

STATE OF INDIANA


INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NIPSCO GENERATION)
LLC FOR CERTAIN DETERMINATIONS BY THE)
COMMISSION WITH RESPECT TO ITS) CAUSE NO. 46183
JURISDICTION OVER PETITIONER'S ACTIVITIES)
AS A NON-RETAIL GENERATOR OF ELECTRIC)
POWER.)

SUBMISSION OF TERM SHEET

In accordance with the Indiana Utility Regulatory Commission's ("Commission") May 22, 2025 docket entry in this Cause, NIPSCO Generation LLC ("GenCo"), by counsel, respectfully submits the public Term Sheet. Although the Term Sheet was initially filed as a confidential document on May 9, 2025, the terms included within the Term Sheet are now public. Other than removing the confidential designation in the footer of the document, no changes have been made to the Term Sheet that was filed on May 9, 2025.

Respectfully submitted,



Bryan M. Likins (No. 29996-49)
Tiffany Murray (No. 28916-49)
NiSource Corporate Services - Legal
150 West Market Street, Suite 600
Indianapolis, Indiana 46204
Likins Phone: (317) 684-4922
Murray Phone: (317) 649-6424
Fax: (317) 684-4918
Emails:
blikins@nisource.com
tiffanymurray@nisource.com

Nicholas K. Kile (No. 15203-53)
Lauren Aguilar (No. 33943-49)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Kile Phone (317) 231-7768
Aguilar Phone (317) 231-6474
Fax: (317) 231-7433
Kile Email: nicholas.kile@btlaw.com
Aguilar Email: lauren.aguilar@btlaw.com

Attorneys for Petitioner
NIPSCO Generation, LLC

CERTIFICATE OF SERVICE

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

OUC

T. Jason Haas
Adam J. Kashin
Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
thaas@oucc.in.gov
akashin@oucc.in.gov
infomgt@oucc.in.gov

Invenergy

Nikki G. Shoultz
Kristina Kern Wheeler
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
nshoultz@boselaw.com
kwheeler@boselaw.com
lbood@boselaw.com

LaPorte County

Shaw R. Friedman
Friedman & Associates, P.C.
705 Lincolnway
LaPorte, Indiana 46350
Sfriedman.associates@frontier.com

CAC

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

NIPSCO Industrial Group

Todd A. Richardson
Joseph P. Rompala
Emily R. Vlasak
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0003
trichardson@lewis-kappes.com
jrompala@lewis-kappes.com
evlasak@lewis-kappes.com
atyler@lewis-kappes.com

Clean Grid Alliance

Clayton C. Miller
Clayton Miller Law, P.C.
P.O. Box 441159
Indianapolis, Indiana 46244
clay@claytonmillerlaw.com

Elizabeth Wheeler
Clean Grid Alliance
ewheeler@cleangridalliance.org

NIPSCO GenCo

Bryan M. Likins

Tiffany Murray

NiSource Corporate Services - Legal

150 West Market Street, Suite 600

Indianapolis, Indiana 46204

blikins@nisource.com

tiffanymurray@nisource.com

USW

Robert A. Hicks

Macey Swanson Hicks & Sauer

429 N. Pennsylvania Street, Suite 204

Indianapolis, Indiana 46204-1800

rhicks@maceylaw.com

Nicholas K. Kile

Lauren Aguilar

Barnes & Thornburg LLP

11 South Meridian Street

Indianapolis, Indiana 46204

nicholas.kile@btlaw.com

lauren.aguilar@btlaw.com

DX Hammond

Ronald C. Gilbert, III


Polsinelli PC

150 N. Riverside Plaza, Suite 3000

Chicago, Illinois 60606

rgilbert@polsinelli.com

Dated this 27th day of May, 2025.



Bryan M. Likins

GENERAL TERMS

- GenCo and NIPSCO agree to be bound by all commitments below, as well as all commitments from rebuttal.
 - [*GenCo and NIPSCO will insert a list of all rebuttal commitments*]
- All the commitments, filings, etc. outlined below will be subject to the appropriate confidentiality protections.
- Reservation of all rights for all parties as related to all future proceedings, including, but not limited to, special contract and PPA approvals.

