FILED July 9, 2024 INDIANA UTILITY REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA) SERVICE PUBLIC COMPANY LLC FOR (1)) CERTIFICATE ISSUANCE OF Α OF PUBLIC CONVENIENCE AND NECESSITY ("CPCN") PURSUANT TO IND. CODE CH. 8-1-8.5 TO CONSTRUCT AN APPROXIMATELY 400) **MEGAWATT** NATURAL GAS COMBUSTION) TURBINE ("CT") PEAKING PLANT ("CT PROJECT"); (2) APPROVAL OF THE CT PROJECT AS A CLEAN ENERGY PROJECT AND AUTHORIZATION FOR FINANCIAL INCENTIVES INCLUDING TIMELY) COST RECOVERY THROUGH CONSTRUCTION WORK IN PROGRESS RATEMAKING UNDER IND. CODE CH. 8-1-8.8; (3) AUTHORITY TO RECOVER COSTS INCURRED IN CONNECTION WITH THE CT) **PROJECT; (4) APPROVAL OF THE BEST ESTIMATE**) OF COSTS OF CONSTRUCTION ASSOCIATED) WITH THE CT PROJECT; (5) AUTHORITY TO) IMPLEMENT A GENERATION COST TRACKER) **MECHANISM ("GCT MECHANISM"); (6) APPROVAL** OF CHANGES TO NIPSCO'S ELECTRIC SERVICE) TARIFF RELATING TO THE PROPOSED GCT) APPROVAL **MECHANISM;** OF SPECIFIC (7)) **RATEMAKING AND ACCOUNTING TREATMENT**) FOR THE CT PROJECT; AND (8) ONGOING REVIEW) OF THE CT PROJECT, ALL PURSUANT TO IND.) CODE CH. 8-1-8.5 AND 8-1-8.8, AND IND. CODE §§ 8-) 1-2-0.6 AND 8-1-2-23.)



CAUSE NO. 45947

OFFICIAL EXHIBITS

PETITIONER'S SUBMISSION OF STIPULATED CROSS EXHIBITS IN LIEU OF CROSS EXAMINATION

Northern Indiana Public Service Company LLC ("NIPSCO") and the Indiana

Office of Utility Consumer Counselor ("OUCC") have stipulated to the following

documents in lieu of cross examination, all of which are attached hereto as NIPSCO CX-1:

OUCC Objections and Responses to NIPSCO Data Request 1-002 OUCC Objections and Responses to NIPSCO Data Request 1-003 OUCC Objections and Responses to NIPSCO Data Request 1-004 OUCC Objections and Responses to NIPSCO Data Request 1-006 OUCC Objections and Responses to NIPSCO Data Request 1-007 OUCC Objections and Responses to NIPSCO Data Request 1-007 OUCC Objections and Responses to NIPSCO Data Request 1-008 OUCC Objections and Responses to NIPSCO Data Request 1-008 OUCC Objections and Responses to NIPSCO Data Request 1-009 OUCC Objections and Responses to NIPSCO Data Request 1-012 OUCC Objections and Responses to NIPSCO Data Request 1-012

Respectfully submitted,

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Attorneys for Petitioner Northern Indiana Public Service Company LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email

transmission upon the following:

Carol Sparks Drake Jason Haas Matthew Kappus Indiana Office of Utility Consumer Counselor 115 W. Washington Street, Suite 1500 South Indianapolis, Indiana 46204 <u>cadrake@oucc.in.gov</u> <u>thaas@oucc.in.gov</u> <u>mkappus@oucc.in.gov</u> infomgt@oucc.in.gov

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Dated this 9th day of July, 2024.

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<u>Request No. 1-2:</u> Please provide the full background of OUCC witness Hanks that includes all work experience, job titles, and duties.

Response: See "Attachment 1-2 Hanks Resume".

<u>Request No. 1-3:</u> Please provide the full background of OUCC witness Sanka that includes all work experience, job titles, and duties.

Response: See "Attachment 1-3 Sanka Resume".

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Request No. 1-4: At page 10 of OUCC witness Armstrong's testimony, she states as follows: "Within the past 20 years, stakeholders and the Commission have dealt with several utility projects that greatly exceeded their original estimates. During this time, it has been common for a utility to present a project cost estimate in a new CPCN case where the final project cost balloons to 50% or more over the original cost estimate during project construction.¹" Please provide Ms. Armstrong's calculation of the referenced 50%.

