar Center, LLC with an aggregate nameplate capacity of approximately 265 MW solar for a term of 15 years approved May 5, 2021 in Cause No. 45462 (Bridge I). NIPSCO began receiving power and beginning recovery of costs associated with the Bridge I Solar Contract for Differences on May 10, 2023.

- Solar Generation and Energy Storage BTA Energy Purchase Agreement or Contract for Differences between NIPSCO and Cavalry Energy Center, LLC with an aggregate nameplate capacity of approximately 200 MW solar plus 60 MW energy storage for a term of 15 years approved May 5, 2021 in Cause No. 45462. NIPSCO anticipates receiving power from and beginning recovery of costs associated with the Cavalry Solar PPA or Contract for Differences in May 2024.
- Solar Generation and Energy Storage BTA Energy Purchase Agreement or Contract for Differences between NIPSCO and Dunn's Bridge Energy Storage, LLC with an aggregate nameplate capacity of approximately 435 MW solar plus 75 MW energy storage for a term of 15 years approved May 5, 2021 in Cause No. 45462 (Bridge II). NIPSCO anticipates receiving power from and beginning recovery of costs associated with the Bridge II Solar PPA or Contract for Differences in November 2024.
- Wind Energy Purchase Agreement/Contract for Differences between NIPSCO and Indiana Crossroads Wind Farm LLC dated October 21, 2019, with an aggregate nameplate capacity of approximately 302 MW for a term of 15 years approved February 19, 2020 in Cause No. 45310, as modified March 29, 2021 in Cause No. 45463. NIPSCO began receiving power and recovering costs associated with the Indiana Crossroads PPA on December 17, 2021.
- Amended and Restated Solar Energy Purchase Agreement between NIPSCO and Green River Solar, LLC dated December 23, 2020, with an installed capacity of approximately 200 MW (nameplate capacity) for a term of 20 years approved May 5, 2021 in Cause No. 45472. The Commission approved amendments to the Green River Solar PPA resulting in revised pricing and other negotiated commercial terms on March 29, 2023 in Cause No. 45818. NIPSCO anticipates receiving power from and beginning recovery of costs associated with the Green River Solar PPA in December 2025.
- Solar Energy Purchase Agreement between NIPSCO and Gibson Solar LLC dated November 24, 2020, with an installed capacity of approximately 280 MW (nameplate capacity) for a term of 22 years approved June 29, 2021 in Cause No. 45489. The Gibson PPA was terminated in July, 2023.

- Solar Energy Purchase Agreement or Contract for Differences between NIPSCO and Fairbanks Solar Energy Center LLC with an aggregate nameplate capacity of approximately 250 MW for a term of 15 years approved June 29, 2021 in Cause No. 45511. NIPSCO anticipates receiving power from and beginning recovery of costs associated with the Fairbanks Solar PPA or Contract for Differences in November 2025.
- Solar Generation Energy Contract for Differences between NIPSCO and Meadow Lake Solar Park LLC (d/b/a Indiana Crossroads Solar Park) with an aggregate nameplate capacity of approximately 200 MW for a term of 15 years approved July 28, 2021 in Cause No. 45524. NIPSCO began receiving power and beginning recovery of costs associated with the Crossroads Solar Contract for Differences in June, 2023.
- Solar Energy Purchase Agreement or Contract for Differences between NIPSCO and Elliott Solar LLC with an aggregate nameplate capacity of approximately 200 MW for a term of 15 years approved July 28, 2021 in Cause No. 45529. The Elliott BTA was terminated in July, 2023.
- Wind Energy Purchase Agreement between NIPSCO and Indiana Crossroads Wind II LLC dated February 19, 2021, with an installed capacity of approximately 200 MW (nameplate capacity) for a term of 15 years approved September 1, 2021 in Cause No. 45541. NIPSCO began receiving power and beginning recovery of costs associated with the Crossroads Wind II PPA on August 8, 2023.

