

Northern Indiana Public Service Company LLC
Cause No. 45621

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**INDIANA UTILITY
REGULATORY COMMISSION**

VERIFIED DIRECT TESTIMONY OF MICHAEL HOOPER

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

2 A1. My name is Michael W. Hooper and my business address is 801 East 86th
3 Avenue, Merrillville, Indiana 46410. I am President and Chief Operating
4 Officer for Northern Indiana Public Service Company LLC ("NIPSCO" or
5 "Company").

6 **Q2. Please describe your educational background.**

7 A2. I received a Bachelor of Science in Mechanical Engineering with Honors in
8 1995 from the West Virginia Institute of Technology. I am a licensed Project
9 Management Professional (PMP), and a graduate of the Strategic
10 Leadership program from The Ohio State University Fisher College of
11 Business.

12 **Q3. Please provide a summary of your professional experience.**

13 A3. I began my career at American Electric Power ("AEP") in 1995 as a Project
14 Engineer. I served at AEP for 16 years, where I held multiple positions,
15 including Manager of Major Projects Commissioning and Acceptance,
16 Manager of Project Scheduling, Estimating and Controls, Manager of

1 Outage Planning and Scheduling, and Supervisor of Outage and Planning
2 for Northeast Generation and Technical Support. During my tenure at AEP
3 I was part of a team that managed budgets to within two percent for at least
4 three (3) consecutive years which could primarily be attributed to the
5 organization's strong foundation in Earned Value Management and
6 integration of schedule and cost. Upon my departure in 2011, I was serving
7 as Director of Project Controls for Generation Major Projects. I joined
8 NIPSCO in February 2011 as Vice President of Major Projects. In that role, I
9 was responsible for oversight for strategic planning, project planning, and
10 execution of all major generation, distribution and transmission projects
11 (generally projects in excess of \$2 million) at NIPSCO. In 2014, I was named
12 Senior Vice President of Major Projects and Electric Field Operations for
13 NIPSCO. In this role, I was responsible for the successful planning,
14 management and execution of the Company's key construction projects in
15 Gas & Electric Generation, Transmission, and Distribution areas, as well as
16 oversight of the Company's Electric Field Operations. I was promoted to
17 Senior Vice President, Electric Operations on July 1, 2015. I served as Senior
18 Vice President of Regulatory, Legislative Affairs and Strategy starting on

1 October 16, 2018. I accepted my current position of President and Chief
2 Operating Officer in June 2020.

3 **Q4. What are your responsibilities as President?**

4 A4. As President, I am responsible for all operations, regulatory strategy,
5 customer, community, compliance, and financial functions at NIPSCO and
6 for ensuring safe, reliable and affordable service to NIPSCO's 1.2 million
7 electric and gas customers across the state.

8 **Q5. Have you previously testified before this or any other regulatory**
9 **commission?**

10 A5. Yes. I previously submitted testimony before the Indiana Utility
11 Regulatory Commission ("Commission") in support of NIPSCO's most
12 recent electric rate case in Cause No. 45159. I also provided testimony
13 before the Commission on behalf of NIPSCO in Cause Nos. 44688, 44012
14 and 44311.

15 **Q6. What is the purpose of your direct testimony in this proceeding?**

16 A6. The purpose of my testimony is to provide an overview of NIPSCO and its
17 role in northern Indiana, to briefly describe NIPSCO's gas system, to
18 describe NIPSCO including its corporate structure, strategic vision and its

1 commitments to its stakeholders, to explain how the NIPSCO vision and
2 commitments have been embraced and executed since its last gas base rate
3 proceeding,¹ to explain NIPSCO's customer service goals, to explain why
4 NIPSCO is filing this case at this time, and to provide a brief overview of
5 NIPSCO's case-in-chief.

6 **Q7. Are you sponsoring any attachments to your direct testimony in this**
7 **Cause?**

8 A7. Yes. I am sponsoring Attachments 1-A through 1-D, all of which were
9 prepared by me or under my direction and supervision.

10 **NIPSCO Overview**

11 **Q8. Please briefly describe NIPSCO's operations and facilities.**

12 A8. NIPSCO and its predecessor companies have been serving northern
13 Indiana for over 100 years. NIPSCO provides natural gas service to
14 approximately 850,000 customers in 32 counties across the northern third
15 of Indiana and electric service to approximately 470,000 customers in 20
16 counties in northwest Indiana.²

¹ *Verified Petition of N. Ind. Pub. Serv. Co.*, Cause No. 44988 (IURC Sep. 19, 2018).

