

IURC INTERVENOR'S <sup>RV Group</sup>  
EXHIBIT NO. 4-5  
DATE 4-27-23 REPORTER UR

IURC Cause No 45722  
RV Group - Exhibit 4S  
Settlement Testimony of  
Jonathan W. Burke  
Page 1 of 7  
(March 17, 2023)

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

2 A. My name is Jonathan W. Burke. My business address is 119 S. 26<sup>th</sup> Street, South  
3 Bend, Indiana 46615.

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

5 A. I am the President and CEO of Tactical Energy Group, an independent energy  
6 consultant engaged by the RV Industry Users Group ("RV Group").

7 **Q. Are you the same person who prefiled direct testimony in this Cause on behalf**  
8 **of the RV Group on January 20, 2023?**

9 A. Yes.

10 **Q. What is the purpose of your settlement testimony in this phase of the**  
11 **proceeding?**

12 A. I will review the reasons why the RV Group finds the Stipulation and Settlement  
13 Agreement (the "Settlement") entered into by NIPSCO, the Industrial Group, the  
14 Office of Utility Consumer Counselor ("OUCC"), NLMK Indiana, United States  
15 Steel Corporation, Walmart, Inc., and the RV Industry User's Group (collectively  
16 the "Settling Parties"), as filed by NIPSCO on March 10, 2023 is reasonable and in  
17 the public interest, and recommend the Indiana Utility Regulatory Commission  
18 ("IURC") approve it.

19 **Q. What are the key items you are addressing in your settlement testimony?**

20 A. NIPSCO's settlement commitments made with the RV Group are not only aimed  
21 at general efforts to improve interactions with the RV Group members to provide

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1 better customer service, there are also specific commitments to engage and address  
2 possible improvements and refinements to RV Group members operations and uses  
3 of electricity that would materially improve on energy related costs and usage, as  
4 well as shave peak load demand for the benefit of all customers. Also, I will touch  
5 on the substation and other improvements NIPSCO has highlighted as part of the  
6 settlement to address reliability and service concerns for Goshen/Elkhart County  
7 areas. I will generally review the steps taken in this Settlement to address rates,  
8 subsidies, and additional opportunities to mitigate energy costs, use energy more  
9 efficiently, and incent and encourage RV Group members to continue or expand  
10 their operations in Indiana.

11 **Q. Will you be discussing every part of the Settlement Agreement in this**  
12 **testimony?**

13 **A.** No. Although the RV Group is a signatory to the Settlement Agreement, and  
14 supports the Settlement generally, my testimony will only address those key  
15 concerns and issues raised by the RV Group in its direct case that have been  
16 addressed in the Settlement and Addendum B. Other settling parties will address the  
17 revenue requirements reductions and other related issues in separate settlement  
18 testimony that sufficiently explains and reviews those parts of the Settlement  
19 Agreement.

20 **Q. Please elaborate on the Settlement and some of the issues you raised in your**  
21 **direct testimony that have been addressed related to the RV Group.**

1    **A.**    In direct response to concerns raised by the RV Group, NIPSCO has agreed to  
2           pursue opportunities to assist these particular customers with identifying more  
3           effective ways to use electricity at their facilities. The Settlement provides distinct  
4           commitments from NIPSCO to not only include the RV Group to directly  
5           participate in Commission approved DSM and energy efficiency processes and  
6           programs but an agreement to include and encourage more effective and efficient  
7           use of electricity by RV Group members by identifying together ways to both  
8           reduce peak load and reduce members' energy costs. Peak load reductions will  
9           benefit of all NIPSCO customers and the more efficient use of electricity will  
10          reduce costs for the RV Group members to better enable them to address  
11          competition concerns.

12   **Q.    Please explain why you believe the Settlement should be approved.**

13   **A.**    If approved, the Settlement Agreement will provide certainty regarding critical  
14           issues, including revenue requirements, authorized return, and other benefits  
15           regarding other dockets and issues that provide known outcomes and benefits.  
16           While other settling parties will describe in further detail many of the bargained for  
17           settlement terms and customer benefits, I do want to note the Settlement does  
18           provide not only a \$103.205 million revenue requirement savings, but a targeted  
19           portion of that amount designed to address subsidy concerns raised by the RV  
20           Group and others presented in direct case filings. In addition, the specific  
21           commitments made by NIPSCO to address reliability of service concerns and

1 targeted rate and efficiency initiatives through written, affirmative commitments as  
2 set forth in Addendum B of the Settlement present reasonable and meaningful  
3 opportunities to address both energy costs and more efficient uses to better allow  
4 both the RV Group and NIPSCO mitigate and manage peak load needs to the  
5 benefit of all NIPSCO customers.