Response: The characterization of "50% or more" is based on Ms. Armstrong's evaluation of the following proceedings:

Duke Energy Indiana (DEI): In Cause No. 43114, the Commission approved DEI's Integrated Gasification Combined Cycle (IGCC) plant costs for \$1.985 billion. In IGCC-1, this cost was revised to \$2.350 billion. In Cause No. 43114 IGCC-4S1 (Phase 1), DEI requested another increase of the IGCC project to total \$2.88 billion, but the OUCC and other intervenors settled with DEI for a \$2.595 billion cost cap for the plant. The final cost to construct the Edwardsport IGCC plant was \$3,096,139,847 (Cause No. 43114 IGCC-15, Final Order, p. 16). While costs recovered from ratepayers were capped at \$2.595 billion, the total increase to construct the IGCC plant was 56.0% from the original cost estimate.

Indianapolis Power and Light (IPL): In Cause No. 42700, the Commission approved \$182 million for construction of the Harding Street Unit 7 Flue Gas Desulfurization (FGD) unit and the Petersburg Unit 3 FGD upgrade. In Cause No. 42170 ECR 5, IPL sought, and the Commission approved, a modification to the CPCN to increase the Unit 3 FGD enhancement cost estimate by \$3 million. In 42170 ECR 7, the Petersburg Unit 3 FGD enhancement increase was re-affirmed to a total project cost of \$27.5 million, compared to the original estimate of \$22.054 million. In Cause No. 42170 ECR 8, IPL sought, and the Commission approved another increase for the Petersburg Unit 3 FGD Enhancement to total \$29.5 million. The total increase to the Petersburg Unit 3 FGD Enhancement was 33.7% from the original request. In Cause No. 42170 ECR 8, the Commission also approved a \$60 million increase for the Harding Street Unit 7 FGD from the original \$160.055 million to total \$220.055 million. The total increase to the Harding Street Unit 7 FGD was 37.4% from the original request.

In Cause No. 43403, the Commission approved \$90 million to construct the Petersburg Unit 4 FGD upgrade. In Cause No. 42170 ECR 14, IPL modified the CPCN for the Unit 4 FGD upgrade to increase the cost estimate to \$119.9 million, and the Commission approved IPL's request. In Cause No. 42170 16 and 16 S1, IPL increased its cost estimate for the Unit 4 FGD Upgrade again to reflect the total project cost at \$128 million, and the Commission approved this increase. In Cause No. 42170 ECR 19, IPL again sought to modify its CPCN to increase the Petersburg Unit 4 FGD Enhancement to \$129.6 million, which the OUCC challenged. IPL and the OUCC settled and agreed the project amount

¹ See Duke Energy Indiana (DEI) examples of cost overruns: Cause No. 43114, Cause No. 43114 IGCC 4S1 (Phase 1) (Duke Energy Indiana). Indianapolis Power and Light (IPL) examples of cost overruns: Cause Nos. 42700, 43403, 42170 ECR 5, 7, 8, 16 S1, and 19. NIPSCO examples of cost overruns: Cause Nos. 43913, 44012 Phase 1.

recovered through the ECR would not exceed \$129.6 million, but IPL could seek additional costs beyond that cap in a future rate case. The OUCC reserved the right to challenge such additional costs. The Commission approved the settlement and IPL's requested modification. The total cost of the Petersburg Unit 4 FGD Enhancement was \$130,984,679 (Cause No. 42170 ECR 25, Petitioner's Attachment GJD-3), which was a 45.5% increase from the original estimate.

Northern Indiana Public Service Company (NIPSCO): In Cause No. 43913, NIPSCO requested a CPCN to install a FGD system on Schahfer Unit 14 for \$153,560,417, and the Commission approved this request. In Cause No. 44012 Phase 1, NIPSCO sought a CPCN for multiple environmental controls that included increasing the cost estimate for the Schahfer Unit 14 FGD to \$203 million, excluding Units 14/15 common plant. Once common plant was accounted for, the total cost estimate for the Schahfer Unit 14 FGD was \$307 million. This was a 100% increase from the original estimate. The Commission approved NIPSCO's CPCN, including the Unit 14 FGD revised estimates.

<u>Request No. 1-5:</u> Is OUCC witness Sanka a registered professional engineer? If yes, please list in what states.

Response: No.