LIMITATIONS ON GENCO'S SCOPE OF OPERATIONS

- Subject to agreed limitations, GenCo operations will be limited to serving as the energy/capacity provider to NIPSCO and NIPSCO's customers through PPAs for purposes of allowing NIPSCO to serve new megaload entities as retail customers under IURC-approved special contracts. NIPSCO will be GenCo's only customer.
 - This term shall not prohibit GenCo from participating in the wholesale energy market using existing, non-committed, capacity or energy, subject to the requisite regulatory approvals.
 - For purposes of any agreement, "megaload" means any non-residential, non-municipal or non-small commercial customer who is seeking service for at least 50 megawatts of firm service and whose characteristics or expected, final demand would mean they are unable to qualify for service under Rates 524, 531, 532 or 533 (as may be modified from time to time).
 - Notwithstanding this definition, a megaload customer may request and receive service on a temporary basis under one or more of those rates provided they would otherwise qualify for service under the requested schedule.
 - To the extent one or more megaload customers does take temporary service under Rates 524, 531, 532, 533, or similar special contract, NIPSCO will take account of the temporary use of its legacy assets in its immediately subsequent electric base rate case and make appropriate adjustments, as necessary.
- All capacity procured by GenCo will be planned to meet PPA obligations and resource adequacy requirements/planning reserve requirements, guided by NIPSCO's ongoing integrated resource planning process and informed by customer negotiations and Commission-approved special contract demand.
- NIPSCO and GenCo will not enter into a PPA unless NIPSCO executes a special contract with a megaload customer, meaning that NIPSCO and GenCo will not enter into PPAs unless there is at least one executed special contract under which NIPSCO would have an obligation to serve a megaload customer.

- Revenues from any excess energy and capacity sales will be addressed, as applicable, in the terms of special contracts between NIPSCO and any megaload customer; contracts with any electing, existing customer; and/or in a PPA between NIPSCO and GenCo.
- NIPSCO and GenCo may not transfer assets between themselves, or enter into agreements for purposes of service to non-megaload retail customers (e.g., PPAs), unless the following conditions, as applicable, are met:
 - All affiliate guidelines are adhered to; and
 - Only existing assets are involved (meaning that GenCo would not intentionally build new assets intended to serve non-megaload customers); and
 - Any transfer is subject to approval by the IURC in a regularly docketed proceeding.
 - In the case of an asset transfer by NIPSCO to GenCo, NIPSCO must recognize a reduction in any undepreciated plant balance/amortized asset balance and make appropriate adjustments to retail rates.
 - In the case of an agreement between NIPSCO and GenCo to utilize GenCo assets to serve NIPSCO's non-megaload retail customers (such as through a PPA), GenCo may offer only energy/capacity which is demonstrated to be a cost-effective resource decision and subject to review by a third-party evaluator.
 - In the case of an agreement transferring GenCo assets to NIPSCO, NIPSCO must demonstrate that the resource has been selected as part of an open, competitive process run by an independent third-party.
 - If GenCo has planned capacity after meeting its obligations to NIPSCO to serve NIPSCO's megaload customers and any other customers through an approved PPA, and if NIPSCO and GenCo adhere to all affiliate guidelines, GenCo may offer such excess capacity to existing customers (including load expansions) only at the customer's sole discretion, but NIPSCO must be a signatory to any such agreement and must remain the sole provider of retail electric service to such customers, consistent with the requirements of Rate 531.
- GenCo may compete with other potential suppliers to construct behind the meter installations for new or existing customers.
- GenCo will not own substations or transmission assets, except:
 - The type necessary to interconnect to the grid; and
 - With the consent of the megaload customer(s), new substations which are solely for purposes of serving one or more megaload customers.
- Any substations or transmission assets constructed by GenCo or NIPSCO solely for a megaload customer will be the cost responsibility of the megaload customer for which they are constructed.
- Revisions to NIPSCO's existing tariffs to accommodate megaload customers may be presented for approval in the Commission's 30-day filing process, but new rate schedules or tariffs designed solely for megaload customers must be presented in a general electric base rate case or in a dedicated proceeding, unless an electric base rate case is pending, in which case the new rate schedules or tariffs must be filed as part of the pending

electric base rate case. In no case may existing customers be required to take service under a new or revised tariff.

