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**VERIFIED DIRECT TESTIMONY OF ROBERT C. SEARS**

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1 **INTRODUCTION**

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

3 A1. My name is Robert C. Sears. My business address is 150 West Market Street,  
4 Suite 600, Indianapolis, Indiana 46204. My position is Director of  
5 Regulatory Policy and Demand Side Management for Northern Indiana  
6 Public Service Company ("NIPSCO" or the "Company").

7 **Q2. Please summarize your employment and educational background.**

8 A2. I earned a Bachelor of Science degree in electrical engineering technology  
9 from the University of Southern Indiana in 1986. I have served in the role  
10 of Director of Regulatory Policy since August 2020 and the Director of  
11 Demand Side Management since October 2020. Prior to that time, I was  
12 employed by Vectren Utility Holdings, Inc. ("Vectren") or its predecessor  
13 companies since 1987 in a variety of positions, including Vice President of  
14 Energy Solutions and Planning (with the primary responsibility for the  
15 overall planning and operation of emerging technology, DSM and  
16 conservation programs, market research, resource planning and economic  
17 development activities), Director of Conservation (responsible for

1 managing all aspects of gas and electric demand side management and  
2 energy efficiency programs for three regulated utilities, Director of Revenue  
3 Administration (with responsibility for the management of all aspects of  
4 revenue cycle operations), Director of Customer Service (with  
5 responsibility for customer service, billing and customer systems support  
6 for utility operations).

7 **Q3. What are your responsibilities as Director of Regulatory Policy and**  
8 **Demand Side Management?**

9 A3. As Director of Regulatory Policy and Demand Side Management, I am  
10 responsible for working internally and with key external regulatory  
11 stakeholders on gas and electric regulatory policies, initiatives and other  
12 key issues for NIPSCO. I am also responsible for overseeing the design,  
13 implementation and day-to-day responsibilities of NIPSCO's demand side  
14 management, and energy efficiency programs.

15 **Q4. Have you previously testified before the Indiana Utility Regulatory**  
16 **Commission ("Commission") or any other regulatory commission?**

17 A4. Yes. I have testified before the Commission multiple times, including in  
18 NIPSCO's most recent gas rate case in Cause No. 45967. I also submitted

1 testimony before the Commission in support of NIPSCO's requests for (1)  
2 approval of a gas TDSIC Plan currently pending in Cause No. 46342, (2)  
3 approval of a demand response program in Cause No. 46284, (3) approval  
4 of expenditures for improvements to its information technology systems  
5 through the design, development, and implementation of a new Work and  
6 Asset Management program in Cause No. 46025, (4) a Certificate of Public  
7 Convenience and Necessity to construct a natural gas combustion turbine  
8 peaker plant in Cause No. 45947, (5) approval of the Green Path Rider pilot  
9 program in Cause No. 45730, (6) approval of Rider 889 – Excess Distributed  
10 Generation Rider in Cause No. 45505, (7) approval of gas demand side  
11 management and energy efficiency programs in Cause No. 45455, and (8)  
12 NIPSCO's electric DSM adjustment filing in Cause No. 43618-DSM-17.

13 **Q5. What is the purpose of your direct testimony in this proceeding?**

14 A5. The purpose of my direct testimony is to: (1) provide a general description  
15 of the natural gas meter index issue underlying this investigation, inclusive  
16 of a discussion of the magnitude of the issue and a brief history of how the  
17 issue was discovered; (2) provide a general overview of NIPSCO's  
18 communications with impacted customers; (3) describe refunds provided  
19 to impacted customers; and (4) briefly explain NIPSCO's rates and revenues

1 in the context of this investigation.

2 **Q6. Are any other witnesses testifying on behalf of NIPSCO in this**  
3 **proceeding?**

4 A6. Yes. The following witnesses are also testifying on behalf of NIPSCO in this  
5 proceeding:

- 6 • John M. Sabotnik, Director of Major Projects, (1) provides  
7 background information regarding NIPSCO's standard gas meter  
8 inspection protocol, and the potential reasons why the gas meter  
9 index issue underlying this investigation was not discovered during  
10 NIPSCO's standard periodic testing; (2) provides an overview of  
11 how the gas meter index issue was discovered during the course of  
12 NIPSCO's gas AMI Update Project (the "AMI Project"), along with a  
13 description of the issue itself; and (3) describes the remediation  
14 process undertaken by NIPSCO after the discovery of the gas meter  
15 index issue.
- 16 • Christopher G. Cubenas, Director of Regulatory, addresses  
17 NIPSCO's rates and revenues in the context of this investigation.

