

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY LLC PURSUANT TO IND. CODE)
§§ 8-1-242.7, 8-1-2-61 AND 8-1-2.5-6 FOR (1))
AUTHORITY TO MODIFY ITS RETAIL RATES AND)
CHARGES FOR ELECTRIC UTILITY SERVICE)
THROUGH A PHASE IN OF RATES; (2) APPROVAL)
OF NEW SCHEDULES OF RATES AND CHARGES,)
GENERAL RULES AND REGULATIONS, AND RIDERS)
(BOTH EXISTING AND NEW); (3) APPROVAL OF)
REVISED COMMON AND ELECTRIC)
DEPRECIATION RATES APPLICABLE TO ITS) CAUSE NO. 46120
ELECTRIC PLANT IN SERVICE; (4) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF, INCLUDING, BUT LIMITED TO,)
AUTHORITY TO CAPITALIZE AS RATE BASE ALL)
EXPENDITURES FOR IMPROVEMENTS TO)
PETITIONER’S INFORMATION TECHNOLOGY)
SYSTEMS THROUGH THE DESIGN, DEVELOPMENT,)
AND IMPLEMENTATION OF A WORK AND ASSET)
MANAGEMENT (“WAM”) PROGRAM, TO THE)
EXTENT NECESSARY; AND (5) APPROVAL OF)
ALTERNATIVE REGULATORY PLANS FOR THE)
PARTIAL WAIVER OF 170 IAC 4-1-16(f) AND)
PROPOSED REMOTE DISCONNECTION AND)
RECONNECTION PROCESS AND, TO THE EXTENT)
NECESSARY, IMPLEMENTATION OF A LOW)
INCOME PROGRAM.)

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
PUBLIC’S EXHIBIT NO. 11
TESTIMONY OF OUCC WITNESS
APRIL M. PARONISH

Respectfully submitted,

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TESTIMONY OF OUCC WITNESS APRIL M. PARONISH
CAUSE NO. 46120
NORTHERN INDIANA PUBLIC SERVICE COMPANY

1 **Q: Please state your name, employer, business address, and current position.**

2 A: My name is April M. Paronish, and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, Indiana 46204. I am an Assistant Director
4 in the Indiana Office of Utility Consumer Counselor's ("OUCC") Electric Division.
5 My education and professional experience are detailed in Appendix AMP-1
6 attached to this testimony.

7 **Q: Have you previously testified before the Indiana Utility Regulatory**
8 **Commission ("IURC" or "Commission")?**

9 A: Yes. I have testified in several cases before the Commission.

I. INTRODUCTION

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

11 A: The purpose of my testimony is to discuss NIPSCO's proposed Universal Service
12 Program ("USP") (hereafter referred to as "Low-Income Program" or "Program")
13 and explain why the Commission should not approve NIPSCO's proposal. I also
14 describe my general support for NIPSCO's requested partial waiver of 170 I.A.C.
15 4-1-16(f) ("Rule") to allow for remote disconnections without visiting the
16 customer's premises. Additionally, I offer recommendations to improve NIPSCO's
17 communication process to customers regarding remote disconnections and
18 ultimately make the communication plan more successful.

19

1 **Q: If your testimony does not address a specific topic, issue, or item, should it be**
2 **construed to mean you agree with Petitioner's proposal?**

3 A: No. My silence on any issue should not be construed as an endorsement. Also, my
4 silence in response to any actions or adjustments stated or implied by Petitioner
5 should not be construed as an endorsement.

II. BACKGROUND

6 **Q: Are you the same April M. Paronish who testified in Northern Indiana Public**
7 **Service Company LLC's ("NIPSCO," "Company," or "Petitioner") Cause No.**
8 **45772?**

9 A: Yes.

10 **Q: Has NIPSCO previously sought approval of a low-income program?**

11 A: Yes. NIPSCO's electric utility has proposed low-income programs four times over
12 the past nine years, with this proposal being the fifth. NIPSCO last proposed a low-
13 income program in Cause No. 45772, its most recent rate case prior to this Cause.
14 NIPSCO witness Erin Whitehead states the Cause No. 45772 Low-Income Program
15 Proposal was "nearly identical" to the proposal in this Cause.¹ As a result of the
16 settlement in Cause No. 45772, Petitioner "agreed to withdraw its proposal but
17 retained its right to seek approval of a low income program in the future."²

18 In the rate case prior to Cause No. 45772, Cause No. 45159, as part of the
19 settlement resolving that case, NIPSCO agreed "to seek approval of a voluntary
20 low-income program within six months of a final order."³ To meet this
21 commitment, NIPSCO proposed a low-income program in Cause No. 45465, filed

¹ Petitioner's Exhibit No. 2, Verified Direct Testimony of Erin E. Whitehead, p. 52, l. 17.

² Whitehead Direct, p. 51, ll. 14-16.

³ *Petition of N. Ind. Pub. Serv'g Co. LLC for Authority to Change Rates*, Cause No. 45159, Order p. 166 (Ind. Util. Regul. Comm'n December 4, 2019).

1 on December 4, 2020. In its Cause No. 45465 Order, the Commission found the
2 opt-out mechanism NIPSCO proposed was not “the voluntary program agreed upon
3 in Cause No. 45159,” not in the public interest, and did not approve this portion of
4 NIPSCO’s proposal because the Company required its ratepayers to fund that
5 program.⁴

6 **Q: Did NIPSCO choose to adopt the Commission’s modification to its proposed**
7 **low-income program in Cause No. 45465 as allowed under the Alternative**
8 **Regulatory Plan statute, Ind. Code § 8-1-2.5-6?**

9 A: No. On July 15, 2021, NIPSCO chose not to accept changes in the IURC’s Final
10 Order in Cause No. 45465, despite having agreed in principle to a voluntary
11 program as part of the Cause No. 45159 rate case settlement. NIPSCO has not
12 offered a voluntary low-income program in furtherance of that commitment. *See*
13 *Petitioner’s Notice of Rejection of Final Order*, Cause No. 45465 (Ind. Util. Regul.
14 Comm’n July 15, 2021).

15 **Q: You mentioned that Ms. Whitehead acknowledged NIPSCO’s Low-Income**
16 **Program proposal in this Cause is nearly identical to Petitioner’s proposal in**
17 **Cause No. 45772. Can you elaborate?**

18 A: Yes. In her testimony, Ms. Whitehead states: “In this case, NIPSCO is proposing a
19 nearly identical program to what it proposed in its last electric rate case where all
20 customers will pay \$0.40 per month, much like the gas USP. (Customers with
21 multiple meters will pay \$0.40 per meter per month.)”⁵

22 **Q: How do the Low-Income Program proposals in this Cause and in Cause No.**
23 **45772 differ?**

24 A: In response to OUCC Data Request (“DR”) 5-010, NIPSCO stated:

⁴ *Petition of N. Ind. Pub. Serv’ e Co. LLC for Approval of Low Income Program*, Cause No. 45465, Order pp. 18 – 21 (Ind. Util. Regul. Comm’n June 29, 2021).

⁵ Whitehead Direct, p. 52, l. 17 to p. 53, l. 3.