COMMISSION OVERSIGHT

- All GenCo-NIPSCO PPAs to be used by NIPSCO to provide service to megaload customers or non-Rate 531 Tier 3 customers, will be subject to affiliate guidelines and approval by the IURC in a regularly docketed proceeding.
- Subject to appropriate provisions to prevent public disclosure of confidential information, all special contracts between NIPSCO and megaload customers will disclose the financial terms related to the provision of retail electric service, including those between the customer and GenCo.
- The load associated with megaload customers will be accounted for in NIPSCO's IRP process, and any forecasted use of GenCo assets or agreements, as well as any already-approved NIPSCO-GenCo PPAs, will be included in NIPSCO's IRP and reported to the Commission in annual reports required under HEA 1520.
- With adequate notice to the affected customer(s) who have cost responsibility in relation to a special contract, GenCo may take pre-acquisition/pre-construction steps (such as reserving equipment, submitting interconnection applications to MISO, etc.) without any filing to the Commission, provided that no costs are passed onto NIPSCO's retail customers except through special contract terms with megaload customer(s).
- GenCo and NIPSCO will not object to third-party discovery on the other in any proceeding. Each will use best efforts to timely respond (according to the procedural schedule) to discovery, and neither will object to discovery directed to them solely on the grounds that they are not a party to a particular proceeding.
- GenCo will remain subject to IURC investigations and complaints by the OUCC or others, consistent with Ind. Code §§ 8-1-2-50 through 60 and 8-1-2.5-7.
- GenCo will not seek full declination over Ind. Code §§ 8-1-2-76 through -80, relating to a public utility's need for Commission approval of a public utility's plan(s) to issue debt.
 - Specifically, GenCo will make informational compliance filings within 30 days of each time GenCo issues debt.
- NIPSCO and GenCo will jointly make an annual informational filing that is intended to provide the Commission with information about (1) GenCo generation resources committed, anticipated, and under evaluation; (2) the total megaload customer demand under special contracts that has been filed with or approved by the Commission; (3) a demonstration of how the load will be reliably served by NIPSCO using the GenCo generation; (4) the current cost estimate for each identified generation resource; and (5) any updates to previous semi-annual compliance filing, including the final cost of

generation resources that have reached commercial operation since the previous filing. To the extent that the final cost of a generation resource has increased from what was initially filed in an annual report, this cost increase may be sought from one or more megaload customers under the terms of Commission-approved special contracts, but the cost increase may not be sought from NIPSCO's other customers.

- Information related to the cost of generation can be designated as highly confidential and competitively sensitive.
- Prior to the construction, purchase or lease of a generation resource, or suite of generation resources, GenCo will make a filing, subject to a defined scope, seeking either (a) approval of the generation resource(s) as reasonable and necessary to serve expected load growth or (b) declination of the Commission's jurisdiction provided by Ind. Code § 8-1-8.5 is in the public interest. For purposes either filing type, NIPSCO and/or GenCo will present evidence to demonstrate that the resource(s) are reasonable and necessary to serve load growth consistent with this agreement. Either filing type will contain:
 - An identification of the estimated cost of each generation resource.
 - Information supporting the reasonable expectation that the load growth justifying the resource(s) will appear.
 - Information supporting the conclusion that absent the investment, GenCo will be unable to meet its obligations to NIPSCO related to the reasonably expected load growth.
 - The steps GenCo has taken to avoid exercise of the power of eminent domain.
 - Subject to Commission approval, GenCo will seek a procedural schedule that would have a Commission order issued [TBD days] after the filing of a petition and supporting testimony.
 - GenCo will retain eminent domain authority only for purposes of the resources that will be developed by GenCo and contracted for by NIPSCO for use to serve NIPSCO's retail customer load which is tied to a special contract with a megaload customer or customers.
- PPAs, special contracts, and other proceedings related to GenCo's construction, purchase, or lease of a generation resource, or suite or generation resources, may be, but do not need to be, brought in a consolidated case.

