

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY LLC PURSUANT TO IND.)
CODE §§ 8-1-2-42, 8-1-2-42.7 AND 8-1-2-61 FOR (1))
AUTHORITY TO MODIFY ITS RETAIL RATES)
AND CHARGES FOR GAS UTILITY SERVICE)
THROUGH A PHASE IN OF RATES; (2))
APPROVAL OF NEW SCHEDULES OF RATES)
AND CHARGES, GENERAL RULES AND)
REGULATIONS, AND RIDERS (BOTH EXISTING)
AND NEW); (3) APPROVAL OF A NEW SALES)
RECONCILIATION ADJUSTMENT MECHANISM;)
(4) APPROVAL OF REVISED GAS)
DEPRECIATION RATES APPLICABLE TO ITS)
GAS PLANT IN SERVICE; (5) APPROVAL OF)
NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF, INCLUDING BUT NOT LIMITED TO)
APPROVAL OF CERTAIN DEFERRAL)
MECHANISMS FOR PENSION, OTHER POST-)
RETIREMENT BENEFITS, AND LINE LOCATE)
EXPENSES; AND (6) TO THE EXTENT)
NECESSARY, APPROVAL OF ANY OF THE)
RELIEF REQUESTED HEREIN PURSUANT TO)
IND. CODE CH. 8-1-2.5.

CAUSE NO. 45967

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

PUBLIC'S EXHIBIT NO. 10 – TESTIMONY OF OUCC WITNESS
JARED J. HOFF

January 31, 2024

Respectfully submitted,



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**NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC
CAUSE NO. 45967
TESTIMONY OF OUCC WITNESS JARED J. HOFF**

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Jared J. Hoff, and my business address is 115 West Washington Street,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a
6 Utility Analyst for the Natural Gas Division. My educational background, experience,
7 and my preparations for this Cause are detailed in Appendix JJH-1 attached to this
8 testimony. Also detailed in Appendix JJH-1 is the background of my testimony analysis
9 for this case.

10 **Q: What is the purpose of your testimony?**

11 A: The purpose of my testimony is to analyze Petitioner's proposed tariff language
12 changes, customer service charge changes, update project for Advanced Metering
13 Infrastructure ("AMI") communication modules, and the deferred accounting for line
14 locating expense by Northern Indiana Public Service Company LLC ("Petitioner" or
15 "NIPSCO".)

16 **Q: Please summarize your recommendations concerning Petitioner's rate design,
17 monthly service charges, and tariffs.**

18 A: I recommend the Indiana Utility Regulatory Commission ("Commission"):

- 19
 - Order Petitioner to submit the cost benefit analysis for any future AMI related
20 projects as explained further in my testimony.

- 1 • Approve the proposed gas AMI Upgrade Project but hold the depreciation rate
2 for meters at current rates as explained by OUCC witness David Garrett, and
3 add compliance requirements as explained further in my testimony.
- 4 • Order Petitioner to submit a 30-day filing if the AMI Upgrade Project is
5 approved to implement new language relating to any AMI Opt-Out Charge.
- 6 • Approve the general language changes to petitioner's tariff and the proposed
7 change of the tariff rate series (from the 200 series to the 300 series).
- 8 • Order NIPSCO to keep its flat, monthly customer charges for residential and
9 commercial customers at their current levels.

10 **Q: Are you sponsoring any attachments in this proceeding?**

11 A: Yes. I am sponsoring 10 attachments:

- 12 • Attachments JJH-1, JJH-2, and JJH-5 are Petitioner's responses to OUCC data
13 requests ("DRs") as they relate to general meter reading and AMI
14 communication module details;
- 15 • Attachments JJH-3 and JJH-4 are Petitioner's responses to OUCC DRs and a
16 news article as they relate to benefits of the AMI communication modules;
- 17 • Attachment JJH-6 is Petitioner's response to OUCC DRs as it relates to
18 additional capabilities of AMI communication modules;
- 19 • Attachments JJH-7, JJH-8, and JJH-9 are Petitioner's responses to OUCC DRs
20 as they relate to line locating for underground facilities; and
- 21 • Attachment JJH-10 is Petitioner's responses to OUCC DRs as they relate to the
22 tariff changes.

23 **Q: If you do not address a specific issue, subject, or item in your testimony, does that**
24 **mean you agree with Petitioner's position on that issue, subject, or item?**

25 A: No. My silence regarding any topics, issues, or items Petitioner proposes does not
26 indicate my approval of these topics, issues, or items. Rather the scope of my testimony
27 is limited to the specific items addressed herein.

II. AMI UPGRADE PROJECT

1 **Q: Please describe Petitioner's proposed AMI Upgrade Project.**

2 A: NIPSCO's request includes installation of AMI communication modules and
3 deployment of the AMI Network needed to transmit the readings of those modules.
4 (Petitioner's Exhibit No. 18, Attachment 18-A, page 2.) Petitioner's AMI Network, and
5 partial installation of the network, for its electric utility has already been approved by
6 the Commission as part of Petitioner's electric AMI project, included in its 2021-2026
7 Electric TDSIC Plan filing, which was addressed in the Cause No. 45557 Final Order
8 (December 28, 2021). Petitioner proposes to install AMI communication modules for
9 its gas meters that are compatible with the previously approved AMI Network to utilize
10 the same network and alleviate the cost of a separate network.

11 Beginning in 2024, Petitioner plans to install AMI communication modules
12 throughout its natural gas service area, replacing manual read meters, AMR
13 communication modules and AMI capable communication modules (which are used in
14 AMR mode). (Attachment JJH-1; Petitioner's response to OUCC DR Nos. 2-003 and
15 2-004, page 5.) Petitioner anticipates completing installation and deployment by the
16 end of 2026. (Petitioner's Exhibit No. 18, page 12, lines 1-6 and Attachment 18-A,
17 page 2.)

18 **Q: What support did NIPSCO provide for the proposed AMI upgrade project?**

19 A: First, Petitioner indicated it is encountering difficulty procuring manual read gas
20 meters. NIPSCO witness Andrew Trump explained that as communications and
21 metering technology continues to advance, manual read meters and AMR
22 communication modules are becoming less common, and therefore harder to procure.

1 (Id. at 6, lines 13-18.) Throughout the natural gas service area, Petitioner currently
2 utilizes both manual and AMR meter reading.

3 Utilities have three (3) categories of communication modules available for use
4 in gathering consumption data differentiated by the method of collection and the detail
5 of the consumption data – manual read communication modules, AMR communication
6 modules, and AMI communication modules. While manual read meters and AMR
7 communication modules are both able to be read through a physical trip, AMR
8 communication modules are primarily read through at a distance, known as a drive-by
9 reading. With AMI communication modules consumption data is primarily read over a
10 wireless network, while still allowing for a physical trip or a drive-by reading if
11 necessary. Petitioner has installed AMI smart meters in AMR mode in order to continue
12 to enable AMR drive-by meter reading when acquisition of AMR communication
13 modules was delayed. The AMI smart meters installed in AMR mode are not
14 compatible with the AMI network in deployment to support the electric AMI project,
15 which is the same network to be used with the gas AMI Upgrade Project, if approved.
16 (Attachment JJH-1; Petitioner's response to OUCC DR Nos. 2-003 and 2-004, page 3.)

17 AMI communication modules should allow for increased efficiency and
18 reduced costs related directly to the gathering of consumption data, or meter reading.

19 **Q: Do you support aspects of the AMI Upgrade Project?**

20 **A:** Yes. There are benefits to a transition to AMI communication modules throughout the
21 natural gas service area: streamlining Petitioner's meter reading process, more granular
22 detail of readings taken by AMI communication modules, collection of empirical
23 battery data, and a resulting greater efficiency in Petitioner's meter reading process.

1 **Q: Please explain your support of the AMI Upgrade Project as it relates to the**
2 **streamlining of Petitioner's meter reading process.**

3 A: Because of its reliance on manual read meters, AMR communication modules and AMI
4 capable communication modules (in AMR mode), Petitioner currently must use three
5 different operational methods to read meters. By transitioning to AMI communication
6 modules for use on its AMI Network across its natural gas service area, meter reading,
7 generally, would no longer require personnel to physically drive to locations to read
8 meters.

9 Through the AMI Upgrade, Petitioner will be able to run a report on the
10 information gathered at set intervals rather than a drive-by reading or even a physical
11 visit to the meter. Use of the AMI communication modules will become the primary
12 method of meter reading without the total removal of the capability of monthly drive-
13 by meter reading through available AMR functions (secondary).

14 **Q: Please describe other benefits of the AMI Upgrade Project.**

15 A: AMI communication modules can transmit current information about the performance
16 of the AMI communication modules themselves – more particularly, battery
17 performance. (Petitioner's Exhibit No. 18, Attachment 18-A, page 20.) AMI
18 communication modules can also support components that gather information about
19 Petitioner's distribution system, such as line pressure and temperature. (*Id.* at 20, 21
20 and 27.) (Petitioner is not seeking approval in this case for the installation of any
21 monitoring equipment other than the AMI communication modules themselves.) This
22 functionality should allow for faster and more efficient implementation of monitoring
23 requirements imposed by federal regulatory agencies or ordered by the Commission.