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

19 A7. Yes. I am sponsoring the following attachments, all of which were prepared  
20 or assembled by me or under my direction and supervision:

Attachment 1-A	Presentation NIPSCO made to the Commission on November 19, 2025
Attachment 1-B	Presentation NIPSCO made to the Indiana Office of Utility Consumer Counselor ("OUCC") on December 17, 2025

Attachment 1-C	Sample communication to customers with installed Advanced Metering Infrastructure ("AMI") communications modules
Attachment 1-D	Printout of the NIPSCO webpage where customers can find more information about the meter index issue
Attachment 1-E	Sample communication to customers who were overbilled because of the meter index issue
Attachment 1-F	Sample communication to customers who were underbilled because of the meter index issue
Attachment 1-G	Sample communication to customers without installed AMI communications modules
Attachment 1-H	Rule 9.3 of NIPSCO's Commission-approved General Rules and Regulations Applicable to Gas Service

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2 **BACKGROUND OF COMMISSION INVESTIGATION**

3 **Q8. What issue with NIPSCO's natural gas customer meters led to this**  
4 **investigation?**

5 A8. In connection with installing AMI communications devices as approved in  
6 the Commission's Final Order in NIPSCO's last base rate case, Cause No.  
7 45967 (July 31, 2024), NIPSCO discovered a preexisting condition with less  
8 than 1% of NIPSCO customer gas meters. As more fully described by  
9 NIPSCO Witness Sabotnik, the mechanical meter indexes in the impacted  
10 meters were not rotating at the correct drive rate, causing the recorded gas  
11 usage to be higher or lower than the actual volume of gas delivered. Mr.  
12 Sabotnik also provides an overview of how the gas meter index issue was

1 discovered during the course of NIPSCO's AMI Project roll out. Following  
2 discovery of the gas meter index issue, NIPSCO issued refunds in  
3 accordance with Commission rules to those impacted customers and  
4 prepared a special group in the call center to respond to inquiries from  
5 impacted customers. Once NIPSCO confirmed the issue existed and better  
6 understood the potential breadth of the issue, NIPSCO met with the  
7 Commission on November 19, 2025 and disclosed and discussed the gas  
8 meter index issue. NIPSCO did so to ensure the Commission's Consumer  
9 Affairs Division ("CAD") was aware of the situation and how NIPSCO was  
10 addressing the issue.

11 **Q9. What natural gas meters were impacted by the meter index issue?**

12 A9. The natural gas meters impacted by the meter index issue are NIPSCO's  
13 legacy mechanical gas meters installed on NIPSCO customers' premises.  
14 These meters were previously retrofitted with automated meter reading  
15 ("AMR") modules that allowed for drive-by meter reading. As discussed in  
16 greater detail by Mr. Sabotnik, legacy meters are currently in the process of  
17 having AMI communications modules installed to replace the AMR  
18 communications modules.

1 **Q10. Does NIPSCO know the origin of the meter index issue that is the subject**  
2 **of this investigation?**

3 A10. No. While NIPSCO knows that the meter index issue occurs when a  
4 mechanical gas meter records gas usage incorrectly due to an improper  
5 configuration of the meter's drive rate, there is no way for NIPSCO to  
6 determine how or when the issue arose—whether at the time of  
7 manufacture, installation, or some unknown other time(s). As explained in  
8 greater detail by Mr. Sabotnik, the meter index issue was discovered during  
9 NIPSCO's installation of AMI communications modules on its legacy gas  
10 meters, but the issue was not caused by or related to the AMI technology  
11 itself. Mr. Sabotnik provides detailed testimony about technical aspects of  
12 both the meter index issue and NIPSCO's AMI technology rollout.

13 **Q11. You mentioned that NIPSCO disclosed the gas meter index issue to the**  
14 **Commission prior to the November 26, 2025 Order initiating this**  
15 **investigation. Please describe the process of scheduling that meeting.**

16 A11. On September 17, 2025, Erin Whitehead, NIPSCO Vice President,  
17 Regulatory and Major Accounts, informed the Commission's Chief of Staff,  
18 Stephanie Hodgkin, about the meter index issue. Ms. Hodgkin indicated that  
19 she would take the information and discuss internally to determine if a

1 broader meeting was needed at the Commission. Ms. Hodgins and Ms.  
2 Whitehead continued to discuss the issue for several weeks, and a broader  
3 meeting with NIPSCO's subject matter experts was requested. That  
4 meeting was originally scheduled for October 21; however, the  
5 Commission needed to reschedule the meeting due to a conflict. The  
6 meeting was then rescheduled to November 12; however, NIPSCO then  
7 had a conflict and asked to reschedule the meeting. The meeting was  
8 ultimately scheduled for and held on November 19, 2025.

9 **Q12. Did you attend the November 19, 2025 meeting with the Commission?**

10 A12. Yes. On November 19, 2025, a team of NIPSCO staff (including me, subject  
11 matter experts, and attorneys) met with the Commission staff and attorneys  
12 to discuss and respond to questions about the gas meter index issue and the  
13 actions NIPSCO was taking to address the issue. NIPSCO's presentation  
14 from the November 19 meeting is attached as Attachment 1-A.