1 The differences between NIPSCO's proposed low income program
2 in this case and the program that was proposed in its last electric rate
3 case (Cause No. 45772) is (1) NIPSCO's shareholders will
4 contribute \$400,000 annually to the program versus the \$200,000
5 proposed in Cause No. 45772; (2) the addition of late fee assistance;
6 (3) a \$100,000 annual amount for deposit and late payment fee
7 assistance versus the \$70,000 proposed in Cause No. 45772; and (4)
8 the three discount tiers are \$15, \$20, and \$26 versus \$10, \$15, and
9 \$20 proposed in Cause No. 45772.⁶

10 **Q: Does the OUCC support customer assistance programs?**

11 A: Yes, the OUCC supports voluntary programs that provide assistance to utility
12 customers but has serious concerns with Petitioner's proposal to require all
13 ratepayers to financially contribute to its proposed Low-Income Program in this
14 Cause.

**III. NIPSCO'S LOW-INCOME PROGRAM PROPOSAL IS NOT IN THE
PUBLIC INTEREST**

15 **Q: You indicated the Commission last ruled on a NIPSCO low-income proposal**
16 **in Cause 45465. What concerns did the Commission raise regarding**
17 **NIPSCO's low-income proposal in Cause 45465?**

18 A: The Commission found several elements of NIPSCO's Cause No. 45465 proposal
19 were not in the public interest. The current proposal has many of those same
20 shortcomings.

21 In Cause No. 45465, the Commission found Ind. Code § 8-1-2.5-5(b)(2)
22 “particularly relevant to our evaluation of the evidence presented and NIPSCO's
23 requested relief.”⁷ Ind. Code 8-1-2.5-5(b)(2) requires the Commission to consider:

24 (2) whether the commission's declining to exercise, in whole or in
25 part, its jurisdiction will be beneficial for the energy utility, the
26 energy utilities customers, or the state.

⁶ Attachment AMP-1, NIPSCO's Response to OUCC DR 5-010.

⁷ Cause No. 45465, Order p. 17.

1 Recognizing NIPSCO's low-income proposal in Cause No. 45465 would
2 be beneficial to the customers receiving bill credits and to NIPSCO, the
3 Commission found it "must also consider its impact on all Petitioner's customers."⁸

4 **Q: Did NIPSCO attempt to address the Commission's concerns from Cause No.**
5 **45465 and provide new reasoning for why it believes this request should be**
6 **approved?**

7 **A:** Yes. In its Response to OUCC DR 5-008, NIPSCO identified several concerns the
8 Commission raised in Cause No. 45465⁹ and how the current proposal addresses
9 those concerns.¹⁰ Following is a list of those concerns:

- 10 • First, NIPSCO acknowledged its proposal is not voluntary and is not offered
11 to comply with its commitment in the Cause No. 45159 settlement.
- 12 • Second, in addressing the Commission's concern that customers would be
13 required to give "a monthly 'gift' that they may not have knowledge of or
14 agree with," NIPSCO stated "the proposed contribution to the low-income
15 program benefits NIPSCO's customers, the State, and NIPSCO by
16 improving energy affordability for vulnerable populations and mitigating
17 the impacts that disconnections of low-income customers have on all
18 customers."¹¹
- 19 • Third, in addressing the Commission's concern that customers receiving
20 both natural gas and electric service would pay for both the gas and electric
21 low-income programs, NIPSCO maintained this would be "appropriate

⁸ *Id.*

⁹ Whitehead Direct, p. 50, ll. 3-16.

¹⁰ Attachment, AMP-1, NIPSCO's response to OUCC DR 5-008.

¹¹ Attachment, AMP-1, NIPSCO's response to OUCC DR 5-008, "Concern 2."

1 because the programs provide distinct benefits for two different sets of
2 customers.”¹²

3 • The fourth concern the Commission raised is that NIPSCO’s gas USP was
4 created as a result of a settlement and is not precedential.¹³ NIPSCO
5 responds to this concern by citing the introduction of the “Affordability
6 Pillar,” one of the commonly referenced “Five Pillars,”¹⁴ and asserts the
7 current proposal “stands on its own and is a ratemaking construct that
8 supports the pillar of affordability and can be approved as such.”¹⁵ As I will
9 explain later in my testimony, I disagree with this assertion.

10 **Q: Does involuntary participation pose a problem in this proposal as it did in**
11 **Cause No. 45465?**

12 A: Yes. In Cause No. 45465, NIPSCO proposed to automatically enroll all its electric
13 customers in a mandatory bill “round-up” program for the benefit of its low-income
14 residential customers. NIPSCO’s customers could opt-out of the program, meaning
15 they could choose not to participate. The Commission was, however, “not
16 persuaded such passive philanthropy... is beneficial for the bulk of NIPSCO’s
17 customers, or shown to be in the public interest.”¹⁶ The Commission went on to
18 find it was “unreasonable to automatically enroll every customer in the Program,
19 and require a monthly ‘gift[.]’”¹⁷ NIPSCO’s current proposal in this Cause is even
20 less voluntary (hence even more unreasonable), as **no customers may opt out**. The

¹² Attachment, AMP-1, NIPSCO’s response to OUCC DR 5-008, “Concern 3.”

¹³ Cause No. 45465, Order at 19.

¹⁴ House Enrolled Act 1007, signed into law on April 20, 2023, added Ind. Code § 8-1-2-0.6.

¹⁵ Attachment, AMP-1, NIPSCO’s response to OUCC DR 5-008, “Concern 4.”

¹⁶ *Id.*

¹⁷ *Id.* at 19.

1 current proposal includes an unavoidable \$0.40 charge on every meter. NIPSCO
2 has not indicated customers may opt-out of this charge; consequently, the Program
3 proposed in this Cause does not address or alleviate the Commission's concerns
4 about the "voluntariness" of the proposal. This new model is not "beneficial for the
5 bulk of NIPSCO's customers" or "in the public interest." Petitioner provided
6 neither a cost/benefit analysis nor other empirical, verifiable data quantifying the
7 benefit to all customer classes, particularly customers not enrolled in the Program.

8 In Cause No. 45772, NIPSCO similarly proposed mandatory ratepayer
9 contributions with no opt-out, which diverged from the Commission's direction in
10 the 45465 Order. It does so again in this Cause.

11 **Q: Is a mandatory customer payment a problem in this proposal as it was in**
12 **previous filings?**

13 A: Yes. Citing Ind. Code § 8-1-2-4 and Petitioner's obligation to provide safe and
14 reliable service at the lowest reasonable cost to ratepayers, the Commission in its
15 Cause No. 45465 Order found NIPSCO's opt-out, round-up proposal to be "more
16 akin to charitable giving than payment for an essential utility service."¹⁸ The
17 Commission went on to characterize that plan as "more than 400,000 electric
18 customers [making] unintended donations that exceed the cost to provide their
19 electric service as a result of involuntary enrollment in the program."¹⁹ NIPSCO's
20 current proposal will again force all electric customers to pay rates "that exceed the
21 cost to provide their electric service as a result of involuntary enrollment in the

¹⁸ *Id.* at 19.

