STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC FOR (1) APPROVAL OF AND A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A FEDERALLY MANDATED PIPELINE SAFETY IV COMPLIANCE PLAN; (2) AUTHORITY TO RECOVER FEDERALLY MANDATED COSTS INCURRED IN CONNECTION WITH THE PIPELINE SAFETY IV COMPLIANCE PLAN; (3) APPROVAL OF THE ESTIMATED FEDERALLY MANDATED COSTS ASSOCIATED WITH THE PIPELINE SAFETY IV COMPLIANCE PLAN; (4) AUTHORITY FOR THE TIMELY RECOVERY OF 80% OF THE FEDERALLY MANDATED COSTS THROUGH RIDER 390 - FEDERALLY MANDATED COST ADJUSTMENT RIDER ("FMCA MECHANISM"); (5) AUTHORITY TO DEFER 20% OF THE FEDERALLY MANDATED COSTS FOR RECOVERY IN NIPSCO'S NEXT GENERAL RATE CASE; (6) APPROVAL OF SPECIFIC RATEMAKING AND ACCOUNTING TREATMENT; (7) APPROVAL TO DEPRECIATE THE PIPELINE SAFETY IV COMPLIANCE PLAN ACCORDING TO NIPSCO'S COMMISSION APPROVED DEPRECIATION RATES; AND (8) APPROVAL OF ONGOING REVIEW OF THE PIPELINE SAFETY IV COMPLIANCE PLAN; ALL PURSUANT TO IND. CODE § 8-1-8.4-1 *ET SEQ.*, § 8-1-2-19, § 8-1-2-23, AND § 8-1-2-42.	**)**	**CAUSE NO. 46222**

SUBMISSION OF REVISIONS TO DIRECT TESTIMONY

Northern Indiana Public Service Company LLC, by counsel, respectfully submits the attached revisions to the Verified Direct Testimony of Brent J. Shuler. The revisions shown in the redlined version impact the pagination of the entire testimony. The attached clean version of the revised testimony will be offered into evidence at the hearing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

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Dated this 8th day of August, 2025.

Michelle A. Cox

Michelle A. Cox

VERIFIED DIRECT TESTIMONY OF BRENT J. SHULER

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

A1. My name is Brent J. Shuler. My business address is 290 W. Nationwide Blvd., Columbus, Ohio 43215. I am employed by Columbia Gas of Ohio as Director of System Operations and was previously an employee of NiSource Corporate Services Company ("NCSC") as Director Asset Class Owner.

Q2. On whose behalf are you submitting this direct testimony?

A2. I am submitting this testimony on behalf of Northern Indiana Public Service Company LLC ("NIPSCO").

Q3. Please briefly describe your educational and business experience.

A3. I received a Bachelor of Science in Mechanical Engineering Technology from Purdue University in 2012 and a Master of Business Administration from Purdue University Fort Wayne in 2018. My professional utility experience began in 2013 and has focused on cathodic protection, integrity management, and risk assessment. I joined NIPSCO in 2013 as a corrosion engineer and became the front line leader of corrosion & leakage for Columbia Gas of Ohio in 2017. In 2020, I became manager of risk assessment for NiSource. In the Fall of 2022, I became the Director Asset Class Owner for transmission assets, including NiSource's Transmission Integrity Management Program ("TIMP"). I accepted my current position in July, 2025.

Q4. What were~~are~~ your responsibilities as Director Asset Class Owner?

A4. As Director Asset Class Owner, I was~~am~~ responsible for overseeing transmission assets across the NiSource footprint and the execution of the NiSource TIMP. The TIMP group is responsible for evaluating the risks associated with transmission assets using methods and procedures that are outlined within the NiSource TIMP. Risk analysis is performed on all transmission pipeline segments and the results of that analysis are used to determine the most effective method for evaluating the pipeline segment. Information from the evaluations is used to develop future inspection plans for the pipeline segments and to determine whether similar risks or threats exist on other pipeline segments.

Q5. Have you previously testified before the Indiana Utility Regulatory Commission ("Commission") or any other regulatory commission?