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<u>Request No. 1-6:</u> For each OUCC witness, please list:

- (a) The major capital construction projects previously overseen by the witness, including the location, year completed, technology type, size, total budget, and project owner.
- (b) For any project listed in subpart (a) above, please state the date of substantial completion of the project's construction, relative to the date agreed to in the relevant construction contract.
- (c) For any project listed in subpart (a) above, please state the date of substantial completion of the project's construction, relative to the date agreed to in the relevant construction contract.
- (d) For any project listed in subpart (a) above, please state the total actual expenditure to complete the project's construction, relative to the budget at the time construction commenced.
- **Objection:** The OUCC objects to this Request to the extent it seeks information that is confidential and subject to non-disclosure agreements.
- **<u>Response:</u>** Notwithstanding the objection, the OUCC provides the following response:
 - (a) Ms. Armstrong, Mr. Hanks, Ms. Sanka, and Ms. Baker have not overseen major capital projects.

Mr. Krieger oversaw his first major capital project as a project engineer in 1985 in the plastics injection molding industry as an engineer for RCA corporation. Construction included foundations, process piping (air, water, plastic material handling), electrical service, and molding equipment and automation installation.

In 1986, for RCA Corporation's TV Division as Capital Investment Analyst, Mr. Krieger oversaw the estimate development of two proposed international factory construction projects. He was lead finance member of the site selection committee that created project cost estimates for proposed Mexico and Thailand based manufacturing operations. He later led the Capital Investment Committee (1988) for General Electric's Consumer Electronics Division where he oversaw the capital appropriations approval process including appropriations, construction estimates, executive committee reviews, progress reporting, contingency release approvals, and project closure reviews for multiple electronics divisions covering 26 factories in Asia and North America.

In 1992, as Plant Financial Manager of Thomson Televisores de Mexico, he oversaw all financial aspects of a multi-prime construction project to build a 500,000 square foot, 2,000 employee television production facility. Construction related responsibilities included contract review and approval, purchase order approval, staffing approval, budget control, import/export oversight, fixed asset accounting and control, plant information technology, contractor payment releases, and payroll.

In 1998, as Operations Program Director, Mr. Krieger oversaw supply chain aspects of a second factory start-up in Juarez Mexico including two 100,000 square foot feeder warehouse construction projects (build to suit) as well as shipping/receiving and trailer traffic related projects for a 1,000,000 square foot manufacturing plant. Projects included Receiving/Good Stores construction, finished product inventory/shipping construction, trailer control, as well as complete oversight of the two feeder warehouse locations.

As Business Development Manager at Cummins Crosspoint LLC in 2014, Mr. Krieger oversaw the dismantling and reconstruction of a factory moved from Union City, California, to Indianapolis. In 2019, for Cummins Inc., he oversaw construction of leasehold improvements when moving a distribution business unit office from Park Fletcher (Indianapolis) to Salesforce Tower.

(b) – (d) See Objection. For the projects listed in part (a), the costs of the projects, budget performance, and construction contract information are covered by nondisclosure agreements between Mr. Krieger and his former employers and, therefore, are not disclosed.

<u>Request No. 1-7:</u> For each OUCC witness, please list:

- (a) Has the witness worked on construction of a power generation plant before? If so, please provide the specifications for the project(s).
- (b) Please describe all formal training, education, or certification completed by each witness that is specifically relevant to construction of a power generation plant.

Response:

- (a) Ms. Armstrong, Mr. Kieger, Ms. Baker, Ms. Sanka, and Mr. Hanks have not worked on construction of a power generation plant.
- (b) Ms. Armstrong, Ms. Baker, Ms. Sanka, and Mr. Hanks do not have formal training, education, or certification specifically relevant to power generation plant construction.

Mr. Krieger has an Industrial Engineering degree from Purdue University and MBA with a dual major, Finance and Marketing, from Indiana University, Kelley School of Business. His university education included coursework in project management, estimating, and budgeting. At RCA corporation he was trained in capital project management, plant layout, and quality control. As an employee of General Electric his training included a Financial Leadership Program course in capital investment management. At Cummins Crosspoint, his training included the basics of power generation and safety.

- **<u>Request No. 1-8:</u>** With regard to the OUCC's criticism of NIPSCO for not performing a cost benefit study of start time/ramp rate in the testimony of OUCC witnesses Sanka (at 7), Armstrong (at 10-11) and Hanks (at 6):
 - (a) Please explain how this would be performed.
 - (b) Please share any example the witness is aware of where a utility has quantified this or admit the witness is not aware of any.
- **Objection:** The OUCC objects to this Request to the extent it misstates Ms. Armstrong's testimony. Her testimony references the criticism in the testimony of Ms. Sanka and does not provide substantive testimony on this issue.