¹⁹ *Id.*

1 program.”²⁰ The Commission rejected NIPSCO’s prior proposal as unacceptable
2 “passive philanthropy” and described the opt-out plan as reflecting “a paradigm
3 shift from the opt-in voluntary programs other Indiana jurisdictional electric
4 utilities have initiated, and the Commission rejects the premise that the result, i.e.,
5 a higher level of Program funds, justifies billing ratepayers for more than their
6 electric service.”²¹ NIPSCO’s proposal in this Cause for a mandatory \$0.40 per
7 meter charge with no ability to opt out is equally unacceptable and fails to resolve
8 the Commission’s concerns about ratepayers being billed for more than their
9 electric service, as discussed above and in Cause No. 45772. NIPSCO is now
10 proposing mandatory participation, with no ability to opt out. Reducing the cost
11 from up to \$1.00 per month as proposed in Cause No. 45465 to \$0.40 per meter per
12 month in this proceeding does nothing to address this concern. All customers will
13 still be required to pay under the proposed Program. While NIPSCO may contend
14 this assistance will help keep customers on the system, meaning fixed costs will be
15 spread among more customers and bad debt reduced for all customers, NIPSCO
16 has not provided evidence to support this argument and admits it has not performed
17 such an analysis of the quantifiable benefits, if any, of customers remaining on the
18 system due to the low-income program.²²

²⁰ *Id.*

²¹ *Id.* at 18.

²² Attachment, AMP-1, NIPSCO’s Response to OUCC DR 5-013.

1 **Q: You mentioned that NIPSCO cites the Affordability Pillar as a reason the**
2 **Commission should approve its proposal. Do you agree with Petitioner's**
3 **assertion?**

4 A: No, I do not. In the Affordability Pillar, the Indiana General Assembly did not
5 address affordability for only one class of customers or even a subset of customers.

6 Ind. Code § 8-1-2-0.6 states:

7 The general assembly declares that it is the continuing policy of the
8 state that decisions concerning Indiana's electric generation
9 resource mix, energy infrastructure, and electric service ratemaking
10 constructs must consider each of the following attributes of electric
11 utility service:

12 ...

13
14 (2) Affordability, including ratemaking constructs that result in
15 retail electric utility service that is affordable and competitive *across*
16 *residential, commercial and industrial customer classes* (emphasis
17 added).
18

19 I disagree that the Affordability Pillar is intended to make rates more affordable for
20 a subset of customers at the expense of all customers, thereby making rates less
21 affordable to those who are subsidizing the Low-Income Program.

III. **AT ITS CORE, NIPSCO'S LOW-INCOME PROPOSAL IS AN**
ECONOMIC TRANSACTION DESIGNED TO BENEFIT THE
COMPANY

22 **Q: Would low-income customers who receive bill credits be the ultimate**
23 **beneficiaries of NIPSCO's proposed Low-Income Program?**

24 A: No. While customers receiving bill credits would benefit, NIPSCO's Low-Income
25 proposal is an economic transaction designed to benefit the Company, as it was in
26 Cause No. 45772. NIPSCO's shareholders will contribute \$400,000 annually and,
27 if the Program is approved, NIPSCO will generate additional cash flow annually

1 that is directly related to bad debt.²³ In its Cause No. 45465 Order, the Commission
2 found “[a] utility’s financial commitment is relevant to the Commission’s
3 evaluation of a proposed low-income program.”²⁴ While NIPSCO’s \$400,000
4 contribution is greater than the Company offered in Cause No. 45772 and in Cause
5 No. 45465 (where NIPSCO only conditionally offered to fund software expenses),
6 it still only equates to less than 15% of the estimated total contributions to the
7 Program proposed in this Cause.

8 In addition, because the Low-Income Program will prevent some level of
9 customer default, some of NIPSCO’s bad debt expense, already embedded in rates,
10 will be collected through this program that would otherwise be written off. If the
11 amounts embedded in rates are not utilized in this regard, those amounts could
12 become available for NIPSCO to spend elsewhere. Once again, the Company offers
13 no empirical, quantifiable evidence demonstrating the value of the Program,
14 particularly as it relates to customers who do not receive bill credits.

15 **Q: Is it appropriate to compare the proposed Low-Income Program to other**
16 **programs such as LIHEAP?**

17 A: No. LIHEAP is directed and funded by the federal government, is administered by
18 the state, and has an entirely different source of funding than the proposed Low-
19 Income Program.

²³ Because NIPSCO has not calculated how much bad debt will be reduced by the Low-Income Program, *see* NIPSCO Response to OUCC DR 5-013, the OUCC is unable to determine the specific amount of additional revenue NIPSCO will collect.

²⁴ Cause No. 45465, Order at 19.

1 **Q: Has NIPSCO attempted to quantify the benefits this program will bring to its**
2 **customers?**

3 A: No. NIPSCO witness Whitehead testifies that “NIPSCO and its other customers
4 also must bear the costs incurred by non-paying customers, the cost of
5 disconnecting these customers, and costs associated with collection.”²⁵
6 Additionally, by assisting its customers, the Low-Income Program could prevent
7 the non-payment of bills and reduce bad debt. However, when asked to quantify a
8 reduction in bad debt, NIPSCO objected to the question and stated, “NIPSCO has
9 not performed an analysis to quantify the amount bad debt could be lowered in the
10 future by the low-income program. To the degree that the low-income program
11 helps to reduce these costs they would be reflected in the revenue requirement in
12 future rate cases.”²⁶ Therefore, while NIPSCO indicates there are costs to its
13 ratepayers that may be avoided through the Low-Income Program, NIPSCO has
14 not quantified or provided support for such cost savings.

15 **Q: Ms. Whitehead, on p. 53, lines 12-14 of her testimony, claims the \$2,377,600**
16 **million “is not additional revenue for NIPSCO but the projected collections**
17 **for the Program that will all be utilized directly for the customer’s benefit.”**
18 **How do you respond?**

19 A: I disagree, as I did when NIPSCO made this assertion in Cause No. 45772.²⁷ All
20 else being equal, if NIPSCO’s Low-Income Program proposal had been approved,
21 the Company would have received additional revenue that it otherwise would not
22 have; however, that amount is unknown. Further, if the Low-Income Program funds
23 were used to reduce bill amounts during summer months, this would have reduced

²⁵ Whitehead Direct, p. 55, ll. 7-9.

²⁶ Attachment AMP-1, NIPSCO’s Response to OUCC DR 5-013.

²⁷ Cause No. 45772, Direct Testimony of Alison Becker, p. 8, ll. 10-12.

1 the amount of bad debt the Company had on its books but, as noted above, NIPSCO
2 has not calculated this prospective reduction. NIPSCO would still have collected
3 the bad debt amount projected in its test year without accounting for any reduction
4 in that amount from the Low-Income Program. This continues to be the case under
5 the Company's proposal in this Cause. While NIPSCO's LIHEAP customers may
6 retain more money, collectively, due to this program, the Commission should again
7 take the circumstances of all Petitioner's customers into account when considering
8 whether to approve a mandatory program.

