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INDIANA UTILITY
REGULATORY COMMISSION

VERIFIED DIRECT TESTIMONY OF VINCENT A. PARISI

Introduction

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

2 A1. My name is Vincent A. Parisi and my business address is 801 E. 86th Ave.,
3 Merrillville, Indiana 46410. I am President and Chief Operating Officer for
4 Northern Indiana Public Service Company LLC ("NIPSCO" or
5 "Company").

6 **Q2. Please describe your educational background and provide a summary of**
7 **your professional experience.**

8 A2. I earned a bachelor's degree in economics from The Ohio State University
9 and completed my law degree graduating magna cum laude from Capital
10 University Law School. I also received a Masters of Law from Capital
11 University in business and tax. Prior to accepting my current position in
12 March 2024, I was President and Chief Operating Officer of Columbia Gas
13 of Ohio, Inc. ("Columbia"). Before joining Columbia, I was President of the
14 U.S. Utilities for AES Corp and was the President and CEO of Indianapolis
15 Power & Light Company and Dayton Power and Light Company. Before

1 joining AES, I served as Columbia's Vice President of External and
2 Customer Affairs. In that role, I led Columbia's customer and stakeholder
3 experience which included economic development, large customer
4 relationships, government affairs (federal & state), regulatory affairs,
5 customer care and compliance, energy efficiency, community affairs and
6 communications. Before joining Columbia, I held various senior leadership
7 roles for Gas Natural Inc. and Interstate Gas Supply, Inc.

8 **Q3. What are your responsibilities as President?**

9 A3. As President, I am responsible for ensuring safe, reliable, and affordable
10 service to NIPSCO's 1.2 million electric and gas customers across the state.
11 I am also responsible for NIPSCO's financial health and have oversight
12 responsibility over risk management, regulatory, legislative and external
13 strategies.

14 **Q4. Have you previously testified before the Indiana Utility Regulatory
15 Commission ("Commission") or any other regulatory commission?**

16 A4. I have not previously testified before the Commission. I have provided
17 testimony for Interstate Gas Supply, Inc. before the Public Utilities
18 Commission of Ohio in Case Nos. 08-0072-GA-AIR, 08-0073-GA-ALT, 08-

1 0074-GA-AAM, 08-0075-GA-AAM, 08-1344-GA-EXM, 10-2395-GA-CSS, 10-
2 2929-EL-UNC, 11-0346-EL-SSO, 11-0348-EL-SSO, 11-0349-EL-SSO, 11-0350-
3 EL-SSO, 12-1230-EL-SSO, 12-1842-GA-EXM, and 12-2637-GA-EXM on
4 behalf of Ohio Gas Marketers Group.

5 **Q5. What is the purpose of your direct testimony?**

6 A5. The purpose of my testimony is to provide an overview of NIPSCO and its
7 role in northern Indiana. I briefly describe NIPSCO's electric system and
8 its corporate structure, and its strategic vision. I explain how NIPSCO has
9 executed its strategic vision since its last electric base rate proceeding,¹ and
10 describe NIPSCO's customer service goals. I also explain why NIPSCO is
11 filing this case at this time and provide a brief overview of NIPSCO's case-
12 in-chief.

13 **Q6. Are you sponsoring any attachments to your testimony in this Cause?**

14 A6. Yes. I am sponsoring Attachments 1-A through 1-D, all of which were
15 prepared by me or under my direction and supervision.

NIPSCO Overview

16 **Q7. Please briefly describe NIPSCO's operations and facilities.**

¹ *Verified Petition of N. Ind. Pub. Serv. Co.*, Cause No. 45772 (IURC Aug. 2, 2023).

1 A7. NIPSCO and its predecessor companies have been serving northern
2 Indiana for over 100 years. NIPSCO provides natural gas service to
3 approximately 859,000 customers in 32 counties across the northern third
4 of Indiana and electric service to more than 487,000 customers in 20 counties
5 in northwest Indiana.²

6 **Q8. Please provide an overview of NIPSCO's current electric generating**
7 **operations.**

8 A8. As discussed in greater detail by NIPSCO Witness Cocking, NIPSCO's
9 generating facilities have a total installed capacity of 2,985 net megawatts
10 ("MW"). Of the total capacity, 39.43% is from coal-fired units, 24.56% is
11 from natural gas-fired units, 22.28% is from solar, 13.40% is from wind, and
12 0.33% is from hydroelectric units. At the end of the Forward Test Year in
13 this Cause (December 31, 2025), NIPSCO's R.M. Schahfer Generating
14 Station ("Schahfer") Units 17 and 18 will be retired from service.

15 **Q9. Please provide an overview of NIPSCO's current electric transmission**
16 **operations.**

² NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana.

1 A9. As discussed in greater detail by NIPSCO Witness Cocking, NIPSCO's
2 transmission system is interconnected with seven neighboring electric
3 utilities. NIPSCO participates in transmission service and wholesale
4 energy markets operated by the Midcontinent Independent System
5 Operator, Inc. ("MISO"). MISO is a nonprofit organization created in
6 compliance with the Federal Energy Regulatory Commission to improve
7 the flow of electricity in the regional marketplace and to enhance electric
8 reliability. Additionally, as discussed in greater detail by NIPSCO Witness
9 Robles, MISO is responsible for managing the energy markets, transmission
10 constraints, the day-ahead, real-time, and Financial Transmission Rights
11 markets, and the ancillary services market. NIPSCO transferred functional
12 control of its electric transmission assets to MISO in 2003 and transmission
13 service for NIPSCO occurs under the MISO Open Access Transmission,
14 Energy and Operating Reserve Markets Tariff.