1 By routinely gathering the battery performance data, Petitioner will be able to
2 find AMI communication modules which need a new battery before the battery
3 performance drops to a level causing a billing exception.¹ Also, analysis of the battery
4 performance will aid Petitioner in determining whether the AMI communication
5 module is faulty, or if the issue is caused by the battery. The service life of the AMI
6 communication modules may be extended through battery replacements, allowing for
7 the AMI communication modules to be depreciated over a greater period of time than
8 the effective lifetime of the battery.

9 **Q: Do you have any concerns regarding the AMI Upgrade Project or how it will**
10 **benefit customers as asserted by Petitioner?**

11 A: Yes. I have several concerns: recouping of project costs, customer ability to access the
12 new data, and direct benefits to the customer.

13 **Q: Please explain your concerns about the costs relative to the benefits of the AMI**
14 **Upgrade Project.**

15 A: In discovery, Petitioner provided the capital and operations and maintenance costs of
16 the AMI Upgrade Project from approval to the end of the deployment period of 2026
17 to be \$178.6 million (Attachment JJH-2; Petitioner's response to OUCC DR No. 2-
18 009.) The estimated cost to deploy and operate the AMI network and the AMI
19 communication modules from approval to the proposed end of life in 2038 is \$233.1
20 million. (*Id.*)

21 The direct costs of the AMI Upgrade Project are greater than the projected \$50.4
22 million of savings Petitioner has claimed will result from the Project:

¹ Billing exceptions include any meter reading estimates, caused by an inaccessible meter or a meter which is not reporting consumption data, as well as consumption data being reported incorrectly, through use at inactive services or no use at active services.

- 1 • Meter Reading & Processing Savings, \$44.3 million from 2024-2038.
2 (Petitioner's Exhibit No 18, Attachment 18-A, page 55.)
- 3 • AMR Software Licensing & Maintenance Savings, \$1.4 million from 2024-
4 2038. (*Id.* at 56.)
- 5 • Meter Reading Vehicle Savings, \$4.4 million from 2026-2038. (*Id.* at 56.)
- 6 • GHG Reductions Due to Reduced Truck Rolls, \$0.3 million from 2024-2038.
7 (*Id.* at 56.)

8 While the AMI Upgrade Project does allow for the individual customer to have
9 greater detail regarding natural gas consumption, the costs of deploying and operating
10 the AMI network and the cost of purchasing and installing the AMI communication
11 modules is much higher than the projected savings detailed in Petitioner's business
12 case. Petitioner provided greater clarification in how the savings benefits were
13 determined in response to OUCR DR No. 2-007, but the total claimed savings are
14 unchanged. (Attachment JJH-3; Petitioner's response to OUCR DR No. 2-007.)

15 The increased consumption detail afforded by the AMI communication
16 modules may decrease an individual customer's consumption. While this is a potential
17 benefit, it is difficult to predict the consumption savings for all or part of Petitioner's
18 customers. The cost without a direct or identified savings leaves the customers
19 responsible for the majority of the project cost without a reasonable expectation of
20 receiving a corresponding benefit from the investment during the predicted lifetime of
21 the AMI communication modules.

22 In addition, Petitioner proposed to revise its depreciation rates for meters to
23 account for the AMI technology, which adds additional short-term costs to Petitioner's
24 customers, without additional benefit. As discussed by witness Garrett, the OUCR

1 recommends the depreciation rate for meters be held at the current rate until more
2 information is available on the AMI meter technology and actual historical or empirical
3 data can be used. The OUCC proposes these depreciation rates remain constant in order
4 to achieve a more reasonable and just benefit cost result.

5 **Q: Please explain your initial concerns about the consumer's ability to access the data**
6 **gathered by the AMI communication modules and whether, and how, those**
7 **concerns have been resolved.**

8 A: Several utilities throughout the nation have promised large benefits supported by the
9 switch to an AMI-based meter reading network but have not been able to deliver on
10 these promises. (Attachment JJH-4; Utility Dive, February 2023.) These promises
11 ranged from reduced consumption and monthly bills to near real-time access to
12 consumption data. (*Id.*) These benefits, among many others, were included as potential
13 benefits of the AMI Upgrade Project as proposed by Petitioner. (Petitioner's
14 Attachment 18-A, Table A-2 "Inventory of Potential Benefits Enabled Through a Gas
15 AMI Upgrade", pages 72-79.)

16 One of my initial concerns with the AMI upgrade project is that some utilities
17 across the country have transitioned to AMI systems which required additional
18 equipment for customers to access the AMI data. (Attachment JJH-4; Utility Dive,
19 February 2023.) Petitioner confirmed the additional consumption data will be available
20 to customers without the need of additional equipment and without additional fees as
21 the data will be available through existing systems available to customers. (Attachment
22 JJH-5; Petitioner's response to OUCC DR No. 6-003.) These systems include the
23 existing customer portal on Petitioner's website or through the mobile app. (*Id.*)

1 In future filings concerning additional equipment installation using the AMI
2 network as a base, Petitioner must ensure the additional equipment is reasonable, and
3 does not increase customer costs without a commensurate benefit. Along with the
4 information describing both the equipment and the reason for the equipment, Petitioner
5 should provide the Commission and the OUCC with an evaluation of the options and
6 the benefits of the equipment. I recommend for any future AMI related projects,
7 Petitioner be required to provide, at a minimum, Petitioner's recommended course of
8 action, a reasonable alternative course of action, and the benefits and costs to customers
9 of all courses of action to include taking no action.

10 **Q: Please explain your concerns about the benefits to customers directly related to**
11 **the installation of AMI communication modules in the AMI Upgrade Project as**
12 **proposed by Petitioner.**

13 A: The only benefits listed which would be immediately implementable are “[i]mproved
14 bill accuracy due to increased meter read availability and quality (frequency and
15 granularity of read data, VEE functionality, etc.” (Petitioner's Exhibit No. 18,
16 Attachment 18-A, Table 12, page 54.) The remaining “Customer Experience
17 Enhancements” listed are all long-term projects that will require greater investment by
18 Petitioner to develop and implement the customer-facing applications, separate
19 approval from the Commission (such as time of use rates), or both. (*Id.* At Table 13,
20 pages 58-59.)

21 The benefits listed in the “Improved Customer and Public Safety” column of
22 Table 13 are reasonable to predict a positive impact to public safety compared with the
23 current suite of meters and communication modules. (*Id.*) Petitioner clarified the
24 additional safety benefits, such as those listed in Table A-2 of Petitioner's Attachment

1 18-A, require additional modules to be installed and approval would be sought in a
2 separate filing with the Commission as the deployment would require a service area
3 wide project similar in scope to the AMI upgrade project. (Attachment JJH-6;
4 Petitioner's response to OUCC DR No. 2-016.) While Petitioner's response to DR No.
5 2-016 does not stop or block any future investigation or possibility of adding the
6 modules needed for these safety benefits, it is specified the AMI upgrade project only
7 seeks to install the communication modules and not the additional safety modules. (*Id.*)

8 **Q: Do you have concerns regarding the process of updating the Commission and**
9 **OUCC about the AMI Upgrade Project?**

10 A: Yes. I am concerned that Petitioner has not proposed a process to update the
11 Commission and the OUCC on the progress of the AMI Upgrade Project. Once
12 approved, there would be no requirement for Petitioner to provide updates on project
13 progress outside of what is included in future rate cases. The AMI Upgrade Project's
14 deployment period is from 2024 to 2026. (Petitioner's Exhibit No. 18, Attachment 18-
15 A, page 2.) Consequently, the only updates to the Commission and the OUCC – as
16 proposed – would occur late in the project's execution or potentially after project
17 completion. This proposed process is inadequate as it will not allow for an appropriate
18 level of oversight given the scale of the project and customer impact, as described in
19 the Business Case. (*Id.*)

20 Other than the savings identified in Petitioner's Attachment 18-A, NIPSCO has
21 provided no estimate of cost savings to be included in this filing. When asked about
22 potential reductions in billing exceptions, NIPSCO responded there was no
23 quantification to support this assertion until after the deployment of the AMI upgrade

1 project. (Attachment JJH-3; Petitioner's response to OUCC DR No. 2-007.) NIPSCO
2 is asking ratepayers to start paying for this AMI Upgrade Project in 2024, with no actual
3 cost savings accruing to them until the next rate case. Starting in 2024, NIPSCO should
4 keep track of all costs and cost savings directly attributable to the AMI upgrade project
5 and the installation of the AMI network allocated to Petitioner's gas customers, and
6 report that amount to the Commission as well.

7 Frequent Commission review, through annual compliance filings, will allow
8 identification of potentially imprudent or unreasonable decisions by Petitioner in the
9 execution of the AMI Upgrade Project. The Commission can thus direct Petitioner to
10 avoid ineffective investments and unnecessary costs. Without sufficient independent
11 project review, more time, effort, and funding may be allocated following a rejected
12 path, resulting in waste. Petitioner's project team is also more likely to identify and
13 learn from any mistakes or setbacks with frequent Commission reviews, which can
14 reduce the likelihood of additional setback in later stages of the project.

15 **Q: What are your recommendations regarding the AMI Upgrade Project as**
16 **proposed by Petitioner?**

17 **A:** I recommend approval of the project on the condition that the depreciation rate for
18 meters be held at the current level as recommended by OUCC witness Garrett. Further,
19 to monitor the efficient management and execution of the AMI Upgrade Project, I
20 recommend the Commission order Petitioner to complete an annual compliance filing
21 to include the following information:

- 22 • The number of gas AMI communication modules planned to be installed in the
23 previous calendar year.