9. As in its 2018 IRP, NIPSCO's 2021 IRP included a retirement analysis to assess different retirement dates for different elements of its existing fleet. The 2021 IRP continued to affirm the retirement of coal-fired capacity as the most cost-effective pathway for customers. The 2021 IRP concluded that additional solar capacity and a diverse mix of other resources including storage, flexible thermal generation resources/emerging technologies, and market purchases/capacity were necessary additions to the portfolio.

10. On February 17, 2021, NIPSCO announced the retirement of two coal-fired units at R.M. Schahfer Generating Station (“Schahfer”) (Units 14 and 15) by the end of 2021. Both Units 14 and 15 were retired in October 2021. On May 4, 2022, NIPSCO announced that, based on delays to solar projects that had originally been expected to be online in 2022 and 2023, NIPSCO would be extending the operation of two coal-fired units at Schahfer (Units 17 and 18) through 2025.

11. NIPSCO issued a pair of RFPs in August 2022, seeking potential projects or contractual arrangements to address any identified capacity needs.² The 2022 RFPs included the latest information associated with MISO’s seasonal resource adequacy construct, Inflation Reduction Act tax credits, and resource costs. The 2022 RFPs also provided information related to the latest costs of storage resources and the viability of alternative natural gas peaker options. NIPSCO performed the 2023 portfolio analysis to incorporate market shifts and changes that had occurred since the 2021 IRP, specifically MISO market rule updates, passage of the federal Inflation Reduction Act, updated market pricing from the 2022 RFPs, and portfolio needs. Changes to NIPSCO’s resources and other market conditions were made in the 2023 portfolio analysis relative to the 2021 IRP, including (1) near-term adjustments to NIPSCO’s generation resource

² An RFP for renewable facilities and energy storage options and an RFP targeted to procure a resource(s) intended to provide peaking and other reliability attributes (the “2022 RFPs”).

portfolio to reflect updated projects costs, purchased power agreement prices, and online dates for new solar and solar plus storage resources and the retirement date for Schahfer Units 17 and 18, as well as plant capacity ratings and other operation parameters for NIPSCO existing resources; (2) latest information related to MISO's seasonal resource adequacy construct; (3) updated commodity price inputs; (4) resource costs based on the 2022 RFPs; and (5) clean energy and storage tax credit extensions as outlined in the Inflation Reduction Act.

12. Based on the 2023 portfolio update and the results of the 2022 RFPs, NIPSCO sought approval of a (1) Solar Energy Purchase Agreement between NIPSCO and Appleseed Solar, LLC dated January 24, 2023 currently pending in Cause No. 45887, (2) Wind Energy Purchase Agreement between NIPSCO and Templeton Wind Energy Center, LLC dated February 13, 2023 currently pending in Cause No. 45887, and (3) Wind Energy Purchase Agreement between NIPSCO and Carpenter Wind Farm LLC dated April 13, 2023 currently pending in Cause No. 45908.

13. NIPSCO has also reviewed approved projects that are at risk and that may no longer be viable because of economics, permitting and zoning challenges, or similar issues, or suitable for NIPSCO given MISO rule changes. Based on that review, NIPSCO (1) sought approval of cost increases and amended terms in the build transfer agreements for the Bridge II Project and Cavalry Project

currently pending in Cause No. 45936, (2) sought approval for the issuance of a CPCN to purchase and acquire (indirectly through a joint venture structure) a 200 MW solar joint venture (Gibson Project) currently pending in Cause No. 45926, (3) anticipates seeking approval of a cost increase and amended terms in the build transfer agreement for the Fairbanks Project, and (3) is requesting the issuance of a CPCN for a gas peaker in this filing.

Petitioner's Existing Generation

14. To provide reliable electricity to its customers, NIPSCO's generating facilities have a total installed capacity of 2,764 net MWs and consist of nine (9) separate generation sites, including Schahfer (Units 16A, 16B, 17 and 18), Michigan City Generating Station (Unit 12), Sugar Creek Generating Station (SC1, SC2, and SS1), Rosewater Wind Farm, Indiana Crossroads I Wind Farm, Dunn's Bridge I Solar Farm, Indiana Crossroads Solar Farm, and two (2) hydroelectric generating sites (Oakdale and Norway).³ Of the total capacity, 42.6% is from coal-fired units, 25.6% is from natural gas-fired units, 14.6% is from wind, 16.8% is from solar, and 0.4% is from hydroelectric units.

