

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED JOINT PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY LLC (“NIPSCO”) AND ROSEWATER WIND )  
GENERATION LLC (THE “JOINT VENTURE”) FOR (1) )  
ISSUANCE TO NIPSCO OF A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR THE PURCHASE AND )  
ACQUISITION OF A 102 MW WIND FARM (“THE ROSEWATER )  
PROJECT”); (2) APPROVAL OF THE ROSEWATER PROJECT AS )  
A CLEAN ENERGY PROJECT UNDER IC 8-1-8.8-11; (3) )  
APPROVAL OF RATEMAKING AND ACCOUNTING )  
TREATMENT ASSOCIATED WITH THE ROSEWATER )  
PROJECT; (4) AUTHORITY TO ESTABLISH AMORTIZATION )  
RATES FOR NIPSCO’S INVESTMENT IN THE JOINT VENTURE; )  
(5) APPROVAL PURSUANT TO IC 8-1-2.5-6 OF AN )  
ALTERNATIVE REGULATORY PLAN INCLUDING )  
ESTABLISHMENT OF JOINT VENTURE THROUGH WHICH THE )  
ROSEWATER PROJECT WILL SUPPORT NIPSCO’S )  
GENERATION FLEET AND THE REFLECTION IN NIPSCO’S NET )  
ORIGINAL COST RATE BASE OF ITS INVESTMENT IN JOINT )  
VENTURE; (6) APPROVAL OF PURCHASED POWER )  
AGREEMENTS THROUGH WHICH NIPSCO WILL RECEIVE )  
THE ENERGY GENERATED BY THE ROSEWATER PROJECT, )  
INCLUDING TIMELY COST RECOVERY PURSUANT TO IND. )  
CODE §8-1-8.8-11 THROUGH NIPSCO’S FUEL ADJUSTMENT )  
CLAUSE; (7) AUTHORITY TO DEFER AMORTIZATION AND TO )  
ACCRUE POST-IN SERVICE CARRYING CHARGES ON )  
NIPSCO’S INVESTMENT IN JOINT VENTURE; (8) TO THE )  
EXTENT GENERALLY ACCEPTED ACCOUNTING PRINCIPLES )  
WOULD TREAT ANY ASPECT OF JOINT VENTURE AS DEBT ON )  
NIPSCO’S FINANCIAL STATEMENTS, APPROVAL OF )  
FINANCING; AND (9) APPROVE AN ALTERNATIVE )  
REGULATORY PLAN FOR NIPSCO IN ORDER TO FACILITATE )  
THE IMPLEMENTATION OF THE ROSEWATER PROJECT; AND )  
(10) TO THE EXTENT NECESSARY, ISSUANCE OF AN ORDER )  
PURSUANT TO IC 8-1-2.5-5 DECLINING TO EXERCISE )  
JURISDICTION OVER JOINT VENTURE AS A PUBLIC UTILITY )**

**CAUSE NO. 45194**

**DR. VIDYA KORA**

**BOARD PRESIDENT**

**BOARD OF COMMISSIONERS OF LAPORTE COUNTY**

**Intervenor’s Exhibit 1**

**I. Background and Qualifications**

1 **Q1. Please state your name and business address.**

2 **A1.** My name is Dr. Vidya Kora. My business address is 3723 Franklin Street, Michigan City,  
3 IN 46360.

4 **Q2. By whom are you employed and in what capacity?**

5 **A2.** I operate a private medical practice in Michigan City, Indiana, the Franklin Clinic, which is  
6 part of the Franciscan Alliance. I previously served as President of the Indiana State Medical  
7 Association, a body which represents some 8,000 Hoosier physicians.

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9 I also serve as an elected official, having been elected by the voters of LaPorte County to serve  
10 as a LaPorte County Commissioner in 2012 and I was re-elected in 2016. Before that I served  
11 two terms as LaPorte County Coroner and also served a term on the Michigan City Board of  
12 School Trustees. I currently serve as President of the LaPorte County Board of Commissioners.

13 **Q3. Have you previously provided testimony before the Indiana Utility Regulatory**  
14 **Commission (“Commission”)?**

15 **A3.** No. However, as a licensed physician, I am active in my community and every day, I see  
16 patients who are struggling to make ends meet, including paying their utility bills. I also see  
17 the acute need we have as a county to ensure positive economic development and job creation  
18 going forward and I look to our utility, NIPSCO, to be an active community partner with us in  
19 terms of not only needing to provide safe, reliable electricity at reasonable rates but also

1 investing in new generation, new jobs and new assessed valuation in this county as very high  
2 priorities.