- 1 • The number of gas AMI communication modules actually installed in the
2 previous calendar year.
- 3 • The number of gas AMI communication modules remaining to be installed.
- 4 • The current cost estimate for the installation of the gas AMI communication
5 modules.
- 6 • The actual costs incurred in the previous calendar year for the gas AMI Upgrade
7 Project, any changes from the project estimates, and the identified cause.
- 8 • The total costs incurred to date for the gas AMI Upgrade Project.
- 9 • The actual costs incurred in the previous calendar year for the AMI Network
10 deployment, any changes from the project estimates, and the identified cause.
- 11 • An explanation of any factors that have affected costs for the AMI Upgrade
12 Project.

13 **Q: Did NIPSCO propose any tariff language changes related to the AMI Upgrade**
14 **Project?**

15 A: No. NIPSCO's current tariff includes an AMR Opt-Out Charge, but no changes were
16 proposed to implement an AMI Opt-Out Charge.

17 **Q: What are your recommendations regarding tariff changes relating to the AMI**
18 **Upgrade Project?**

19 A: I recommend NIPSCO file a 30-day filing if the AMI Upgrade Project is approved to
20 implement new language in the tariff relating to any AMI Opt-Out Charge.

III. LINE LOCATES

21 **Q: What deferred accounting treatment has Petitioner requested for line locate**
22 **costs?**

23 A: Petitioner requests deferred accounting treatment for \$25.7 million each year as it
24 relates to line locate costs. (Petitioner's Exhibit No. 9, page 12, lines 9-12.) In
25 discovery, NIPSCO clarified the only costs included in the proposed deferred

1 accounting treatment of line locate costs are the 811 ticket processing expense, ticket
2 cost of locating facilities, cost of resolving soft surface unlocatables, and the cost of
3 quality assurance audits performed by Petitioner's contractor. (Attachment JJH-7;
4 Petitioner's response to OUCC DR Nos. 3-015 to 3-020, page 6.)

5 **Q: Please describe how locating underground facilities benefits the customer or the**
6 **Petitioner.**

7 Petitioner uses an outside line locate contractor for all line locate requests, or tickets,
8 received from 811. 811 is the one call program for all utilities to be notified if there is
9 any planned digging or excavating in areas where they have active underground
10 facilities. This program helps reduce the number of occurrences of damage to
11 underground facilities from third-party excavators and provides the secondary benefit
12 of confirming Petitioner's GIS map of the system. This benefit of the GIS map
13 confirmation is greatest in the areas which see a high number of line locate requests. A
14 line locate program is required in federal regulation in 49 CFR 192.614. The cost per
15 line locate request has increased incrementally as labor costs have increased for
16 contractors. Other factors have increased locate costs, but increased labor costs are the
17 single largest factor. (Petitioner's Exhibit No. 9, page 14, line 3 to page 15, line 10.) In
18 2023, Petitioner moved from using two (2) contractors for line locate request to using
19 only one (1) contractor. (*Id.* at 7, lines 8-10.)

20 **Q: Please describe NIPSCO's explanation of how reducing the number of contractors**
21 **has benefited Petitioner's line locating program.**

22 **A:** Petitioner reduced the number of line locate contractors from 2 to 1 in 2023. (*Id.* at 7,
23 lines 8-10.) This was driven by the contractor performance record, specifically the
24 number and amount of damage from mislocated facilities. (*Id.* at 7, lines 10-14.) While

1 Petitioner has not seen a reduction in costs directly attributable to the reduction in line
2 locate contractors, there has been a reduction of 57 occurrences in locator error
3 penalties in 2023 as compared to the number experienced at this time in 2022.
4 (Attachment JJH-8; Petitioner's response to OUCC DR No. 3-013.) I support
5 Petitioner's efforts to keep line locate performance at a higher level, as shown with the
6 number of contractors over the past seven (7) years. (*Id.*) Through Petitioner's efforts
7 to maintain a high-quality line locating program, four (4) contractors, other than the
8 current contractor, have been assessed and determined to not have an acceptable quality
9 standard. (*Id.*)

10 Although operator penalties for mislocating underground facilities are not
11 recoverable in rates, the cost to repair the damage caused by the facility damage may
12 be recoverable through rates. By continuously working to improve the effectiveness of
13 the line locating program, Petitioner should generally see decreasing costs to repair
14 damage to mislocated underground facilities, as well as the length and number of the
15 service disruptions for customers. The improvements in Petitioner's line locating
16 program have shown benefits by having an overall decrease in the damage per 1,000
17 tickets rate since 2013. (Attachment JJH-7; Petitioner's response to OUCC DR Nos. 3-
18 015 to 3-020, page 1.) The damage per 1,000 tickets is a metric largely used with the
19 Indiana 811 program to compare utilities of different sizes, but this metric can be used
20 to compare the rate of damages per year for the same utility as the number of locate
21 requests changes every year. (*Id.* at 2.)

1 **Q: What expenses are included in Petitioner's proposed deferred accounting**
2 **treatment of line locating expenses?**

3 A: Petitioner requests four (4) expense categories be included: the 811 ticket processing
4 expense, the ticket expense, the cost of resolving soft surface unlocatables, and the cost
5 of 10% quality assurance audits. (*Id.* at 6.)

6 **Q: Please describe your analysis of the 811 ticket processing expense incurred by**
7 **Petitioner and included in the proposed deferred accounting treatment of line**
8 **locate expenses.**

9 A: The 811 ticket processing expense is a \$0.95 cost charged to Petitioner for each line
10 locate request received. (*Id.* at 3.) When 811 receives a line locate request, a ticket is
11 generated and sent to each utility which has active underground facilities in the area.
12 Petitioner routinely provides 811 with updated maps of all active underground
13 facilities, and these maps are updated monthly. (*Id.* at 4.) In support of the line locate
14 contractor, Petitioner provides maps to the locate teams with both active and retired
15 lines shown. (*Id.* at 5.) To calculate the expense, the number of line locate requests for
16 each year is multiplied by the 811 ticket processing charge, or \$0.95 per request.

17 **Q: Please describe your analysis of the line locate expense incurred by Petitioner and**
18 **included in the proposed deferred accounting treatment of line locate expenses.**

19 A: The line locate expense incurred by Petitioner is the cost of sending the line locate crew
20 to each area covered in the line locate ticket received from 811. This expense includes
21 the cost of locating equipment, paint, and flags to mark the underground facilities, and
22 other costs incurred as a direct result of locating and marking the underground facilities.
23 The line locate expense can be viewed as the average cost per ticket, by taking the
24 annual cost of sending a line locate crew to mark all underground facilities in the area
25 for each 811 line locate ticket divided by the total number of 811 line locate tickets

1 received every year. Although the line locate expense is used along with the cost of
2 resolving the soft surface unlocatables, the expenses are incurred through separate
3 activities.

4 **Q: Please explain unlocatables, how they are resolved, and how the cost of resolving**
5 **is determined for purposes of the proposed deferred accounting treatment.**

6 A: When a locate team identifies a discrepancy between the facility maps provided by
7 Petitioner and what they can locate in the area of concern, Petitioner designates this as
8 an “unlocatable.” (Petitioner’s Exhibit No. 9, page 15, lines 11-18.) The term
9 unlocatable means an underground facility not locatable through conductive or
10 inductive means, as described in NIPSCO witness Rick Smith’s testimony. (*Id.*)
11 Unlocatables are divided into two (2) groups: hard unlocatables and soft unlocatables.
12 (*Id.* at 15, lines 16-18.) Hard unlocatables are those installed under a hard surface such
13 as a paved road, alley, or parking lot. (*Id.*) Soft unlocatables are those installed under a
14 soft surface such as grass, gravel roads and parking lots, or any other location which is
15 not paved. (*Id.*)

16 These unlocatables, which include lines with non-standard geometry (such as a
17 T-intersection or a bend), a stub (such as a retired service line), or the end of a main,
18 are typically resolved by the contractor cutting any retired services back to the main
19 and marking with a marker ball. This marker ball is then added to Petitioner’s GIS map
20 of the system and the location is updated in the GIS maps provided to the line locate
21 contractor.

1 **Q: Please explain how Petitioner's quality assurance program costs relate to its**
2 **proposed deferred accounting treatment.**

3 A: To ensure the quality of the line locate process is maintained at a high level, Petitioner
4 requires locate contractors to perform internal quality assurance audits for line locate
5 requests conducted throughout the year. (Attachment JJH-9; Petitioner's response to
6 OUCC DR No. 3-022.) Before 2023, Petitioner required the locate contractors to
7 perform quality assurance checks on at least 5% of the annual number of tickets. (*Id.*)
8 In 2023, Petitioner increased the required number of quality assurance audits from 5%
9 to 10%. (Petitioner's Exhibit No. 9, page 8, line 12 to page 9, line 3.) This increase was
10 motivated by Petitioner's continuous improvement efforts in the line locate program.
11 (*Id.*) The cost of the quality assurance audits is quantified as \$2.50 per ticket received
12 by Petitioner. (Attachment JJH-9; Petitioner's response to OUCC DR No. 3-022.)

13 **Q: What practices are the quality assurance audit evaluating?**

14 A: In accordance with Indiana Code § 8-1-26-18, Petitioner is required to respond to each
15 line locate request within two (2) working days. If the line locate request is not fulfilled
16 within this timeline, or if the facilities are marked incorrectly, Petitioner receives an
17 operator penalty. Although the operator penalties are not recoverable in rates, the
18 benefit to Petitioner and the customers from a high-quality line locate program is
19 realized through decreased disruptions in service to customers and a reduced number
20 of occurrences of damage to underground facilities.