A5. Yes, I filed testimony before the Commission supporting NIPSCO's request for a Certificate of Public Convenience and Necessity for federally

VERIFICATION

I, Brent J. Shuler, Director of System Operations for Columbia Gas of Ohio as Director of System Operations, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Deleted: Director Asset Class Owner for NiSource Corporate Services Company

Brent Shuler

Brent J. Shuler

Date: August 6, 2025

Deleted: April 21,

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Q4. What were your responsibilities as Director Asset Class Owner?

A4. As Director Asset Class Owner, I was responsible for overseeing transmission assets across the NiSource footprint and the execution of the NiSource TIMP. The TIMP group is responsible for evaluating the risks associated with transmission assets using methods and procedures that are outlined within the NiSource TIMP. Risk analysis is performed on all transmission pipeline segments and the results of that analysis are used to determine the most effective method for evaluating the pipeline segment. Information from the evaluations is used to develop future inspection plans for the pipeline segments and to determine whether similar risks or threats exist on other pipeline segments.

Q5. Have you previously testified before the Indiana Utility Regulatory Commission ("Commission") or any other regulatory commission?

A5. Yes, I filed testimony before the Commission supporting NIPSCO's request for a Certificate of Public Convenience and Necessity for federally mandated projects associated with NIPSCO's proposed Pipeline Safety III Compliance Project to comply with various provisions of the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (the "PHMSA Rules") in Cause No. 45703.

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

A6. The purpose of my direct testimony is to support the six federally mandated projects included in NIPSCO's proposed Pipeline Safety IV Compliance Plan (the "Compliance Plan") (attached to NIPSCO's Verified Petition filed in this Cause as Attachment A), set out in Table 1 below (the "ILI Projects").

Table 1 – ILI Projects	
Project No.	**Project Name**
PSCP4-3	ILI Retrofit 20-30 Station to USS 24
PSCP4-4	ILI Retrofit 22 RW to Mich City Gen 16
PSCP4-5	ILI Retrofit RMS Gen to Wheatfield 8
PSCP4-6	ILI Retrofit SR 1 Station to Bluffton Rd Sta 20
PSCP4-7	ILI Retrofit NGPL Lansing to Station 20-30
PSCP4-8	ILI Retrofit Royal Center Storage to Clymers 16

Specifically, for each project, I (1) describe the purpose of the project; (2) describe the projected federally mandated costs associated with the project and how the costs were developed; (3) describe any alternatives to the project that demonstrate the project is reasonable and necessary; (4) explain whether the project will extend the useful life of an existing facility and, if so, provide the value of that extension; and (5) describe the extent to which the project is mandated for compliance with the various provisions of 49 CFR Part 192 (the "PHMSA Rules").

Q7. Are you sponsoring any attachments to your direct testimony?

A7. Yes. Together with NIPSCO Witness Alexander, I am sponsoring a portion of NIPSCO's proposed Compliance Plan (Attachment A to the Verified Petition). I also sponsor <u>Confidential Attachment 3-A</u>, which are the workpapers that support the cost estimates associated with the ILI Projects.

Q8. Please describe the purpose of NIPSCO's In-Line Inspection (ILI) Retrofit projects.

A8. The purpose of NIPSCO's ILI Retrofit projects is to make its transmission pipelines ILI compatible through the installation of launchers and receivers for inline inspection tools, commonly known in the industry as "smart pigs," used in the ILI process. This retrofit process will include the modification of the pipeline to accept such devices by replacing fittings and pipeline configurations that allow the insertion and removal of these smart pigs from the pipeline. When smart pigs are deployed to perform inspections, they need to be able to pass through the various valves, pipe bends and fittings in the pipe at a well-defined speed range for effective capture of data through the tool sensors. Many older pipes, such as the ones involved in this project, were engineered and built before the advent of this technology and require modification. NIPSCO's current Pipeline Safety III Compliance Plan (approved in Cause No. 45703) included four ILI retrofit projects during the period 2022 through 2024.

In this filing, NIPSCO reviewed all transmission pipelines across its service territory to create a prioritization for ILI retrofitting. The pipelines were initially prioritized by the risk on the pipeline, which was based on results from a probabilistic risk assessment model. That list was then further refined by looking at the next 7-year assessment date of the pipeline. NIPSCO then reviewed the list to minimize retrofits and ILI runs occurring on the same systems at or near the same time.