15 **Q13. Why did NIPSCO meet with the Commission to discuss the gas meter**  
16 **index issue?**

17 A13. As I mentioned above, NIPSCO requested to meet with the Commission  
18 about this matter to proactively inform the Commission about the issue and

1 to discuss actions NIPSCO had already taken and NIPSCO's continuing  
2 plans to address the issue. Specifically, NIPSCO wanted to ensure that the  
3 Commission's CAD was aware that NIPSCO had encountered this issue in  
4 less than 1% of gas meters when it installed the AMI communications  
5 modules and that the CAD knew how the issue was being resolved.  
6 NIPSCO also wanted to make sure that the Commission's CAD understood  
7 that the issue was not in any way caused by the AMI installation, but  
8 instead, was only discovered as a result of the installation of AMI.

9 **Q14. Did NIPSCO inform the Indiana Office of Utility Consumer Counselor**  
10 **("OUCC") of the gas meter index issue?**

11 A14. Yes. Shortly after the issuance of the Commission's order initiating this  
12 investigation, NIPSCO reached out to the OUCC to discuss the gas meter  
13 index issue. On December 17, 2025, NIPSCO met with the OUCC to inform  
14 them about and discuss the gas meter index issue and respond to questions.  
15 NIPSCO's presentation from this meeting (which is essentially identical to  
16 the Commission presentation) is attached as Attachment 1-B.

17 **GAS METER INDEX ISSUE**

18 **Q15. When did NIPSCO first identify the meter index issue?**

19 A15. As further discussed by Mr. Sabotnik, NIPSCO determined there was an

1 issue in approximately late October 2024 during the installation of AMI  
2 communications modules on customer gas meters.

3 **Q16. Does NIPSCO know the date when the meter index issue was first**  
4 **discovered?**

5 A16. No. As described in greater detail by Mr. Sabotnik, since less than 1% of  
6 gas meters were impacted, the meter index issue became apparent over a  
7 period of weeks, not on a specific date. As I discuss in greater detail below,  
8 as AMI communications modules were installed on individual NIPSCO  
9 customer gas meters as part of the AMI Project, NIPSCO began to discover  
10 that, for less than 1% of gas meters, the previously installed mechanical  
11 meter register was not configured to the correct drive rate. At first, NIPSCO  
12 thought the issue might be confined to a specific neighborhood or area, but  
13 over time NIPSCO determined that was not the case.

14 **Q17. Please provide a general background of NIPSCO's AMI Project.**

15 A17. The AMI Project was approved by the Commission in NIPSCO's most  
16 recent base rate case (Cause No. 45967). Through the AMI Project, NIPSCO  
17 is replacing AMR communications modules on all gas meters with new  
18 advanced AMI communications modules that enable two-way

1 communication with the gas meter. In other words, NIPSCO is replacing  
2 AMR (drive-by technology) modules with AMI (remote radio-based  
3 technology) modules. Deployment of the AMI modules on gas meters  
4 began mid-2024.

5 **Q18. How many NIPSCO customers have been impacted by the gas meter**  
6 **index issue?**

7 A18. As of February 28, 2026, out of the 553,000 total AMI communications  
8 modules deployed, NIPSCO has identified less than 1% of its customers  
9 that have been impacted by the gas meter index issue.

10 **Q19. Does NIPSCO anticipate any ongoing meter index issue after the AMI**  
11 **Project is completed?**

12 A19. No. As described further by Mr. Sabotnik, installation of AMI  
13 communications modules corrects the gas meter index issue.

14 **CUSTOMER COMMUNICATIONS**

15 **Q20. How has NIPSCO communicated with its customers about the gas meter**  
16 **index issue?**

17 A20. With the advantage of hindsight, NIPSCO's communications immediately  
18 after discovery of the gas meter index issue could have been more proactive

1           and more detailed. At the time, we were focused on avoiding customer  
2           confusion that could have occurred if we communicated with all of our  
3           customers about this issue prematurely. Had NIPSCO known that the gas  
4           meter index issue was a problem that was not confined to a particular  
5           neighborhood or area sooner, communications could have been deployed  
6           to all customers. With that said, the NIPSCO customer communications  
7           team developed a communications plan, through a series of emails and  
8           letters, to explain the gas meter index issue, any related billing issues, how  
9           any related billing issues are being addressed, and to provide assurance  
10          that the AMI technology did not cause the meter index issue but rather was  
11          instrumental in identifying the meter index issue.<sup>1</sup>

12   **Q21. What communications were used for customers that were impacted by**  
13    **the gas meter index issue prior to development of the communications**  
14    **plan?**

15    A21. NIPSCO initially developed talking points and provided training for its  
16          Customer Service Representatives (“CSRs”) to assist in responding to  
17          customers that called about this issue, including questions about bill

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<sup>1</sup> NIPSCO provided copies of these communications to the OUCC and CAD and offered an opportunity to provide feedback before issuing them to customers.