6 **Q. Would you please discuss the TDSIC portion of Addendum B and explain why**  
7 **you believe this is reasonable and appropriate?**

8 **A.** Many of the RV Group members have manufacturing facilities and operations in  
9 areas outside the State of Indiana. As noted in my direct testimony in this case,  
10 several of RV Group members have shared a reluctance to rebuild or build new  
11 facilities in the NIPSCO territory and would likely expand or pursue redevelop in  
12 other, more energy cost-effective utility territories. NIPSCO has responded to these  
13 important concerns and the corresponding negative impact such practical business  
14 decisions would have on employment here in the State with commitments to the  
15 RV Group. I am no expert on the transmission, distribution, and storage system  
16 improvements (TDSIC) statute or the Commission proceedings on the NIPSCO  
17 TDSIC Plan, but I am aware that the statutory process does provide a mechanism<sup>1</sup>  
18 to allow NIPSCO to pursue TDSIC projects that: "...a public utility undertakes for

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<sup>1</sup> The Settlement raises other pending Commission dockets and through party negotiations in the instant matter addresses and in some cases resolve issues in other cases, e.g. Section 3(a)(iii). This provision merely follows a similar path by creating obligations and commitments as between NIPSCO and the RV Group, while recognizing and preserving procedural rights and matters for a subsequent time in the appropriate TDSIC docket.

1 purposes of safety, *reliability, system modernization, or economic development...*"

2 The settlement language requires that any such project must qualify under the  
3 TDSIC statute and I understand that the Commission review process allows the  
4 Commission and any interested party to participate to scrutinize and potentially  
5 oppose such request. Not only is NIPSCO making a written commitment to assist  
6 and pursue any qualifying projects, but the RV Group is making valuable  
7 commitments as well.

8 **Q. Please elaborate on what you mean by the RV Group is making valuable**  
9 **commitments as part of this Addendum B TDSIC request and why you believe**  
10 **the Commission should consider this as well?**

11 **A.** Not only is NIPSCO making a written commitment, including a targeted dollar  
12 amount for the RV Group, but the language also recognizes that these projects and  
13 the related TDSIC facilities: (1) can be used to serve other NIPSCO customers; and,  
14 more importantly, (2) the language places an obligation on the RV Group member  
15 applying for such a TDSIC project will:

16 " ...result in continued or increased energy demand or continued or  
17 increased employment by the applying RV Group member from  
18 new capital investments made within the NIPSCO service territory;  
19 (ii) support of RV Group member renewable energy projects,  
20 energy efficiency and demand response, or peak load reduction  
21 projects; and (iii) any advanced or smart meter technology that will  
22 assist an RV Group member in reducing peak load."  
23 (Addendum B, Page 2, Para. 9).  
24

1        These are obligations that are specific and beyond what is required under the  
2        TDSIC statute but designed to encourage actions by the RV Group to retain or  
3        increase energy and/or employment levels and make capital investments in  
4        NIPSCO's service territory here in the State. We believe these are reasonable and  
5        in the public interest because maintaining the RV Group members on the NIPSCO  
6        system and/or continuing employment here in the State benefit NIPSCO and all its  
7        customers.

8        **Q.     Is this TDSIC section intended to be a preapproval request of the Fund or any**  
9        **of the projects discussed and anticipated as you understand it?**

10      **A.**    No. As the language specifically provides, these projects must qualify under the  
11      TDSIC Statute and they will be subject to review and scrutiny of the Commission  
12      and any participating party when presented. The language does, however, commit  
13      NIPSCO (and the RV Group member as noted above) as specifically provided in  
14      Addendum B.

15      **Q.     Do you believe these reasons all support this Settlement, including Addendum**  
16      **B, as being in the public interest?**

17      **A.**    Yes. And for all of these reasons I recommend that it be approved without  
18      modification.

19      **Q.     Does this conclude your settlement testimony?**

20      **A.**    Yes.

**VERIFICATION**

The undersigned verifies and affirms under the penalties of perjury that the that the testimony, statements, and representations contained herein are true and correct to the best of his knowledge, information, and belief.

*/s/ Jonathan W. Burke*

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Jonathan W. Burke  
Tactical Energy Group