15 **Q10. Please describe NIPSCO's retail customer base.**

16 A10. Table 1 below summarizes NIPSCO's retail customers by group as of
17 December 31, 2023:

Table 1 – 2023 Historic Base Period Customer Data³

	Customers	Test Year Volumes (MWh)
Residential Sales	425,693	3,262,923
Commercial Sales	58,541	3,614,248
Industrial Sales	2,137	7,820,276
Other	711	63,680
TOTAL	487,082	14,761,127

1

2 As shown above, NIPSCO is unique in that its industrial customers account
3 for more than fifty percent of its energy sales.

4 **Q11. Please describe NIPSCO's role in northern Indiana.**

5 A11. NIPSCO is headquartered in Merrillville, Indiana and plays a critical role
6 in northern Indiana, an area in which safe, reliable, and affordable energy
7 service is critically important. NIPSCO is continually focused on improving
8 customer service and enhancing the availability and stability of electricity
9 and natural gas.

10 As a critical energy provider in the region, NIPSCO embraces its mission to
11 engage its customers, employees, and community partners to continuously
12 improve and partner with these stakeholders in supporting the success of

³ The period beginning January 1, 2023 and ending December 31, 2023. Source: NIPSCO response to 170 IAC 1-5-8(a)(3)(B) and 170 IAC 1-5-8(a)(3)(C).

1 the communities it serves. NIPSCO's economic development efforts help
2 to drive local and regional economic growth and create higher levels of
3 employment and higher average incomes which enables consumers to
4 enjoy better standards of living. Attracting new business helps to increase
5 property tax revenue which is the largest local revenue generator for local
6 units of government, and a source of funds for public schools. In 2023,
7 through its Economic Development Rider, NIPSCO helped to bring eight
8 new projects to northern Indiana, accounting for \$3.6 billion in capital
9 investment and 1,900 new jobs.

10 NIPSCO's leadership team and other employees also serve critical roles in
11 various community organizations. In 2023, NIPSCO supported more than
12 250 local non-profit and community organizations with over \$2.4 million in
13 contributions through targeted grant programs such as the Environmental
14 Action Grant and Public Safety Grant, as well as impact grants to Believe In
15 A Dream, Hilltop Neighborhood House, Purdue Northwest, The Nature
16 Conservancy and United Way of Northwest Indiana. Hope for the
17 Holidays, NIPSCO's end of year campaign to support community-serving
18 organizations, resulted in more than \$150,000 in contributions in 2023, in
19 addition to more than 1,000 toys to Toys for Tots from employees.

1 Through NIPSCO's Charity of Choice program, employees volunteered
2 more than 800 hours toward a variety of community projects including
3 outdoor beautification and landscaping, restocking food pantry shelves,
4 and volunteering at various Habitat for Humanity build sites across
5 northern Indiana during September 2023. Through NiSource's Charitable
6 Foundation's Dollars for Doers program, NIPSCO employees volunteered
7 2,700 service hours and nonprofits received \$85,330 in funding for their
8 efforts to give back. NIPSCO encourages and supports employees who
9 participate and serve on non-profit boards. The NiSource Foundation
10 leadership board service program awards each employee who serves on a
11 non-profit board \$2,500 to \$5,000 each year to gift to that organization,
12 providing an additional \$123,500 in NIPSCO charitable contributions in
13 2023.

14 Since 2018, NIPSCO has managed an annual Public Safety Education and
15 Training Action Grant program providing funding for 94 projects totaling
16 \$365,750 for community and youth public safety education programming
17 and training for first responders. In 2024, NIPSCO will award an additional
18 \$60,000.

1 In its ninth year, NIPSCO's Environmental Grant program provided
2 funding for 143 projects totaling \$577,000 for diverse environmental
3 restoration and education projects across NIPSCO's service territory. In
4 2024, projects focus on native habitat restoration, wildlife research, youth
5 nature programming, pollinator projects, rainscaping, and woods worker
6 safety training.

7 **Q12. Please describe steps NIPSCO has taken to help customers save energy
8 and reduce their monthly bills.**

9 A12. From senior leadership to front line employees, NIPSCO has continued to
10 elevate its internal emphasis on energy efficiency, including enhanced
11 communication with its statewide stakeholders (governmental agencies,
12 other utilities, and consumer parties). NIPSCO has staff dedicated to
13 energy efficiency programs and manages the development and
14 implementation of programs to the benefit of its electric and gas customers.
15 NIPSCO's electric energy efficiency programs have helped customers save
16 more than 1.7 million megawatt hours from 2010 through June 30, 2024.
17 NIPSCO offers a variety of programs for all customer segments (residential,
18 commercial, and industrial) and looks to help customers manage current

1 energy costs and assist NIPSCO in reducing or deferring future generation
2 needs.