<u>Response:</u> Notwithstanding the above objection, the OUCC provides the following response:

- (a) One approach for a cost benefit analysis would be to compare the quantified ratepayer impact in dollars per minute of ramp time/start time among different turbines/configurations, evaluating different suppliers, and comparing this proposal with other projects approved by the Commission for other utilities.
- (b) Ms. Sanka, Ms. Armstrong, and Mr. Hanks are not aware of another utility that has requested the use of aeroderivative turbines to address the issue of fast-starting/quick-ramping dispatchable generation; therefore, they are not aware of another utility that has performed a cost/benefit analysis for this technology.

- **Request No. 1-9:** With regard to OUCC witness Hanks (at 2) comparing / contrasting NIPSCO and CenterPoint and witness Armstrong (at 11) admitting that dispatchable generation is needed to support, please admit or deny that the composition of NIPSCO's generation fleet is different than CenterPoint. If anything other than an unqualified admission, please fully explain the basis for the denial.
- **Objection**: The OUCC objects to the Request to the extent it misstates and misrepresents Ms. Armstrong's testimony. Ms. Armstrong's testimony does not admit that "dispatchable generation is needed to support." Rather, Ms. Armstrong recognizes NIPSCO's IRP and updated analysis shows additional capacity for retiring generation is needed to preserve reliability, resiliency, and stability.
- **Response**: Notwithstanding the above objection, the OUCC provides the following response:

The OUCC admits NIPSCO's generation fleet differs from that of CenterPoint and the generation fleet of other electric utilities.

- **Request No. 1-12:** With regard to OUCC witness Hanks' (at 13) recommendation of a 3% escalation rate (relying on NIPSCO's electric TDSIC Plan filed in 2021 to do so), in light of current economic trends, as acknowledged and discussed by OUCC witness Armstrong (at 8-9):
 - (a) What was the inflation rate in 2021, 2022, 2023, and 2024?
 - (b) What other escalation rates have utilities used more recently than 2021 that Mr. Hanks is aware of?

Response:

a) See attached graph which shows the yearly CPI for the years 2021-2023.



The annual rate of inflation for 2021 was approximately 4.68%. For 2022, the annual rate was approximately 7.99%. For 2023, the annual rate was approximately 4.13%.

Currently, 2024 is ongoing, so there is no annual rate of inflation; however, please see the attached graph showing the monthly rate of inflation for January, February, and March 2024. For January the rate of inflation was approximately 3.11%, for February approximately 3.17, and for March approximately 3.48%.



https://fred.stlouisfed.org/series/CPIAUCSL

Please see the attached graph for the 1-year expected inflation rate. As of April 2024, the inflation expectation for the next year was approximately 2.7%.



b) In NIPSCO's 2024-2026 DSM plan, approved by the Commission in Cause No. 45849 on October 18, 2023, NIPSCO used an inflation rate of 2.1%.²
In Duke Energy Indiana's 2023-2028 TDSIC 2.0 plan, approved by the Commission in Cause No. 45647 on June 15, 2022, the Commission approved a 3% figure for escalation.³

² Cause No. 45849, Direct Testimony of Allison Becker, Attachment 1-D, p. 121, February 15, 2023.

³ Cause No. 45647, Order approved June 15, 2022, p. 23.

<u>Request No. 1-13:</u> With regard to OUCC witness Sanka:

- (a) How many RFPs has Ms. Sanka personally assisted with running?
- (b) Did Ms. Sanka review RFP documents related to Cause No. 45564?
- (c) How many different RFPs has Ms. Sanka reviewed results for?

Response:

- (a) None.
- (b) Ms. Sanka reviewed the public version of the direct and rebuttal testimonies and attachments of CEI South witnesses Shane Bradford and Matthew A. Rice related to the CenterPoint RFP.
- (c) Two, not including this proceeding.

John Hanks 1144 Red Oak Drive, Avon, Indiana 46123 Cell Phone: (317) 263-4118 Email: john.hanks5@gmail.com

Education

IUPUI - Indianapolis Major: Quantitative Economics Minors: Math, Philosophy 2018-May 2022 Indiana University 2013-2015

Employment

Utility Analyst II – Office of the Utility Consumer Counselor – 2022-Present Reviewed requests from electric utilities that were submitted to the Indiana Utility Regulatory Commission. Filed expert testimony related to economics for requests to construct or acquire new generation units, financing authority, tariff changes, and integrated resource plans, among other topics. Collaborated with oversight boards for demand side management programs that were run by Indiana's investor-owned utilities.

Clerk - Sherwin-Williams - 2019-2022

Received and prepared paint orders, assisted and sold to customers, restocked shelves, deposited cash and checks after closing. Guided customers through the basics of surface preparation, painting, and staining. Assisted in ordering supplies and preparing new business accounts for contractors.