21 **Q: What is the OUCC's recommendation regarding the proposed deferred**
22 **accounting of line locate expenses?**

23 A: The OUCC recommends denial of the proposed deferred accounting of line locate
24 expenses, as explained further in OUCC witness Heather Poole's testimony.

IV. ANALYSIS OF PROPOSED TARIFF CHANGES AND MONTHLY SERVICE CHARGES

1 **Q: Please describe generally the tariff charges and monthly service charges Petitioner**
2 **proposed.**

3 A: Petitioner proposed some general tariff changes and proposed specific increases for
4 monthly customer charges including for residential, small general service, and large
5 general service. In the section immediately below, I have addressed the proposed tariff
6 changes other than the monthly customer service charges. After the tariff change
7 section, I discuss why the residential, small general service, and large general service
8 monthly service charges should be held constant.

A. Proposed Tariff Changes Other than Monthly Service Charges

9 **Q: What other changes to the tariff is Petitioner proposing?**

10 A: Petitioner proposes changes throughout its tariff ranging from tariff rate series changes
11 to the addition of a tariff rider – Rider 392 Sales Reconciliation Adjustment (“SRA”).
12 OUCW Witness Dr. David Dismukes addresses the proposed SRA.

13 The general tariff changes the OUCW does not contest are:

- 14 • The insertion of “clock” in rule 1.34.
15 • The insertion of “and additional electric services” to rule 1.37.
16 • The insertion of “the Company, a” into rule 1.53 and 1.54.

17 **Q: Please describe what Petitioner is proposing regarding the changing of the tariff**
18 **series numbers.**

19 A: Petitioner proposes to change the series numbers from the 200 series to the 300 series.
20 (Petitioner’s Exhibit No. 2, page 45, line 8 to page 46, line 1.) Tariff series numbers
21 have been changed in the previous two (2) rate cases, Cause Nos. 45621 and 44988.

1 **Q: What are the reasons provided by Petitioner for the tariff series change?**

2 A: Petitioner proposes the change of the tariff rate series from the 200 series to the 300
3 series as described in its case-in-chief testimony. (*Id.* at 46, lines 1-2.) Responding to
4 DR No. 12-001, Petitioner stated previous versions of the tariff are available on
5 Petitioner's website at [https://www.nipsco.com/our-company/about-us/regulatory-](https://www.nipsco.com/our-company/about-us/regulatory-information)
6 [information](https://www.nipsco.com/our-company/about-us/regulatory-information). (Attachment JJH-10; Petitioner's response to OUCC DR No. 12-001.)
7 Petitioner further clarifies there has been no analysis performed to support the assertion
8 there is customer confusion when there is a change in rates. (*Id.*) Petitioner states that
9 the nature of its billing system requires separate treatment of the rates for service
10 received before and after a rate change goes into effect. (*Id.*)

11 **Q: What are your recommendations regarding the proposed tariff changes other**
12 **than the customer service charges?**

13 A: I recommend approval of the general language changes to Petitioner's tariff and the
14 proposed tariff rate series change as discussed above.

B. Monthly Service Charges

1. Residential Service – Tariff Rate 211

15 **Q: What is Petitioner's proposed residential monthly service charge (Tariff Rate**
16 **211)?**

17 A: Petitioner proposes to increase the Tariff Rate 211 monthly service charge for
18 residential customers from \$16.25 to \$25.50. (Petitioner's Exhibit No. 2, page 47, lines
19 5-6.) Throughout this testimony, I refer to the Tariff Rates and Riders by the current,
20 Commission approved 200 series as opposed to the Petitioner proposed 300 series.
21 Since the Final Order was issued in Cause No. 44988 (September 19, 2018), Petitioner

1 has requested increases to the monthly customer service charge in two (2) additional
 2 rate cases, Cause Nos. 45621 and 45967. If NIPSCO's proposed \$25.50 is approved,
 3 in six (6) years from the Final Order in Cause No. 44988 to the proposed monthly
 4 customer service charges in this rate case, the monthly customer service charge for
 5 residential customers will have increased by 131.82% as shown in Table 1 below. The
 6 proposed monthly service charge increases of 56.92% in this proceeding and 131.82%
 7 over the last six (6) years do not follow the policy of gradualism.

8 **TABLE 1 – RESIDENTIAL MONTHLY SERVICE CHARGE INCREASES**

Cause No. 44988 Service Charge	Percent Increase from Cause No. 44988 to 45621	Cause No. 45621 Service Charge	Percent Increase from Cause No. 45621 to 45967	Cause No. 45967 Service Charge	Proposed 45967 Service Charge	Proposed Percent Increase in Cause No. 45967	Total Percent Increase from Cause No. 44988 to Proposed 45967
\$11.00	23.91%	\$13.63	19.22%	\$16.25	\$25.50	56.92%	131.82%

9 **Q: Should the Commission approve the \$16.25 Tariff Rate 211 customer service**
 10 **charge increase to \$25.50?**

11 **A:** No. The proposed monthly residential customer charge of \$25.50 is not reasonable or
 12 in the public interest. Petitioner's \$16.25 monthly residential customer service charge
 13 is already among the highest among IURC-regulated natural gas utilities.²

² In 2021, CenterPoint Energy Indiana North and CenterPoint Energy Indiana South's monthly service charges were set at \$16.50/month (Cause Nos. 45468 and 45467). In 2022, Citizens Gas of Westfield's monthly service charge was set at \$15.00/month (Cause No. 45761).

1 Increasing Petitioner's monthly customer service charge by an additional
2 \$9.25 would impose a burden on its residential customers and substantially implicate
3 the affordability of service. Residential customers used an average of 72 therms per
4 month in 2022. (Petitioner's Exhibit No. 2, page 14, lines 9-14.) As such, the current
5 customer service charge of \$16.25 makes up 44.69% of an average monthly residential
6 bill. Increasing the monthly service charge to \$25.50 makes it more difficult for
7 customers to reduce their bills through conservation. With the monthly customer
8 service charge included in the bill each month, the individual customers are not able to
9 impact the fixed portion of the bill. The only portion of the bill which the customer is
10 able to change is in the variable, or volumetric charge, portion of the bill. As the fixed
11 or monthly customer service charge increases in relation to the volumetric charge, the
12 financial incentive for customers to conserve or invest in more efficient equipment is
13 reduced. These conservation actions may be in the form of higher efficiency appliances,
14 behavior changes, or both. By shifting more of the costs to the monthly customer
15 service charge, a message may be sent to customers implying the Commission does not
16 support conservation efforts.

17 The National Association of Regulatory Utility Commissioners ("NARUC")
18 acknowledged the movement to a fully straight fixed variable rate design in the
19 "Decoupling for Electric & Gas Utilities: Frequently Asked Questions (FAQ)" can
20 have the unintended effect of de-incentivizing conservation efforts:

21 **Straight Fixed Variable Rate Design.** This mechanism eliminated all
22 variable distribution charges and costs are recovered through a fixed
23 delivery services charge or an increase in the fixed customer charge
24 alone. With this approach, it is assumed that a utility's revenues would

1 be unaffected by changes in sales levels if all its overhead or fixed costs
2 are recovered in the fixed portion of customers' bills. This approach has
3 been criticized for having the unintended effect of reducing customers'
4 incentive to use less electricity or gas by eliminating their volumetric
5 charges and billing a fixed monthly rate, regardless of how much
6 customers consume.

7 Beyond decreasing incentives to conserve through increasing monthly customer
8 service charges, this same shift in costs from the volumetric charge to the service charge
9 moves the burden to those low-use customers to a greater extent than those with a
10 higher consumption. In Petitioner's Rate Design Bill Impact workpaper, with the
11 proposed changes in monthly customer service and volumetric charges, the average
12 residential customer using 847 therms per year, would see a bill increase of 14.56%.
13 (Petitioner's Exhibit No. 16, Attachment 16-E.) A residential customer using 1,694
14 therms per year, double the amount used by the average customer, would only see a
15 bill increase of 9.07%.

16 At the proposed monthly customer service charge, a residential customer using
17 389 therms per year, less than half of the average residential customer's annual use,
18 would see half of the monthly bill consist of the proposed monthly customer charge.
19 These numbers assume the consumption is the same for every month of the year, when
20 typical consumption patterns show that the majority of the bill will be the proposed
21 monthly customer service charge outside of the heating months. The affordability of
22 this is of even greater concern when considering research by the US Energy
23 Information Administration, Oak Ridge National Laboratory, and others that have
24 shown there is a correlation between customers with low-use and those customers in
25 lower income households.

1 I recommend denial of the proposed monthly customer service charge of
2 \$25.50 for Tariff Rate 211. I recommend the monthly customer service charge remain
3 the same at \$16.25.

2. Small General Service – Tariff Rate 221

4 **Q: What monthly service charge does Petitioner propose for small commercial**
5 **customers (Tariff Rate 221)?**

6 A: Petitioner proposes to increase the Tariff Rate 221 monthly service charge for small
7 commercial customers from \$66.00 to \$96.00. (Petitioner's Exhibit No. 2, page 48, line
8 6-8.) Since the Final Order was issued in Cause No. 44988 (September 19, 2018),
9 Petitioner has requested increases to the monthly customer service charge in two (2)
10 additional rate cases, Cause Nos. 45621 and 45967. If NIPSCO's proposed \$96.00 is
11 approved, in six (6) years from the Final Order in Cause No. 44988 to the proposed
12 monthly customer service charges in this rate case, the monthly customer service
13 charge for small commercial customers will have increased by 220.00% as shown in
14 Table 2 below.