² NIPSCO is authorized by the Commission to provide natural gas utility service to the public in all or part of Adams, Allen, Benton, Carroll, Cass, Clinton, DeKalb, Elkhart, Fulton,

1 With respect to NIPSCO's gas distribution service provided to its
2 customers, about ten percent of those customers either transport their own
3 gas or take advantage of NIPSCO's Choice program, while the remaining
4 ninety percent of customers purchase sales service from NIPSCO. Table 1
5 below summarizes NIPSCO's customers by group:

6 **Table 1 – 2020 Historic Base Period Customer Data³**
7

Customer Class	Customers	% of Total	Throughput Volumes (MDth)	% of Total
Residential	779,300	91.92%	63,944,346	17.84%
Commercial	65,526	7.73%	42,449,713	11.84%
Industrial	2,995	0.35%	252,105,198	70.32%
Total	847,821		358,499,257	

8
9 As discussed in greater detail by NIPSCO Witness Campbell, NIPSCO
10 operates a system of approximately 17,700 miles of distribution and high
11 pressure transmission line, along with on-system storage and liquefied
12 natural gas systems that are and will continue to be used and useful in
13 providing service to those customers.

Howard, Huntington, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Miami, Newton, Noble, Porter, Pulaski, St. Joseph, Starke, Steuben, Tippecanoe, Tipton, Wabash, Warren, Wells, White and Whitley Counties in northern Indiana.

³ Source: NIPSCO response to 170 IAC 1-5-8(a)(3)(B) and 170 IAC 1-5-8(a)(3)(C).

1 **Q9. Please describe the nature of NIPSCO's customer base and how that**
2 **impacts NIPSCO's risk profile?**

3 A9. As Table 1 illustrates, while industrial customers make up less than one
4 percent of the total NIPSCO gas customers, they account for more than 70
5 percent of system throughput sales during the base year. Moreover,
6 NIPSCO's five largest customers represent more than 40 percent of
7 NIPSCO's annual throughput. NIPSCO's level of service to its industrial
8 transportation customers is significantly higher than that for most gas
9 utilities. This places NIPSCO at a significant risk, from a business
10 perspective, because the Company is highly dependent on the revenue
11 provided by these few customers. As a local distribution company that
12 operates and maintains a pipeline system, a significant portion of NIPSCO's
13 costs associated with providing gas service to its customers are fixed in
14 nature. NIPSCO continues to depend on volumetric rates to recover its
15 fixed costs and as a result, material reductions in throughput volume
16 associated with the business and manufacturing activity of these few large
17 customers causes a significant negative impact to NIPSCO's ability to fund
18 its operations and produce financial results that support ongoing capital
19 investments.

1 **Q10. Please describe NIPSCO's role in northern Indiana.**

2 A10. NIPSCO is headquartered in Merrillville, Indiana and plays a critical role
3 in northern Indiana. Safe, reliable, and affordable energy is critically
4 important to northern Indiana. NIPSCO is continually focused on
5 improving customer service, enhancing the availability and reliability of
6 electricity and natural gas, and providing an infrastructure to support new
7 jobs and economic growth. As a critical energy provider in the region,
8 NIPSCO embraces its mission to engage its customers, employees and
9 community partners to continuously improve and partner with these
10 stakeholders in supporting the success of the communities it serves. To this
11 end, NIPSCO's leadership team and other employees serve critical roles in
12 various community organizations. There are many examples of NIPSCO's
13 efforts to work with and support the communities it serves. NIPSCO's
14 Charity of Choice effort has provided more than \$1.1 million in funds to
15 community organizations over the last nine years, and its Luminary
16 Awards have shone a spotlight on community leaders to promote the
17 importance of leadership in the continued economic viability of northern
18 Indiana. In 2018, NIPSCO introduced a Public Safety Education and
19 Training Action Grant program with the aim to provide funding for

1 community and youth public safety education programming and training
2 for first responders. Over the last four years, NIPSCO has funded 62
3 projects totaling \$213,000 to help fund safety education and training
4 programs. Since 2016 NIPSCO's Environmental Grant program has
5 donated \$370,000 to help 92 projects come to fruition across Northern
6 Indiana. The grant program funds diverse environmental restoration and
7 education projects across NIPSCO's service territory. This year's projects
8 include multiple wetland restoration projects, launch of Conservation
9 Buddies at Big Brothers Big Sisters of Northeast Indiana, continued support
10 of pollinator habitats and corresponding education programs, a restoration
11 project at Fulton County's Richland Restoration Nature Park and support
12 of a Smithsonian exhibit about water/ways in Kosciusko County, as well as
13 several projects supporting the Indiana Dunes National Park.