1 refunds or higher bills received once a customer's meter index was  
2 corrected. The information and frequently asked questions about the meter  
3 index issue, which NIPSCO added to its website, is attached as Attachment  
4 1-D.<sup>2</sup>

5 **Q22. Did NIPSCO develop any communications for customers that were not**  
6 **impacted by the gas meter index issue prior to development of the**  
7 **communications plan?**

8 A22. No. NIPSCO's goal was to communicate about the meter index issue in a  
9 measured way that was also proportionate to the limited number of  
10 impacted customers. At that time, since the breadth of the customer impact  
11 was still being investigated, NIPSCO's customer communications team was  
12 most concerned about customers that were impacted by the meter index  
13 issue and receiving a higher bill.

14 **Q23. Do you believe that NIPSCO's communications strategy was and is**  
15 **reasonable?**

16 A23. Yes. I believe that NIPSCO's enhanced, multi-pronged communications  
17 strategy effectively provides needed information to impacted customers,

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<sup>2</sup> <https://www.nipSCO.com/meterinfo>.

1           reassures non-impacted customers, and educates all customers about the  
2           meter index issue.

3   **Q24. Please describe the various customer communications included in the**  
4   **communications plan.**

5   A24. NIPSCO developed several types of written customer communications  
6           about the meter index issue, including (1) communications to customers  
7           known to be impacted by the meter index issue; (2) communications to  
8           customers known to not be impacted by the meter index issue; and (3)  
9           communications to customers whose meters have not yet had AMI  
10          communications modules installed and whose meter index status is  
11          therefore currently unknown. The written customer communications are  
12          sent by U.S. Mail and via email (if an email has been provided by the  
13          customer).

14   **Q25. Please describe the communications to customers known to be impacted**  
15   **by the meter index issue.**

16   A25. The written communications to customers that have AMI communications  
17          installed and are known to be impacted by the meter index issue are specific  
18          to the customer's individual situation (i.e., whether they have been

1           overbilled or underbilled).

2           Communications to customers who were overbilled because of the meter  
3           index issue inform the customer that the meter index issue has been  
4           resolved, that the customer's meter is now accurately reading gas usage,  
5           and that a refund has been issued to the customer's account. A sample of  
6           this communication is attached as Attachment 1-E.

7           Communications to customers who were underbilled because of the meter  
8           index issue inform the customer that the meter index issue has been  
9           resolved, that the customer's meter is now accurately reading gas usage;  
10          and that the customer will not be back-billed for the period of time when  
11          the customer was underbilled. The communications explain that the  
12          customer's meter index was previously reading at half the actual usage,  
13          and, therefore, the customer may see the usage portion of their gas bill  
14          increase or possibly double what had previously been recorded. A sample  
15          of this communication is attached as Attachment 1-F.

16   **Q26. Please describe the communications to customers with AMI**  
17   **communications modules installed but that are not impacted by the**  
18   **meter index issue.**

1 A26. Communications to customers that have AMI communications modules  
2 installed but that are not impacted by the meter index issue, explain the  
3 meter index issue and emphasize that the issue was not caused by or related  
4 to the installation of an AMI communications module. The  
5 communications to these customers provide a link to NIPSCO's website  
6 that includes information and frequently asked questions about the meter  
7 index issue. A sample of this communication is attached as Attachment 1-  
8 C. As noted above, Attachment 1-D is a printout of the webpage where  
9 customers can find additional information about the meter index issue.

10 **Q27. Please describe the communications to customers whose meters have not**  
11 **yet had AMI communications modules installed and whose meter index**  
12 **status is therefore currently unknown.**

13 A27. Communications to customers whose meters have not yet had AMI  
14 communications modules installed and whose meter index status is  
15 currently unknown explain that the AMI communications modules have  
16 not yet been installed on the customer's meter, noting that NIPSCO will be  
17 able to identify if the meter index issue exists once that installation occurs  
18 and that NIPSCO will notify the customer if its meter is impacted by the  
19 meter index issue. A sample of this type of communication is attached as

1        Attachment 1-G.

2        **Q28. All of the communications you have described include an explanation**  
3        **that the meter index issue was not caused by or related to the installation**  
4        **of an AMI communications module. Why is it important to include this**  
5        **information in every communication to customers?**

6        A28. It is important to educate NIPSCO customers about AMI technology  
7        because it provides many benefits for NIPSCO and its customers. For  
8        example, AMI facilitates more accurate customer billing and faster  
9        detection of technical issues, reduces the need for technicians to inspect  
10       customer meters in person, enhances outage management, and gives  
11       customers better insight into their gas usage. Given that the meter index  
12       issue was discovered during the installation of AMI communications  
13       modules, NIPSCO is concerned that, without clear communication on this  
14       matter, some customers may mistakenly believe the AMI technology  
15       caused or can cause the meter index issue and opt out of AMI by having the  
16       communication portion of the module turned off. NIPSCO is hopeful that  
17       educating customers on AMI technology will reduce the number of  
18       unnecessary opt-outs.