3 **Q13. Please describe NIPSCO's efforts to support low-income customers.**

4 A13. NIPSCO remains sensitive to its customers in need. NIPSCO provides
5 credit arrangements, budget plans, and reduced deposits for eligible
6 customers. As part of its energy efficiency program, NIPSCO also offers an
7 energy efficiency weatherization and a refrigerator replacement program to
8 its low income customers. As described by NIPSCO Witness Weatherford,
9 as part of its last electric rate case in Cause No. 45772, NIPSCO committed
10 to contribute a total of \$400,000 in calendar years 2024 through 2027 to the
11 Indiana Community Action Association for the Community Action
12 Programs to provide health and safety work for the low-income
13 weatherization program.

14 As discussed in greater detail by NIPSCO Witness Whitehead, in this case,
15 NIPSCO is proposing to offer a bill assistance program to assist its low-
16 income electric customers with summer bills, deposit assistance, and late
17 fee payments assistance, similar to what NIPSCO currently provides for its

1 low-income gas customers. This program includes an annual financial
2 commitment from the Company as well.

3 As described in greater detail by NIPSCO Witnesses Whitehead and Taylor,
4 in this case, NIPSCO is also proposing a new multi-family rate. Any
5 customer who qualifies for this new rate and uses the same amount of
6 electricity will see a lower bill than he/she would have seen in the existing
7 residential rate class.

NIPSCO's Structure and Strategic Vision.

8 **Q14. Please briefly describe NIPSCO and its relationship with its parent**
9 **company, NiSource.**

10 A14. NIPSCO is one of six natural gas companies and the only electric company
11 in the NiSource family of utility companies. NiSource is headquartered in
12 Merrillville, Indiana, and through its gas utility subsidiaries, represents one
13 of the largest natural gas utility companies in the United States, serving
14 nearly 4 million natural gas and electric customers across six states under
15 the NIPSCO and Columbia Gas brands. NIPSCO is Indiana's largest
16 natural gas distribution company and the second largest electric
17 distribution company. NIPSCO and the other NiSource operating
18 companies employ about 7,750 employees, with approximately 3,200 of

1 those being located in the State of Indiana. Additionally, there are roughly
2 1,100 contractor resources and support personnel working in NIPSCO's
3 service territory, making NIPSCO among the largest employers in Indiana
4 and one of the largest employers in the northwest region of the State.

5 **Q15. Please describe NIPSCO's strategic vision.**

6 A15. NIPSCO's vision is to be a premier, innovative, and trusted energy partner.
7 Our electric and gas systems provide a strong foundation for our
8 organization to deliver on this vision. NIPSCO's customers' energy needs
9 and preferences will evolve over time, and our strategy will enable us to
10 evolve with them, ensuring we are central to how our customers' energy
11 needs and preferences are met in the future. Safety is NIPSCO's
12 foundational commitment, as reflected in the continued implementation of
13 its Safety Management System, which has matured to become a core
14 operating model that drives daily decisions and has enhanced how
15 NIPSCO identifies and prioritizes investments to reduce risks.

16 Strengthening reliability and increasing efficiency remain core tenets of
17 NIPSCO's operational excellence culture. NIPSCO is committed to
18 supporting its ongoing transition to more sustainable and affordable

1 energy via key investments in renewable energy, as well as its electric
2 infrastructure investments. This transition to a more balanced energy
3 portfolio includes a portfolio of renewable energy sources – many of which
4 are operational and already serving customers well. NIPSCO's electric and
5 gas transmission and distribution systems modernization investments
6 support its continued provision of safe, reliable, stable, and resilient service.
7 NIPSCO's focus on enhancing the customer experience includes offering
8 24/7 start, stop, move service, expanded live and chatbot features, a mobile
9 app for improved 24/7 access, and improved electric outage alerts, along
10 with adoption of modern technology and work management programs for
11 the benefit of customers. NIPSCO also provides a dependable financial
12 performance to support continued investment in critical infrastructure.

13 Ultimately, NIPSCO has three primary objectives: (1) to invest in needed
14 infrastructure programs at our utilities to continue serving our customers
15 safely and reliably, (2) to strengthen our financial foundation for access to
16 capital to continue making ongoing investments in service quality,
17 sustainability, modernization, and reliability, and (3) to enhance processes,
18 performance, safety, and reliability to provide excellent customer service.
19 Achieving these core objectives ultimately will serve the interests of all

1 NIPSCO's key stakeholders, including customers, employees, communities
2 and financial stakeholders.

3 **Q16. Please explain the primary objective to invest in needed infrastructure**
4 **programs.**

5 A16. As discussed in greater detail by NIPSCO Witness Cocking, ongoing
6 investment in NIPSCO's electric transmission and distribution system is
7 required to (1) maintain safe and reliable performance while proactively
8 replacing aging, high risk equipment across the system; (2) maintain
9 adequate system capacity to reliably serve customer loads; and (3)
10 modernize NIPSCO's electric grid with technologies that support improved
11 reliability, asset health and condition and preparing for future customer
12 growth. Targeted transmission investment by NIPSCO individually and
13 through its participation in MISO will continue.

