

Northern Indiana Public Service Company LLC

Updated Pre-Qualification Filing

February 9, 2022



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1. Introduction and overview

Northern Indiana Public Service Company LLC (NIPSCO) submits the following information to the PJM Office of Interconnection. This document addresses the pre-qualification criteria in accordance with section 1.5.8(a) of Schedule 6 of the PJM Amended and Restated Operating Agreement for NIPSCO to qualify in respect to future projects within PJM.

NIPSCO is a subsidiary of NiSource, Inc., a company with headquarters located in Merrillville, IN.

NIPSCO is Indiana's second-largest distributor of electricity. Between its gas and electric business, NIPSCO serves more than one million customers across the northern third of the state. Our electric business provides safe, reliable and affordable supplies of energy to more than 479,000 customers in 20 counties in northern Indiana. Our electric operations include power generation, transmission and local distribution, as well as wholesale and electric transmission transactions. Our electric supply portfolio currently includes both traditional and renewable generation sources, including natural gas, hydroelectric, wind, and coal generated supplies, providing a total system operating net capability of approximately 2,700 megawatts. NIPSCO owns and operates \$1.83 billion in transmission assets as of the end of 2021.

NIPSCO's transmission system includes:

- 22 miles of 765 kV transmission lines,
- 453 miles of 345 kV transmission lines,
- 810 miles of 138 kV transmission lines, and
- 1,679 miles of 69 kV transmission lines.

NIPSCO has held the PJM pre-qualified Designated Entity status since October 2013.

2. Point of contact

Name and address of the entity including point of contact.

Northern Indiana Public Service Company LLC 801 East 86th Avenue Merrillville, Indiana 46410

Ronald Talbot Sr VP Electric Operations <u>rtalbot@nisource.com</u> 219-647-5735



Eric Belle VP Engineering & Standards <u>etbelle@nisource.com</u> 419-408-0255

David Austin Director Transmission daustin@nisource.com 219-647-5033

3. Technical and engineering qualifications Technical and engineering qualifications of the entity or its affiliate, partner, or parent company.

NIPSCO is qualified in the areas of planning, designing, constructing, operating, maintaining and repairing of electric transmission facilities. NIPSCO is a regulated public utility that has been in existence for over 100 years. NIPSCO has internal expertise in the areas of: transmission planning, regulatory, transmission and substation engineering and design, line routing and siting, environmental, Right-of-Way acquisition, vegetation management, communications and control, system protection, relay and control, transmission operations, distribution operations, procurement, construction, contractor oversight, project management, NERC compliance, health and safety, constructing, operating and maintaining its transmission system. Functions performed include planning, designing, constructing, operating, maintaining and repairing of transmission facilities. In addition, NIPSCO excels in public outreach, working with our communities and customer relations. To support internal resources during peak periods and when specialized expertise is needed, NIPSCO has standing contracts with national and local engineering and construction companies for various facets of new and existing projects.

Also, NIPSCO has internal resources and equipment and standing contracts with several firms for manpower and equipment to support system restorations within its territory and aid in neighboring utility restorations. In addition, NIPSCO provides restoration assistance to distant utilities when needed.

NIPSCO is also a NERC registered transmission owner/operator with a 24 hour transmission operations control center. All transmission operators are NERC certified. NIPSCO is also a NERC registered generation owner/operator with a 24 hour generation operations control center. NIPSCO also has a 24 hour distribution operations control center for its distribution system.

NIPSCO maintains a large amount of spare equipment in order to respond to emergency situations. In addition, NIPSCO is a participant in the EEI spare transformer sharing group.



4. Construction, maintenance and operations experience Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities. Including a list or other evidence of transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside of the PJM Region.

NIPSCO has planned, engineered, constructed, operated and maintained new and existing overhead and underground transmission systems and distribution systems for over 100 years. NIPSCO owns, operates and maintains over 2,900 miles of transmission level circuits operating at 69 kV, 138 kV, 345kV, and 765kV. NIPSCO also owns, operates and maintains 61 transmission substations with operating voltage of 138 kV and above.

From 2014 through 2020, as part of its Electric TDSIC plan approved by the IURC, NIPSCO completed transmission capital projects of different complexity and scope totaling over \$300 million. The new projects include new transmission lines, rebuilding/upgrading existing transmission lines, overhead and underground transmission lines, new substations, and upgrades/modifications to existing substations. A full list of transmission facilities is listed in the FERC FORM 1 filing for NIPSCO.

