

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN )  
INDIANA PUBLIC SERVICE COMPANY LLC )  
FOR APPROVAL OF RIDER 889 – EXCESS ) CAUSE NO.  
DISTRIBUTED GENERATION RIDER FOR )  
THE PROCUREMENT OF EXCESS )  
DISTRIBUTED GENERATION PURSUANT )  
TO IND. CODE CH. 8-1-40. )

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VERIFIED PETITION

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Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) petitions the Indiana Utility Regulatory Commission (“Commission”) for approval of Rider 889 – Excess Distributed Generation Rider (“EDG Rider”) for the procurement of excess distributed generation pursuant to Ind. Code ch. 8-1-40 (the “Statute”). 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.

**Petitioner’s Corporate Status**

1. Petitioner is a limited liability company existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. Petitioner renders electric and gas public utility service in the State of Indiana and owns, operates, manages and controls, among

other things, plant and equipment within the State of Indiana used for the generation, transmission, distribution and furnishing of such service to the public. Petitioner is a wholly-owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

### **Petitioner's Regulated Status**

2. Petitioner is a "public utility" within the meaning of Ind. Code §§ 8-1-39-4 and 8-1-2-1 and is an "energy utility" providing "retail energy service" within the meaning of Ind. Code §§ 8-1-2.5-2 and 3. Petitioner 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.

### **Petitioner's Operations**

3. Petitioner 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. Petitioner provides electric utility service to approximately 476,000 customers. Petitioner owns, operates, manages and controls plant and equipment within the State of Indiana that is in service and used and useful in the generation, transmission, distribution and furnishing of such service to the public. Petitioner

has maintained and continues to maintain its properties in a reliable state of operating conditions.

### **Background**

4. The Statute establishes the regime under which Petitioner procures electricity supplied by customers with qualifying distributed generation resources and offsets the cost of the electricity supplied to such customers. Section 10 of the Statute requires that an electricity supplier's net metering tariff remain available until the earlier of the following: "(1) January 1 of the first calendar year after the calendar year in which the aggregate amount of net metering facility nameplate capacity under the electricity supplier's net metering tariff equals at least one and on-half percent (1.5%) of the most recent summer peak load of the electricity supplier [or] (2) July 1, 2022." Section 12 of the Statute requires the reservation of 40% of the capacity for participation by residential customers, and 15% of the capacity for participation by biomass customers, and the remaining 45% for all other customers with eligible distributed generation.

5. As of January 1, 2021, the aggregate amount of net metering facility nameplate capacity under Petitioner's net metering tariff exceeds 1.5% of its most recent summer peak load (the statutory threshold). As of January 31, 2021, Petitioner has not exceeded the 40% capacity reservation for participation by

residential customers, or the 15% capacity reservation for participation by biomass customers (the capacity threshold). Petitioner has exceeded the remaining 45% capacity for participation by all other customers with eligible distributed generation. Since Petitioner has reached the statutory threshold but not the capacity threshold for residential and/or biomass capacity, Petitioner will continue to accept applications and connect installations for residential and biomass customers until January 1 of the year following the capacity threshold being reached or July 1, 2022, whichever comes first.

6. Pursuant to Section 12 of the Statute and 170 IAC 4-4.2-4(b), Petitioner has sole discretion regarding the availability of net metering capacity in excess of 1.5% of its summer peak load. Pursuant to Section 11 of the Statute, in no event can net metering be made available by Petitioner after June 30, 2022. Although Petitioner will continue accepting applications under the Net Metering Rider while the EDG Rider is pending approval and will honor all applications that are approved by December 31, 2021,<sup>1</sup> NIPSCO does not anticipate the remaining capacity for residential and biomass customers will be exhausted before July 1, 2022.<sup>2</sup> As a result, in accordance with Sections 10 and 16 of the Statute,

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<sup>1</sup> Consistent with Section 10 of the Statute.

<sup>2</sup> The current levels of participation in the three customer categories is provided in accompanying testimony.

Petitioner is requesting approval of its EDG Rider to establish a rate for the procurement of excess distributed generation.<sup>3</sup>

7. The procedure under which public utilities may request a rate for the procurement of excess distributed generation by the electricity supplier (as defined in Section 4 of the Statute) is governed by Section 16 of the Statute and requires Petitioner to petition the Commission for approval of such rate.

8. Petitioner's proposed EDG Rider establishes a rate for the procurement of excess distributed generation that is consistent with Section 17 of the Statute, which states in part that the Commission shall review a petition filed under Section 16 of the Statute and, after notice and public hearing:

. . . approve a rate to be credited to participating customers by the electricity supplier for excess distributed generation if the commission finds that the rate requested by the electricity supplier was accurately calculated and equals the product of: (1) the average marginal price of electricity paid by the electricity supplier during the most recent calendar year; multiplied by (2) one and twenty-five hundredths (1.25).