Proposed CT Project

15. Consistent with its 2018 and 2021 IRPs, NIPSCO plans to retire its

³ Not including the 2,010 MWs of proposed solar and wind projects estimated to be in service in 2024 and 2025 (Bridge II Solar + Storage, Cavalry Solar + Storage, Fairbanks Solar, Gibson Solar, Green River Solar, Appleseed Solar, Templeton Wind, and Carpenter Wind].

remaining coal-fired generation by 2028. NIPSCO also plans to retire Units 16A and 16B at Schahfer. The CT Project is planned to be approximately 400 MW and is expected to consist of one larger industrial frame unit with three smaller aeroderivative or similarly sized industrial frame units. This combination of units will complement each other and allow NIPSCO flexibility in how it dispatches the units. The CT Project will be located on available property at NIPSCO's Schahfer site and utilize the interconnection rights associated with Units 17 and 18, which will be retiring by the end of 2025, and is expected to be in service by the end of 2026. The CT Project will produce electricity generated from natural gas which will displace electricity generated from existing coal generating facilities. NIPSCO Witness Campbell discusses the interconnection rights at Schahfer.

Approval of CT Project

16. Petitioner's best estimate of costs of construction associated with the CT Project is reasonable and is estimated to be \$641.2 million, which includes indirect costs but excludes allowance for funds used during construction ("AFUDC"). NIPSCO will accrue AFUDC associated with the CT Project costs based upon the amounts at the time such costs or charges are incurred. Based upon estimates of AFUDC at the time of this filing and assuming NIPSCO's proposed GCT Mechanism is approved as proposed, the total estimated cost, including AFUDC, is \$643.7 million. As described in Petitioner's case-in-chief,

Petitioner undertook a robust RFP process. Petitioner also engaged outside consultants to analyze and evaluate the bids to assist Petitioner with identifying the best combustion turbine solution at the most competitive price.

17. In accordance with Ind. Code § 8-1-8.5-4, Petitioner's evidence presents how it has considered (1) current and potential arrangements with other electric utilities for the interchange of power, pooling of facilities, purchase of power, and joint ownership of facilities; and (2) other methods for providing reliable, efficient, and economical electric service, including the refurbishment of existing facilities, conservation, load management, cogeneration and renewable energy sources. No federal phaseout mandate applies to the CT Project. The CT Project will result in the provision of electric utility service with the attributes set forth in Ind. Code § 8-1-2-0.6. Petitioner solicited bids to obtain purchase power capacity and energy from alternative suppliers through an all-source RFP.

18. The CT Project is consistent with Petitioner's 2021 IRP, and so the request is consistent with a utility specific proposal under Ind. Code § 8-1-8.5-3(e) and submitted for approval under Ind. Code § 8-1-8.5-5(d). The CT Project is a reasonable addition to a portfolio of capacity resources that in the aggregate serves to mitigate risk through diversification. The CT Project will allow Petitioner to further diversify its generation assets, while ensuring reliable service to its customers in a cost-effective manner.

19. The proposed CT Project is also consistent with the Commission's analysis for expansion of electric generating capacity under Ind. Code § 8-1-8.5-3.

20. Petitioner has the managerial and technical expertise to construct the proposed CT Project.

21. The estimated costs of the CT Project are, to the extent commercially practicable, the result of competitively bid engineering, procurement or construction contracts, and Petitioner has allowed and will allow third parties to submit firm and binding bids for the construction of the CT Project that meet all of the technical, commercial and other specifications required for the CT Project so that ownership of the CT Project will vest with Petitioner no later than the date on which it becomes commercially available.

22. Therefore, the CT Project is reasonable and necessary and the public convenience and necessity will be served by the CT Project. Accordingly, Petitioner should be granted a CPCN and all other Commission approval in order to proceed with the construction and use of the CT Project. As described by NIPSCO Witness Walter, the CT Project also meets the definition of a clean energy project found in Ind. Code § 8-1-8.8-2. Therefore, Petitioner should also be authorized for financial incentives, including timely cost recovery through construction work in progress ratemaking, under Ind. Code § 8-1-8.8-11 as

requested herein.