14 **Q11. Please describe NIPSCO's efforts to support low income customers.**

15 A11. NIPSCO remains sensitive to its customers in need, as demonstrated by
16 NIPSCO's work and support of the LIHEAP program to provide heating
17 assistance for households falling within 150% of federal poverty guidelines.
18 The NIPSCO Customer Assistance for Residential Energy (CARE) low
19 income discount program (also known as the Universal Service Program,

1 or "USP") is designed to provide further bill reductions to LIHEAP-eligible
2 customers. Once approved for LIHEAP, customers are automatically
3 enrolled in the program, and reductions range from 11% to 26%, depending
4 on the eligibility criteria used by the state in determining the level of
5 LIHEAP assistance. In addition, LIHEAP eligible customers are eligible for
6 a capped deposit amount. CARE is implemented in coordination with local
7 Community Action Agencies ("CAAs") in each county under the Indiana
8 Housing and Community Development Authority (IHCDA), NIPSCO's
9 Hardship Program, which is funded by an annual contribution of
10 shareholder dollars, also works with trustee offices throughout its service
11 territory to assist customers outside the federal poverty guidelines for
12 LIHEAP. Currently, the Hardship Program offers up to \$400 in gas bill
13 assistance to households between 151% and 250% of the federal poverty
14 level. Hardship funds are available through many of the same local CAAs
15 where LIHEAP funds are distributed, and are available through May 31
16 each year, or until funds are exhausted. NIPSCO increased the income
17 eligibility criteria for the Hardship Program in November 2020 from 200%
18 to 250% of poverty level in order to assist more customers.

1 Q12. Did NIPSCO initiate programs to support its customers during the
2 COVID-19 pandemic?

3 A12. Yes. With many NIPSCO customers impacted financially by the COVID-19
4 pandemic, NIPSCO quickly reacted to better serve its customers in need.

5 Some of these programs include:

- 6 • NIPSCO donated \$400,000 to the American Red Cross in Indiana as
7 part of a \$1 million NiSource Charitable Foundation overall donation
8 to help provide coronavirus (COVID-19) relief support across the
9 company's seven-state service territory.
- 10 • Before the Commission ordered all other utilities to do so in Cause
11 No. 45380, NIPSCO voluntarily suspended service shut offs for non-
12 payment in March of 2020 for both residential and commercial
13 customers. Non-payment shut offs did not resume until August of
14 2020.
- 15 • Again before the Commission ordered all other utilities to do so in
16 Cause No. 45380, NIPSCO voluntarily waived all late fees from
17 March of 2020 until the January 2021 billing cycle.
- 18 • Customers who had service shut off for non-payment prior to the
19 suspension of shut offs were only required to pay their past due

1 balance.

2 • Again before the Commission ordered all other utilities to do so in
3 Cause No. 45380, NIPSCO waived all deposits and reconnect fees for
4 customers to have service re-established. These fees were waived
5 until November of 2020.

6 • NIPSCO customers are customarily offered a three month payment
7 plan, but NIPSCO extended and expanded this program to a six
8 month payment plan for all customers and a twelve month payment
9 plan for low income customers. NIPSCO continues to offer a six
10 month payment plan for customers.

11 • Customers enrolled in payment plans and who failed to pay were
12 allowed reinstatement up to three times until June of 2021.

13 • In July of 2020, NIPSCO Customer Care Center employees called its
14 most vulnerable customers to make sure they were aware of all
15 payment plan options and resource programs available to those in
16 need prior to starting disconnects in August of 2020.

17

1 NIPSCO's Structure and its Strategic Vision

2 **Q13. Please describe briefly NIPSCO and its relationship with its Parent**
3 **company, NiSource Inc. ("NiSource").**

4 A13. NIPSCO is one of six natural gas and electric companies in the NiSource
5 family of utility companies. NiSource is headquartered in Merrillville
6 Indiana, and through its gas utility subsidiaries represents one of the largest
7 natural gas utility companies in the United States, serving nearly 4 million
8 natural gas and electric customers across six states under the NIPSCO and
9 Columbia Gas brands. NIPSCO is Indiana's largest natural gas distribution
10 company and the second largest electric distribution company, serving
11 approximately 850,000 natural gas and 470,000 electric customers across 32
12 counties. NIPSCO and the other NiSource operating companies employ
13 about 7,500 employees. More than 2,900 of those jobs are NIPSCO
14 employees located in the State of Indiana as well as the NiSource corporate
15 employees based in the Merrillville corporate headquarters and
16 approximately 700 contractor resources and support personnel working in
17 NIPSCO service territory, making NIPSCO among the largest employers in
18 Indiana and one of the largest employers in the northwest region of the
19 State.