1 **Q29. Did NIPSCO share a draft of its communications plan with the CAD and**  
2 **the OUCC?**

3 A29. Yes. NIPSCO shared its draft communications plan with the Commission's  
4 CAD and the OUCC on February 11, 2026, seeking questions, comments  
5 and/or concerns prior to sending the communications.

6 **Q30. Did NIPSCO receive any feedback from the CAD and the OUCC on the**  
7 **draft communications plan?**

8 A30. Yes. Based on the general feedback received from the Commission's  
9 General Counsel on behalf of CAD, NIPSCO revised its draft  
10 communications plan to provide the same general information about the  
11 meter index issue in all written customer communications and to clarify  
12 information provided to impacted customers about correction of the issue  
13 and refunds, if applicable.

14 **REFUNDS AND BILLING RESOLUTION**

15 **Q31. What billing adjustment has NIPSCO provided to customers impacted**  
16 **by the meter index issue?**

17 A31. Any customer billed for more than their actual usage because of the meter  
18 index issue has received the maximum billing adjustment of 12 months of  
19 the overbilled amount from the date that customer's meter index issue was

1 discovered with the installation of the AMI communications module.  
2 NIPSCO's billing adjustment is consistent with Commission Rule 170 IAC  
3 5-1-14, Rule 9.3 of NIPSCO's Commission-approved General Rules and  
4 Regulations Applicable to Gas Service, and prior Commission findings.  
5 NIPSCO's Rule 9.3 is attached as Attachment 1-H.

6 Any customer billed for less than their actual usage because of the meter  
7 index issue is not receiving a billing adjustment or being back-billed.  
8 However, those customers are receiving direct communications from  
9 NIPSCO explaining the meter index issue and why their bill has increased  
10 following the installation of AMI communications modules.

11 **Q32. How are billing adjustments calculated for overbilled customers?**

12 A32. To calculate refunds to customers overbilled due to the meter index issue,  
13 NIPSCO subtracts the fixed customer charges from the customer's monthly  
14 bills for the 12 months prior to NIPSCO's discovery of the customer's meter  
15 index issue. The customer is refunded 50% of the remaining amount, which  
16 consists of variable and volumetric charges for the 12 months prior to the  
17 date the issue was discovered.<sup>3</sup> If more than one month passed between the

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<sup>3</sup> Variable and volumetric gas usage charges include base rate charges, GCA, DSM, USP, TDSIC, FMCA, WNA charges (from October 2025 to present), and state sales tax.

1           discovery and correction of a customer's meter index issue and AMI  
2           module installation, the customer receives additional refunds for the  
3           months between discovery and correction of the issue and AMI installation.  
4           Any late fees are also being refunded.

5           **IMPACTS ON REVENUES AND RATES**

6           **Q33. Can you explain NIPSCO's rates and revenues in the context of this**  
7           **investigation, including the possible impacts on NIPSCO's revenues in**  
8           **past and future rate cases?**

9           A33. As more fully addressed by NIPSCO Witness Cubenas, on an aggregate  
10           basis, the index issue has had no impact on NIPSCO's authorized revenue  
11           requirement being collected. Mr. Cubenas provides a summary of the  
12           impact on currently effective rates approved in Cause No. 45967.

13           **CONCLUSION**

14           **Q34. What is your recommendation to the Commission?**

15           A34. I recommend that the Commission find that NIPSCO has acted reasonably  
16           in addressing the gas meter index issue, including its communications with  
17           customers, issuing refunds and other relief, and resolving the meter index  
18           issue through the installation of AMI communications modules. I also  
19           recommend that the Commission take no action with regard to NIPSCO's

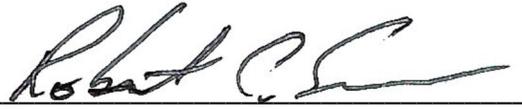
1 rates or revenues as a result of this investigation. While I expect the  
2 Commission will require NIPSCO to continue to communicate with  
3 customers, provide refunds as appropriate, and keep the Commission,  
4 OUCC, and customers updated about the status of this issue, I also believe  
5 the Commission's investigation should be concluded.

6 **Q35. Does this conclude your prepared direct testimony?**

7 A35. Yes.

## VERIFICATION

I, Robert C. Sears, Director of Regulatory Policy and Demand Side Management for Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Robert C. Sears", written over a horizontal line.