Ongoing Review

23. Pursuant to Ind. Code § 8-1-8.5-6, Petitioner requests ongoing review of the CT Project, including review of progress reports and any revisions to the best estimate, as the construction proceeds, and associated ratemaking treatment consistent with such review.

Ratemaking and Accounting

24. The CT Project is just and reasonable. Pursuant to Ind. Code § 8-1-8.8-11 and as further detailed by NIPSCO Witness Blissmer, Petitioner proposes to administer timely cost recovery of the CT Project's capital, depreciation, tax, and financing costs incurred during construction of the CT Project through CWIP ratemaking through the proposed GCT Mechanism until the CT Project is reflected as being in service in base rates through a general rate case. Petitioner proposes the financing costs under CWIP ratemaking to be recovered on a forward-looking basis rather than an historical basis. NIPSCO's proposal is just and reasonable and will result in gross financing cost savings over the life of the CT Project. While CWIP ratemaking on an historic basis would also produce gross financing cost savings and would also be just and reasonable, using a forward-looking basis produces greater gross financing cost savings, is more advantageous to customers, and is therefore more just and reasonable.

25. Alternatively, to the extent Petitioner's GCT Mechanism is not approved as proposed (including implementation on a forward looking basis), Petitioner seeks, pursuant to Ind. Code § 8-1-8.8-11, authority (1) to continue the accrual of post-in service carrying costs ("PISCC"), both debt and equity, and to defer the accrual of depreciation and amortization expense on the CT Project from its in-service date until the implementation of rates including recovery of a return thereon and including recovery of depreciation and amortization expense thereon in Petitioner's recoverable operating expenses; (2) to record such PISCC (both debt and equity) and deferred depreciation as regulatory assets in Account 182.3 Other Regulatory Assets; (3) to amortize such regulatory assets as a recoverable expense for ratemaking purposes over the estimated life of the CT Project commencing on the date of approval of rates providing recovery of a return on the CT Project and including depreciation expense thereon in Petitioner's recoverable operating expenses; and (4) to include the unamortized portion of the regulatory assets in Petitioner's rate base upon which it is permitted to earn a return. PISCC would be computed using the FERC Uniform System of Accounts requirements once the investments are placed in service. The PISCC will be computed by applying Petitioner's overall cost of capital approved in its last base rate case, Cause No. 45772.

26. Petitioner also seeks as another appropriate financial incentive

under Ind. Code § 8-1-8.8-11 that Petitioner’s authorized return for purposes of Ind. Code § 8-1-2-42(d)(3) be adjusted to reflect incremental earnings authorized pursuant to the GCT Mechanism.

Applicable Law

27. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-2-0.6, 8-1-2-10, 8-1-2-14, 8-1-2-23, 8-1-2-42(a), and Ind. Code ch. 8-1-8.5 and 8-1-8.8 to be applicable to the subject matter of this Petition.

Petitioner’s Counsel

28. The names and addresses of persons authorized to accept service of papers in this proceeding are:

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) 684-4923 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
With a copy to:	
Debi McCall NiSource Corporate Services - Legal 150 West Market Street, Suite 600 Indianapolis, Indiana 46204 Phone: (317) 684-4925 Fax: (317) 684-4918 Email: demccall@nisource.com	Alison M. Becker Northern Indiana Public Service Company LLC 150 W. Market Street, Suite 600 Indianapolis, Indiana 46204 Phone: (317) 684-4910 Email: abecker@nisource.com

Request for Procedural Schedule

29. Petitioner requests that the Presiding Officers issue a docket entry setting a procedural schedule based on the CPCN Standard Procedural Schedule (240 days) set out in GAO 2023-03, as follows:

Petition / Case in Chief	9/12/2023
OUCC and Intervenors Filings (Day 84)	12/05/2023
Petitioners Rebuttal; OUCC and Intervenors Cross Answering (Day 106) *	12/27/2023
Settlement Agreement and supporting evidence (Day 112)	01/02/2024
Evidentiary Hearing (Day 126)	01/16/2024
Petitioner Proposed Order (Day 140)	01/30/2024
OUCC and Intervenor Proposed Order / Exceptions (Day 154)	02/13/2024
Petitioner Reply / Cross Replies (Day 161)	02/20/2024
Order Date (Day 240)	05/09/2024

* GAO Rebuttal date would fall on December 26, 2023, a State holiday

30. Prior to making this filing, Petitioner sought stipulation with the OUCC and other interested stakeholders regarding Petitioner's proposal to use the CPCN Standard Procedural Schedule. NIPSCO proposes the procedural schedule listed above be adopted for this proceeding, as well as the following timeline for discovery:

Discovery should be conducted on an informal basis, with responses or objections due within ten (10) calendar days. After the OUCC / Intervenors' Filings date, any responses or objections to a discovery request shall be made within five business days. Discovery requests received after 5:00 p.m. EST on Monday through Thursday or after 12:00 p.m. EST on Fridays or the day before a Holiday shall be deemed received the next business day. All discovery requests and responses shall be served on all parties of record.

In accordance with 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Petitioner requests that the Commission schedule a prehearing conference and preliminary hearing for the purpose of fixing a procedural schedule in this proceeding and considering other procedural matters and that an evidentiary hearing on this matter be set and noticed as required by law. In accordance with 170 IAC 1-1.1-15(e), before making this filing, Petitioner sought stipulation with the Indiana Office of Utility Consumer Counselor and other interested stakeholders regarding a proposed procedural schedule in lieu of a prehearing conference but was unable to reach an agreement prior to filing. If Petitioner, the OUCC and other interested stakeholders agree to a procedural schedule different than the CPCN Standard Procedural Schedule set out above, NIPSCO will promptly file an agreed-to procedural schedule with the Commission.

Potential Rate Impact

31. While the ultimate impact of the CT Project on the average residential customer's bill will be dependent on a number of different factors, NIPSCO currently estimates GCT costs in the first GCT Tracker Filing after approval would result in an incremental 2024 annualized charge of approximately

\$1.25 to a 668 kWh per month residential bill.⁴

WHEREFORE, Northern Indiana Public Service Company LLC respectfully requests that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

1. Making findings as to the best estimate for the costs of construction associated with the proposed CT Project;
2. Making findings that the construction of the CT Project is consistent with the Commission's plan for expansion of electric generating capacity and Petitioner's 2021 Integrated Resource Plan;
3. Making findings that the public convenience and necessity require or will require the construction of the CT Project as proposed herein;
4. Making the required findings under Ind. Code § 8-1-8.5-5(e);
5. Issuing Petitioner a certificate of public convenience and necessity for the construction of the CT Project pursuant to Ind. Code ch. 8-1-8.5;
6. Making a finding that the CT Project is a clean energy project under Ind. Code § 8-1-8.8-2 and therefore eligible for financial incentives under Ind. Code

⁴ The average usage level during the test year in NIPSCO's last rate case (Cause No. 45772).

§ 8-1-8.8-11;

7. Authorizing Petitioner timely cost recovery using CWIP ratemaking through the GCT Mechanism or a successor rate adjustment mechanism on a forward-looking basis;

8. Providing for ongoing review of the CT Project; and

9. Granting to Petitioner such additional and further relief as may be deemed necessary or appropriate.

Dated this 12th day of September, 2023.

Northern Indiana Public Service Company LLC



Erin E. Whitehead
Erin E. Whitehead
Vice President
Regulatory Policy and Major Accounts

Verification

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated: September 12, 2023.



Erin E. Whitehead
Erin E. Whitehead
Vice President
Regulatory Policy and Major Accounts

CERTIFICATE OF SERVICE

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

William Fine
Abby R. Gray
Randall C. Helmen
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A courtesy copy has also been provided by email transmission upon the following:

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Dated this 12th day of September, 2023.