Technical Service Assistant - Avon Library- 2016-2019

Cataloged new DVDs and electronic media, processed orders and paid invoices, as well as stamped, stickered, and generally prepared books to be checked out by the public. Assisted in transferring the library's catalog into a new database. Represented the library at public events, and often worked at the circulation desk where I helped members of the public find materials, return items, and use the computers.

Extracurriculars

Liberal Arts Student Ambassador 2018 - 2022

Appointed position requiring nomination by a faculty member. I helped to coordinate and set up events, and then represent the Liberal Arts College at events with visiting faculty, potential IUPUI students, public talks by Professors, and distinguished guests of the university. Ethics Bowl Team Member: 2013-2014

Provided research, arguments, and commentary on political and ethical topics for other members. Represented IU at competitions by working with the team to present arguments and research, offer rebuttals to other presentations, while responding extemporaneously to questions from judges. Went to national competitions twice, and once won the Bob Ladenson "Spirit of Ethics" award, chosen by other teams for respectful engagement while engaging with other debaters.

Awards

Laurence Lampert Scholarship - Faculty nominated scholarship for Philosophy students. Hudson and Holland Scholarship - competitive, merit-based scholarship.

Attendee 2018 Torchbearer's Talent Summit

IUPUI Honors Dean's List 2018-2022

Indiana University Dean's List 2013-2015

Invited Student Speaker - Ethics Bowl Summer Coach's Workshop 2015

August 2018-May 2019 Organized and coordinated events for campus-wide major events throughout the semester.

Roopali Sanka

11480 Montoya Dr. | Carmel, IN 46077 | 317-625-1104 | roopalisanka@yahoo.com

EDUCATION

Purdue School of Engineering and Technology, IUPUI **Bachelor of Science in Energy Engineering**

SKILL

- **Pro-Engineering** •
- C++
- PSPICE

WORK EXPERIENCE

The Indian	Office of U	Jtility Consumer	Counselor	(OUCC)
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- Utility Analyst-Engineering: Evaluating electric utility operations and related infrastructure for adequacy, reliability, compliance, cost reasonableness, risk and prudency.
- Preparing high-quality, persuasive, and timely written reports, testimony and exhibits to support OUCC case positions and to make recommendations.

HEAPY Engineering

- Part time co-op on the Building Optimization team
- Trend data analysis using UT3, project site visit mapping, data processing, measurement & verification process

TechPoint S.O.S. Challenge

- Participated as a business manager and assisted with the user interface, on a multi-disciplinary team to create a solution for the challenges faced by the tourism industry in Indianapolis during the COVID-19 pandemic.
- Created a website called SafeBook-a platform for event coordinators to post event listings. This platform helps event coordinators track and manage changes to their events, mask requirements, group size limitations and venue locations, as circumstances shift frequently due to COVID-19.
- Worked remotely 20 hours per week to create go-to-market strategy/product prototype. October 2016 – August 2018

Kumon Math & Reading

- Instructor for teaching Math & Reading and grading students work.
- Input data and analyzed students' progress.

PROJECT WORK

Hydrokinetic Technology Research

- January 2020 May 2020 Identified different technologies to generate alternate energy resources with the help of Hydrokinetic technologies.
- Evaluated past and current technologies to determine the efficient technology to use for future. •
- Used the empirical-analytical, convergent parallel mixed, and the transformative mixed methodologies in this analysis.

Hair product dispensing Comb

- Designed a comb that dispenses hair product for various hair types.
- Used Quality Function Deployment (QFD, Six Sigma) method to meet customer requirements.

VOLUNTEER EXPERIENCE & LEADERSHIP

Women in Engineering Peer Mentor

Helped students balance the expectations of being an engineering student with other roles

Society of Women Engineers (SWE)

- Worked as a Risk Manager
- Hosted an event
- Ensured SWE is following the student organization guidelines

Energy Club

- Visited battery manufacturers, water treatment plants, etc. to evaluate the Energy opportunities.
- Visited high schools/colleges as an outreach to promote the EEN (Energy Engineering) program.

Indian Student Cultural Association (ISCA)

President

Student Activities Programming Board (SAPB)

Labview Microsoft Office

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- Matlab

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NIPSCU CX-1

August 2022-Present

September 2021-January 2022

June 2020 – July 2020

Graduation: 2022

January 2020 – May 2020

September 2021-Present

May 2020-May 2021

April 2019-May 2021

August 2018-Present