Robert C. Sears

Date: March 6, 2026



*We exist to deliver safe, reliable energy that drives value to our customers*

**NIPSCO Gas AMI Project:  
IURC Consumers Affairs Division (CAD) Meeting**

**November 19, 2025**



## Meeting Agenda

- **Welcome & Introductions**
- **Overview of NIPSCO Gas AMI Background and Overview**
- **Gas AMI Index Issue & Resolution**
- **Feedback & Discussion**

## Welcome and Introductions

- **NIPSCO Meeting Participants**
  - Erin Whitehead – Vice President, Regulatory Policy & Major Accounts
  - John Sabotnik – Director, Major Projects
  - Lisa Garrison – Director, Billing, Payment and Customer Programs
  - Liza Henry – Manager, Billing Exceptions and Payments
  - Robbie Sears – Director, Regulatory Policy
  - Bryan Likins – Assistant General Counsel, Legal Regulatory
  - Michelle Cox – Senior Counsel, Legal Regulatory

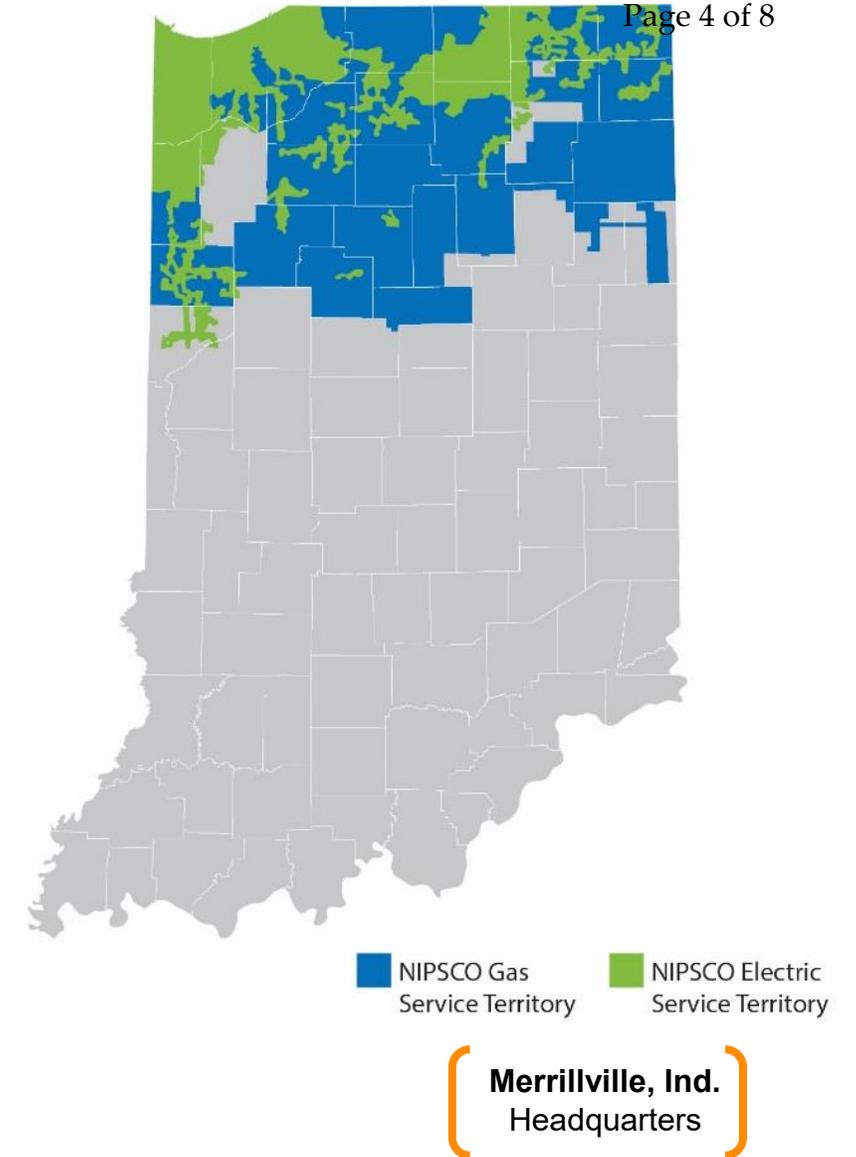
# NIPSCO Gas AMI Program Background

## ➤ NIPSCO Natural Gas Service Territory

- 872,000 Natural Gas Customers; 32 Counties
- 17,000 Miles of Transmission and Distribution Line/Main
- Interconnections with Seven Major Interstate Pipelines
- Overlaps NIPSCO Electric Service Territory in NE and portions of NC Indiana
  - NIPSCO also has an Electric AMI Project being deployed
  - Electric AMI network expected to provide coverage for ~640K gas endpoints

## ➤ Regulatory Background & Project Approval

- In Cause No. 45967, NIPSCO's most recent gas rate case, we received Commission approval of the Settlement that included approval of the NIPSCO proposed AMI project
- NIPSCO is replacing its current gas automated meter reading system (AMR) with new advanced metering infrastructure (AMI) communications modules, which provides two-way communication to the gas meter.
- We are replacing AMR (drive-by technology) modules with AMI (remote radio-based technology) modules and in some instances where it's necessary, replacing the meter with a Gas Smart meter technology