15 **TABLE 2 – SMALL COMMERCIAL MONTHLY SERVICE CHARGE INCREASES**

Cause No. 44988 Service Charge	Percent Increase from Cause No. 44988 to 45621	Cause No. 45621 Service Charge	Percent Increase from Cause No. 45621 to 45967	Cause No. 45967 Service Charge	Proposed 45967 Service Charge	Proposed Percent Increase in Cause No. 45967	Total Percent Increase from Cause No. 44988 to Proposed 45967
\$30.00	71.97%	\$51.59	27.93%	\$66.00	\$96.00	45.45%	220.00%

1 **Q: Should the Commission approve the \$66.00 Tariff Rate 221 customer service**
2 **charge increase to \$96.00?**

3 A: No. The proposed monthly residential customer charge of \$96.00 is not reasonable or
4 in the public interest. Increasing Petitioner's monthly customer service charge by an
5 additional \$30.00 would impose a burden on its small commercial customers and
6 substantially implicate the affordability of this service. Increasing the monthly service
7 charge to \$96.00 makes it more difficult for customers to reduce their bills through
8 conservation.

9 Beyond decreasing incentives to conserve through increasing monthly
10 customer service charges, this same shift in costs from the distribution charge to the
11 service charge moves the burden to those low-use customers to a greater extent than
12 those with a higher consumption. In Petitioner's Rate Design Bill Impact workpaper,
13 with the proposed changes in monthly customer service and distribution charges, 56%
14 of the small commercial customers use 2,000 therms or less per year. At a consumption
15 of 2,000 therms per year, a small commercial customer would see a bill increase of
16 20.20%. (Petitioner's Exhibit No. 16, Attachment 16-E.) A small commercial customer
17 using 4,000 therms per year, would only see a bill increase of 14.08%. As with
18 residential customers, a small business is unlikely to invest in more efficient equipment
19 or change behaviors if the impacts to the gas bill are not seen because the customer
20 service charge is large in relation to the distribution charge.

21 I recommend denial of the proposed monthly customer service charge of
22 \$96.00 for Tariff Rate 221. I recommend the monthly customer service charge remain
23 the same at \$66.00.

3. Large General Service – Tariff Rate 225

1 **Q: What monthly service charge does Petitioner propose for large commercial**
2 **customers (Tariff Rate 225)?**

3 A: Petitioner proposes to increase the Tariff Rate 225 monthly service charge for large
4 commercial customers from \$492.52 to \$715.00. (Petitioner's Exhibit No. 2, page 48,
5 line 12-14.) Since the Final Order was issued in Cause No. 44988 (September 19,
6 2018), Petitioner has requested increases to the monthly customer service charge in two
7 (2) additional rate cases, Cause Nos. 45621 and 45967. If NIPSCO's proposed \$715.00
8 is approved, in six (6) years from the Final Order in Cause No. 44988 to the proposed
9 monthly customer service charges in this rate case, the monthly customer service
10 charge for large commercial customers will have increased by 186.00% as shown in
11 Table 3 below.

12 **TABLE 3 – LARGE COMMERCIAL MONTHLY SERVICE CHARGE INCREASES**

Cause No. 44988 Service Charge	Percent Increase from Cause No. 44988 to 45621	Cause No. 45621 Service Charge	Percent Increase from Cause No. 45621 to 45967	Cause No. 45967 Service Charge	Proposed 45967 Service Charge	Proposed Percent Increase in Cause No. 45967	Total Percent Increase from Cause No. 44988 to Proposed 45967
\$250.00	55.75%	\$389.37	26.49%	\$492.52	\$715.00	45.18%	186.00%

13 **Q: Should the Commission approve the \$492.52 Tariff Rate 225 customer service**
14 **charge increase to \$715.00?**

15 A: No. The proposed monthly large commercial customer charge of \$715.00 is not
16 reasonable or in the public interest. Increasing Petitioner's monthly customer service
17 charge by an additional \$222.48 would impose a burden on its large commercial

1 customers and substantially implicate the affordability of this service. Increasing the
2 monthly service charge to \$715.00 makes it more difficult for customers to reduce their
3 bills through conservation.

4 Beyond decreasing incentives to conserve through increasing monthly
5 customer service charges, this same shift in costs from the distribution charge to the
6 service charge moves the burden to those low-use customers to a greater extent than
7 those with a higher consumption. In Petitioner's Rate Design Bill Impact workpaper,
8 with the proposed changes in monthly customer service and distribution charges, 48%
9 of the large commercial customers use 125,000 therms or less each year. At a
10 consumption of 125,000 therms per year, a large commercial customer would see a bill
11 increase of 8.57%. (Petitioner's Exhibit No. 16, Attachment 16-E.) A large commercial
12 customer using 250,000 therms per year, would only see a bill increase of 6.84%. As
13 with residential customers, a business is unlikely to invest in more efficient equipment
14 or change behaviors if the impacts to the gas bill are not seen because the customer
15 service charge is large in relation to the distribution charge.

16 I recommend denial of the proposed monthly customer service charge of
17 \$715.00 for Tariff Rate 225. I recommend the monthly customer service charge remain
18 the same at \$492.52.

V. RECOMMENDATIONS

19 **Q: What are your recommendations?**

20 **A:** For the reasons stated above, I recommend the Commission:

- 1 • Order Petitioner to submit the cost benefit analysis for any future AMI related
2 projects as explained further in my testimony.

- 3 • Approve the proposed gas AMI Upgrade Project but hold the depreciation rate
4 for meters at current rates as explained by OUCC witness David Garrett, and
5 add compliance requirements as explained further in my testimony.

- 6 • Order Petitioner to submit a 30-day filing if the AMI Upgrade Project is
7 approved to implement new language relating to any AMI Opt-Out Charge.

- 8 • Approve the general language changes to petitioner's tariff and the proposed
9 change of the tariff rate series (from the 200 series to the 300 series.)

- 10 • Order NIPSCO to keep its flat, monthly customer charges for residential and
11 commercial customers at their current levels.

12 **Q: Does this conclude your testimony?**

13 A: Yes.

APPENDIX JJH-1 TO THE TESTIMONY OF
OUCC WITNESS JARED J. HOFF

I. PROFESSIONAL EXPERIENCE

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from the United States Military Academy at West Point, New York with a
3 Bachelor of Science Degree in Nuclear Engineering in May 2012. I passed the
4 Fundamentals of Engineering Exam in Spring 2012.

5 From 2012 to 2017, I worked as an Army Ordnance Officer in several positions
6 as I was promoted through the different types of support units. I worked in several
7 locations, including South Korea, Kuwait, Fort Irwin, California and Fort Riley,
8 Kansas. For the first 3 years, I worked with the direct support aspect for different units
9 focusing on the maintenance personnel and then on the general support (i.e., food, fuel,
10 water, parts, and maintenance personnel). For most of the remaining time in the Army,
11 I ran the maintenance program for 1-63 AR at Fort Riley. This included managing the
12 workflow of the approximately 150 maintenance personnel and coordinating the
13 maintenance of over 6,000 pieces of equipment ranging from individual weapons up to
14 tanks and other armored vehicles.

15 In 2018 I joined the team at CLEAResult Consulting as a Residential Energy
16 Auditor and Senior Warehouse Technician supporting the Demand Side Management
17 (“DSM”) program for AES Indiana. My responsibilities ranged from performing
18 assessments on customer homes to increase energy efficiency to maintaining and
19 developing the inventory maintained and used in the DSM program overseen by AES
20 Indiana. While working with CLEAResult, I maintained my Building Performance

1 Institute certification, then attained my Building Analyst certification in 2019, and I
2 continue to maintain the certification at this time.

3 I began working for the Indiana Office of Utility Consumer Counselor
4 (“OUCC”) in February 2023. While working with the OUCC, I have attended
5 professional development seminars such as the Electric Utility Consultants, Inc.
6 (“EUCI”) on Pipeline Safety. My current responsibilities include reviewing
7 Transmission, Distribution and Storage System Improvement Charge (“TDSIC”) and
8 Federally Mandated Compliance Adjustment (“FMCA”) causes with the Natural Gas
9 Division as they are submitted to the Commission.

10 **Q: Have you previously filed testimony with the Commission?**

11 A: Yes. I have provided written testimony in various FMCA and TDSIC cases. I filed
12 testimony or provided analysis in the following FMCA or TDSIC Plan or Tracker
13 cases: Cause Nos. 45400, 45612, and 45330. I filed testimony or provided analysis in
14 the following base rate cases: Cause Nos. 45888, 45889, and 45933.

II. BACKGROUND OF TESTIMONY ANALYSIS

15 **Q: Please describe the review you conducted to prepare for this testimony.**

16 A: I reviewed the previous two rate cases, Cause Nos. 44988 and 45621. I reviewed the
17 Petition, Testimony, and Attachments for this Cause. I reviewed Petitioner’s direct
18 testimony of Melissa Bartos, Orville Cocking, Rosalva Robles, Robert C. Sears,
19 Andrew L. Trump, Richard D. Weatherford, and Rick Smith with my focus on Tariff
20 changes, Non-recurring charges, Customer Service charges, AMI meters, and line
21 locating deferred accounting.