## **II. Purpose of testimony**

### **Q4. What is the purpose of your testimony in this proceeding?**

4 **A4.** I want to discuss some concerns and broader factors that I believe the Commission  
5 should consider as part of what the review process and public interest considerations should  
6 include when reviewing these types of advance approval of large costs items and certificate  
7 of need requests as presented in this instant docket.

### **Q5. Do you recognize that we are in transitional time in the electric industry?**

9 **A5.** Yes, I do recognize that we are in a very significant transitional time in the electric  
10 industry right now. I want to be very clear that I am not, nor is the Board of  
11 Commissioners, opposed to the decision of NIPSCO to close some or all of its coal  
12 generation plants if they are too costly to continue to operate. We all support reasonably  
13 priced electricity as being a good thing. However, the steps taken and the decisions  
14 involved are very significant and thus there is a need for purposeful and well-considered  
15 decisions as we will all have to deal with these changes in electric utility business for a very  
16 long time going forward. This transition process will clearly have significant ripple effects  
17 not just for NIPSCO and its customers, but will also impact local entities like LaPorte  
18 County, who plan around and provide other valuable services that likewise support not only  
19 NIPSCO but those very same customers as well. Just like NIPSCO depends on fair and

1 reasonable rates to allow it to continue to provide the services it provides, local  
2 governmental bodies rely and depend upon reasonable tax revenues that can and will be  
3 impacted by the significant transitional plans that are being put in to motion in this and  
4 other dockets before the Commission. I do recognize that changes and transitions may be  
5 necessary, but the impacts will be felt far beyond the confines of the NIPSCO rates.  
6 Communication and flexibility are vitally important. I am aware that in another recent case  
7 the IURC likewise recognized the importance of and need for our electric utilities to remain  
8 flexible with regard to major electric utility changes and generation planning during this  
9 transitional time. This is especially important when there are such long term, large capital  
10 commitments being proposed, as here.

11 **Q6. Why do you believe it is important to broaden perspectives of what is should be**  
12 **considered under the public interest aspects of this proceeding?**

13 **A6.** Much of the traditional testimony and evidence related to what constitutes the public  
14 interest tends to focus primarily on the costs of the energy being provided. While that  
15 certainly is a significant concern, there are important issues that must be considered beyond  
16 just the cost. In fact, the Commission has very recently in Cause No. 45052 reiterated the  
17 following broader language from a 1995 case that, "[P]ublic interest may be taken to  
18 encompass a wide range of considerations, from environmental, health, and safety concerns,  
19 to the financial concerns of employers, employees, and ratepayers." *General Motors Corp.*  
20 *v. Indianapolis Power & Light Co.*, 654 N.E.2d 752, 762 (Ind. Ct. App., 1995). The  
21 Commission noted that the *General Motors* holding supported the Commission's

1 consideration of the impact on employment in the coal industry as being appropriate under  
2 the public interest review *over 25 years ago*. I think it is important that the Commission  
3 likewise consider and review how important and integral it is to consider the impacts of ensuring  
4 that NIPSCO not only provides reasonably priced energy, but also the importance of the ongoing  
5 investments it makes in both electric infrastructure as well as jobs within its service territory counties like  
6 LaPorte County. Much like the proposed new industrial rate structures that NIPSCO is seeking to  
7 implement in Cause No. 45159 to help retain and support the large industrial customers in Northern  
8 Indiana, we have the very same interest in maintaining both good utility jobs and utility investments in  
9 our communities to ensure the economic well-being of area generally.

10 **Q7. Dr. Kora, what concerns do you have with the current public interest testimony**  
11 **and evidence presented before the Regulatory Commission?**

12 **A7.** Although I only generally follow utility matters as they affect our community, I am  
13 generally concerned that the primary focus of public interest reviews have become too narrowly  
14 focused on what is the least cost option for the provision of electricity. Therefore, I believe it is  
15 appropriate and necessary to now re-exam that public interest review process. Similar to the  
16 limited issues raised and presented in the General Motors case noted above, I strongly encourage  
17 the Commission to expand its review and consideration of additional factors such as: the actual  
18 day-to-day impacts for local governments, the effects and impacts to tax bases, and the  
19 families who have members who been employed by NIPSCO and may no longer have jobs  
20 after these important long-term transition plans have been adopted.