GENERAL PRINCIPLES FOR AFFILIATE GUIDELINES

- NIPSCO and GenCo agree to the implementation of reasonable affiliate guidelines consistent with the points set forth below, which will be submitted to the Commission.
 - NIPSCO and GenCo will provide a copy of their affiliate guidelines to OUCC and settling parties in advance of submission to the Commission and provide a reasonable opportunity for those parties to comment on the affiliate guidelines before submission.

- NIPSCO currently has written procedures to implement controls and ensure compliance with FERC’s Standards of Conduct, which are most directly focused on ensuring that non-public transmission function information is not shared with NIPSCO’s marketing function employees.
 - Written Procedures Implementing the FERC Standards of Conduct - Chief FERC Compliance Officer.
 - NIPSCO will revise these procedures to account for the creation and operations of GenCo and ensure that non-public transmission function information is not inappropriately shared with GenCo’s marketing function employees.
- GenCo will not have preferential access to NIPSCO assets or resources that are used for the generation, transmission, or delivery of electricity, and access to or use of NIPSCO employees, assets, or resources will be consistent with any approved intercompany service agreement. However, this term will not be construed to prevent GenCo from building, owning, or operating a generation resource at a site where a retiring NIPSCO generation resource is currently located.
 - Any remuneration from GenCo to NIPSCO associated with the lease or sale of such land shall be accounted for appropriately and credited to NIPSCO’s current retail electric customers.
- GenCo will be the means through which generation is going to be procured by NIPSCO to serve its megaload customers, and approval of a GenCo-NIPSCO PPA is expected to be a condition to effectiveness of the special contract with any megaload customer. However, GenCo and NIPSCO will not condition or tie any other agreement with a customer beyond the provision of retail electric service to a service provided by the other. Examples of such agreements include, but are not limited to, energy management services, operation and maintenance of customer-owned generation or substations, etc. No preference will be given, or discriminatory action taken, as a result of failure to use services provided by GenCo or NIPSCO.
- To the extent required, GenCo will comply with the reporting requirements of FERC Form 1, including disclosing relevant information related to officers and directors and equity investors. However, if GenCo determines that a FERC Form 1 is not required, GenCo will disclose its officers and directors and equity investors in the annual informational filing required above.
- Any use of NiSource Corporate Shared Service functions will be allocated to NIPSCO and GenCo in such a manner as to ensure, to the extent practical, there is no cross-subsidization and the costs of all services to the benefit of GenCo are appropriately allocated to GenCo. Such services will be subject to shared services agreements, which will be submitted to the Commission for approval using a procedure similar to the Commission’s 30-day filing procedure, or as part of a regularly docketed proceeding. If such filing contains confidential information, it may still be filed with a request for approval within 30 days.

- GenCo and NIPSCO will maintain separate financial records according to the applicable rules of accounting. GenCo records will be subject to regulatory review consistent with Ind. Code § 8-1-2-18, -49, -50, and -62.
- GenCo and NIPSCO will not intermingle funds.
- All affiliate contracts and agreements between NIPSCO and GenCo will be submitted for Commission approval using a procedure similar to the Commission’s 30-day filing procedure, or as part of a regularly docketed proceeding. If such filing contains confidential information, it may still be filed with a request for approval within 30 days.

OTHER PARTIES’ COMMITMENTS

- Will support GenCo declination request as modified by the terms above.
- Agree to support the format and procedural timelines for filings listed above.