The targeted projects include: (1) 2.7 miles of 24" and 26" transmission pipeline between the 20-30 Station (Station 7137) and the US Steel Station (Station 1573) in Gary, Indiana (Project PSCP4-3); (2) 5.3 miles of 16" transmission pipeline between the 20 right of way valve yard and the Michigan City Generation Station (Station 7062) in Michigan City, Indiana (Project PSCP4-4); (3) 3.8 miles of 8" transmission pipeline between R.M. Schahfer Generation facility valve site to the Wheatfield Station (Station 55875) in Wheatfield, Indiana (Project PSCP4-5); (4) 5.9 miles of 20" and 16" transmission pipeline between the SR 1 Station (Station 8067) and the Bluffton Road Station (Station 55750) in Fort Wayne, Indiana (Project PSCP4-6); (5) 9.5 miles of 30" transmission pipeline between the State Line NGPL Station (Station 55813) and Station 20/30 in Munster, Indiana (Project PSCP4-7); and (6) 12.8 Miles of 16" Transmission pipeline between the Royal Center Underground Storage facility and the Clymers station in Logansport, Indiana (Project PSCP4-8).

Q9. Please provide an overview of ILI.

A9. ILI involves the assessment of pipelines via the insertion of instrumented, magnetic-based tools inside the pipeline to capture geometric data and pipeline attribute variations. These ILI tools are also known as "smart pigs." ILI tools contain geometric, acoustic and/or magnetic sensors to assess the structure, integrity, corrosion, construction and manufacture of pipelines, and are free-swimming through the pipeline using the natural gas flow and pressure in the pipe to move the tool from a launcher to a receiver at each end of the pipeline system. Because these devices are capable of surveying the internal geometric attributes of pipe segments, ILI produces a more comprehensive evaluation of the pipe than other assessment methods. Further, both PHMSA and transmission pipeline operators recognize ILI as being superior to the various direct assessment ("DA") methods or hydrostatic strength testing of transmission pipelines for the evaluation, as ILI provides far more data in a number of different transmission risk areas than does DA or pressure testing.

Q10. Please describe the projected federally mandated costs associated with the ILI Retrofit projects and how the cost estimates were developed.

A10. NIPSCO projects the federally mandated costs associated with the ILI Retrofit projects for the period May 2025 through 2028, excluding indirect costs and Allowance for Funds Used During Construction (AFUDC), to be as follows:

Project No.	Project Name	Total Capital Direct ($)
PSCP4-3	ILI Retrofit 20-30 Station to USS 24	8,334,589
PSCP4-4	ILI Retrofit 22 RW to Mich City Gen 16	20,551,514
PSCP4-5	ILI Retrofit RMS Gen to Wheatfield 8	12,721,404
PSCP4-6	ILI Retrofit SR 1 Station to Bluffton Rd Sta 20	18,752,255
PSCP4-7	ILI Retrofit NGPL Lansing to Station 20-30	24,289,239
PSCP4-8	ILI Retrofit Royal Center Storage to Clymers 16	21,956,336

Each of the cost estimates were developed by performing a review of the transmission lines by both an initial feasibility study performed by an external consultant and an outside engineering firm to complete the preliminary scope and cost estimate. The pipeline review took into account geographic features that were likely to have an impact (ditches, road crossings, site access) and a review of internal records to identify valves, pipe bends, or fittings that would likely need to be replaced. The review also considered the location of taps on the line that cannot be conveniently or economically removed from service. The cost estimates include utilizing stopples (temporary devices installed to isolate relatively short sections of the line) to replace valves, pipe bends, or fittings without interrupting customer service. The external engineering firm then utilized this review and experience from projects similar in size and scope to develop an estimate for the project. These estimates are considered Parametric Class 4 estimates, and additional work was performed to assess risks, assumptions, and potential environmental impacts associated with each project. The cost estimates were based on a 2025 estimate, escalated 5% each year for inflation.

Each estimate incorporates a 30% contingency (Class 4 estimates can permissibly include up to 40%). This contingency is earmarked for any unforeseen issues that may arise during construction and to cover the costs of any cutouts that would be needed to remove a defect that could be found during an ILI run and is estimated from previous ILI runs. The ILI run is planned for the last year of each project, so there is a higher potential for contingency being used during the final year of the project, to cover those costs to remove the defect. The 5% escalation was not applied to contingency. Each estimate also includes the original ILI assessment run as a commissioning verification that the pipeline is effectively ILI compatible.