1 **Q14. Please describe NIPSCO's strategic vision.**

2 A14. At NIPSCO we aspire to be a premier regulated electric and gas utility
3 company. We work to achieve this by delivering on our commitments for
4 our customers, employees, and shareholders through a focus on our
5 priorities. First, safety is our foundational commitment, as reflected in our
6 continuing implementation of our Safety Management System ("SMS"),
7 which has matured to become a core operating model, which now drives
8 daily decisions and has enhanced how we identify and prioritize
9 investments to reduce risks. Second, NIPSCO is committed to supporting
10 the transition to more sustainable energy, with NIPSCO's investments in
11 renewable energy, as well as our pipeline modernization investments.
12 Third, enhancing our customer's experience, including offering 24/7 start,
13 stop, move service to customers, and providing electric outage alerts.
14 Fourth, providing dependable financial performance to support continued
15 investment in critical infrastructure. Our strategic vision consists of three
16 primary objectives: (1) to invest in needed infrastructure programs at our
17 utilities to continue serving our customers safely and reliably, (2) to
18 strengthen our financial foundation for access to capital to continue making
19 ongoing investments in service quality, sustainability, modernization, and

1 reliability, and (3) to enhance processes, performance, safety, and reliability
2 to provide excellent customer service. Achieving these core objectives
3 ultimately will serve the interests of all of NIPSCO's key stakeholders,
4 including customers, employees, communities and its financial
5 stakeholders.

6 **Q15. Why is ongoing infrastructure investment a core objective for NIPSCO?**

7 A15. As the provider of critically important services to residential, commercial
8 and industrial customers, NIPSCO plays an important role in the safety,
9 comfort, and economic vitality of the communities we serve. Much of the
10 infrastructure operated by NIPSCO has been in service for many decades,
11 and significant ongoing investment is required to maintain the systems in
12 order to reliably meet current and long-term safety and customer needs.
13 Further, increasing pipeline safety regulations that drive risk modeling and
14 safety improvements have added to the focus on improvement of our
15 facilities. As demonstrated in recent FMCA and TDSIC filings, NIPSCO is
16 engaged in ongoing investments to improve its system to provide safe and
17 reliable service.

1 **Q16. In light of the significant investments being made by NIPSCO, is it**
2 **important that NiSource maintain a strong investment grade credit**
3 **rating?**

4 A16. Yes. To successfully execute on our vision, NiSource needs to operate from
5 a solid financial foundation, with adequate liquidity and access to capital
6 on reasonable terms to support our ongoing investment in NIPSCO's
7 operations. Access to capital on reasonable terms is the lifeblood of any
8 capital intensive business and an important objective for NIPSCO. Access
9 to capital is particularly critical for NIPSCO because of the need to make
10 ongoing investments in service quality, safety, compliance and reliability
11 and the ability to obtain that capital on reasonable terms is important to
12 manage the customer rate impact of such investments. For these reasons,
13 NiSource is focused on maintaining its corporate credit ratings. NIPSCO
14 Witness Rea provides additional detail about the status and importance of
15 access to capital on competitive terms as a driver for NIPSCO's success in
16 meeting its commitments to stakeholders.

17 **Q17. What is NiSource's current credit rating?**

18 A17. NiSource credit ratings with the three rating agencies have continued on a
19 positive trend based on its continued execution of its long-term

1 infrastructure investment plan. As of September 1, 2021, NiSource credit
2 ratings were:

Rating Agency	Credit Rating
Standard and Poor's	BBB+
Fitch	BBB
Moody's	Baa2

3

4 **Q18. Does the regulatory environment in Indiana impact NIPSCO's ability to**
5 **obtain debt and equity on reasonable terms?**

6 A18. Absolutely. Credit rating agencies closely follow and assess regulatory
7 proceedings and their impact on a company's financial condition. The
8 financial market, including credit rating agencies, continually monitor
9 NIPSCO's ability to obtain consistent, timely, and reasonable regulatory
10 treatment related to its regulatory filings, and these regulatory outcomes
11 have a significant impact of how NIPSCO (and NiSource) are viewed in
12 terms of investment risk. Specific regulatory outcomes also drive
13 improvements in the NiSource balance sheet and overall financial
14 performance, thereby increasing the likelihood for stabilization or
15 improvement in the corporate credit rating.

16 Finally, I would note that the credit rating agencies, and financial markets

1 in general, understandably are interested in and sensitive to the regulatory
2 process itself, including the degree to which procedures are transparent and
3 understandable, as well as the timeframe within which filings are
4 processed. Financial stakeholders understand these processes and have a
5 sense that when cases are processed within a reasonable time, they will
6 have more confidence in a given jurisdiction's regulatory process and its
7 impact on the regulated companies they evaluate.