21 **Q8. Are there any developments that give you cause to raise these concerns about**

**NIPSCO's proposed plans?**

**A8.** Yes. Recently, the Commission discussed legitimate concerns regarding a large utility transitioning from multiple sources of generation to just one, at a very significant cost, which severely limited the utilities flexibility going forward. I think the Commission correctly noted the practical realities and concerns during this industry transition phase. I share these concerns and believe it is essential for NIPSCO to retain a level of flexibility in the replacement and new generation planning processes. Because of these issues, I have concerns about NIPSCO rushing to commit in this case, as well as the companion cases in Cause Nos. 45195 and 45196, to just one type of new generation going forward – namely wind generation. I understand that NIPSCO believes that, at present, it may appear to be the best, least cost option and maybe “locking in” could be prove to be a very perceptive decision. However, given the significant changes and uncertainty that are present along with the sheer magnitude of the dollars NIPSCO is proposing to commit for the next 20 to 30 years, it could just as easily prove to be a serious mistake that cannot later be undone. Moving so quickly could and would expose ratepayers to the uncertainties of the marketplace if too many eggs are placed in this single basket. Regardless, this rush to decision appears to run contrary to the notion of flexibility. I also believe this change in generation and investments must be done in a more measured and transparent process<sup>1</sup> with reasonable opportunities for input and more considered steps rather than all at once and under the gun in multiple, separate litigated dockets where it is difficult to obtain information and examines important aspects that look beyond what may be – at the

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<sup>1</sup> NIPSCO seems to only want to provide information to LaPorte County under the confines of confidentiality designations and non-disclosure requirements.

1 moment, than just what is the best, current price.

2 **Q9. Do you have other concerns about NIPSCO committing to one type of large scale**  
3 **generation going forward?**

4 **A9.** Yes. We have recently uncovered information regarding an in-depth analysis and review  
5 NIPSCO conducted as recently as mid-2018 for locating a combined cycle gas turbine generation  
6 plant (“CCGT”) in LaPorte County. While we are still investigating the details surrounding this  
7 effort, I am aware that there are locations in LaPorte County that are very conducive to locating a  
8 CCGT plant – such as Kingsbury Industrial Park (KIP) - because we have had entities besides  
9 NIPSCO looking at this possibility due to the County’s favorable location with available  
10 transmission and gas supply lines that run through LaPorte County and into KIP. I also am  
11 aware that there were at least three (3) separate NIPSCO meetings on their serious interest in this  
12 possibility in 2018 and the county expended significant funds, at NIPSCO’s request, to explore,  
13 analyze, and provide NIPSCO, or its representatives, detailed proposals for tax incentives. What  
14 is less clear is why just a few short months later NIPSCO abruptly changed course and filed its  
15 October 2018 integrated resource plan which now focuses almost entirely on wind and solar. Just  
16 because NIPSCO may have been able to get a good price or deal on a wind is no reason to rush  
17 this very long term decision that could have wide-sweeping impacts not just on future electric  
18 rates, but also the local communities that NIPSCO serves. In other words, having a reasonably  
19 priced electricity source in any given moment cannot and should not be the end of the discussion.  
20 Other factors including the impacts on local governments, related tax bases, and economies as  
21 well as the potentially more direct implications for the local ratepayers ultimately having to pay

1 higher taxes or even losing their jobs and those factors should and must also be considered. I  
2 strongly believe that NIPSCO needs to commit seriously to investing in new generation in the  
3 heart of its service territory – LaPorte County – as NIPSCO seriously considered doing in the  
4 spring and summer of 2018. That planning went all the way to the point of requesting tax  
5 incentives from LaPorte County for the siting of this proposed combined cycle gas turbine  
6 electric-generating facility. Those actions included having experts from NiSource’s Columbus,  
7 Ohio offices visiting our county and meeting notes indicating those individuals well understood  
8 that there was merit to siting replacement generation here in LaPorte County. I strongly urge the  
9 Commission to direct NIPSCO to revisit that process.

10 **Q10. Does this conclude your testimony?**

11 **A10.** Yes.