IV. OTHER CONCERNS WITH THE LOW-INCOME PROGRAM PROPOSAL

9 **Q: Did Ms. Whitehead provide objective evidence or verifiable empirical data to**
10 **support all the claims in her testimony?**

11 A: No. As previously discussed above, the Company performed no analysis to support
12 its claim that customers who do not participate in the Low-Income Program will
13 not "bear the costs incurred by non-paying customers, the cost of disconnecting
14 these customers, and costs associated with collection," and, in turn, lower bad debt.
15 Additionally, Ms. Whitehead claims that "[i]f low income customers [who would
16 benefit from the proposed Program] permanently leave NIPSCO's system, the
17 Company's costs of operation would spread over a smaller number of customers,
18 resulting in those remaining customers bearing a higher proportion of fixed

1 costs.”²⁸ NIPSCO admitted, in response to OUCC DR 12-003, that this assertion
2 would also be true for any customer who is not classified as “low income.”²⁹

3 **Q: Did the OUCC ask for data to support NIPSCO’s claim?**

4 A: Yes. In OUCC DR 5-013, the OUCC asked Petitioner to provide “[t]he number of
5 residential disconnections leading to unenergized properties i.e., the number of
6 homes that do not have electric service either because a disconnected customer
7 relocates out of the service territory, or another customer does not move into the
8 vacated premises.”³⁰ NIPSCO objected to this request “on the ground and to the
9 extent this Request solicits an analysis, calculation, or compilation which has not
10 already been performed and which NIPSCO objects to performing.” NIPSCO
11 provided no objective evidence or verifiable empirical data to support the claim that
12 there will be customers permanently leaving the system and no other customers
13 moving into their premises.

14 **Q: Did Ms. Whitehead reference or rely upon a settled gas case when referring to**
15 **how NIPSCO’s proposed Low-Income Program will operate?**

16 A: Yes. Ms. Whitehead inappropriately compared NIPSCO’s proposed Low-Income
17 Program to NIPSCO’s natural gas USP.³¹ The gas USP was the result of a
18 settlement and is not precedent for or relevant to Petitioner’s proposal in this Cause.

19 **Q: Has the Commission confirmed the non-precedential nature of settlement**
20 **agreements?**

21 A: Yes. In the 45465 Order, the Commission stated, “no one element of a settlement
22 should be analyzed or considered precedent outside the context of that

²⁸ Whitehead Direct, p. 70, ll. 2-5.

²⁹ Attachment AMP-1, NIPSCO Response to OUCC DR 12-003.

³⁰ Attachment AMP-1, NIPSCO Response to OUCC DR 5-013.

³¹ See *e.g.* Whitehead Direct p. 53, l. 1; p. 67, l. 9, l. 26.

1 settlement.”³² Referring specifically to NIPSCO’s gas USP, the Commission
2 further stated: “the USP was the result of a settlement that, as such, is not binding
3 precedent on the Commission.”³³

4 **Q: Ms. Whitehead also cited the Commission’s February 14, 2024, Order in**
5 **Cause No. 45870 wherein the Commission encouraged Indiana American**
6 **Water Company to design a new Universal Tariff and included the**
7 **Commission’s language as comparison for its proposed Low-Income Program**
8 **in this Cause.³⁴ Is that Order relevant in this Cause?**

9 A: No. Ind. Code § 8-1-2-46(c) states, “Upon request by a *water* or *wastewater*
10 (emphasis added) utility in a general rate case, the commission may allow, but may
11 not require, a water or wastewater utility to establish a customer assistance
12 program...” There is no comparable statute for electric utilities.

13 **Q: You indicate you disagree with NIPSCO’s Low-Income Program, as proposed.**
14 **Do you have a recommendation that would make NIPSCO’s proposed Low-**
15 **Income Program more acceptable?**

16 A: Yes. First and foremost, NIPSCO’s Low-Income Program should be entirely
17 voluntary. Customers should not be automatically enrolled and forced to opt-out if
18 they choose not to participate. I recommend a customer’s donation be for a set
19 amount to be added to the participating customer’s bill each month, only at the
20 request of the customer, or this could be an amount the customer provides each
21 month or random months throughout the year.

³² 45465 Order at 19.

³³ *Id.*

³⁴ Whitehead Direct, p. 64, l. 12 to p. 68, l. 26.

V. REQUEST FOR PARTIAL WAIVER OF 170 I.A.C. 4-1-16(F)

1 **Q: Please explain why NIPSCO requests a partial waiver of the Rule.**

2 A: NIPSCO received Commission approval to implement its Advanced Metering
3 Infrastructure Project (“AMI Project”) on December 28, 2021, in Cause No. 45557.
4 NIPSCO has installed approximately 50,000 AMI meters as of September 2024 and
5 estimates it will install approximately 205,000 AMI meters for its electric
6 customers by the end of the Forward Test Year, December 31, 2025.³⁵ Due to the
7 efficiencies AMI meters provide in remotely disconnecting and reconnecting
8 electric service, NIPSCO requests the Commission approve an Alternative
9 Regulatory Plan “to waive the requirements of 170 IAC 4-1-16(f) and permit
10 remote disconnection in lieu of an in-person visit by a NIPSCO representative prior
11 to disconnection.”³⁶

12 **Q: What does the Rule require?**

13 A: The Rule states:

- 14 (f) Immediately preceding the actual disconnection of service, the
15 employee of the utility designated to perform such function
16 shall:
17 (1) make a reasonable attempt to identify himself or herself to
18 the customer or any other responsible person then upon the
19 premises;
20 (2) announce the purpose of his or her presence;
21 (3) make a record thereof to be maintained for at least thirty (30)
22 days;
23 (4) have in his or her possession information sufficient to enable
24 him or her to inform the customer or other responsible
25 person the reason for disconnection, including the amount of
26 any delinquent bill of the customer; and
27 (5) request the customer for any available verification that the
28 outstanding bill has been satisfied or is currently in dispute
29 pursuant to review.

³⁵ Whitehead Direct, p. 41, ll. 7-9.

³⁶ Whitehead Direct p. 34, ll. 13-16.

1 Upon the presentation of such credible evidence, service shall not
2 be disconnected. The employee shall not be required to accept
3 payment from the customer, user, or other responsible person in
4 order to prevent the service from being disconnected. The utility
5 shall notify its customers under section 18 of this rule of its policy
6 with regard to the acceptance or nonacceptance of payment from
7 such employee and shall uniformly follow such policy without
8 discrimination. When the employee has disconnected the service,
9 the employee shall give to a responsible person at the user's premises
10 or, if no one is at home, shall leave at a conspicuous place on the
11 premises, a notice stating that service has been disconnected and
12 stating the address and telephone number of the utility where the
13 user may arrange to have service reconnected.

14 **Q: If the Commission grants the Company a waiver of the Rule, what does that**
15 **mean to NIPSCO's customers?**

16 A: A waiver of the Rule will allow NIPSCO, with a few exceptions explained below,
17 to remotely disconnect eligible customers for non-payment without a visit to the
18 customer's premises immediately preceding the disconnection.

19 **Q: Will certain customers continue receiving an in-person visit prior to**
20 **disconnection?**

21 A: Yes. NIPSCO is proposing "to exempt certain customers from remote
22 disconnection, including medical alert customers, AMI opt-out customers, and
23 those customers without documented telephone numbers or e-mail addresses."³⁷

24 **Q: Will remotely disconnecting/reconnecting customers result in benefits to**
25 **NIPSCO's customers?**

26 A: Yes. Each NIPSCO customer "with a fully functioning AMI meter will save \$90.00
27 per reconnection of service," which will greatly assist customers who are
28 disconnected for non-payment and need to reestablish electric service.³⁸ However,
29 not all customers will see this benefit immediately since NIPSCO does not project

³⁷ Whitehead Direct, p. 39, ll. 3-6.

³⁸ Whitehead Direct, p. 25, ll. 9-10.