8 **Q19. Why is it a NIPSCO core objective to enhance processes, performance,**
9 **safety and reliability in order to provide a high level of customer service?**

10 A19. When our services are provided efficiently to our more than 1.2 million
11 customers based on appropriate and safe processes, our performance is
12 enhanced because our customers are comfortable that they are receiving the
13 safe and reliable service they expect at a reasonable cost. Customers are
14 entitled to expect responsive communication and access to accurate and
15 timely information about the service they receive. It is therefore critical that
16 our services be delivered in an efficient and transparent way in keeping
17 with those expectations.

18 NIPSCO has a focus on leveraging its scale, driving efficiencies, improving

1 our cost structure and capabilities, and enhancing our commitment to
2 safety. To achieve this goal, NIPSCO has committed to safety leadership
3 and establishing a safety first culture through implementation and ongoing
4 improvement of our Safety Management System ("SMS") program. As
5 described below, NIPSCO is engaged in a number of initiatives designed to
6 leverage technology to make meaningful connections to customers and
7 enhance service levels.

8 **Execution of NIPSCO Strategic Vision**

9 **Q20. How is NIPSCO engaged in executing its strategic vision related to its**
10 **commitment to system investments for service integrity?**

11 A20. Since its last rate case, NIPSCO's gas utility has made progress on each of
12 its three core objectives. First, NIPSCO has and will continue to invest in
13 its gas infrastructure to continue serving our customers safely and reliably.
14 That objective is reflected in the more than \$320 million NIPSCO has
15 invested in its gas transmission, distribution, and storage assets since the
16 close of its 2018 forward test year⁴ in its last gas rate case in Cause No. 44988
17 as well as in the estimated \$885 million in cumulative investment to be

⁴ Actual net utility plant in rate base as of December 31, 2018

1 completed through the end of the projected 2022 forward test year in this
2 proceeding.⁵ These investments to replace older assets, reduce system risk,
3 and improve the robustness of the system have and will continue to
4 improve system safety and reliability. NIPSCO's commitment to ongoing
5 investments required to systematically and efficiently deliver service
6 integrity has been demonstrated through its significant investment in gas
7 utility transmission, distribution, and storage assets since its last gas rate
8 case, including replacement of several large transmission projects and
9 progress toward the elimination of the bare steel distribution lines in Gary,
10 Indiana. NIPSCO's ongoing investments in its gas transmission,
11 distribution, and storage systems are required as a result of: (1) new
12 delivery infrastructure to serve new customers; (2) compliance with
13 evolving standards for the safety of underground pipelines, and (3)
14 replacement of infrastructure to modernize systems and enhance capacity.
15 NIPSCO continues to balance the need for new investments with the cost to
16 its customers. Second, the strengthening of the NiSource financial
17 foundation for access to capital is critical to NIPSCO's ability to continue
18 making the required investments in service integrity, quality and reliability.

⁵ Net utility plant rate base.

1 NIPSCO's July 29, 2020 Moody's credit rating report states that an upgrade
2 (or downgrade) of the NiSource credit rating could also place similar
3 directional pressure on NIPSCO's credit rating. Finally, the enhancement
4 of processes, performance, safety and reliability at NIPSCO has been and
5 will continue to be critical to continued improvements in the safety of our
6 system for our customers and the public as well as customer service and
7 satisfaction.

8 **Q21. How has NIPSCO approached its commitment to achieve industry**
9 **leading safety performance?**

10 A21. NIPSCO has taken a number of steps to improve its safety performance.
11 For example, NIPSCO has continued to improve its performance in
12 reducing third-party damages to its underground gas facilities. As
13 discussed by NIPSCO Witnesses Sylvester and Smith, NIPSCO anticipates
14 increases in expenses associated with pipeline safety and damage
15 prevention to support not only compliance with increased regulatory
16 requirements but also in furtherance of NIPSCO's commitment to industry-
17 leading safety performance. NIPSCO also continues to invest to guard
18 against the risks that are inherent in our business. The cornerstone is our
19 Safety Management System ("SMS") that gives each employee an equal

1 voice when it comes to safety by submitting concerns for review,
2 prioritization and action. Every person at NIPSCO has a role in SMS to
3 protect each other, strengthen our culture, and make NiSource and our
4 communities even safer. NIPSCO employees use the "Core 4"
5 responsibilities; (1) follow our processes and procedures; (2) identify and
6 report risks; (3) continually improve processes to protect our employees,
7 contractors, customers and communities; and (4) identify and proactively
8 take action to prevent things that can go wrong. NIPSCO's SMS program
9 focuses on leveraging employees who are performing the work to identify
10 and mitigate potential risks, while continually assessing and improving
11 processes and procedures to keep all employees, contractors, customers,
12 and the public safe. As outlined by NIPSCO Witness Sylvester, NIPSCO's
13 SMS provides a framework for reporting on identified risks and mitigation
14 activities, along with the sequencing of those efforts, to provide the highest
15 risk reduction at the best possible cost to the customer.