1 I analyzed Petitioner’s responses to data requests concerning the proposed
2 changes to tariff language, AMI meters, and line locating deferred accounting to
3 determine if Petitioner’s proposed changes and projects were appropriate and
4 necessary.

5 I analyzed the approved current tariff along with the proposed tariff language
6 changes. I participated in OUCC case team meetings and an informal discussion
7 between OUCC and Petitioner’s staff on December 15, 2023.

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OUCR Request 2-003:

Regarding the gas AMI modules installed in AMR mode, please provide the following:

- a. The total number currently installed in the NIPSCO gas service area as of November 1, 2023, by tariff rate class and by AMI meter model.
- b. The estimated lifetime of all models of gas AMI modules installed in AMR mode in the NIPSCO gas service area as provided by the manufacturer, respectively.
- c. The manufacturer provided product sheets for all models of gas AMI modules installed in AMR mode in the NIPSCO gas service area.
- d. The unit cost of each model of gas AMI modules installed in AMR mode in the NIPSCO gas service area.
- e. Whether there have been any errors in meter reading with the gas AMI modules installed in AMR mode. If so, please provide the number of errors by error type in meter reading each year since the first installation of gas AMI modules installed in AMR mode.
- f. When the first gas AMI module was installed in AMR mode in the NIPSCO gas service area.
- g. Whether the models of gas AMI modules installed in AMR mode are compatible with the AMI network used by the NIPSCO electric AMI modules as authorized in Cause No. 45557.
- h. An explanation of the estimated number of gas AMI modules installed in AMR mode that will be installed by September 1, 2024, given the rate of gas AMR module failures seen in the NIPSCO gas service area.
- i. The unit cost for each model of gas AMI modules installed in AMR mode as of the last purchase of gas AMI modules. Please also provide the date of the most recent purchase of gas AMI modules.
- j. Whether the gas AMI modules installed in AMR mode are the same models being considered for the AMI Upgrade Project. If not, please provide a detailed explanation why these models are not being considered, and whether those installed will have to be replaced if the AMI Upgrade Project is approved as proposed.
- k. A detailed description of the selection process for the gas AMI modules installed in AMR mode.

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1. Whether the customers with gas AMI modules installed in AMR mode will need a physical visit to be turned to AMI mode, or if the mode change can be made remotely. If other changes in the customer records or Petitioner's systems are needed for the gas AMI module installed in AMR mode to be changed to AMI mode, please provide a detailed list of these changes.

Objections:

NIPSCO objects to subpart h. of this Request on the grounds and to the extent that this Request solicits an analysis, calculation, or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

For all subsections of this question, NIPSCO interprets the use of "gas AMI modules installed in AMR mode" here to mean AMI-compatible devices that are compatible with NIPSCO's current AMR system and have been purchased and installed due to a lack of availability in recent years of purpose-built AMR modules from the NIPSCO AMR system vendor.

- a. Data as of July, 2023

Residential	79479
Commercial	5795
Industrial	117

- b. Based on information from the manufacturer, estimated battery life for both 500G and Intellis smart meter is 20 years.

- c. See OUCC Request 2-003 Attachment A.

- d. 500G AMI compatible module unit cost is \$53.55; Intellis AMI compatible smart meter is \$170.

- e. NIPSCO has not experienced errors in meter reading with the gas AMI modules installed in AMR mode.

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f. 500G AMI compatible module units were first installed in August 2019, and Intellis AMI compatible smart meters were first installed in February 2020.

g. NIPSCO appreciates the challenges of how various vintages of gas module products may be referenced. NIPSCO has deployed gas modules for the purposes of supporting the current AMR network. The Company did not have an "exclusive" AMR gas module purchase choice in this matter.

The Gas AMI-compatible modules currently installed in AMR mode are not expected to be compatible with the AMI network that is currently being deployed as part of the NIPSCO electric AMI project authorized in Cause No. 45557. The models of gas AMI modules currently installed in AMR mode are only compatible with the current AMR system or with the mesh communications network solution offered by this AMR system vendor.

h. See NIPSCO's objection. NIPSCO seeks to minimize the number of AMI enabled devices, both modules and smart meters installed in AMR mode, prior to deployment of AMI network.

i. See NIPSCO's response to subpart d. for unit cost. Last order received of 500G AMI compatible module unit was April 2022. Last order received of Intellis AMI compatible smart meters was January 2023.

j. NIPSCO is still in the process of evaluating gas AMI module models through a formal vendor selection process.

The AMI modules currently installed on the NIPSCO system in AMR mode are not being considered for the AMI Upgrade Project. This is because these models require the deployment of an AMI field network solution separate from the AMI network being deployed for the NIPSCO electric meters, creating overlapping AMI networks, driving up gas AMI solution costs, and driving up total Company AMI network costs (for electric and gas needs).

k. As described in NIPSCO's responses to subpart g, NIPSCO selected gas AMI modules installed in AMR mode based on availability of devices from the current NIPSCO AMR system vendor that are compatible with the current NIPSCO AMR system.

l. Because the gas AMI *modules* currently installed in AMR mode are not being considered as part of the AMI Upgrade Project solution, these modules

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will be replaced with new gas AMI communications *modules* as part of the AMI Upgrade Project.

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OUCR Request 2-004:

Regarding gas meters installed in the NIPSCO gas service area without gas AMR or gas AMI modules, please provide the following:

- a. The number installed in the NIPSCO gas service area as of November 1, 2023.
- b. The number of failures each year from the beginning of calendar year 2013 to the end of calendar year 2022.
- c. The number of failed modules replaced each year from calendar year 2013 to the end of calendar year 2022.
- d. The type of meter or communications module installed to replace a failed non-AMR or non-AMI meter.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request solicits an analysis, calculation, or compilation which has not already been performed and which NIPSCO objects to performing.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. The total number of gas meters without AMR is 3,000 as of April 2023. See NIPSCO's objection.
- b. See NIPSCO's objection. Non-AMR/AMI meter failures are not tracked.
- c. N/A.
- d. A like/similar meter will be installed to replace a non-AMR or non-AMI meter.

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[Denotes confidential information]

OUCC Request 2-009:

Please provide a detailed explanation of the difference between the AMI Upgrade Project costs provided in the locations below:

- a. \$178.6 million (Petitioner's Exhibit No. 18, Attachment 18-A, page 3, Table ES-1)
- b. \$233 million (Petitioner's Exhibit No. 18, Attachment 18-A, page 6)
- c. \$ [REDACTED] (Confidential Workpaper for Attachment 8-A, Scenario 3 Summary tab, "Capital NPV: All Costs" on line 27 and "O&M NPV: All costs" on line 40.)
- d. \$ [REDACTED] (Confidential Workpaper for Attachment 8-A, Scenario 3 Summary tab, "Capital Total: All Costs" on line 26 and "O&M Total: Direct + Contingency" on line 39.)

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request is vague and ambiguous as the term "difference" is unclear with respect to subpart a.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

NIPSCO notes that, while the figures referred to in subparts c. and d. come from a confidential workpaper, these total figures can be made public. (The detailed build up to get to these figures should remain confidential.)

- a. As part of the Business Case, and its treatment of the AMI Upgrade Project Scenario, the \$178.6 million represents the nominal capital and O&M costs estimated to be incurred through the execution of the AMI Upgrade Project during the deployment period (2024-2026). See also NIPSCO's objection.
- b. As part of the Business Case, and its treatment of the AMI Upgrade Project Scenario, the \$233 million represents the nominal capital and O&M costs described above, plus the costs to monitor and maintain the AMI system and devices *over the 15-year modeled period of 2024-2038.*

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[Denotes confidential information]

- c. As part of the Business Case, and its treatment of the AMI Upgrade Project Scenario, the \$185,646,592.80 in the referenced attachment represents the net present value (NPV) of the total capital and O&M costs estimated for the *15-year modeled period of 2024-2038*.
- d. As part of the Business Case, and its treatment of the AMI Upgrade Project Scenario, the \$233,095,813.04 in the referenced attachment represents the total nominal capital and O&M costs estimated *for the 15-year modeled period of 2024-2038*.

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OUC Request 2-007:

Regarding the Benefit Monetization on Petitioner's Exhibit No. 18, Attachment 18-A, pages 55-56, please provide the following:

- a. Whether the AMR software licensing & maintenance savings listed is net of the software licensing and maintenance required for the AMI network. If not, please provide the cost or savings of software licensing and maintenance when comparing the costs of the AMR software and the AMI software.
- b. Whether the meter reading vehicle savings listed is net of the projected costs to conduct meter readings for all non-AMR and non-AMI meters. If not, please provide the meter reading vehicle savings net of the cost of meter reading.
- c. A detailed explanation of what is included in the meter reading and processing savings.
- d. A detailed explanation of what is included in, and the determination of the GHG reductions.
- e. Whether the meter reading vehicle savings are net of the meter reading vehicle expenses associated with non-AMR and non-AMI meters until failure. If not, please provide the meter reading vehicle savings net of the expenses associated with those associated with non-AMR and non-AMI meters.
- f. Please explain whether any of the savings provided on pages 55-56 of Petitioner's Exhibit No. 18, Attachment 18-A have been included as a reduction to NIPSCO's revenue requirement in this Cause. If so, please explain where those reductions can be found. If not, please explain why not.

