

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA )  
PUBLIC SERVICE COMPANY LLC FOR APPROVAL )  
PURSUANT TO IND. CODE §§ 8-1-2-42(a), 8-1-8.8-11, )  
AND TO THE EXTENT NECESSARY IND. CODE § ) CAUSE NO. 45196  
8-1-2.5-6, OF A RENEWABLE ENERGY POWER )  
PURCHASE AGREEMENT WITH ROAMING )  
BISON WIND, LLC, INCLUDING TIMELY COST )  
RECOVERY. )

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VERIFIED PETITION

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Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) respectfully petitions the Indiana Utility Regulatory Commission (“Commission”) for approval and associated cost recovery of a Wind Energy Purchase Agreement between NIPSCO and Roaming Bison Wind, LLC (“Roaming Bison”), which is an affiliate of Apex Clean Energy Holding, LLC, dated January 18, 2019 (“Roaming Bison Wind Energy PPA”). In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission’s Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

**1. NIPSCO’s Corporate Status.** NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86<sup>th</sup> Avenue, Merrillville, Indiana. NIPSCO is a wholly-

owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

2. **NIPSCO's Regulated Status.** NIPSCO is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. NIPSCO is also an "eligible business" as that term is defined in Ind. Code § 8-1-8.8-6. NIPSCO is also an "energy utility" within the meaning of Ind. Code § 8-1-2.5-2 and provides "retail energy service" as that term is defined by Ind. Code § 8-1-2.5-3. NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

3. **NIPSCO's Operation.** NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren and White Counties in northern Indiana. NIPSCO owns, operates, manages and controls electric generating, transmission and distribution plant and equipment and related facilities ("Utility Property"), which are used and useful in the production, transmission, distribution and furnishing of electric energy, heat, light and power to the public. The NIPSCO generating facilities have an installed capacity of 2,825 megawatts ("MW") and consist of six (6) separate

generation sites, including two (2) hydroelectric generating plants. NIPSCO's transmission system, with voltages from 69,000 to 765,000 volts, consists of approximately 2,802 circuit miles. NIPSCO is interconnected with six (6) neighboring electric utilities. Pursuant to the Commission's Order dated September 24, 2003 in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. ("MISO"), a regional transmission organization ("RTO") operated under the authority of FERC, which administers the use of NIPSCO's transmission system and the economic dispatching of NIPSCO's generating units pursuant to MISO's FERC approved tariff provisions. NIPSCO also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

4. **2018 IRP and All-Source RFP.** On October 31, 2018, NIPSCO submitted its 2018 Integrated Resource Plan ("2018 IRP"). The 2018 IRP included a short-term action plan consisting of the actions NIPSCO will take for the period 2019-2021. The short-term plan focuses on initiating the retirement process for all of the coal-fired units at Schahfer and selecting/acquiring replacement projects to fill the capacity gap. In connection with the 2018 IRP, NIPSCO conducted an all-source request for proposals ("All-Source RFP"), which generated a robust response. The responses indicated there are more than enough diverse resources and projects to meet NIPSCO's supply needs in 2023. At least 90 proposals supported by 59 projects were received. Each proposal was evaluated and

scored independently from NIPSCO. The projects scoring the highest were short-listed and proceeded to negotiations of definitive agreements. The Roaming Bison Project was one of those projects. The other two projects, which are the subject of petitions being filed in other dockets, are a purchased power agreement between NIPSCO and Jordan Creek Wind Farm LLC and a Joint Venture (Rosewater Wind Generation LLC).

5. **Roaming Bison Wind Energy PPA.** The Roaming Bison Project is being developed in Montgomery County, Indiana. The Roaming Bison Project has a nameplate capacity of approximately 300 megawatt (“MW”). The Roaming Bison Wind Energy PPA provides NIPSCO with 100% of the electrical output of the Roaming Bison Project, any capacity available during system peak or Unforced Capacity (“UCAP”), and any environmental attributes associated with the project for a term of 20 years beginning at the Commercial Operation Date. The purchase is a bundled product consisting of the wind energy project’s production, capacity, and environmental attributes, and the benefits associated with the environmental attributes in the form of Renewable Energy Credits (“RECs”). The terms and conditions of the Roaming Bison Wind Energy PPA are included in Petitioner’s evidence submitted herewith.

6. **Wind PPA Capacity.** The expected capacity attributable to the Roaming Bison Wind Energy PPA is a reasonable and necessary resource in providing capacity, diversity of supply and maintaining adequate reserve margins for NIPSCO. The

Roaming Bison Wind Energy PPA has been modeled by NIPSCO giving appropriate consideration to alternatives such as conservation, DSM, load management, customer specific contracts, cogeneration, and the purchase of power. NIPSCO submits that the Roaming Bison Wind Energy PPA is a reasonable addition to a portfolio of capacity resources that in the aggregate serve to mitigate risk through diversification and foster an economic mix of capacity resources. Commission approval of the Roaming Bison Wind Energy PPA and associated relief sought herein is in the public interest, will enhance or maintain the reliability and efficiency of service provided by NIPSCO and is otherwise consistent with Ind. Code §§ 8-1-8.8-11 and 8-1-2.5-6. The Roaming Bison Wind Energy PPA fits into NIPSCO's 2018 IRP and is an economic choice for helping meet NIPSCO's Indiana retail electric load.