1 having all AMI meters installed until 2027.³⁹ As NIPSCO strategizes its AMI meter
2 replacement, it would be more helpful if NIPSCO first targets areas in its electric
3 service territory where it observes more disconnections for non-payment.

4 **Q: Do you have any concerns related to NIPSCO's request for waiver of the Rule?**

5 A: Yes. Ms. Whitehead's testimony states, "NIPSCO will embark on a 3-month
6 communication plan designed to update customer contact information (telephone
7 number and email addresses) and to educate customers about AMI remote
8 disconnect/reconnect before NIPSCO begins to actually remotely disconnect and
9 reconnect its customers for non-payment."⁴⁰ But in response to OUCC DR 5-004,
10 Petitioner stated, "60,987 NIPSCO electric residential customers do not have either
11 a documented telephone number or an e-mail address."⁴¹ This number is
12 concerning because, as NIPSCO is correctly proposing, these customers will not be
13 eligible for remote disconnection and will not receive the \$0.00 reconnection
14 charge should they be disconnected for non-payment, as explained above.

15 **Q: If the Commission approves Petitioner's request for a waiver of the Rule, what**
16 **final step does NIPSCO propose in lieu of visiting an eligible customer's**
17 **premises?**

18 A: NIPSCO proposes "a final phone call, text message, *or* email communication to the
19 customer on the disconnection date (emphasis added).

³⁹ Attachment, AMP-1 NIPSCO Response to OUCC DR 5-0002, Attachment A.

⁴⁰ Whitehead Direct, p. 39, l. 14 to p. 40, l. 1.

⁴¹ Attachment AMP-1, NIPSCO's Response to OUCC DR 5-004.

1 **Q: Is NIPSCO's proposal acceptable?**

2 A: No. NIPSCO should use all three mechanisms (phone call, text message, *and* email
3 communication) to communicate with the customer, to the extent Petitioner has the
4 information for all three methods.

5 **Q: Did NIPSCO provide the avenues it will use to communicate that it has**
6 **received the Commission's approval for waiver of the Rule?**

7 A: Yes. Ms. Whitehead testified:

8 [NIPSCO's three-month] communications plan will include bill
9 inserts, text messages, and emails to customers to describe the
10 approved waiver of on-premises visits immediately before service
11 disconnection for non-payment, explain NIPSCO's approach to
12 disconnect and reconnect service remotely, give customers advance
13 notice about this change, and emphasize the importance of updating
14 their contact information with NIPSCO.⁴²

15 **Q: Do you recommend additional communication methods be utilized to reach**
16 **customers?**

17 A: Yes. In response to OUCC DR 5-005, NIPSCO indicated it "would be open to
18 considering the input of OUCC and other stakeholders regarding additional
19 communication methods."⁴³ Therefore, in addition to communicating by bill
20 inserts, text messages, and emails, I recommend NIPSCO include the following
21 additional methods:

22 1. NIPSCO's Website:

- 23 • Promotional popup/notification on the customer's account dashboard page.
24 • A prompt for customers to update their contact information.

25 2. On Bill

- 26 • An alert to go to NIPSCO's website, in red font, on the customer's bill.

27 3. Bill Insert

⁴² Whitehead Direct, p. 40, ll. 1-7.

⁴³ Attachment AMP-1, NIPSCO's Response to OUCC DR 5-005.

1 • A bill insert regarding the process change and need for accurate contact
2 information.

3 4. Auto Dial

4 • An auto dial notification message regarding the process change and the need
5 for accurate contact information.

6 5. Texts

7 • A text notification regarding the process change and the need for accurate
8 contact information.

9 6. E-mail

10 • An email notification to customers with e-mail addresses on file with
11 NIPSCO notifying customers of the process changes.

12 7. Call Center Messaging

13 • A message should be recorded explaining the process change and the need
14 for accurate contact information that can inform customers as they are in
15 the queue waiting to speak to a call center representative.

16 • Call Center representatives should actively verify and seek out new contact
17 information to ensure contact information are both complete and accurate.

18 8. Social Media

19 • NIPSCO should use Nextdoor, Facebook, and other social media platforms
20 to provide information on this process change and the request for accurate
21 contact information.

22 9. News Release

23 • NIPSCO should issue a news release to provide information on this process
24 change and the request for accurate contact information.

25 **Q: Do you have any other recommendations?**

26 A: Yes. In response to OUCC DR 5-005 wherein the OUCC asked NIPSCO whether
27 it “would be receptive to working with the OUCC regarding language used in
28 communications pursuant to the three-month communication plan,” NIPSCO
29 responded “yes.” Therefore, I recommend NIPSCO use the following language in
30 its communication efforts:

31 Northern Indiana Public Service Company (NIPSCO) is
32 implementing new remote disconnection procedures on
33 mm/dd/year. On mm/dd/year, the Indiana Utility Regulatory

1 Commission approved NIPSCO's request for partial waiver of 170
2 IAC 4-1-16(f). **This means NIPSCO, with a few exceptions, will**
3 **no longer be required to visit customers' premises before**
4 **disconnecting utility service so long as they 1) have not opted out**
5 **of AMI participation, 2) are not a medical alert customer, and**
6 **3) have proper contact information on record with NIPSCO.**

7
8 **If a customer will be disconnected for non-payment, NIPSCO**
9 **will notify the customer of the disconnection by phone call, text,**
10 **and email.** Therefore, it is important NIPSCO have your current
11 contact information. Please update your contact information by
12 logging into www.NIPSCO.com. Under "My Account," select
13 "Contact Info." The Welcome page to "Manage Your Account" will
14 appear, and you will need to enter your email and password. Once
15 you have access to your account information you may add or edit
16 your phone number and email address. This step should be
17 completed as soon as possible to ensure you do not miss important
18 notifications. If you do not have internet access and need to update
19 your information, please call NIPSCO's residential customer service
20 line at (XXX) XXX-XXXX to do so.

21
22 This information should be provided, as space permits (e.g., text
23 messages may have a limited number of characters), to NIPSCO's electric
24 customers using the communication methods discussed above.

VI. RECOMMENDATIONS

25 **Q: What do you recommend in this Cause?**

26 A: I recommend the Commission not approve NIPSCO's proposed Low-Income
27 Program for the reasons set forth in my testimony.

28 I also recommend the Commission approve NIPSCO's request for waiver of the
29 disconnection rule as requested, along with the recommendations shared above for
30 enhancing NIPSCO's communication plan for the benefit of the Company's
31 customers.

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

A: Yes, it does.

**APPENDIX AMP-1 TO TESTIMONY OF
OUCC WITNESS APRIL M. PARONISH**

1 **Q: Please describe the examination and analysis you conducted to prepare your**
2 **testimony and formulate your opinion in this Cause.**

3 A: I reviewed testimony and certain attachments filed in this Cause. I attended pre-
4 and post-filing meetings with NIPSCO, and I also met with OUCC staff to discuss
5 issues. I issued data requests and read NIPSCO's responses. I reviewed the statute
6 related to low-income programs for water and wastewater utilities.

7 **Q: Please summarize your educational background and work experience.**

8 A: I graduated *summa cum laude* from Franklin University in Columbus, Ohio in 1992,
9 with a Bachelor of Science degree, double majoring in both Business Management
10 and Marketing. I also received a Master of Science degree in Marketing and
11 Communications from Franklin University in 2002. I have been employed at the
12 OUCC since April 2007, initially as a Utility Analyst II and subsequently was
13 promoted to Senior Utility Analyst and then to my current Assistant Director position.
14 I have attended several in-house, industry-sponsored, and regulatory educational
15 programs since joining the OUCC.