Objections:**Response:**

- a. No. The Benefits described in Exhibit No. 18, Attachment 18-A, pages 55-56 are an estimate of gross cost reductions to be delivered as outcomes of the AMI Upgrade Project (and the discontinuance of AMR-related costs).

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- b. No. The Benefits described in Exhibit No. 18 Attachment 18-A, pages 55-56 represent gross cost reductions estimated to be delivered as outcomes of the AMI Upgrade Project
- c. Meter Reading and Processing is the name of the NIPSCO function responsible for monitoring and managing meter reading exceptions and alerts received via the AMR system. Once the AMR system is phased out, it is anticipated that this function will go away.
- d. The GHG reductions are estimated benefits associated with no longer having to drive meter reading vehicles to collect AMR reads once AMI has been deployed for NIPSCO gas customers. To determine the amount and value of GHG reductions, the Business Case factored in the number of meter reading vehicles used to collect AMR reads, the average miles traveled per year to collect reads, the average fuel economy of those vehicles, the amount of CO2 per gallon of gasoline, and the United States social cost of carbon.
- e. See NIPSCO's response to subpart b. above.
- f. NIPSCO's proposed revenue requirement in this Cause is based on the level of expense NIPSCO anticipates incurring in the future test year (12 months ending December 31, 2024). Some of the *potential, estimated* benefits (such as GHG reductions) listed on pages 55-56 are not part of NIPSCO's revenue requirement. Others are not estimated to be realized until full deployment of the AMI communications network, which will not occur until after the close of the future test year.



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Falling out of love with AMI: Why we need a new approach to smart metering

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Smart meters are often seen as an integral part of utilities' infrastructure and modernization efforts given the large and growing need for high-frequency meter data, but advanced metering infrastructure (AMI) deployments have often failed to deliver promised benefits to both utilities and their customers. At a time when utility customers are struggling with the effects of inflation and utilities are increasingly facing the need to decarbonize their systems, increase resiliency, and deepen customer relationships, there's an urgent need to find more cost-effective approaches to collect and use near-real time meter data at scale. The good news is that recent technological developments are creating opportunities to reduce or even eliminate the need for new AMI infrastructure going forward.

For electric and gas utilities, high-frequency meter data is essential to support an informed transition to a low-carbon economy, equitably engage and empower customers at a deeper level, increase system resilience, manage demand, support new rate structures, and improve operations. However, results from a range of studies suggest that many of the promised benefits of AMI have yet to be delivered even after a decade of implementation. For

instance, a 2022 analysis from the Mission:data Coalition found that 97% of smart meters fail to provide promised customer benefits, and a 2020 report from the American Council for an Energy Efficient Economy (ACEEE) found that utilities “are largely missing the opportunity to utilize AMI data to improve their energy efficiency and demand response offerings, in part due to regulatory, administrative, and technological barriers.” Unsurprisingly, a handful of states have blocked multimillion-dollar smart meter deployments over the past few years, and there is growing regulatory scrutiny of the benefits that AMI deployments actually provide.

While programmatic and regulatory changes could help improve matters, AMI also has fundamental technological limitations that constrain its potential, including:

Cost: AMI deployments often cost several hundred dollars per customer, with large rollouts often costing utilities—and by extension ratepayers—hundreds of millions of dollars in upfront costs (plus additional ongoing maintenance expenses).

Shorter effective useful life (EUL): Because the computation and communication capabilities of AMI meters are largely built-in, utilities typically need to replace meters to gain important new functionality. As a 2020 blog from smart meter vendor Sensus explains, whereas traditional meters had an EUL of at least 20 years, smart meters are unlikely to have a similarly long EUL “not because they won’t last that long, but the pace of meter technology is changing so quickly that utilities would miss out on powerful new capabilities... The trend today is for electric smart meters to have a depreciable life of 10-15 years.”

Time to deployment: Over full utility service territories, AMI deployments can take years to complete. Particularly given the feature-driven reduction in AMI meter EULs, utilities may end up

in near-constant technology update and deployment cycles with associated rate increases for customers.

Delays in data sharing: AMI meters often have constrained bandwidth in the mesh networks they use to communicate with each other and the backhaul system to get data to the utility. In practice, that means that even if meters are technically capable of collecting near-real-time data, the most frequent data many utilities (and utility customers) are able to access is the previous day's 15-minute data. Although many AMI meters have built-in Zigbee or Wi-Fi communications capabilities that should theoretically be able to share data more frequently with customers (but not necessarily utilities), these are almost always turned off in practice due to interoperability challenges, ongoing service fees, or other utility concerns.

Focus on a single resource: A single AMI meter is only able to share consumption of electricity, gas, or water, so to get more frequent data on all of these resources requires three separate meter retrofits, increasing overall expense and complexity. Particularly as dual-fuel utilities explore potential pathways for deep decarbonization, and as stakeholders try to better understand issues at the convergence of multiple resources (such as the water-energy nexus), consistent, high-quality data in all these areas is essential.

Meter vendors claim that a second wave of smart meter deployments (often referred to as AMI 2.0) will help improve outcomes due to upgraded technology, but the focus on so-called "grid-edge" computing could actually further complicate matters. Instead of addressing the limited bandwidth of the network and data backhaul systems, vendors have instead focused on making meters perform increasingly extensive computations within the devices themselves. With more complex meters housing even more

technology inside—and as utility data needs continue to evolve—utilities will face growing pressure to replace meters more often and expand their focus on maintenance. While that may be great news for smart meter vendors, it is likely to increase rates for utility customers and divert utility funds from projects that could otherwise support increased system resiliency, decarbonization, and modernization.

To date, utilities wanting access to more-frequent, granular meter data have largely been forced into deploying AMI networks due to a lack of viable alternatives. Now, Colorado-based Copper Labs thinks it has a better approach. By developing custom hardware and sophisticated new signal-processing capabilities, Copper can uniquely access near-real-time data remotely from existing AMI and drive-by (also called automated meter reading, or AMR) meters, without requiring retrofits to the meter itself. With improved data backhaul using existing high-speed networks, the system can share data with utilities and customers in near-real-time (down to 30-second intervals) while data analysis and computation take place in the cloud. This approach allows meters to simply be data-collection devices, increasing their useful lives by reducing complexity—regardless of how the data is ultimately used. Because this approach leverages existing meters—and since Copper’s new detector hardware can remotely detect signals from hundreds of meters at once—it can be rolled out at scale much more quickly and at a far lower cost than new meter deployments, and it can support electric, gas, and water utilities alike.



Copper Labs' neighborhood-level detector can remotely access data from hundreds of existing meters at once. Image courtesy Chris Choi.

To help avoid the challenges that utilities have traditionally faced in making AMI data more directly actionable, Copper built a web portal for utilities that displays real-time geographical consumption data and enables segmented customer messaging, behavioral load management, and system planning. For utility customers, Copper offers a mobile app designed to engage and educate with relevant and timely insights—including mid-cycle

high bill alerts, leak detection, information on time-of-use (and other) rates, real-time carbon intensity, and utility efficiency programs that could help meet their needs. And for sophisticated utilities that would like to develop their own solutions, Copper also provides data directly through a set of API libraries.

In a time of unprecedented change for utilities, high-resolution data is essential. By making the most of existing meters, reducing the need for costly and time-intensive AMI 2.0 deployments, and streamlining the generation of actionable insights from near-real-time data, Copper is providing a compelling alternative to new meter hardware. Utilities and regulators may be falling out of love with AMI, but new, more modern alternatives are finally on the horizon.

Cause No. 45967

Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Sixth Set of Data Requests

OUC Request 6-003:

Regarding the data gathered by the AMI modules being considered, please provide the following:

- a. Whether any equipment at the meter, other than the AMI module, is needed for the customer to have access to the readings taken by the AMI module. If so, please provide a complete description of all such equipment and please provide the estimated cost of the additional equipment and where the customer can access the equipment.
- b. Whether any additional software, or software licensing, would be needed for the customer to have access to the readings taken by the AMI module. If so, please provide a complete description of all such software, or software licensing, and the estimated cost of the additional software or software licensing.
- c. Whether individual customers would incur additional cost in order to access the readings taken by the AMI module. If so, please provide the additional cost and describe the additional value brought to the customer with this additional cost.

Objections:**Response:**

- a. Other than the AMI module, no equipment at the meter is needed for the customer to have access to the usage readings taken by the AMI module. NIPSCO plans to make gas AMI usage information available to customers via the Customer Web Portal and Mobile Application. Accessing these applications does not require any additional equipment or investment by customers, beyond a device with access to the internet or cellular service. All associated costs to NIPSCO to enable gas AMI usage information to be made available to customers via these tools were included in the Gas AMI Upgrade Program cost estimates.

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Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Sixth Set of Data Requests

- b. No additional software or software licensing is needed for customers to have access to gas AMI usage information, beyond having a device with access to the internet or cellular service. All associated costs to NIPSCO to enable gas AMI usage information to be made available to customers via these tools were included in the Gas AMI Upgrade Program cost estimates.

- c. Individual customers will not incur additional cost from NIPSCO to access their gas AMI usage information.

Cause No. 45967

Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Second Set of Data Requests

[Denotes confidential information]**OUCS Request 2-016:**

Referring to Petitioner's Exhibit No. 18, Attachment 18-A, Section 7.2, Table A-2, page 76, "[f]uture functions of the AMI network may include digital and remote pressure monitoring, reducing field survey inspection costs, improving system integrity and safety." Please provide a detailed description of how installation of gas AMI modules will improve system integrity and safety. Further, please explain whether the improvement is created by the gas AMI module, by the installation personnel, or by another means.