7. **NIPSCO's Request for Cost Recovery.** The Roaming Bison Wind Energy PPA contains reasonable pricing and terms that are economic over the long-term. NIPSCO requests the Commission approve the Roaming Bison Wind Energy PPA and authorize NIPSCO to recover the Roaming Bison Wind Energy PPA costs throughout the full 20-year term of the agreement via a rate adjustment mechanism in accordance with Ind. Code §§ 8-1-2-42(a) and 8-1-8.8-11. For administrative efficiency and simplicity, NIPSCO proposes the timely cost recovery be administered through NIPSCO's fuel adjustment charge ("FAC") proceedings (or successor mechanism). Although NIPSCO is proposing to have the cost recovery administered through its FAC, this cost recovery

shall not be subject to the Section 42(d)(1) test or any other FAC benchmarks. Rather, NIPSCO requests that the Commission make a definitive finding in this Cause that the Roaming Bison Wind Energy PPA, and associated costs, are reasonable and necessary so that NIPSCO will be authorized to recover those costs over the full term of the Roaming Bison Wind Energy PPA. To the extent necessary for the exceptions to Ind. Code § 8-1-2-42(d), NIPSCO proposes an alternative regulatory procedure under Ind. Code § 8-1-2.5-6 and elects to become subject to such section.

8. **Confidentiality Request.** NIPSCO requests confidential treatment of the Roaming Bison Wind Energy PPA pricing and other negotiated commercial terms and related confidential, proprietary and competitively sensitive information, since that information is properly considered “trade secrets” under Ind. Code § 5-14-3-4(a)(4). A separate motion under 170 IAC 1-1.1-4 is being filed in this Cause to make this request.

9. **Statutory Authority.** NIPSCO considers Ind. Code ch. 8-1-8.8 *et seq.*, Ind. Code § 8-1-2.5-6 and Ind. Code § 8-1-2-42(a), among others, to be applicable to this Cause and provide the basis for Commission approval of this Verified Petition. In particular, NIPSCO’s commitment to the Roaming Bison Wind Energy PPA will develop a clean energy resource under Ind. Code § 8-1-37-4(a)(1), which is therefore a renewable energy resource under Ind. Code § 8-1-8.8-10 and a clean energy project under Ind. Code § 8-1-8.8-2 eligible for timely recovery of costs in accordance with Ind. Code § 8-1-8.8-11.

NIPSCO's cost recovery proposal is also permissible under and consistent with Ind. Code § 8-1-2.5-6 and NIPSCO elects to become subject to Ind. Code § 8-1-2.5-6 to the extent necessary for the Commission to grant the relief sought in this proceeding.

**10. Counsel for NIPSCO.** The names and addresses of persons authorized to accept service of papers in this proceeding are:

**Counsel of Record:**

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11. Request for Prehearing Conference and Preliminary Hearing. In accordance with 170 IAC 1-1.1-15(e), Petitioner has met with the Indiana Office of Utility Consumer Counselor regarding a procedural schedule and proposes the following to satisfy the 120 day schedule provided in Ind. Code § 8-1-8.8-11(d):

Petitioner Filing of Case in Chief	February 1, 2019
OUC and Intervenors Filing of Case in Chief	March 15, 2019
Petitioner's Rebuttal, if any, and Cross Answering, if any	March 29, 2019
Hearing	One full day not conflicting with NIPSCO's Electric Rate Case Proceeding

WHEREFORE, Northern Indiana Public Service Company LLC respectfully requests that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter appropriate orders in this Cause:

- (a) Finding that the Roaming Bison Wind Energy PPA is reasonable and necessary;
- (b) Authorizing NIPSCO to enter into the Roaming Bison Wind Energy PPA and determining the Roaming Bison Project to be an eligible Clean Energy Project for purposes of Ind. Code § 8-1-8.8-11;



- (c) Authorizing the full and certain recovery of the retail jurisdictional portions of the power purchase costs on an accrual basis under the Roaming Bison Wind Energy PPA from retail customers through NIPSCO's fuel adjustment clause proceedings, or successor mechanism, over the entire 20-year term of the agreement;
- (d) Approving confidential treatment of the Roaming Bison Wind Energy PPA pricing and other negotiated commercial terms and related confidential information; and
- (e) Granting to NIPSCO such additional and further relief as may be deemed or appropriate.

Dated this 1<sup>st</sup> day of February, 2019.

Northern Indiana Public Service Company LLC



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Michael Hooper  
Senior Vice President  
Regulatory, Legislative Affairs and Strategy

**Verification**

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated: February 1, 2019.



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Michael Hooper  
Senior Vice President  
Regulatory, Legislative Affairs and Strategy

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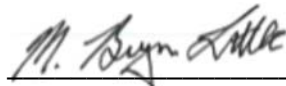
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**CERTIFICATE OF SERVICE**

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

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Dated this 1<sup>st</sup> day of February, 2019.



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