Tiffany Murray

**Northern Indiana Public Service Company LLC (“NIPSCO”)
General Administrative Order (“GAO”) 2023-03
Index of Issues, Requests, and Supporting Witnesses**

Below is NIPSCO’s list of witnesses supporting its request for a certificate of public convenience and necessity (“CPCN”) to construct a natural gas combustion turbine (“CT”) peaker plant (the “CT Project”) on available property at NIPSCO’s R.M. Schahfer Generating Station (“Schahfer”) site. This index is intended to highlight issues and is not an exhaustive list of the requests in this proceeding. A complete account of the requested relief can be found in Petitioner’s case-in-chief.

Exhibit	Witness	Summary
1	Becker	Ms. Becker (1) provides an overview of NIPSCO’s request in this proceeding, (2) explains how NIPSCO has supported the statutory requirements for the issuance of a CPCN, including financial incentives, under Ind. Code §§ 8-1-8.5-4, 8-1-8.5-5, and 8-1-8.8-11, (3) explains how NIPSCO has supported the requirements set out in Ind. Code § 8-1-2-0.6, and (4) explains how NIPSCO has addressed the guidelines for additional evidence to be provided pursuant to IURC GAO 2022-01. As it relates to the statutory requirements set out in Ind. Code § 8-1-8.5-4, Ms. Becker addresses the requirement to consider conservation and load management (Ind. Code § 8-1-8.5-4(2)).
2	Walter	Mr. Walter describes NIPSCO’s current generation fleet and explains the ultimate portfolio NIPSCO currently expects to have in place to serve its customers after its coal-fired generating units are retired over the next five (5) years. He confirms that the CT Project is a clean energy project as that term is defined in Ind. Code § 8-1-8.8-2. He addresses consistency of the proposed construction of the CT Project with the five pillars outlined in Ind. Code § 8-1-2-0.6. He also describes NIPSCO’s Integrated Resource Planning (“IRP”) process and the need for a gas-fired generation resource identified in NIPSCO’s 2021 IRP, and how the proposed CT Project complements its current fleet of resources and allows NIPSCO to address certain challenges associated with its ongoing generation

		transition. He also discusses proposed greenhouse gas emissions standards. He concludes by explaining why NIPSCO's request should be approved and a CPCN should be issued by the Commission.
3	Austin	Mr. Austin explains NIPSCO's gas distribution system as it relates to the CT Project, the quick-start, fast-ramping, and other important capabilities of the CT Project at the Schahfer site, and the new CT Project's contribution to NIPSCO's system reliability.
4	Warren	Mr. Warren sponsors the Engineering Study prepared by Sargent & Lundy ("S&L") which sets forth the Class 3 cost estimate for NIPSCO's proposed simple cycle gas turbine project that was used by NIPSCO to develop its best estimate of the costs of the proposed CT Project. He presents information regarding the engineering work completed by S&L in support of NIPSCO's request for approval of the CT Project. He explains the CT Project is currently expected to be comprised of one larger industrial frame combustion turbine with three smaller aeroderivative, or similarly sized industrial frame combustion turbines, for a total output of approximately 400 MWs.
5	Baacke	Mr. Baacke explains the CT Project, including key specifications and characteristics, the approach to configuration selection and the contracting strategy for the CT Project. He also provides the project schedule and the best estimate of costs of construction. He explains the CT Project is planned to be approximately 400 MW, consisting of one larger industrial frame unit with three smaller aeroderivative or similarly sized industrial frame units (dependent on the results of the CT original equipment manufacturer ("OEM") bid event). Finally, he discusses how the CT Project satisfies Ind. Code § 8-1-8.5-5(e).
6	Campbell	Mr. Campbell discusses: (1) how the CT Project will interconnect into the Midcontinent Independent System Operation Inc. ("MISO") market through the replacement generation interconnection process, (2) NIPSCO's need for capacity from a peaking unit, and (3) how NIPSCO