14 **Q17. Understanding NIPSCO has not fully completed its generation**
15 **transition, have customer benefits associated with the transition begun**
16 **to be realized?**

17 A17. Yes. Based on the retirement of Schahfer Units 14 and 15 and the addition
18 of several renewable generating resources, NIPSCO customers have been

1 served by lower-cost, cleaner energy alternatives. Customer benefits
2 associated with NIPSCO's in-service wind and solar projects related to
3 renewable energy credit ("REC") sales, off-system sales adjustment, and
4 cash distributions in excess of operating costs, are passed on to customers
5 through the fuel adjustment clause ("FAC").⁴ NIPSCO Witness Robles
6 testifies that through June 2024, NIPSCO has credited to the FAC a total of
7 approximately \$86 million related to REC sales, off-system sales
8 adjustment, and cash distributions in excess of operating costs and that
9 NIPSCO will continue to reflect these benefits in the FAC with the
10 implementation of Step 1 and Step 2 rates.

11 NIPSCO is authorized to pass back through the FAC the benefits of the
12 federal tax credits to customers for its wholly-owned in-service solar
13 facilities. NIPSCO's Cavalry Solar Plus Storage facility went in service
14 earlier this year, and by the end of the Forward Test Year, one more solar
15 plus storage and two additional solar projects will be in service – Dunn's
16 Bridge II Solar Plus Storage, Fairbanks Solar, and Gibson Solar. NIPSCO
17 Witness Bass testifies that the annual value of Production Tax Credits

⁴ NIPSCO Witness Robles describes each of the customer benefits.

1 expected to be generated in the Forward Test Year are approximately \$61.5
2 million and the estimated Investment Tax Credits benefit to be passed to
3 customers in 2026 is approximately \$4.8 million. NIPSCO Witness Lash
4 explains NIPSCO's proposal to include 50% of the annual value as a
5 reduction to cost of fuel, with the other 50% passing through the FAC.

6 **Q18. To successfully execute on its vision, does NIPSCO need to operate from**
7 **a solid financial foundation?**

8 A18. Yes. Adequate liquidity and access to capital on reasonable terms is critical
9 to support NIPSCO's ongoing investment in its utility assets. Access to
10 capital on reasonable terms is essential for any capital-intensive business
11 and an important objective for NIPSCO. Access to capital is particularly
12 critical for NIPSCO because of the need to make ongoing investments in
13 service quality, safety, compliance and reliability and the ability to obtain
14 that capital on reasonable terms is important to manage the customer rate
15 impact of such investments. For these reasons, NIPSCO is focused on
16 maintaining its corporate credit ratings. NIPSCO Witness Rea provides
17 additional detail about the status and importance of access to capital on
18 competitive terms as a driver for NIPSCO's success in meeting its
19 commitments to stakeholders.

1 Q19. Please describe NIPSCO's commitment to customer satisfaction and
2 customer experience.

3 A19. NIPSCO's commitment to customer satisfaction and experience has been
4 demonstrated by improvement in customer satisfaction and brand
5 perception metrics. Two of the processes NIPSCO utilizes to measure
6 customer satisfaction include:

- 7 • NIPSCO has utilized an independent customer research firm since
8 2017 to conduct surveys with its residential customers and since 2021
9 with its large account customers to measure how well the Company
10 interacts with its customers. The mid-year 2024 residential results
11 indicated that 80% were very satisfied with their interaction with
12 customer service representatives and 91% were very satisfied with
13 their interaction with field service employees. In 2023, the large
14 account survey indicated that nine out of ten customers were
15 satisfied with their account representative.
- 16 • NIPSCO also subscribes to the J.D. Power perception-based
17 satisfaction surveys. In 2023, NIPSCO saw an increase in J.D. Power
18 overall satisfaction for business customers and was ranked above the
19 segment average in the 2024 mid-point update. NIPSCO maintained
20 a residential ranking near the mid-point of regional mid-size utility
21 peers and is ranked the highest of the three Indiana electric investor-
22 owned utilities in the segment.

23 NIPSCO has been investing in many new improvements to provide more
24 efficient service to its customers with a focus on using digitization to
25 provide an enhanced experience to customers. Allowing customers to lead
26 the way, NIPSCO promoted digital options, like paperless billing, as well

1 as new technology to improve the customer experience through the
2 introduction of the mobile app and by providing customers with the ability
3 to connect with customer care agents online via live or automated chat.
4 NIPSCO also added an online feature to allow customers to start, stop, or
5 move their existing service. Additionally, NIPSCO launched a
6 conversational Interactive Voice Response system, designed to make it
7 easier for customers to receive help by telephone. NIPSCO also began the
8 roll out of Advanced Metering Infrastructure ("AMI") to enhance customer
9 experience.

10 Since its last rate case in 2022, NIPSCO has enhanced some of its prior
11 initiatives and introduced new initiatives to improve service to its
12 customers, including:

- 13 • More than 30 enhancements to its Mobile App were completed,
14 including new shortcuts for easier navigation and the addition of
15 three additional payment plan options.
- 16 • More than 90 enhancements to its website were completed,
17 including a new interactive online bill to help customers better
18 understand their bill, easier navigation, and a self-service 12-month
19 payment plan option.