9. Pursuant to Section 18 of the Statute, compensation to the EDG Rider

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<sup>3</sup> This EDG Rider and the applicable rate are being proposed for implementation effective January 1, 2022 with respect to all customers, other than biomass or residential customers. As noted above, NIPSCO will continue to offer net metering to biomass and residential customers until the earlier of January 1 of the year following which the capacity threshold is reached, or July 1, 2022.

customer shall take the form of credit on the customer's monthly bill and any excess credit shall be carried forward and applied against future charges to the customer for as long as the customer receives electric service from the electricity supplier at the premises.

### **Relief Sought by Petitioner**

10. In accordance with the Statute, Petitioner requests Commission approval of its EDG Rider for the procurement of excess distributed generation.

### **Summary of Petitioner's EDG Rider**

11. Section 5 of the Statute defines "excess distributed generation" as "the difference between: (1) the electricity that is supplied by an electricity supplier to a customer that produces distributed generation; and (2) the electricity that is supplied back to the electricity supplier by the customer." Under the EDG Rider, Petitioner will measure the generation by measuring the inflow and outflow of energy as measured by the utility meter.<sup>4</sup> The resulting kWh that is measured during the monthly billing cycle for both inflow and outflow channels will be totaled, and the difference will be utilized at the end of monthly billing cycle to

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<sup>4</sup> The utility meter for EDG customers will have two channels (1) a channel labeled inflow that measures the consumption being used by the customer over the amount of generation being produced by the customer; and (2) a channel labeled outflow that measures the generation above the consumption from the customer. This is the same method of measurement NIPSCO currently uses for customers under the Net Metering Rider.

calculate the amount of energy in kWh to bill under the customer's standard tariff rate. If there is a greater amount of outflow over the monthly billing cycle than inflow during the monthly billing cycle, then there is no energy to be billed under the standard tariff rate, and the difference between the inflow and outflow as measured in kWh will be carried forward as a dollar credit value to be applied to energy consumption charged in future months.

12. The EDG Rider will be updated annually by March 1, to be effective April 1, via a compliance filing, as required by Section 16 of the Statute.

13. NIPSCO will continue to offer its Net Metering Rider to customers based on the capacity availability of the category. For non-reserved capacity, NIPSCO will continue accepting applications while the EDG Rider is pending approval and will honor applications approved by December 31, 2021. For residential or biomass capacity, NIPSCO will continue to offer the Net Metering Rider until January 1 of the year following the capacity threshold being reached or July 1, 2022, whichever is earlier. Assuming NIPSCO has an approved EDG Rider at that time, new qualifying residential and biomass applicants will then participate under the EDG Rider. If the threshold is met for either of those categories before NIPSCO has an approved EDG Rider, which is not expected, NIPSCO will treat residential and biomass applicants in a similar fashion to the

non-reserved applicants. NIPSCO will also continue to keep its customers updated about the status of residential and biomass capacity, including if it appears the applicable threshold for either category will be met before July 1, 2022.

### **Applicable Law**

14. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code ch. 8-1-40, among others, and 170 IAC 4-4.2 *et seq.* to be applicable to the subject matter of this Petition and believes that such statutes and regulations provide the Commission authority to approve the requested relief.

### **Petitioner's Counsel**

15. The names and addresses of persons authorized to accept service of papers in this proceeding are:

#### **Counsel of Record:**

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**Procedural Schedule**

16. Petitioner requests the Commission promptly conduct a prehearing conference to establish a procedural schedule in this Cause.

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) Approving a rate for the procurement of excess distributed generation, in accordance with Ind. Code § 8-1-40-16 and Ind. Code § 8-1-40-17;

(b) Approving Petitioner's proposed Rider 889 – Excess Distributed Generation Rider;

(c) Approving Petitioner's proposed revisions to other changes to its IURC Electric Service Tariff, Original Volume No. 14, necessary to incorporate the EDG Rider into the Electric Tariff;

(d) Granting to Petitioner such additional and further relief as may be deemed necessary or appropriate.

Dated this 1<sup>st</sup> day of March, 2021.

Northern Indiana Public Service Company LLC



Erin E. Whitehead  
Vice President, Regulatory and Major Accounts

**Verification**

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

Dated: March 1, 2021.



Erin E. Whitehead  
Vice President, Regulatory and Major Accounts

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon William Fine, Indiana Office of Utility Consumer Counselor, 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana 46204 ([wfine@oucc.in.gov](mailto:wfine@oucc.in.gov), [infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)) with a courtesy copy provided to Anthony Alvarez, April Paronish, and John Haselden ([aalvarez@oucc.in.gov](mailto:aalvarez@oucc.in.gov), [aparonish@oucc.in.gov](mailto:aparonish@oucc.in.gov), [jhaselden@oucc.in.gov](mailto:jhaselden@oucc.in.gov)). A courtesy copy has also been provided by email transmission upon the following:

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Dated this 1<sup>st</sup> day of March, 2021.

  
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Bryan M. Likins