		will procure gas supply for the Project at the lowest reasonable cost. Finally, he discusses how the CT Project is consistent with the resource alternatives that must be evaluated under Ind. Code § 8-1-8.5-4.
7	Augustine	Mr. Augustine (i) provides an overview of NIPSCO's resource planning process and reviews the conclusions from NIPSCO's resource planning analyses over the last several years, particularly the 2021 IRP; (ii) reviews major market developments since NIPSCO's submission of the 2021 IRP; (iii) summarizes the portfolio analysis that CRA and NIPSCO performed in 2023 based on these major market developments; and (iv) describes how the CT Project is consistent with the Short-Term Action Plan identified in the 2021 IRP and supported by the additional analyses NIPSCO has performed since the submission of the 2021 IRP.
8	Blissmer	Mr. Blissmer supports NIPSCO's request for approval of financial incentives for the CT Project as a clean energy project under Ind. Code § 8-1-8.8-11. He explains NIPSCO's proposed ratemaking, which includes construction work in progress ("CWIP") ratemaking and explains how NIPSCO's proposed CWIP ratemaking satisfies the requirements of Ind. Code § 8-1-8.8-11. Mr. Blissmer also supports NIPSCO's request to implement a Generation Costs Tracker Mechanism ("GCT Mechanism") to record and recover costs associated with NIPSCO's proposed CT Project, including, (1) an overview of the proposed GCT Mechanism; (2) a description of the proposed ratemaking treatment; (3) an explanation of how the revenue requirement and the related factors will be calculated; (4) a description of the allocators NIPSCO proposes to use; (5) the proposed timeline for NIPSCO's initial and future GCT Mechanism tracker filings; and (6) an explanation of the proposed changes and additions to NIPSCO's electric service tariff. He also provides the estimated monthly bill impact in the initial GCT tracker filing as a result of the CT Project for an average residential customer

**Northern Indiana Public Service Company LLC (“NIPSCO”)
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GAO 2023-04 states each electric utility is encouraged to include information, discussions, and/or evidence regarding the Five Pillars codified in Ind. Code § 8-1-2-0.6 in its case-in-chief for any case filed with the Commission concerning the utility’s electric generation resource mix, energy infrastructure, and/or electric service ratemaking constructs. The below index describes each of the Five Pillars and identifies the NIPSCO witness sponsoring supporting testimony on each.

Ind. Code § 8-1-2-0.6	Witness
<p>8-1-2-0.6(1) Reliability, including: (A) the adequacy of electric utility service, including the ability of the electric system to supply the aggregate electrical demand and energy requirements of end use customers at all times, taking into account: (i) scheduled, and (ii) reasonably expected unscheduled; outages of system elements; and (B) the operating reliability of the electric system, including the ability of the electric system to withstand sudden disturbances such as electric short circuits or unanticipated loss of system components.</p>	<p>Pet. Ex. 2 (Walter) at Q&A 17-18 Pet. Ex. 3 (Austin) (entire testimony) Pet. Ex. 5 at (Baacke) Q&A 17 Pet. Ex. 6 (Campbell) at Q&A 20-21, 29 Pet. Ex. 7 (Augustine) at Q&A 13, 18-21, 24-28</p>
<p>8-1-2-0.6(2) Affordability, including ratemaking constructs that result in retail electric utility service that is affordable and competitive across residential, commercial, and industrial customer classes.</p>	<p>Pet. Ex. 2 (Walter) at Q&A 17-18 Pet. Ex. 4 at (Warren) at Q&A 14-22 and Conf. Att. 4-A Pet. Ex. 5 at (Baacke) Q&A 17 Pet. Ex. 6 (Campbell) at Q&A 15, 29 Pet. Ex. 7 (Augustine) at Q&A 13, 21 Pet. Ex. 8 (Blissmer) at Q&A 15, 21-23, 35</p>
<p>8-1-2-0.6(3) Resiliency, including the ability of the electric system or its components to: (A) adapt to changing conditions; and (B) withstand</p>	<p>Pet. Ex. 2 (Walter) at Q&A 17-18 Pet. Ex. 5 at (Baacke) Q&A 17</p>