Objections:**Response:**

Exhibit No. 18, Attachment 18-A, Section 7.2, Table A-2 includes a list of potential benefits that can be enabled through the deployment of gas AMI. The specific item referenced is intended to describe the potential to leverage an AMI Network for communications from other system monitoring devices, such as digital and remote pressure monitoring devices. This item was not referencing a potential benefit that might be delivered from the installation of gas AMI modules, but rather from leveraging the AMI Network *in the future* for other purposes as vendors provide innovation to the marketplace and expand network capabilities.

Cause No. 45967

Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-015:

Please provide the damage rate per thousand tickets each year from calendar year 2013 to November 1, 2023.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks documents or information that are beyond the scope of this proceeding and are not relevant to the subject matter of this proceeding and are therefore not reasonably calculated to lead to the discovery of admissible evidence.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

Year	DP1K
2013	3.73
2014	3.02
2015	3.00
2016	2.56
2017	2.48
2018	2.05
2019	1.97
2020	2.19
2021	2.14
2022	2.07
2023	
*As of 11/1/2023	1.74

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Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-016:

Please provide the number of locate tickets received each year from calendar year 2013 to November 1, 2023.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks documents or information that are beyond the scope of this proceeding and are not relevant to the subject matter of this proceeding and are therefore not reasonably calculated to lead to the discovery of admissible evidence.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

Year	Locate Volume
2013	281,963
2014	309,856
2015	335,499
2016	384,161
2017	411,366
2018	431,066
2019	449,686
2020	442,500
2021	480,534
2022	540,547
2023 *As of 11/1/2023	470,076

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Northern Indiana Public Service Company LLC's

Objections and Responses to

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OUCR Request 3-017:

Please confirm the Indiana 811 ticket processing expense (Petitioner's Exhibit No. 9, page 17, lines 10-11) and \$0.95 per ticket paid to Indiana 811 (*Id.*, page 9, lines 11-13) are the same expense. If not, please provide the Indiana 811 ticket processing expense and the purpose of the \$0.95 per ticket paid to Indiana 811.

Objections:**Response:**

Yes, these are the same expense.

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Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-018:

Referring to Petitioner's Exhibit No. 9, page 9, line 17. Please explain how often the maps provided to Indiana 811 are updated, and when the last map update was provided to Indiana 811.

Objections:**Response:**

NIPSCO updates the maps provided to Indiana 811 monthly. The latest update was completed on November 2, 2023.

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Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-019:

Referring to Petitioner's Exhibit No. 9, page 9, line 17. Please explain whether the maps provided to Indiana 811 show the active and retired facilities, and whether the maps denote the difference between active and retired facilities. If not, please provide a detailed explanation why the provided maps do not show both active and retired facilities, as well as noting which facilities are active.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request is based on an erroneous premise as stated below.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

The purpose for submitting maps to Indiana 811 is for an operator to be notified of areas where the operator desires notice to locate an active facility. NIPSCO does not provide the location of retired assets to Indiana 811 because the purpose is to utilize the one call system to locate only active facilities. This is in alignment with the industry standard. While NIPSCO does not provide maps of retired facilities to Indiana 811, NIPSCO does provide maps of active and retired facilities to the locators in the field. These maps denote the difference between active and retired facilities. When an excavator provides a notice to dig to Indiana 811, Indiana 811 will notify NIPSCO if the excavation is in the area of an active facility. NIPSCO will then send a locator to the location with maps that include the retired and active facilities. NIPSCO will then locate the active facilities.

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Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-020:

Referring to Petitioner's Exhibit No. 9, page 17, lines 7-14, regarding the deferral accounting authority for line locate expense. Please confirm that, if approved, the only expenses which will be allocated to this deferred accounting treatment are 1) the Indiana 811 ticket processing expense, 2) contract locator, 3) 10% quality assurance / quality control ("QA/QC") audits, and 4) resolution of soft surface unlocatables. If not, please specify which expenses will be allocated to the \$25.7 million requested in Petitioner's Exhibit No. 8, page 20, line 17 to page 21, line 2 each year.

Objections:**Response:**

Confirmed.

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Northern Indiana Public Service Company LLC's

Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-013:

Referring to Petitioner's Exhibit No. 9, page 7, lines 14-16, please provide a detailed explanation of the improvements seen because of the change from two (2) locate contractors to one (1) locate contractor.

Objections:**Response:**

The decision to move to one sole provider in locate services was primarily based upon the fact that UtiliQuest had a locator error rate twice that of GridHawk. After working with UtiliQuest to improve its quality performance, the decision was made to move away from UtiliQuest. The decision was not based upon the logistics of having two locate contractors working for NIPSCO at one time. Value to our customers from a financial and quality perspective is an important consideration when evaluating NIPSCO's options. As a result of this decision and other NIPSCO efforts in this area, NIPSCO has realized a reduction of 57 locator error damages in 2023. In the past seven years, NIPSCO has tried three other locate providers. Ultimately, the other three locate providers did not meet the minimum quality standards that NIPSCO requires.

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Objections and Responses to

Indiana Office of Utility Consumer Counselor's Third Set of Data Requests

OUCR Request 3-022:

Referring to Petitioner's Exhibit No. 9, page 8, line 12 to page 9, line 3, regarding the QA/QC audits. Please provide the following:

- a. A detailed explanation for the doubling of QA/QC audits from 5% to 10%.
- b. When the QA/QC audit rate was increased from 5% to 10%.
- c. Whether the QA/QC audits are performed by NIPSCO personnel. If not, please explain who performs these audits.
- d. Whether the locate tickets performed by NIPSCO personnel are subject to QA/QC. If not, please provide a detailed explanation why these locate tickets are not subject to QA/QC.
- e. The average cost of performing a QA/QC audit for locate tickets performed by locate contractors.
- f. The average cost of performing a QA/QC audit for locate tickets performed by NIPSCO personnel. If the average cost of QA/QC audits for NIPSCO personnel and locate contractors are different, please provide a detailed explanation for the difference.

Objections:**Response:**

- a) As discussed in Question / Answer 11 of Mr. Smith's direct testimony, NIPSCO has taken certain actions to improve its Damage Prevention Program including a change of the QA/QC rate from 5% to 10%. NIPSCO made this change to continue to foster quality conscious contractors, drive process improvements, build credibility with the excavator community, and proactively identify issues. As a result of this change in June 2022, NIPSCO has seen increased field evaluations on a regular basis. NIPSCO's locate contractor hired additional staff to complete the additional quality control audits.
- b) NIPSCO's locate contractor implemented auditing 10% of the incoming locate volume in June of 2022.
- c) NIPSCO personnel are not responsible for these audits. The locate contractor is responsible for conducting these audits.

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Objections and Responses to

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- d) NIPSCO personnel do not complete production locates; therefore, they are not affected by this business practice.
- e) It is an incremental cost of \$2.50 per ticket to complete this audit. Previously, the locate contractors were required to complete an audit on 5% of the incoming locate volume. This would be the baseline for comparison. It is \$2.50 more per ticket.
- f) With NIPSCO personnel not completing production locates, there is no average cost to compare.

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Objections and Responses to

Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests

OUCR Request 12-001:

Referencing Petitioner's Exhibit No. 2, p. 46, lines 1-2, which states: "NIPSCO traditionally changes the series numbering to avoid customer confusion regarding which rate was in effect on a given date."

Please provide the following information:

- a. Whether the previous version of the tariff(s) is available to customers after the series numbering change is approved. If so, please indicate, and explain in detail, where customers can locate the previous version of the tariff(s).
- b. The analysis and criteria used by Petitioner to determine sufficient customer confusion exists following rate cases that series numbering changes are needed. Please include any and all applicable examples of incidents of customer confusion.

Objections:**Response:**

- a. Prior versions of the NIPSCO Gas tariffs dating back to 1988 are available on NIPSCO's website at <https://www.nipsco.com/our-company/about-us/regulatory-information>. NIPSCO also includes historical information relating to its tracker filings for its GCA, Gas FMCA, Gas TDSIC, and Gas DSM on its website at <https://www.nipsco.com/our-company/about-us/regulatory-information/gas-rates>.
- b. While NIPSCO did not conduct an analysis to determine that customers could be confused following rate cases if series numbers are not changed, NIPSCO does believe that it will avoid customer confusion if a customer is trying to determine the rate in effect on a given date.

Additionally, NIPSCO's customer billing system needs to accommodate two separate rates for the same rate class when calculating monthly customer bills when a rate change takes effect because most monthly customer bills include usage for before and after the date a new rate becomes effective, as well as

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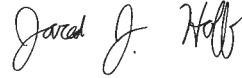
Objections and Responses to

Indiana Office of Utility Consumer Counselor's Twelfth Set of Data Requests

making prior period adjustments, re-bills, or other billing changes. Within the customer billing system, NIPSCO must build a new version or series for new base rates regardless of whether the numbering changes. "Changing the series numbering" is one element of building new rates and is inherently part of the technology changes for new base rates.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Jared J. Hoff
Utility Analyst II
Indiana Office of
Utility Consumer Counselor
Cause No. 45967
Northern Indiana Public Service Co.

01/31/2024
Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following counsel of record in the captioned proceeding by electronic service on January 31, 2024.

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