# NIPSCO Gas AMI Program Overview

Activity	2023	2024				2025				2026				2027			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gas Module Deployment			~103K Total Installed ★			~475K Total Installed ★				~872K Total Installed ★							

## ➤ Overview of Gas AMI Exchange Program

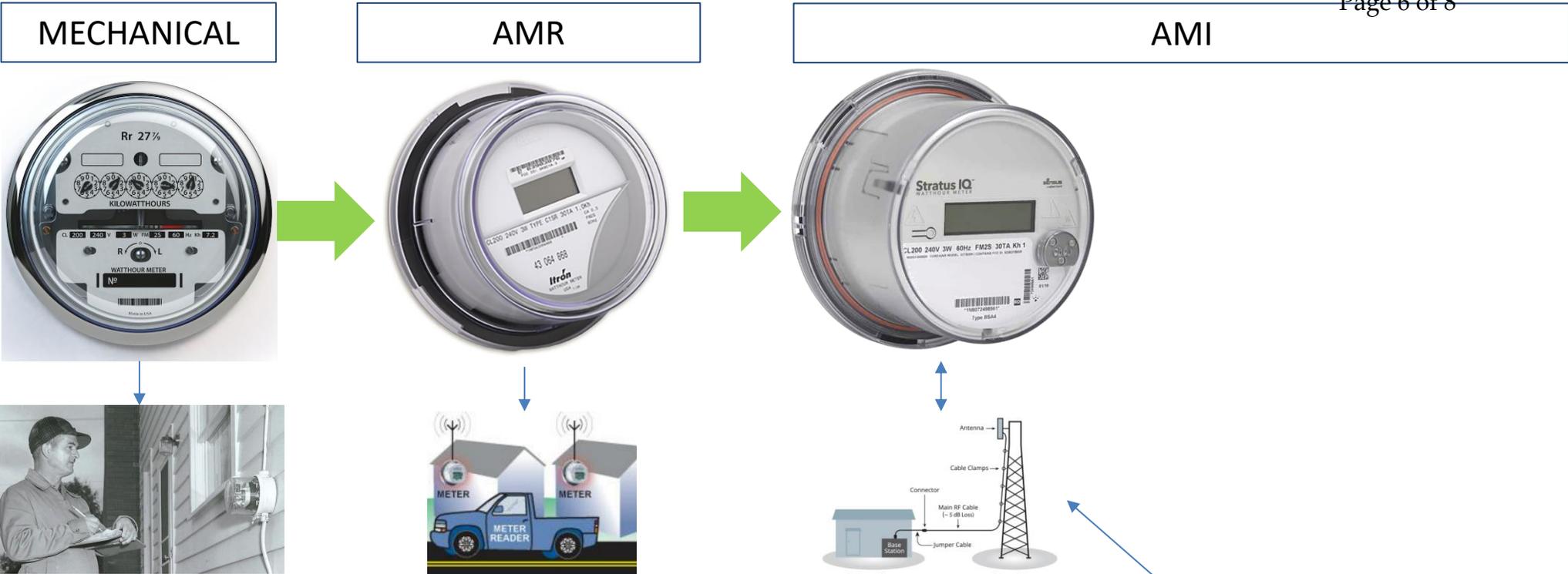
- Gas AMI Mass Deployment began mid 2024, utilizing internal crews and a contractor to exchange modules with AMI technology
- Currently have ~460,000 Gas AMI Modules installed, over 50% towards our goal of ~872,000
- Mass deployment is ahead of schedule, and has a chance to complete before the end of 2026
- Project is on budget and on target to finish with no EAC variance

## ➤ Mass Deployment Benefits

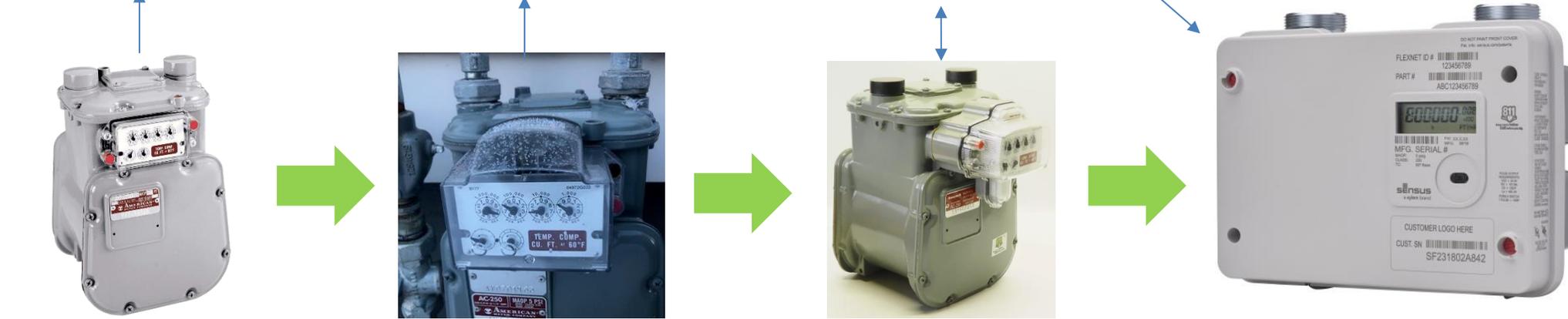
- NIPSCO has better insight into customer usage, and now have access to alarms that notify us of potentially dangerous situations or theft and tamper attempts
- This deployment has helped strengthen the metering infrastructure by uncovering unknown issues, such as incorrect meter indexes in a very small percentage of customers