16 **Q22. How has NIPSCO approached its commitment to top-tier customer**
17 **satisfaction and brand perception?**

18 A22. NIPSCO's commitment to top-tier customer satisfaction and brand
19 perception has been demonstrated by year-over-year improvement in

1 customer satisfaction and brand perception metrics. NIPSCO achieved an
2 overall Customer Satisfaction Index ("CSI") score of 771 in the 2021
3 midpoint J.D. Power Gas Residential Survey, placing NIPSCO in the first
4 quartile of the Midwest Large Segment gas utilities. This is an increase of
5 48 points over the Company's 2017 final survey result. In addition,
6 NIPSCO's safety and reliability score has increased by 45 points since 2017
7 and has shown year-over-year improvements. NIPSCO works to resolve
8 our customer's concerns when they arise. NIPSCO has not had a
9 Commission-justified gas consumer complaint since 2017 placing it best
10 amongst its peer gas utilities. NIPSCO aspires for even better performance
11 and is optimistic that our continued focus on improving customer service
12 will produce further improvements in the future.

13 NIPSCO continues to introduce service enhancements for its customers in
14 the near future including an enhanced and simplified web presence and
15 introduction of improved billing and payment options. NIPSCO's low
16 income program is also seen as a model of efficiency and effectiveness
17 within Indiana.

1 **Q23. Has NIPSCO introduced any new initiatives to improve service to its**
2 **customers?**

3 A23. Yes. NIPSCO is investing in many new improvements to provide more
4 efficient service to customers and more rigorous recordkeeping. The
5 following new programs have been implemented to improve safety, reduce
6 costs, and improve customer interaction.

- 7 • NIPSCO is investing in a field mobility initiative that will enhance
8 work planning and scheduling tools to provide field employees with
9 the technology and resources they need to allow for a paperless
10 environment. This enhancement will provide all information to field
11 employees in one place on the job site to support the safe execution
12 of work, while also improving the consistency and quality of records
13 and operational data.
- 14 • The connected customer experience enables NIPSCO to be
15 responsive to customers by implementing digital and mobile
16 capabilities to drive self-service, decrease call handling times
17 through automation, and empower teams with tools to achieve high
18 productivity in a remote work environment. Some of these recent
19 enhancements include:

- 1 ○ The ability for customers to make bill payments via PayPal,
2 PayPal Credit, Amazon Pay, and Venmo. As discussed in
3 greater detail by NIPSCO Witnesses Whitehead and
4 Newcomb, NIPSCO is also seeking to initiate a new fee free
5 transaction program permitting bills to be paid by credit card
6 and other means with no additional transaction fee charged
7 for that convenience. This payment option has been
8 requested by customers and we expect it to be popular.
- 9 ○ Bill and Payment Alerts program so customers can receive bill
10 reminders and payment confirmations via email or text
11 message.
- 12 ○ A usage information page available through the customer's
13 online account to provide customers with information about
14 their energy usage and month-over-month comparisons.
- 15 ○ Pre-login content on NIPSCO's website can be translated into
16 Chinese, French, German, Japanese, Korean, Portuguese, and
17 Spanish.
- 18 ○ Online feature to allow customers to start, stop or move their

1 existing service.

- 2 o Implementation of a mobile application (app) that closely
3 mirrors the functionality available on our website today,
4 including making a bill payment, managing enrollments (e.g.,
5 Paperless Billing, AutoPay and Budget Plans), examining
6 usage, reporting an outage (NIPSCO electric only), and
7 viewing bill history. The mobile app also includes a start,
8 stop, and move service feature. The mobile app is available
9 for download in the Apple App Store and Google Play Store.

10 **Q24. How has NIPSCO approached its commitment to provide dependable**
11 **and timely service and emergency response?**

12 A24. NIPSCO's commitment to provide dependable and timely service and
13 emergency response is demonstrated through the performance in its gas
14 emergency response rate with an average of 24 minutes and 32 seconds in
15 2019 and 23 minutes and 58 seconds for 2020.