16 I represent the OUCC on AES Indiana, I&M, DEI, CenterPoint, and NIPSCO
17 Electric DSM Oversight Boards. I previously represented the OUCC on NIPSCO,
18 Vectren, Citizens Gas and Westfield Gas Oversight Boards. I also previously
19 facilitated the Gas Utility Joint Oversight Board. My work on these Oversight Boards
20 includes, but is not limited to, reviewing program progress and budgets (including
21 voting to make changes to programs and/or budgets); developing RFPs; reviewing
22 vendor bids; drafting program-specific questions regarding costs, estimated savings,

1 program implementation, and other related matters. I previously served on the
2 statewide Demand Side Management Coordination Committee (“DSMCC”) and its
3 Third-Party Administrator (“TPA”) Subcommittee and Evaluation, Measurement and
4 Verification (“EM&V”) Subcommittee. I also lead the OUCC team responsible for
5 attending utilities’ Integrated Resource Plan (“IRP”) stakeholder meetings, reviewing
6 IRPs, and submitting comments. Finally, I lead several OUCC case teams in matters
7 such as DSM, rate cases, Transmission Distribution Storage System Improvement
8 Charge (“TDSIC”), and coal combustion residuals to name a few.

9 Prior to joining the OUCC I held various positions at American Electric Power
10 Service Corporation, 3X Corporation, Alliance RTO, and the Midwest ISO.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUC Request 5-002:

On Page 34, lines 6-16, NIPSCO indicates it expects 205,000 customers will have AMI installed by December 31, 2025 and is requesting a waiver of 170 IAC 4-1-16(f) for purposes of remote disconnection. Please provide or answer the following:

- a. A breakdown of customers eligible, by class, for remote disconnection.
- b. Are industrial, commercial and residential customers eligible so long as they have an AMI meter and do not have other disqualifying factors?
- c. A schedule of AMI deployment for all remote disconnect-eligible customers, including the number of expected meter installations by goal date.
- d. The number of electric customer disconnects, by customer class, for each of the past five years (2019-2023).

Objections:

NIPSCO objects to this Request on the grounds and to the extent this Request is vague and ambiguous as the term "breakdown" is undefined.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. Please see Petitioner's Exhibit No. 1 (Parisi), Table 1 in Question / Answer 10 for a historic base period count of customers by class.
- b. Residential and Commercial customers without other disqualifying factors are expected to be eligible for remote disconnect. Industrial customers with an AMI meter would also be eligible.
- c. See OUC Request 5-002 Attachment A.
- d. See OUC Request 5-002 Attachment B.

Schedule of AMI deployment for all remote disconnect-eligible customers, including the number of expected meter installations by goal date.

	2024	2025	2026	2027	TOTALS
Total Exchange Qty Goal	103,779	101,221	150,243	132,124	487,367
Remote Connect/Disconnect Qty Goal	98,647	96,363	141,948	121,209	458,167
Non-Remote Connect/Disconnect Qty Goal	5,132	4,858	8,295	10,915	29,200

The number of electric customer disconnects, by customer class, for each of the past five years (2019-2023).

	2019	2020	2021	2022	2023
Residential	7824	4180	6846	6936	7064
Commercial	230	182	274	253	264
Industrial	8	3	7	3	7

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUC Request 5-003:

Page 25, lines 8-10 indicates there is no adjustment to the revenue requirement related to removal of the reconnection fees for customers who are eligible for remote disconnection. Please explain whether NIPSCO has reduced its O&M costs to account for the need for fewer trucks and truck rolls, as well as the maintenance, insurance, and any other costs related to those assets. If yes, please identify where those adjustments are made.

Objections:

Response:

Petitioner's Exhibit No. 2 (Whitehead) states that NIPSCO expects 205,000 of its electric customers will have AMI meters installed by the end of the Forward Test Year. That is, by the end of the Forward Test Year, approximately 280,000 of NIPSCO's electric customers will be non-AMI customers. As such, NIPSCO will continue to incur costs related to reconnection for non-AMI customers through 2025 and beyond, and the revenue requirement in this Cause reflects those ongoing costs.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-004:

Page 39, lines 3-6, indicates NIPSCO is exempting certain customers from remote disconnection. Please provide the current number of customers who:

- a. Have a medical alert in place with NIPSCO.
- b. Are AMI opt-out customers.
- c. Do not have a documented telephone number.
- d. Do not have a documented email address.
- e. Have signed up for message notifications (billing and payment alerts).
- f. Do not have either a documented telephone number or an e-mail address.

Objections:

Response:

- a. 942 NIPSCO electric residential customers have a medical alert in place with NIPSCO.
- b. 27 NIPSCO electric residential customers are AMI opt out customers.
- c. 1,491 NIPSCO electric residential customers do not have a documented telephone number.
- d. 60,792 NIPSCO electric residential customers do not have a documented email address.
- e. 20,419 NIPSCO electric residential customers have signed up for message notifications (billing and payment alerts).
- f. 60,987 NIPSCO electric residential customers do not have either a documented telephone number or an e-mail address.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUC Request 5-005:

Page 39, lines 14-18 and page 40, lines 1-7 indicate NIPSCO will “embark on a 3-month communication plan” to update customer contact information and to educate customers about AMI remote disconnect/reconnect services.

- a. Please indicate whether the three-month communication plan will be consecutive months. If not, please explain.
- b. Please indicate whether NIPSCO would be supportive of additional communications methods, other than those provided on p. 40, line 2. If not, please explain.
- c. Please indicate whether NIPSCO would be receptive to working with the OUC regarding language used in communications pursuant to the three-month communication plan. If not, please explain.
- d. Please explain how NIPSCO anticipates communicating to its customers that only those with AMI meters (that also meet other criteria) will not be charged the \$90 fees, and others will.

Objections:

Response:

- a. Yes, the communication plan will be conducted over three consecutive months.
- b. NIPSCO would be open to considering the input of OUC and other stakeholders regarding additional communication methods.
- c. Yes.
- d. The communication plan will describe that NIPSCO will phase-out reconnection charges for its customers with AMI meters, as those meters are deployed and become fully functional in a manner as described in Petitioner's Exhibit No. 2 (Whitehead), Question / Answer 30. Also please see Petitioner's Exhibit No. 2 (Whitehead), Question / Answer 44 for a description of the proposed procedure for notifying customers of a service disconnection for non-payment using AMI technology.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUC Request 5-006:

Page 41, lines 7-11, NIPSCO indicates "any revenue adjustment due to the phase out of reconnections charges would be minimal." Please provide the reconnection revenue and reconnection charges with corresponding calculations for the one-year period ending December 31, 2023.

Objections:

NIPSCO objects to this Request on the grounds and to the extent this Request is vague and ambiguous in that it is written in a way that is unclear as to what is being requested. For purposes of this response, NIPSCO assumes that the reference to "reconnection revenue and reconnection charges" refers to reconnection fees charged by NIPSCO Electric.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

See OUC Request 5-006 Attachment A. Note that Ms. Whitehead's statement relates to the fact that AMI will not be fully deployed within NIPSCO's service territory by the end of the Forward Test Year, and NIPSCO will still incur the costs to reconnect customers that support the reconnection charge.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-008:

Page 50, lines 2-16 identifies the Indiana Utility Regulatory Commission's concerns with NIPSCO's low-income proposal in Cause No. 45465. Please explain how NIPSCO's proposal in this cause addresses the concerns numbered 1-4.