20

This Proceeding

1 **Q20. Why is NIPSCO filing this case at this time?**

2 A20. NIPSCO remains committed to a balanced approach to the continued
3 availability of safe and reliable power within its service territory that is
4 affordable and generated by environmentally sustainable resources.
5 Electricity is a vital and critical resource to many – ranging from industry
6 to residential homeowners – and NIPSCO is keenly focused on maximizing
7 the value of service it provides to its customers. NIPSCO's current electric
8 rates are not sufficient to permit the Company to recover the increased costs
9 of providing service to its customers.

10 Since its last electric rate case in Cause No. 45772, NIPSCO has brought one
11 (1) solar facility online (Cavalry Solar Plus Storage) and anticipates three (3)
12 solar facilities (Dunn's Bridge II Solar Plus Storage, Fairbanks Solar, and
13 Gibson Solar) will come online by the end of the test year.⁵ As NIPSCO

⁵ Dunn's Bridge II Solar Plus Storage (originally approved in Cause No. 45462, modification approving wholly owned structure in Cause No. 45936) has an aggregate nameplate capacity of approximately 435 MW solar plus 75 MW energy storage. NIPSCO anticipates receiving power in Quarter 1, 2025 and is included in rate base in this proceeding. Fairbanks Solar (originally approved in Cause No. 45511, modification approving wholly owned structure in Cause No. 46028) has an aggregate nameplate capacity of approximately 250 MW. NIPSCO anticipates receiving power in Quarter 2, 2025 and is included in rate base in this proceeding. Gibson Solar (originally approved in Cause No. 45926, modification approving wholly owned structure in Cause No. 46032) has an aggregate nameplate capacity of approximately 200 MW. NIPSCO anticipates receiving power in Quarter 3, 2025 and is included in rate base in this proceeding.

1 Witness Bytnar testifies, the forecasted net utility plant (rate base) growth
2 for the renewable generation facilities is \$2.0 billion, approximately 68% of
3 total Net Utility Plant growth during this period. NIPSCO also plans to
4 retire Schahfer Generating Station Units 17 and 18 by the end of the test
5 year. Rates need to be changed as soon as possible to properly reflect the
6 effects, including benefits, of these projects and retirements.

7 NIPSCO has also made prudent capital investments necessary to retire and
8 replace aging infrastructure. As NIPSCO Witness Bytnar testifies, the
9 forecasted net utility plant (rate base) growth for TDSIC is \$769.5 million,
10 approximately 25% of total Net Utility Plant growth. NIPSCO's electric
11 transmission and distribution systems modernization investments support
12 its continued provision of safe, reliable, stable, and resilient service.

13 NIPSCO's existing rates must be revised to address the changing energy
14 marketplace to provide revenues adequate to cover its necessary and
15 reasonable operating expenses and permit NIPSCO to earn a fair return
16 upon the fair value of its property to which NIPSCO is lawfully entitled.
17 Consequently, revisions to its rates are necessary and appropriate to
18 provide NIPSCO an opportunity to recover its operating expenses and earn

1 a fair return on the fair value of its property used and useful in providing
2 service to its customers. The proposed changes are also necessary and
3 appropriate to provide revenues which will enable NIPSCO to continue to
4 attract capital required for additions, replacements and improvements to
5 its Utility Property and to comply with regulatory mandates and otherwise
6 provide adequate and reliable service at a reasonable cost.

7 As detailed in the testimony of NIPSCO Witness Weatherford, NIPSCO
8 estimates that the proposed net increase to its total revenues, including
9 revenues from basic rates and charges and the riders as reset upon
10 effectiveness of new base rates, will represent an increase of 20.15% over
11 NIPSCO's current retail revenues.

12 **Q21. How has NIPSCO considered affordability as it has approached this**
13 **case?**

14 A21. Customer affordability is top-of-mind for NIPSCO, including as it prepared
15 this filing. NIPSCO is aware of the challenges the current economic
16 environment places on its customers. Long-term affordability has driven
17 NIPSCO's investments in its generation transition.

1 NIPSCO's generation transition is grounded in the fact that retaining long-
2 term, coal-fired generation in its resource portfolio results in a more
3 expensive portfolio for NIPSCO's customers. Therefore, NIPSCO
4 embarked on its generation transition at a time that afforded opportunities
5 to do so in the most economical way possible. NIPSCO first focused on
6 executing wind projects to capture the value of production tax credits,
7 which in 2018 were set to expire in the short-term, and later focused on solar
8 projects that utilize investment tax credits.

9 In order to achieve the lower cost resource portfolio for the benefit of its
10 customers, NIPSCO retired Schahfer Units 14 and 15 in October 2021, and
11 Schahfer Units 17 and 18 will retire at the end of the Forward Test Year
12 (December 31, 2025) in this case. Unit 12 at Michigan City Generating
13 Station is planned to retire at the end of 2028. NIPSCO Witnesses
14 Weatherford and Whitehead describe and support the cost reductions to
15 NIPSCO's Step 2 revenue requirement associated with the retirement of
16 Schahfer Units 17 and 18 at the end of the Forward Test Year.