16 **Q25. Has NIPSCO delivered on its commitment to expand gas service to**
17 **previously unserved areas?**

1 A25. Yes. NIPSCO has added more than 27,900 net customers since the close of
2 the 2016 base period in its last rate case, with a total of 29,222 gross new
3 meter sets during this period and 12,563 of those additions coming in the
4 rural portions of its service territory where natural gas service was not
5 previously available. Specifically, NIPSCO has seen especially strong
6 growth in Crown Point, Dyer, Demotte, Goshen, Plymouth and Ft. Wayne
7 areas. As an example, NIPSCO continues to work with communities to
8 explore expansion of its system into unserved/underserved areas of its
9 service territory, however all decisions must be based upon appropriate
10 economic considerations of the utility investment for all NIPSCO
11 customers. As an example, NIPSCO is currently working on a high
12 pressure system expansion to improve service around the Town of
13 Churubusco which will allow for additional growth in the area as well as
14 being the first phase of bringing more gas capacity towards the northwest
15 side of Fort Wayne which has shown quite a bit of growth in recent years.

16 **Q26. Has NIPSCO delivered on its commitment to continued improvement in**
17 **employee inclusion, equity, diversity, and engagement?**

18 A26. At NIPSCO, our day-to-day work can be as diverse as the types of careers
19 we offer, and that means a variety of opportunities that help our employees

1 feel excited about their work and growth. Our hiring process ensures we
2 employ people who support our values and, once on board, we give them
3 the tools they need to deliver for our customers, all while fostering an
4 inclusive workplace where people feel supported as they grow and develop
5 in their careers. NIPSCO takes its employee relations seriously and is
6 committed to advance an inclusive and diverse culture of acceptance and
7 accountability throughout the organization by recognizing and celebrating
8 the differences among our employees, customers and communities.
9 NIPSCO's parent company NiSource recently added a Vice President &
10 Chief Diversity, Equity & Inclusion Officer role to partner with
11 stakeholders and sponsors across the organization to enhance and
12 implement an organization-wide diversity, equity and inclusion vision and
13 strategy.

14 NIPSCO also continues to pursue opportunities to enhance engagement
15 and involvement by providing its employees with charitable and
16 community outreach opportunities as well as support for employee
17 training and development and inclusion and diversity initiatives. As an
18 example, NIPSCO encourages employees to get involved and make a
19 difference by participating in Employee Resource Groups ("ERGs") which

1 are generally made up of like-minded individuals formed to serve as a
2 resource both for the organization as well as the members of the ERG and
3 are a catalyst for ensuring a fully inclusive and engaged work environment
4 that provides opportunities for all employees.

5 Because we care about what our employees think about the company and
6 their work, we measure their engagement and development. One way we
7 do that is through our annual employee engagement survey. We review the
8 survey results and work with employees to listen to their ideas and address
9 concerns so we can continue to deliver on our commitments to our
10 stakeholders.

11 **Q27. Has NIPSCO contributed to sustained growth in earnings and dividends**
12 **for its investors?**

13 A27. Yes. NiSource has continued to experience sustained growth in both
14 earnings and dividends to which NIPSCO as an operating company has
15 made a significant contribution. Among its successes have been the
16 ongoing investment in its gas and electric infrastructure and the successful
17 execution of its ongoing generation transition efforts on the electric side of
18 its business. NIPSCO remains committed to providing our customers with

1 safe, reliable, and affordable natural gas service in Indiana, but ongoing
2 investments to modernize and improve the safety of the natural gas
3 infrastructure, and increases in depreciation expenses dictate that its overall
4 basic rates and charges be increased.

5 **This Proceeding**

6 **Q28. Why is NIPSCO filing this case at this time?**

7 A28. NIPSCO is filing this case in an effort to begin to address some of the
8 challenges NIPSCO is currently facing that are reflected in its current rates
9 and rate structure. As discussed in more detail by NIPSCO Witness
10 Whitehead, the investment in its gas system and operating expenses have
11 grown and the result is that NIPSCO's current rates are insufficient to
12 recover the increased costs of providing service to its customers.

13 **Q29. What are some of the challenges faced by NIPSCO?**

14 A29. First, as discussed by NIPSCO Witness Sylvester, federal pipeline safety
15 requirements have increased since NIPSCO's last base rate case. These
16 heightened requirements are beneficial for the safe operation of gas systems
17 and result in enhanced levels of system integrity, but come at an increasing
18 cost. The cost is not only associated with the installation of upgraded
19 facilities, but also to enhanced monitoring and maintenance with a focus on

1 proactive risk reduction. NIPSCO is committed to not only being in
2 compliance with these requirements but also to fostering a safety focused
3 culture throughout our organization.

4 Second, as discussed by NIPSCO Witness Smith, NIPSCO's ongoing focus
5 on damage prevention requires additional investments to continue to
6 mitigate the risk of third party damages to NIPSCO's underground
7 facilities.