Objections:

Response:

Although the Commission had concerns in denying NIPSCO's proposed low income program in Cause No. 45465, NIPSCO's proposed low income program in this case stands on its own and is a ratemaking construct that supports the pillar of affordability and can be approved as such.

Concern 1:

The Commission denied NIPSCO's request because NIPSCO's opt out, round up program was not "voluntary" *as required by the terms of the Revenue Settlement*. However, the low income program proposed in this proceeding is not offered to comply with NIPSCO's commitment in the Revenue Settlement approved in Cause No. 45159 because NIPSCO's filing in Cause No. 45465 satisfied that commitment. NIPSCO acknowledges that the proposed low income program is not voluntary and details of the Program will be clearly laid out in NIPSCO's tariff and information will be available on NIPSCO's website and will not describe the low income program as "voluntary."

Concern 2:

The Commission was concerned that customers would be required to give "a monthly 'gift' that they may not have knowledge of or agree with." The proposed contribution to the low income program benefits NIPSCO's customers, the State, and NIPSCO by improving energy affordability for vulnerable populations and mitigating the impacts that disconnections of low income customers have on all customers.

Concern 3:

The Commission was concerned that NIPSCO customers who receive both gas and electric bills would be tasked with paying for both the gas Universal Service Program ("USP") and the electric low income program. It is true that a customer who receives both gas and electric service may pay for two different USPs; however, this would be appropriate because the programs provide distinct benefits for two different sets of

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

customers, particularly from the standpoint of the accounting books and records. Much like the gas USP assists customers with gas heating bill assistance in the winter months, the proposed electric USP will assist customers with paying cooling bills in summer months. Therefore, a separate USP is appropriate and beneficial for NIPSCO's electric LIHEAP customers.

Concern 4:

The Commission also noted that the gas USP was approved as a result of a settlement, which is not precedential. NIPSCO's proposed low income program in this case stands on its own and is a ratemaking construct that supports the pillar of affordability and can be approved as such. References to the gas USP are provided because NIPSCO's proposed low income program will function similarly, and the USP provides benefits to customers.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-009:

On page 52, lines 3-14, NIPSCO indicates the Indiana General Assembly enacted the Five Pillars. Please explain whether the Affordability pillar:

- a. Directs utilities to make rates more affordable to only a subset of its customers.
- b. Supports requiring other customers to pay an additional fee to reduce the cost to other customers.

Objections:

Response:

"Affordability" includes "ratemaking constructs that result in retail electric utility service that is affordable and competitive across residential, commercial, and industrial customer classes." Ind. Code § 8-1-2-0.6. What is "affordable" will depend upon one's ability to pay; therefore, what is "more" or "less" affordable also depends upon one's ability to pay. The Five Pillars support a ratemaking construct that would require customers with greater means to pay slightly higher rates in order to provide retail electric service to low income customers at reduced rates.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUC Request 5-010:

Page 52, lines 17-18, indicates "NIPSCO is proposing a nearly identical program to what it proposed in its last electric rate case." Please explain whether there are other changes besides the amount of money NIPSCO's shareholders will contribute annually to the program. If there are other changes, please explain.

Objections:

Response:

The differences between NIPSCO's proposed low income program in this case and the program that was proposed in its last electric rate case (Cause No. 45772) is (1) NIPSCO's shareholders will contribute \$400,000 annually to the program versus the \$200,000 proposed in Cause No. 45772; (2) the addition of late fee assistance; (3) a \$100,000 annual amount for deposit and late payment fee assistance versus the \$70,000 proposed in Cause No. 45772; and (4) the three discount tiers are \$15, \$20, and \$26 versus \$10, \$15, and \$20 proposed in Cause No. 45772.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-011:

Page 53, lines 8-9, indicates there will be \$100,000 available annually for deposit and late payment fee assistance. Please indicate whether the \$100,000 is coming from the \$0.40/meter/month being collected from customers or from the \$400,000/year NIPSCO is contributing. If neither, please explain.

Objections:

Response:

The late payment fee assistance will come from the combined pool of funds collected by customers and contributed by NIPSCO without specific attribution.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests**

OUCR Request 5-013:

Page 55, lines 7-15, provides impacts to other customers resulting from challenges low-income customers face. Please provide:

- a. NIPSCO's reasoning for not lowering its bad debt in light of the proposed Rider 697, since NIPSCO states other NIPSCO customers would not "bear the costs incurred by non-paying customers, the cost of disconnecting these customers, and costs associated with collection."
- b. The number of residential disconnections leading to unenergized properties i.e., the number of homes that do not have electric service either because a disconnected customer relocates out of the service territory, or another customer does not move into the vacated premises.

Objections:

NIPSCO objects to this Request on the grounds and to the extent this Request solicits an analysis, calculation, or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. See objection. NIPSCO has not performed an analysis to quantify the amount that bad debt could be lowered in the future by the low-income program. To the degree that the low-income program helps to reduce these costs they would be reflected in the revenue requirement in future rate cases.
- b. See objection.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests**

OUCR Request 5-014:

Page 57, lines 11-14, indicates the average residential bill is approximately \$132.
Please indicate:

- a. The average residential bill for LIHEAP customers.
- b. The average residential bill for non-LIHEAP customers.
- c. The average residential bill for the months June through September for LIHEAP-eligible customers.
- d. The average residential bill for the months June through September for non-LIHEAP-eligible customers.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request solicits an analysis, calculation or compilation which has not already been performed and which NIPSCO is unable to perform. NIPSCO does not track residential customers that are "eligible" or "not eligible" for LIHEAP. NIPSCO has no way of knowing if a residential customer is or is not *eligible* for LIHEAP.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. The average residential bill for LIHEAP customers in 2024 is \$128
- b. The average residential bill for non-LIHEAP customers in 2024 is \$134
- c. See objection. The average residential bill for LIHEAP customers for June through September 2024 is \$142.
- d. See objection. The average residential bill for non-LIHEAP customers for June through September 2024 is \$161.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-015:

Page 58, lines 12-13, indicates NIPSCO proposes to use the same tiered assistance approach used in its gas program.

- a. Please provide the Cause No. where this information can be located.
- b. Please indicate whether this tiered approach is the same as in NIPSCO's last rate case, Cause No. 45772. If it is not, please explain why NIPSCO is proposing a change.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks publicly available information.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. The tiered assistance approach information is in the Verified Rebuttal Testimony of Robert C. Sears (pp. 21-22) and Verified Settlement Testimony of Robert C. Sears (pp. 17-18) in Cause No. 45967.
- b. The three-tiered approach is the same as NIPSCO proposed in Cause No. 45772 but the monthly bill discount may differ. The level of monetary assistance will ultimately depend on the number of customers in each "tier" at the time the program begins and the level of funding available, and it will vary each year. The example provided in Cause No. 45772, which was based on 2022 LIHEAP qualified customers, stated the discount would range from \$12-\$22 per month. The example in this case illustrates how the program funds may be administered. Based on 2023 LIHEAP qualified customers, the discount would range from \$15-\$26 per month. However, the amount of the discount will vary based on LIHEAP-qualified customers each year. Furthermore, the examples assume that all customers in NIPSCO's service territory are dual fuel customers, which is unlikely to be the case.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests

OUCR Request 5-017:

If the electric Universal Service Program is approved, how will NIPSCO communicate to its customers that it will begin charging them \$0.40 per meter? If NIPSCO is not planning to communicate this charge, please explain why.