17 As explained by NIPSCO Witness Bass, after release of the Inflation
18 Reduction Act of 2022, NIPSCO evaluated new alternatives for utilizing tax

1 credits and found additional opportunities to bring cost savings to
2 customers by requesting and receiving approval for the full ownership of
3 four solar facilities (Cavalry, Dunn's Bridge II, Fairbanks and Gibson). With
4 those approvals, NIPSCO is able to provide a lower cost alternative for
5 customers. In each of the Commission's orders approving those requests,
6 the Commission noted that the solar projects, as modified, were "least cost"
7 as compared to alternatives.⁶

8 NIPSCO has made strategic generation investments that have been found
9 to be lower cost than available alternatives. The benefits of these strategic
10 investments, some of which NIPSCO is seeking to begin recovering now,
11 will accrue directly to customers for decades to come.

12 **Q22. Has NIPSCO considered the impact of a rate increase on its customers?**

⁶ See *N. Ind. Pub. Serv. Co.*, Cause No. 45936 at 20 (IURC 01/17/2024) ("[t]he evidence . . . reflects that the negotiated costs of the Amended Bridge II BTA and Amended Cavalry BTA both compare favorably to pricing observed in NIPSCO's 2022 RFPs"); *N. Ind. Pub. Serv. Co.*, Cause No. 46028 at 13, 15 (IURC 08/14/2024) ("the LCOE of the Fairbanks Project is lower than the cost of alternative owned solar projects identified in the 2022 RFPs"); *N. Ind. Pub. Serv. Co.*, Cause No. 46032 at 12-13 (IURC 08/21/2024) ("NIPSCO's petition provided that the best cost estimate [for the Gibson Project] originally approved in [Cause No.] 45926 has not changed"); *N. Ind. Pub. Serv. Co.*, Cause No. 45926 at 20-22 (IURC 11/22/2023) ("[t]he evidence in this Cause supports a finding that the energy . . . is reasonably priced compared to other alternatives and will provide material benefits").

1 A22. Yes. NIPSCO realizes that rate increases always have an impact on
2 customers. In light of NIPSCO's prudent capital investments, which are
3 necessary to support its generation transition and to retire and replace
4 aging infrastructure, a rate increase is unavoidable. As outlined earlier in
5 my testimony, NIPSCO is proposing to offer a bill assistance program to
6 assist its low-income electric customers with summer bills, deposit
7 assistance, and late fee payments assistance. NIPSCO is also proposing a
8 new residential multi-family rate to better reflect the cost to serve this group
9 of customers. Additionally, as more fully described by NIPSCO Witness
10 Whitehead, NIPSCO is proposing to eliminate convenience fees for
11 customers who use third-party paysites to pay their electric bill, and, with
12 the approval of a door knock waiver, is proposing to phase-out
13 disconnection and reconnection fees for its customers with AMI meters, as
14 those meters are deployed and fully functional. NIPSCO also has existing
15 programs to help customers save energy and reduce their monthly bills.
16 Further actions NIPSCO has taken in its case-in-chief to maintain affordable
17 bills for its customers are described by NIPSCO Witness Whitehead.

18 **Q23. Does NIPSCO's case-in-chief address the Five Pillars of electric utility**
19 **service set out in Ind. Code § 8-1-2-0.6?**

1 A23. Yes. NIPSCO Witness Whitehead describes how NIPSCO's case-in-chief
2 demonstrates how the rate request in this Cause considers, and is consistent
3 with, the Five Pillars. She also includes Attachment 2-B that identifies each
4 NIPSCO witness that addresses the Five Pillars in their direct testimony.

5 **Q24. Please identify the witnesses offered by the Company.**

6 A24. Attachment 1-A identifies NIPSCO's witnesses and the subject matter of
7 their testimony.

8 **Q25. Did NIPSCO provide notice of its intent to file an electric rate case in**
9 **accordance with the Commission's General Administrative Order 2013-**
10 **5?**

11 A25. Yes. Attachment 1-B is a copy of NIPSCO's notice that was hand delivered
12 to the Secretary to the Commission on August 13, 2024, a copy of which was
13 provided to the Indiana Office of Utility Consumer Counselor ("OUCC")
14 and other anticipated intervenors via email transmission. NIPSCO met
15 with the OUCC, the NIPSCO Industrial Group, and anticipated intervenors
16 to discuss its filing in August.

17 **Q26. Will NIPSCO publish notice of the filing of this case in each county**
18 **where it provides electric service?**

1 A26. Yes. Attachment 1-C will be a copy of each of the Publishers' Affidavits
2 associated with the notices published in accordance with the law and
3 Commission practice. This attachment will be organized alphabetically by
4 county and will be filed with the Commission once all the Publishers'
5 Affidavits have been received.

6 **Q27. Will NIPSCO provide its residential customers with written notice of the**
7 **relief requested in this proceeding?**

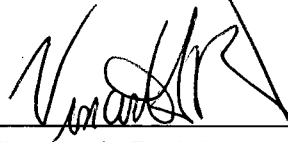
8 A27. Yes. Attachment 1-D will be a copy of the written notice provided to
9 residential customers within 45 days of the filing of the petition in this
10 proceeding. This notice will be provided as a bill insert to our residential
11 customers consistent with the Commission's rules. This attachment will be
12 filed with the Commission when available.