NIPSCO has implemented approximately \$570 million in MISO/FERC approved MTEP transmission projects in the NIPSCO territory. Recent notable projects include:

Reynolds-Burr Oak-Hiple 345 kV Multi-Value Project – an approximately 100 mile high capacity 345 kV transmission line that included substation upgrades at Reynolds, Burr Oak and Hiple substations. The project went into service in June of 2018.

Reynolds – Greentown 765 kV Multi-Value Project – NIPSCO was part of a shared services project for the construction of a 66 mile 765 kV transmission line including upgrades at NIPSCO's Reynolds substation. The project went into service in June of 2018.

Between 2021 and 2026, NIPSCO has an additional 120 transmission projects planned totaling improvements of over \$500 million. NIPSCO is also in the process of performing a project designated as Market Efficiency Projects (MEPs) by MISO and PJM. This project, which includes 10 miles of 138kV rebuild, totals roughly \$21 million in expected capital investment, all in service prior to the end of 2022.

5. Previous construction, maintenance and operations practices Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.



NIPSCO designs all of its transmission facilities in accordance with its transmission standards. These standards incorporate industry best practices which are based on applicable ASCE, ASTM, ANSI, NERC, NESC and IEEE standards.

NIPSCO maintains and operates its transmission facilities in accordance with Good Utility Practice, NERC Standards and MISO requirements.

NIPSCO also has a dedicated compliance department that oversees NIPSCO's NERC compliance program to ensure that it is fully compliant with applicable NERC standards and requirements.

 Capability of construction, maintenance and operations practice
Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices.

As stated in section 5, for over 100 years has NIPSCO adhered to all applicable design, construction, operating codes, standards, regulations, laws and guidelines.

7. Financial statements

Financial statements of the entity or its affiliate, partner, or parent company. Please provide the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection.

The following are links to the audited financial statements of NiSource, Inc., the parent company of NIPSCO, for the most recent quarter, as well as the last three years.

https://www.sec.gov/Archives/edgar/data/0001111711/000111171121000036/nix-20210930.htm

https://www.sec.gov/Archives/edgar/data/0001111711/000111171121000010/nix-20201231.htm

https://www.sec.gov/Archives/edgar/data/0001111711/000111171120000013/ni-20191231x10k.htm

https://www.sec.gov/Archives/edgar/data/0001111711/000111171119000008/ni-20181231x10k.htm



In addition, NIPSCO's financial statements for the last three years were transmitted along with this submission.

 Consolidated Transmission Owners Agreement
Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity.

NIPSCO agrees to execute the Consolidated Transmission Owners Agreement if NIPSCO becomes a Designated Entity then constructs and owns the facility for which it was designated.

Address and timely remedy failure of facilities
Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities.

NIPSCO is prepared to address all system emergencies at all times. NIPSCO has robust storm response procedures in place with the goal of restoring the transmission system to normal in a safe and expeditious manner. This procedure begins with NIPSCO's 24-hour control center providing the initial real time response to transmission line outages. Dispatch Operations, Field Operations and Flight Operations provide a coordinated timely response to identifying, correcting and repairing system problems.

NIPSCO maintains a large amount of spare equipment in order to respond to emergency situations. In addition, NIPSCO is a participant in the EEI spare transformer sharing group.

NIPSCO is a member of both the Great Lakes and the Midwest Mutual Assistance Groups. NIPSCO utilizes a number of qualified construction contractor companies on an as-needed basis.

10. Right of way experience

Description of the experience of the entity in acquiring rights of way.

NIPSCO's right of way acquisitions are managed by its Survey and Land Department. The NIPSCO Survey and Land Department has significant professional experience in the areas of utility real property rights. Department responsibilities include the acquisition and sale of fee properties, acquiring distribution and transmission easements, grants, leasing, encroachment administration, document management, and railroad permitting. The Department supplements its staffing when required through the use of contracted professionals in the real estate field.



NIPSCO has approximately 21,500 electric line related easements; 1,500 grants to outside parties NIPSCO as Grantor; 130 miles of fee owned right of way; two hydroelectric sites; and 3,500 acres of generating station property. NIPSCO has also partnered with more than 300 land owners on electric renewable assets. The department also acquires all properties necessary for substations and other related real estate interests as necessary.

NIPSCO's organization also includes legal counsel specifically trained and experienced in real property laws.