<p>and rapidly recover from disruptions or off-nominal events.</p>	<p>Pet. Ex. 3 (Austin) (entire testimony) Pet. Ex. 7 (Augustine) at Q&A 13, 18-21, 24-28</p>
<p>8-1-2-0.6(4) Stability, including the ability of the electric system to: (A) maintain a state of equilibrium during: (i) normal and abnormal conditions; or (ii) disturbances; and (B) deliver a stable source of electricity, in which frequency and voltage are maintained within defined parameters, consistent with industry standards.</p>	<p>Pet. Ex. 2 (Walter) at Q&A 17-18 Pet. Ex. 3 (Austin) (entire testimony) Pet. Ex. 5 at (Baacke) Q&A 17 Pet. Ex. 7 (Augustine) at Q&A 13, 21</p>
<p>8-1-2-0.6(5) Environmental sustainability, including: (A) the impact of environmental regulations on the cost of providing electric utility service; and (B) demand from consumers for environmentally sustainable sources of electric generation.</p>	<p>Pet. Ex. 2 (Walter) at Q&A 17-18, 24-25 Pet. Ex. 5 at (Baacke) Q&A 10, 17 Pet. Ex. 7 (Augustine) at Q&A 13, 21</p>

This index is not intended to be an exhaustive list of all witnesses who address the Five Pillars in this proceeding. A complete account of the requested relief testimony can be found in Petitioner’s case-in-chief.

CT Project		
8-1-8.5-4(b)(1)(A)	Current and potential arrangement with other electric utilities for . . . interchange of power	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(1)(B)	Current and potential arrangement with other electric utilities for . . . pooling of facilities	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(1)(C)	Current and potential arrangement with other electric utilities for . . . purchase of power	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(1)(D)	Current and potential arrangement with other electric utilities for . . . joint ownership of facilities	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(2)	Other methods of providing reliable, efficient, and economical service, including . . . refurbishment of existing facilities	Pet. Ex. 7 (Augustine)
8-1-8.5-4(b)(2)	Other methods of providing reliable, efficient, and economical service, including . . . conservation, load management	Pet. Ex. 1 (Becker)
8-1-8.5-4(b)(2)	Other methods of providing reliable, efficient, and economical service, including . . . cogeneration	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(2)	Other methods of providing reliable, efficient, and economical service, including . . . renewable energy sources	Pet. Ex. 6 (Campbell)
8-1-8.5-4(b)(3)	Federal phaseout mandates	Pet. Ex. 5 (Baacke)
8-1-8.5-4(b)(4)	Five Pillars	Pet. Ex. 2 (Walter)
8-1-8.5-5(b)(1)	Best estimates of costs of construction	Pet. Ex. 5 (Baacke)
8-1-8.5-5(b)(2)(A)	Consistent with the Commission's analysis for expansion of generating capacity, or	Pet. Ex. 2 (Walter)
8-1-8.5-5(b)(2)(B)	Consistent with a utility specific proposal under section 3(e)(1) and approved under subsection (d) and consistent with the Commission's analysis	Pet. Ex. 2 (Walter)
8-1-8.5-5(b)(3)	Public convenience and necessity	Pet. Ex. 2 (Walter)

8-1-8.5-5(e)(1)(A)	The estimated costs are, to the extent practicable, the result of competitively bid engineering, procurement or construction contracts	Pet. Ex. 4 (Warren)
8-1-8.5-5(e)(1)(B)	Applicant allowed or will allow third parties to submit firm and binding bids that meet all of the specifications required so as to enable ownership to vest with NIPSCO not later than the date on which the CTs become commercially available	Pet. Ex. 5 (Baacke)
8-1-8.5-5(e)(2)(A)	Reliability	Pet. Ex. 6 (Campbell)
8-1-8.5-5(e)(2)(B)	Solicitation of competitive bids to obtain purchased power capacity and energy from alternative providers	Pet. Ex. 6 (Campbell)
8-1-8.8-2	Clean energy project	Pet. Ex. 2 (Walter)
8-1-8.8-11	Financial incentives	Pet. Ex. 2 (Blissmer)
IC 8-1-2-10, 14, 19 & 42(a)	Other Accounting and Ratemaking Authority	Pet. Ex. 2 (Blissmer)

This index is not intended to be an exhaustive list of the applicable statutes in this proceeding. A complete account of the requested relief and applicable statutes can be found in Petitioner's case-in-chief.