13 **Q28. Does this conclude your prefiled direct testimony?**

14 A28. Yes.

VERIFICATION

I, Vincent A. Parisi, President and Chief Operating Officer of Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read 'Vincent A. Parisi', is written over a horizontal line.

Vincent A. Parisi

Date: September 12, 2024

**Northern Indiana Public Service Company LLC (NIPSCO)
2024 Electric Rate Case
Summary of Witness Testimony¹**

<u>Ex. No.</u>	<u>Witness Name</u>	<u>Summary of Testimony</u>
1	Vincent A. Parisi	Provides an overview of NIPSCO and its role in northern Indiana. Describes NIPSCO's electric system, its corporate structure, and its strategic vision. Explains how NIPSCO has executed its strategic vision since its last electric base rate proceeding in Cause No. 45772 and describes NIPSCO's customer service goals. Explains why NIPSCO is filing this rate case at this time and provides a brief overview of NIPSCO's case-in-chief.
2	Erin E. Whitehead	Discusses statutory requirements and provides a brief background of NIPSCO's existing electric rates. Explains the key drivers and objectives for filing this case. Describes steps NIPSCO's took in preparing its case-in-chief to address customer bill impact of the proposed rate increase, cost methodology, and new tariff offerings, including proposed Low Income Program and Multi-Family Residential Rate. Describes NIPSCO's non-base rate programs and its proposed IURC Electric Service Tariff, Original Volume No. 16, including the Schedule of Rates, Riders and General Rules and Regulations (the "Proposed Tariff"). Also describes the proposed standard Agreement for Electric Service (for Rates 624, 625, 632, 633, 643, and 644), proposed standard Agreement for Electric Service (for Rate 631 and Rider 676), and

¹ This Summary of the Company's case-in-chief witness testimony is intended facilitate review of this filing but is not an exhaustive list of the requests in this proceeding. A complete account of the requested relief can be found in the case-in-chief, including but not limited to petition, testimony, attachments, exhibits, workpapers, and MSFR responses.

		proposed Rate Release Form. Explains how the Proposed Tariff differs from NIPSCO's IURC Electric Service Tariff, Original Volume No. 15, currently on file with the Commission (the "Current Tariff"). Supports NIPSCO's proposed alternative regulatory plan for partial waiver of Commission disconnection rules.
3	Richard D. Weatherford	Presents the results of NIPSCO's Electric operations for the period beginning January 1, 2023 and ending December 31, 2023, (the "Historic Base Period"), and the projected results for the period beginning January 1, 2025 and ending December 31, 2025 (the "Forward Test Year"), adjusted on a pro forma basis for the normalization and annualization of certain amounts included in these periods. Establishes that retail electric revenues at current rates do not and will not produce a level of net operating income sufficient to provide a fair return on the net original cost of NIPSCO's property, plant, and equipment owned, operated, and serving jurisdictional electric customers. Quantifies the amount by which retail electric revenues should be increased. Sponsors capital structure. Discusses the application of General Administrative Order 2013-5 ("GAO 2013-5") and the Minimum Standard Filing Requirements ("MSFRs") and the Company's proposed rate relief in this Cause. Sponsors NIPSCO financial statements.
4	Emily J. Bytnar	Sponsors and presents NIPSCO's forecasted rate base as of May 31, 2025 (Step 1) and December 31, 2025 (Step 2). Describes NIPSCO's proposal to implement its proposed increase in at least two steps – one on issuance of an Order in this Cause, the final after the close of the test year, and up to two potential additional steps, as needed, as generation projects are placed into service.

5	Nick Bly	Provides background on the relationship between NiSource Corporate Services Company (“NCSC”) and NIPSCO. Supports actual operation and maintenance (“O&M”) expenses associated with services provided by NCSC to NIPSCO for the Historic Base Period, as well as certain normalization adjustments to those expenses. Supports the projected O&M expenses associated with services provided by NSCS to NIPSCO and any adjustments to those expenses for the 2024 Forecast Period and the Forward Test Year.
6	Patrick L. Baryenbruch	Presents the results of the study undertaken to determine reasonableness and necessity of the services provided by NCSC to NIPSCO’s electric utility during the Historic Base Period.
7	Orville Cocking	Describes NIPSCO’s generation fleet and NIPSCO’s electric transmission and distribution systems. Discusses customer service and electric reliability programs. Describes the significant investments NIPSCO has made to its generation and transmission and distribution systems in recent years. Describes how NIPSCO’s work described in his testimony supports the Five Pillars. Explains various pro forma expense adjustments.
8	Stephen Holcomb	Summarizes changes in environmental mandates since NIPSCO’s last rate case, Cause No. 45772, which was filed in 2022. Discusses how these mandates impact NIPSCO coal generating stations.
9	Rosalba Robles	Describes the Midcontinent Independent System Operator, Inc. (“MISO”) and the associated markets, NIPSCO’s Generation Transition, Purchased Power and Joint Venture Build Transfer Agreements (“BTA”), and NIPSCO’s capacity needs, including MISO Requirements, Resources, and Cost. Describes Demand Response Programs, modifications affecting NIPSCO’s RA Adjustment