Q11. Please describe how the ILI Retrofit projects allow NIPSCO to comply with a federally mandated requirement.

A11. The ILI Retrofit projects are being undertaken to comply with the provisions of 49 CFR § 192.917, 49 CFR § 192.919, 49 CFR § 192.921, 49 CFR § 192.935(a) and 49 CFR § 192.937), which are provisions of TIMP promulgated under Subpart O, Gas Transmission Pipeline Integrity Management. These code sections address identifying potential threats, how to apply these threats to the assessment process in developing the plan and what additional steps can be taken to prevent and mitigate these threats from advancing. Sections (a) and (c) of 49 CFR § 192.917 provide the most compelling rationale for the use of ILI assessment for pipelines. Section (a) asks the operator to, "identify and evaluate <u>all</u> potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in ASME/ANSI B31.8S, section 2, which are grouped under the following four categories: (1) Time dependent threats such as internal corrosion, external corrosion, and stress corrosion cracking; (2) Static or resident threats, such as fabrication or construction defects; (3) Time independent threats such as third party damage, mechanical damage, incorrect operational procedure, weather related and outside force damage to include consideration of seismicity, geology, and soil stability of the area; and (4) Human error." Section (c) requires an operator to "conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment. An operator must use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (§§ 192.919, 192.921, 192.937), and to determine what additional preventive and mitigative measures are needed (§ 192.935) for the covered segment.", in order to fully identify a pipeline's susceptibilities. Also, directly from ASME B31.8S, section 6 qualifies the advantage of ILI: "Use of a particular integrity assessment method may find indications of threats other than those that the assessment was intended to address. For example, the third-party damage threat is usually best addressed by implementation of prevention activities; however, an inline inspection tool may indicate a dent in the top half of the pipe."

Q12. Is ILI explicitly required by TIMP?

A12. TIMP does not prescriptively require specific measures to be implemented, rather the Code is focused on knowledge of the system being assessed, the most effective assessment method deployed to scrutinize the threat(s) and the remediation of conditions based upon the assessment discovered defect. TIMP does not mandate any particular methodology for the performance of assessments, but ILI assesses the broadest range of threat types identified from the industry standard, ASME B31.8S, the standard incorporated by reference, for the assessment of transmission pipelines. PHMSA has required that operators be able to evaluate the severity of anomalies to better understand operability of these systems and to gauge when to re-assess these systems, which ILI does. ILI promotes safety and reduces risk to NIPSCO's gas system.

Q13. Please describe any alternatives to the ILI Retrofit projects that demonstrate the project is reasonable and necessary.

A13. For an operator to evaluate the effects of metal loss threats like external and internal corrosion as well as mechanical damage, construction or manufacturing threats, two assessment processes would need to be deployed – pressure testing and DA. Prior to the advent of ILI, inspections of transmission pipe could only be accomplished either from the outside of the pipe or by taking individual pipe segments out of service and isolating them for inspection using tethered inspection technology or hydrostatic pressure testing, either of which would be more expensive, less effective, and more disruptive to the operation of the system than the proposed ILI Retrofit projects. It is impractical to sectionalize segments of transmission pipeline and utilize these techniques, which provide less information for assessing risk compared to an ILI. Therefore, this project is reasonable and necessary and required to inspect the pipe in an efficient and cost-effective manner.

Q14. Will the ILI Retrofit projects extend the useful life of an existing facility and, if so, what is the value of that extension?

A14. Yes. Completion of the ILI Retrofit projects will enable NIPSCO to more effectively interrogate pipe wall conditions, changes and multiple threat interactions on the pipeline to remediate the most susceptible sections and monitor the complete range of threat types identified during the assessment toward improving the integrity of the pipeline. It is likely this assessment method will afford NIPSCO operations and TIMP stakeholders with various remedial options to extend the useful life of the pipeline. The value will be equal to the capital investment. The ability to inspect the pipeline is critical to keeping the line in service, operable and reliable.

Q15. Does this conclude your prepared direct testimony?

A15. Yes.

VERIFICATION

I, Brent J. Shuler, Director of System Operations for Columbia Gas of Ohio as Director of System Operations, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Brent Shuler

Brent J. Shuler

Date: August 6, 2025