
VERIFIED DIRECT TESTIMONY OF DANIEL L. DOUGLAS

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

2 A1. My name is Daniel L. Douglas. My business address is 801 East 86th Avenue,
3 Merrillville, Indiana 46410. I am Senior Vice President Gas Operations for
4 Northern Indiana Public Service Company LLC ("NIPSCO").

5 **Q2. Please briefly describe your educational and business experience.**

6 A2. I received a Bachelor of Arts degree in Finance and Accounting from Cedarville
7 University. I also received a Master of Business Administration degree from the
8 Kellogg School of Management at Northwestern University. I have been
9 employed by NiSource, NIPSCO's parent company, and NIPSCO in various
10 departments for over fifteen years. I began my employment with NiSource in 1997
11 in the unregulated businesses focused on financial budgeting and analysis. I
12 continued to work in finance and strategic roles with increasing responsibility
13 through August 2008. In September 2008, I began working for Exelon Corporation
14 as Manager of Corporate Strategy. In September 2012, I returned to NIPSCO,
15 accepting a position as Director of the Transmission Commercial Operations. In

1 June 2013, I became Executive Director of Strategic Planning for NIPSCO, and in
2 June 2016 I was named as Vice President, Corporate Strategy and Development
3 for NiSource. In January 2019, I accepted my current position as Senior Vice
4 President Gas Operations.

5 **Q3. What are your responsibilities as Senior Vice President Gas Operations?**

6 A3. As Senior Vice President Gas Operations, I am responsible for leadership of all
7 aspects of NIPSCO's gas utility including its field operations and financial
8 performance.

9 **Q4. Have you previously testified before this or any other regulatory commission?**

10 A4. Yes. I previously provided testimony before the Indiana Utility Regulatory
11 Commission (the "Commission") relating to the 2017 violations for at-fault
12 damages in Cause No. 44970-S1 and 2018 violations for at-fault damages in Cause
13 No. 44970-S2 I also previously provided testimony before the Commission in two
14 of NIPSCO's Regional Transmission Organization tracker filings (Cause Nos.
15 44156-RTO-3 and RTO-4) as well as in support of NIPSCO's request for approval
16 of and a certificate of public convenience and necessity for a federally mandated
17 Environmental Compliance Project in Cause No. 44872.

18 **Q5. What is the purpose of your direct testimony in this proceeding?**

1 A5. The purpose of my direct testimony is to address recommendations of the Pipeline
2 Safety Division detailed in the testimony of William Boyd, Director Pipeline Safety
3 Division that was filed in this Cause. I discuss NIPSCO's 2019 at-fault damage
4 violations and the Pipeline Safety Division's request that the Commission assess
5 civil penalties for NIPSCO's performance related to these damages under the
6 Settlement Agreement between NIPSCO and the Commission's Pipeline Safety
7 Division approved by the Commission in Cause No. 44970 (the "44970
8 Settlement").

9 **Q6. Is NIPSCO in agreement with the number of 2019 violations for at-fault**
10 **damages cited by the Pipeline Safety Division in Mr. Boyd's testimony?**

11 A6. Yes. For the calendar year 2019, investigation by the Pipeline Safety Division
12 determined that NIPSCO was responsible for 234 damages to its pipelines under
13 Ind. Code § 8-1-26-18. The Indiana Underground Plan Protection Advisory
14 Committee (UPPAC) subsequently recommended penalties for each of these
15 violations that were later approved by the Commission. NIPSCO self-reported all
16 of these damages and agrees with the Pipeline Safety Division that the correct
17 number of its at-fault damages which resulted in a violation in 2019 is 234.

1 **Q7. Does NIPSCO agree with the Pipeline Safety Division's interpretation of the**
2 **44970 Settlement as it relates to assessment of civil penalties for NIPSCO's 2019**
3 **locate performance?**

4 A7. Yes. NIPSCO Agrees that the 44970 Settlement allows the Pipeline Safety Division
5 at its discretion to request the Commission approve penalties in two categories of
6 potential violations: (1) damages caused by NIPSCO's failure to locate its
7 underground pipelines in two full working days or for NIPSCO's failure to mark
8 its facilities accurately, and (2) certain instances where NIPSCO fails to locate its
9 facilities and fails to contact the excavator within two full working days.

10 **Q8. Is NIPSCO in agreement with the methodology used by the Pipeline Safety**
11 **Division to calculate the proposed penalty of \$1,138,000?**

12 A8. Yes. As stated above, NIPSCO agrees that the 44970 Settlement allows the Pipeline
13 Safety Division at its discretion to request the Commission approve a civil penalty
14 for violations resulting from 2019 at-fault damages to its pipelines. Also as stated
15 earlier, NIPSCO agrees that it had 234 at-fault damage violations in 2019. The
16 44970 Settlement also provides for agreed upon amounts to be utilized to calculate
17 the dollar value of the civil penalty. These agreed upon amounts were used by the
18 Pipeline Safety Division to calculate the proposed civil penalty of \$1,138,000. The

1 table below shows NIPSCO's calculation for the 234 at-fault damages in 2019
2 utilizing the provisions of the 44970 Settlement. NIPSCO's calculation is in
3 agreement with the Pipeline Safety Division's recommendation of \$1,138,000.

At Fault Damages per Year	Civil Penalty per Damage per 44970 Settlement	Total Amount of Civil Penalty
0-25	\$2,500	\$62,500
26-50	\$3,000	\$75,000
51-75	\$4,000	\$100,000
76-100	\$4,500	\$112,500
101-150	\$5,000	\$250,000
151-200	\$6,000	\$300,000
200+	\$7,000	\$238,000
TOTAL		\$1,138,000

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5 **Q9. What is your recommendation in this subdocket?**

6 A9. It is my recommendation that the Commission approve the Pipeline Safety
7 Division's proposed civil penalty of \$1,138,000 for NIPSCO's 2019 locate
8 performance.

9 **Q10. Does this conclude your prefiled direct testimony?**

10 A10. Yes.

VERIFICATION

I, Daniel L. Douglas, Senior Vice President Gas Operations for 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.



Daniel L. Douglas

Dated: December 28, 2020