8 **Q30. Has NIPSCO considered the impact of a rate increase on customers?**

9 A30. The Company realizes that rate increases will always have an impact on
10 customers; however, in light of the large and growing capital program
11 which is necessary to retire and replace aging infrastructure, a rate increase
12 is unavoidable. As outlined earlier in my testimony, the Company has
13 taken, and will continue to take, specific measures to assist those financially
14 insecure customers, especially those customers who find themselves
15 impacted by the COVID-19 pandemic. In addition to the safety and
16 reliability benefits provided by the Company's investments in safety and
17 modernization, the investments provide the ancillary benefit of energizing

1 the local economies through the wages paid to the skilled labor necessary
2 to complete the work.

3 **Overview of NIPSCO's Case-In-Chief**

4 **Q31. Please identify the witnesses offered by the Company.**

5 A31. Attachment 1-A identifies NIPSCO's witnesses and the subject matter of
6 their testimony.

7 **Notices**

8 **Q32. Did NIPSCO provide notice of its intent to file a gas rate case in**
9 **accordance with the Commission's General Administrative Order 2013-**
10 **5?**

11 A32. Yes. Attachment 1-B is a copy of NIPSCO's notice that was hand delivered
12 to the Secretary to the Commission on August 30, 2021, 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 early in September.

17 **Q33. Will NIPSCO publish notice of the filing of this case in each County**
18 **where it provides gas service?**

1 A33. 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 of the Publishers'
5 Affidavits have been received.

6 **Q34. Will NIPSCO provide its residential customers with written notice of the**
7 **relief requested in this proceeding?**

8 A34. 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 **Q35. Does this conclude your prefiled direct testimony?**

14 A35. Yes.

VERIFICATION

I, Michael Hooper, 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.



Michael Hooper

Date: September 29, 2021

1	Michael Hooper	Provides an overview of NIPSCO and the case-in-chief and sponsors notices
2	Erin Whitehead	Explains key drivers and objectives for filing the case, and describes proposed tariff, including rates, riders and rules.
3	Jeffrey D. Newcomb	Provides summary of rate relief requested; discusses compliance with MSFRs; presents pro forma operating income statement at present and proposed rates, rate base summary, capital structure, and gross revenue conversion factor; supports various revenue and expense adjustments and summarizes all remaining revenue and expense adjustments; sponsors NIPSCO's financial statements.
4	Elizabeth A. Dousias	Presents projected rate base
5	Angela Camp	Presents the 2021-2022 financial plan and budget for NIPSCO gas, which is the underlying basis for the test year
6	Nick Bly	Describes the NCSC budgeting process and supports the forecasted pro forma level of NCS O&M expenses for NIPSCO gas during the test year
7	Gunnar J. Gode	Describes the relationship between NIPSCO and NCSC as well as the cost allocation methodology and supports the pro forma historic O&M NCSC charges for NIPSCO gas during the base year
8	Patrick L. Baryenbruch	Studies the reasonableness of and necessity for NCSC charges to NIPSCO gas
9	Steven Sylvester	Discusses components of pipeline safety programs and supports adjustment for increased labor expense related thereto.
10	Rick Smith	Provides overview of NIPSCO's damage prevention program and supports adjustments related thereto.
11	Andrew Campbell	Describes NIPSCO's gas infrastructure, presents recent changes to Rates 128 and 138, discusses the assumptions underlying forecasted cost of gas sold and forecasted on-system storage activity, and supports adjustments for (a) LNG costs and (b) off-system displacement revenues
12	Kimberly Cartella	Supports employee compensation and benefits, including incentive compensation.

13	John Spanos	Supports proposed depreciation accrual rates
14	Bryan Trapp	Supports adjustments for federal and state income taxes and taxes other than income, supports tax components of capital structure, and discusses proposed adjustment mechanism for future changes in federal/state income tax rates, utility receipts tax rate, or public utility fee rate.
15	Vincent V. Rea	Supports NIPSCO's cost of equity capital and overall rate of return
16	Melissa Bartos	Discusses 20-year weather normalization
17	Ronald J. Amen	Presents cost of service study and proposed rate design
18	Judith L. Siegler	Supports revenue and cost of gas sold adjustments based on weather normalization.

August 30, 2021

Via Hand Delivery

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

RE: Notice of Intent to File Gas 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 a gas rate case pursuant to Ind. Code § 8-1-2-42.7 on or after September 29, 2021. 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 Policy and Major
Accounts

cc: **Via Email Transmission**

William Fine (wfine@oucc.in.gov)

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

Jennifer Washburn (jwashburn@citact.org)

Petitioner's Exhibit No. 1
Attachment 1-C

To be submitted as a late-filed exhibit

Petitioner's Exhibit No. 1
Attachment 1-D

To be submitted as a late-filed exhibit