

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR AUTHORITY)
TO MODIFY ITS RATES AND CHARGES FOR)
ELECTRIC UTILITY SERVICE AND FOR)
APPROVAL OF: (1) CHANGES TO ITS ELECTRIC)
SERVICE TARIFF INCLUDING A NEW SCHEDULE)
OF RATES AND CHARGES AND CHANGES TO THE)
GENERAL RULES AND REGULATIONS AND)
CERTAIN RIDERS; (2) REVISED DEPRECIATION)
ACCRUAL RATES; (3) INCLUSION IN ITS BASIC)
RATES AND CHARGES OF THE COSTS)
ASSOCIATED WITH CERTAIN PREVIOUSLY)
APPROVED QUALIFIED POLLUTION CONTROL)
PROPERTY, CLEAN COAL TECHNOLOGY, CLEAN)
ENERGY PROJECTS AND FEDERALLY)
MANDATED COMPLIANCE PROJECTS; AND (4))
ACCOUNTING RELIEF TO ALLOW NIPSCO TO)
DEFER, AS A REGULATORY ASSET OR)
LIABILITY, CERTAIN COSTS FOR RECOVERY IN)
A FUTURE PROCEEDING.)

OFFICIAL
EXHIBITS

CAUSE NO. 44688

IURC
INTERVENOR'S - IMUG
EXHIBIT NO. 1-5
4-13-16 DATE REPORTER

INDIANA MUNICIPAL UTILITY GROUP'S SUBMISSION OF SETTLEMENT
TESTIMONY OF THEODORE SOMMER

The Indiana Municipal Utility Group ("IMUG"), by Counsel, hereby submits the
Settlement Testimony of Theodore Sommer in this Cause to the Indiana Utility Regulatory
Commission.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing attached documents were served upon the following by electronic delivery this 4th day of March 2016, to:

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VERIFIED SETTLEMENT TESTIMONY OF THEODORE SOMMER

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

2 **A. My name is Ted Sommer. I am a Partner with the Firm of London Witte Group,**
3 **LLC. My business address is 1776 North Meridian, Suite 500, Indianapolis,**
4 **Indiana 46202**

5 **Q. Are you the same Ted Sommer that previously filed testimony in this Cause?**

6 **A. Yes I am.**

7 **Q. What is the purpose of your Settlement Testimony on behalf of Indiana**
8 **Municipal Utility Group (“IMUG”)?**

9 **A. I express support for approval of the Settlement. IMUG focused on municipal**
10 **street and traffic light issues in this case, with emphasis on the mass retrofit of**
11 **LED street lights. I would like to address the portion of the Settlement regarding**
12 **LED street light rates.**

13 **Q. What do you wish to say regarding the Settlement Agreement?**

14 **A. The NIPSCO LED mass retrofit program that was originally approved by the**
15 **Commission in Cause No. 44370 was good news for municipalities in northern**
16 **Indiana. However, for reasons other than street lighting, that Order was revised**
17 **after its appeal. The LED mass retrofit program has been again proposed by**
18 **IMUG in this rate case and is also proposed in NIPSCO’s pending TDSIC Cause**
19 **No.44733. The interest of municipalities in NIPSCO’s service area in a mass**
20 **retrofit streetlight program has continued to grow. In response to NIPSCO’s**

1 recent Request for Information to all municipalities with NIPSCO owned street
2 lights, 40 municipalities responded accounting for approximately 24,000 of the
3 approximate 40,000 streetlights owned by NIPSCO. IMUG's eight municipal
4 members remain keenly interested in participating in a mass LED street light

5 retrofit program and IMUG is willing to help any of the municipalities in
6 NIPSCO's service area who are interested in participating in a mass LED retrofit
7 program.

8 The significant modernization, economic, reliability, safety, and social
9 benefits that an LED street light mass retrofit program offers are without question
10 and are not opposed by any testimony in this Cause. LEDs offer the opportunity
11 to economically replace obsolete HPS street lights that are fully or nearly fully
12 depreciated with new technology that last five times longer than HPS lights,
13 provide 50% to 60% energy savings, provide better illumination, lightweight easy
14 installation, and less costly maintenance. The modernization to NIPSCO's
15 distribution system, the improved visibility for vehicular and pedestrian traffic,
16 the increased public safety, the crime reducing benefits, the economic
17 development benefits in commercial areas, the revitalization and urban renewal
18 benefits in challenged or blighted neighborhoods from mass retrofit LED street
19 lights have been well documented by Dr. Kramer and not questioned by any
20 Party's evidence. The public interest of Indiana is advanced by an LED mass
21 retrofit program, and this Settlement Agreement promotes that outcome.

22 Section 17 of the Settlement Agreement provides the framework by which
23 these broad customer, public convenience, and utility benefits can be brought to

1 fruition with the finalization of NIPSCO's pending TDSIC. It is my greatest hope
2 that the Commission will, in accepting this Settlement Agreement, embrace
3 IMUG's and NIPSCO's pursuit of a mass LED street light retrofit program and
4 approve that program in this Cause and its finalization in NIPSCO's subsequent
5 TDSIC.

6 **Q. Does Section 17 of the Settlement Agreement provide LED street light**
7 **benefits to those municipalities that may not want to participate, for**
8 **whatever reason, in a mass LED retrofit?**

9 **A.** Yes, it does. Section 17 of the Settlement Agreement reduces the rate for those
10 who choose to have LED streetlights installed one or a few at a time rather than
11 participate in the mass retrofit program.

12 **Q. Does the Settlement Agreement also benefit those who pay for current, old**
13 **technology street lights?**

14 **A.** Yes. The increase to street lights proposed by NIPSCO is reduced in the
15 Settlement Agreement from 7.43% to 6.27%.

16 **Q. Do you have any final comments?**

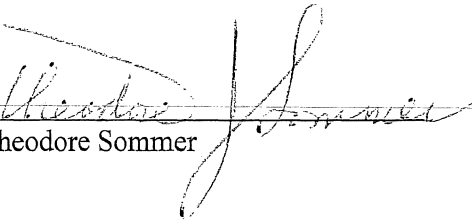
17 **A.** For the benefit of Indiana municipalities, for the benefit of all the Hoosiers in
18 NIPSCO's service territory, for the benefit of NIPSCO's operations, I encourage
19 the Commission to embrace LED street lights, their mass retrofit, and the
20 resulting low cost mass retrofit LED street light rates it will yield by approving
21 the proposed Settlement Agreement.

22 **Q. Does that conclude your Settlement testimony?**

23 **A.** Yes, at this time.

VERIFICATION

The undersigned, Theodor Sommer, under penalty of perjury, affirms that he has read the foregoing Settlement Testimony, and that the statements and attached exhibits therein contained are true to the best of his knowledge, information, and belief.


Theodore Sommer