		including NIPSCO's pro forma adjustment for capacity purchases. Describes NIPSCO's PROMOD forecast and how NIPSCO derived expected production for its four renewable solar facilities.
10	Gregory Skinner	Supports the portion of NIPSCO's rate base through the Forward Test Year related to the Work and Asset Management ("WAM") program. Describes NiSource's planned 5-year information technology ("IT") transformation plan and schedule, which includes the new WAM program. Provides an overview of the WAM program and explains why it is reasonable and necessary.
11	Kirstie Eyre	Supports NiSource total rewards and sets forth comparative analyses to establish the reasonableness and competitiveness of the wages, salaries, and incentive compensation provided to employees.
12	John J. Spanos	Explains the methods and procedures used in the Depreciation Study and recommends depreciation rates for NIPSCO's forecasted electric and common plant in service as of December 31, 2025. Sponsors the results of the Depreciation Study, his depreciation analysis, and the results of the decommissioning cost studies related to generation facilities. Sets forth the annual depreciation rates as of December 31, 2023. Develops depreciation accrual rates for projected electric and common plant in service as of December 31, 2025.
13	Vincent V. Rea	Recommends the appropriate rate of return on common equity and overall rate of return for NIPSCO's jurisdictional electric operations in relation to its revenue requirement calculation.
14	Jonathan Bass	Presents and supports NIPSCO's federal and state income tax expense and taxes other than income tax expense adjustments for the Forward Test Year

		<p>at current and proposed rates as shown in Petitioner’s Exhibit No. 3, Attachment 3-A-S2 (Columns E and H). Presents and supports NIPSCO’s Accumulated Deferred Income Taxes (“ADIT”) and Post 1970 Investment Tax Credit (“ITC”) balances and related pro forma adjustments, which are included as components of NIPSCO’s capital structure as shown in Petitioner’s Exhibit No. 3, Attachment 3-A-S2. Discusses NIPSCO’s derivation of renewable energy tax credits from wholly owned solar projects.</p>
15	Melissa Bartos	<p>Explains how Historic Base Period kilowatt hours (“kWh”) are normalized for weather. Explains the methodology used to develop the forecasted number of customers and usage for the Budget Period and the Forward Test Year.</p>
16	John D. Taylor	<p>Describes the Atrium Cost of Service Model (Atrium Model) used for NIPSCO’s electric cost of service study and the various cost allocation principles, factors that influence the cost allocation framework, and the underlying methodology and basis used in the Company’s electric cost of service studies. Describes the “Special Studies” employed to apportion the various categories of plant and operation and maintenance (O&M) expenses to the respective customer classes. Presents the class-by-class rate of return results and corresponding revenue surpluses or deficiencies from NIPSCO’s ACOSS including the resulting unit costs by class for customer, demand, and energy-related costs with the ACOSS. Discusses revenue allocation and rate design principles and the appropriate guidelines for use in evaluating class revenue levels and rate structures. Explains and supports the allocation of the Company’s revenue deficiency to the various rate classes consistent with the class revenue mitigation objectives discussed by</p>

		NIPSCO Witness Whitehead. Discusses NIPSCO's rate design proposals and discusses in detail the analyses conducted to support the new multi-family rate class and in support of increasing the fixed bill component for both single-family and multi-family customers.
17	Candice Lash	Supports NIPSCO's electric operating revenue and fuel and purchased power adjustments, as well as the base cost of fuel.
18		Accounting adjustments support



Erin A. Whitehead

Phone: 317-965-8334

Email: ewhitehead@nisource.com

August 13, 2024

Via Hand Delivery

Dana Kosco
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 East
Indianapolis, Indiana 46204

RECEIVED

AUG 13 2024

INDIANA UTILITY REGULATORY COMMISSION

RE: *Notice of Intent to File Electric Rate Case*

Dear Ms. Kosco:

In accordance with Indiana Utility Regulatory Commission General Administrative Order 2013-5, Northern Indiana Public Service Company LLC hereby provides notice of its intent to file an electric rate case pursuant to Ind. Code § 8-1-2-42.7 on or after September 12, 2024. Please let me know if you have any questions or concerns about this notice.

Sincerely,

A handwritten signature in black ink that reads "Erin E. Whitehead". The signature is written in a cursive style and is positioned above a horizontal line.

Erin E. Whitehead

Vice President, Regulatory and Major Accounts

cc: **Via Email Transmission**

William Fine (wfine@oucc.in.gov)

Anne E. Becker (abecker@lewis-kappes.com)

James W. Brew (jbrew@smxblaw.com)

Todd A. Richardson (trichardson@lewis-kappes.com)

Joseph Rompala (jrompala@lewis-kappes.com)

Jennifer Washburn (jwashburn@citact.org)

Nikki Shoultz (nshoultz@boselaw.com)

Kristina Wheeler (kwheeler@boselaw.com)

Jay Brew (JWB@smxblaw.com)

Keith Beall (kbeall@clarkquinnlaw.com)

Barry A. Naum (bnaum@spilmanlaw.com)

Robert Glennon (robertglennonlaw@gmail.com)

150 W. Market Street, Suite 600, Indianapolis, Indiana 46204

To be submitted as a late-filed exhibit

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