Objections:

Response:

NIPSCO has already communicated to customers that it has proposed in the case a bill payment assistance program for income qualified customers. NIPSCO also plans to communicate any approval of the Universal Service Plan with information included in the following:

- Order announcement press release distributed to media – inclusive of the new program information.
- Bill message stating an order was received in the rate case and note it includes approval of a new customer program and direct customers to NIPSCO.com for details.
- Bill insert stating an order was received approving a low-income customer bill assistance program that will include that NIPSCO will begin charging a \$.40 per meter charge to fund the program.
- Website – the Order press release and information on the order including this program will be posted on NIPSCO.com.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests**

OUCC Request 12-001:

Please refer to NIPSCO's response to OUCC data request 5-003. The DR asked whether NIPSCO had reduced its projected O&M costs to account for the need for fewer trucks and truck rolls with the installation of AMI meters to customers. The response indicated approximately 280,000 of NIPSCO's electric customers will be non-AMI customers by the end of the Forward Test Year and NIPSCO will continue to incur costs related to reconnection for non-AMI customers through 2025 and beyond. However, NIPSCO did not indicate whether there was any adjustment to test year O&M expenses related to the deployment of AMI meters to approximately 205,000 customers. Is NIPSCO stating it would not experience any reduction in O&M costs related to remote disconnection/reconnection for the estimated 205,000 customers who would have AMI? Please explain whether there is any reduction to O&M costs specifically related to the savings resulting from customers who do have AMI. If there is a reduction, please provide the supporting information. If there is no reduction, please explain why.

Objections:

Response:

As stated in its response to OUCC Request 5-003, NIPSCO will continue to incur costs related to reconnection for non-AMI customers through 2025 and beyond, and the revenue requirement in this Cause reflects those ongoing costs. NIPSCO has not made any adjustment to test year O&M expenses for reduction to O&M costs specifically related to the savings resulting from customers who have AMI.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests**

OUC Request 12-002:

Please refer to NIPSCO witness Erin Whitehead's direct testimony on page 41, lines 7-11. Please explain what is meant by "any revenue adjustment due to the phase out of reconnection charges would be minimal". Has NIPSCO made any determination of the reduction in revenues due to the phase out of reconnection charges? If so, please provide the supporting information. If not, why not? In this context, what amount does NIPSCO consider "minimal"?

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request solicits an analysis, calculation or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

Please see NIPSCO's response to OUC Request 11-008 for the total revenue received from reconnect charges for the period 2020 through September 30, 2024. As explained in Witness Whitehead's direct testimony the AMI meters will only be partially deployed by the end of the Forward Test Year (December 31, 2025), and as such, NIPSCO has not made any determination of the reduction in revenues due to the phase out of reconnection charges.

As to what Ms. Whitehead considers "minimal", of the total \$1,767,968,828 in 2023 revenues (Attachment 3-B-S2, Page 1, Column B, Line 7), revenues from reconnection charges were \$422,682 (OUC Request 11-008 Attachment A). Therefore, revenue from reconnection charges in 2023 as a percentage of Total Revenues was less than 0.02%, which is minimal. Reducing revenue from reconnection charges to something less than \$422,682 would be an even lower amount and also considered minimal as compared to Total Revenues.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests**

OUC Request 12-003:

Please refer to page 55, lines 10-13, of Erin Whitehead's direct testimony, which indicates that if customers who would benefit from NIPSCO's proposed low-income program "permanently leave NIPSCO's system, the Company's costs of operation are spread over a smaller number of customers, resulting in those remaining customers bearing a higher proportion of fixed costs." Would this assertion also be true for customers who are not eligible to participate in the low-income program? If no, please explain.

Objections:

Response:

Yes.

Cause No. 46120
Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests

OUCC Request 12-004:

Please refer to NIPSCO's response to OUCC data request 5-010, which states "NIPSCO's shareholders will contribute \$400,000 annually to the program versus the \$200,000 proposed in Cause No. 45772," and "the three discount tiers are \$15, \$20, and \$26 versus \$10, \$15, and \$20 proposed in Cause No. 45772." Given NIPSCO shareholders are contributing more money in Cause No. 46120, as compared to what was proposed in Cause No. 45772, please explain why NIPSCO decided to increase the tiered payments to the low income program rather than reduce the amount it is asking to recover from ratepayers (\$0.40/meter).

Objections:

Response:

NIPSCO maintained the same \$0.40 per month customer charge that was proposed in its last electric rate case in Cause No. 45772 because NIPSCO believes that is a reasonable amount for customers to contribute on a monthly basis. Please see NIPSCO Witness Whitehead's direct testimony Question / Answer 74 which describes that the amount of bill discount will vary based upon LIHEAP qualified customers each year. The example in Ms. Whitehead's testimony was based on the number of 2023 LIHEAP customers (28,626) and the example provided in Cause No. 45772 was based upon 2022 LIHEAP customers (32,975), which resulted in an example with lower discount amounts. The proposed program in this case was also expanded to provide \$100,000 for LIHEAP customers to receive electric deposit and late fee assistance as compared to the proposal in Cause No. 45772, which only proposed \$70,000 for LIHEAP customers to receive electric deposit assistance.

Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests**

OUCR Request 12-005:

For the years 2019-2023, please provide the amounts of bad debt NIPSCO experienced for its residential electric customers.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request is vague and ambiguous as the term "bad debt" is undefined.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

NIPSCO interprets bad debt to mean bad debt write-offs. Please see below for the amounts of bad debt write-offs NIPSCO experienced for its residential electric customers for the years 2019 – 2023.

Year	Electric Residential Write-Offs
2019	\$ 3,901,476
2020	\$ 2,405,803
2021	\$ 6,457,866
2022	\$ 5,048,037
2023	\$ 5,735,067

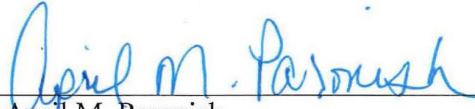
Cause No. 46120

**Northern Indiana Public Service Company LLC's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests**

<u>OUC Request 12-006:</u>
Please refer to NIPSCO's objection to OUC data request 5-014. Is NIPSCO only able to make a determination of the number of electric customers who are eligible for LIHEAP once the customer applies to LIHEAP each year? If no, please explain.
<u>Objections:</u>
<u>Response:</u>
Yes.

AFFIRMATION

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



April M. Paronish
Electric Division Assistant Director
Indiana Office of Utility Consumer Counselor

Cause No. 46120
NIPSCO, LLC

Date: December 19, 2024

CERTIFICATE OF SERVICE

This is to certify that a copy of the **Indiana Office of Utility Consumer Counselor Public's Exhibit No. 11 Testimony of OUCC Witness April M. Paronish** has been served upon the following counsel of record in the captioned proceeding by electronic service on December 19, 2024.

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