# History of Meter Reading Technology

## Electric



## Gas



*We exist to deliver safe, reliable energy that drives value to our customers*

## Gas AMI Module Index Issue Description and Resolution Process

### ➤ Issue:

- In late October 2024, NIPSCO discovered during module exchanges that some meter indexes were incorrect
- The incorrect index is not an AMI project issue, just discovered during the deployment
- An incorrect index can impact customer billing depending on the drive rate; charging either too much or too little
- The issue relates to mechanical indexes and drives that still exist with diaphragm gas meters
- If two components on the meter are mismatched, incorrect readings can occur
- If the meter's physical index doesn't match manufacturing specs or isn't programmed correctly, readings can be wrong

### ➤ Index Resolution:

- NIPSCO investigated and developed processes to correct the indexes
- Smart meters moving forward won't have mechanical indexes and will communicate readings and meter issues in real time

### Program Totals as of 12/12/25

**Total Modules Exchanged: 488,271**

**Total Index Issues Identified: 4,027**

**Total Issues Fixed: 3,972**

**Incorrect Indexes Encountered: 0.8%**

# Gas AMI Index Billing Resolution Process

## ➤ Customer Billing Resolution:

- *For any customer who has been billed for more than actual usage because of this issue, NIPSCO is providing the maximum billing adjustment of 12 months from the date discovered, consistent with IURC rules and regulations*
  - *Underbilled Customers:* These customers will not receive a billing adjustment. We are simply correcting the index and reactivating the module with the correct drive rate
  - *Overbilled Customers:* These customers will receive up to a 12-month billing adjustment from the date discovered, issued as a credit of 50% of the previous 12 bills
    - These customers had charge 2x their actual usage

## ➤ Customer Communications:

- *NIPSCO has developed a customer communication process in the event customers call about their billing credit or changes from their billing history*
  - *A specialized group of call center staff have been trained to work with customers to explain the issue and the resolution*

### Billing Totals

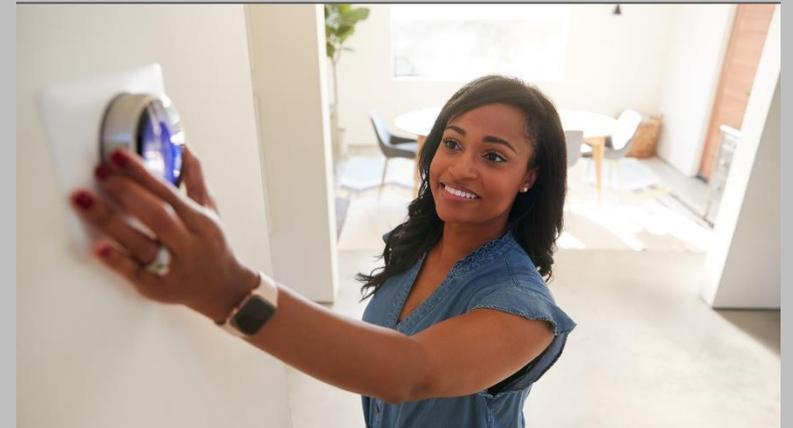
As of 12/08/2025	Incorrect Index
Potential Overbilled (x2)	3,542
Potential Underbilled (1/2)	317
Total \$'s Credited	\$1,404,014



*We exist to deliver safe, reliable energy that drives value to our customers*

## **NIPSCO Gas Meter Index Investigation: OUCC Meeting**

**December 17, 2025**



## Meeting Agenda

- **Welcome & Introductions**
- **Overview of NIPSCO Gas AMI Background and Overview**
- **Gas Meter Index Issue & Resolution**
- **Feedback & Discussion**

## Welcome and Introductions

- **NIPSCO Meeting Participants**

- Erin Whitehead – Vice President, Regulatory Policy & Major Accounts
- John Sabotnik – Director, Major Projects
- Lisa Garrison – Director, Billing, Payment and Customer Programs
- Liza Henry – Manager, Billing Exceptions and Payments
- Robbie Sears – Director, Regulatory Policy
- Greg Berning – Manager, Regulatory Policy
- Bryan Likins – Assistant General Counsel, Legal Regulatory
- Michelle Cox – Senior Counsel, Legal Regulatory
- Steve Krohne – Outside Counsel

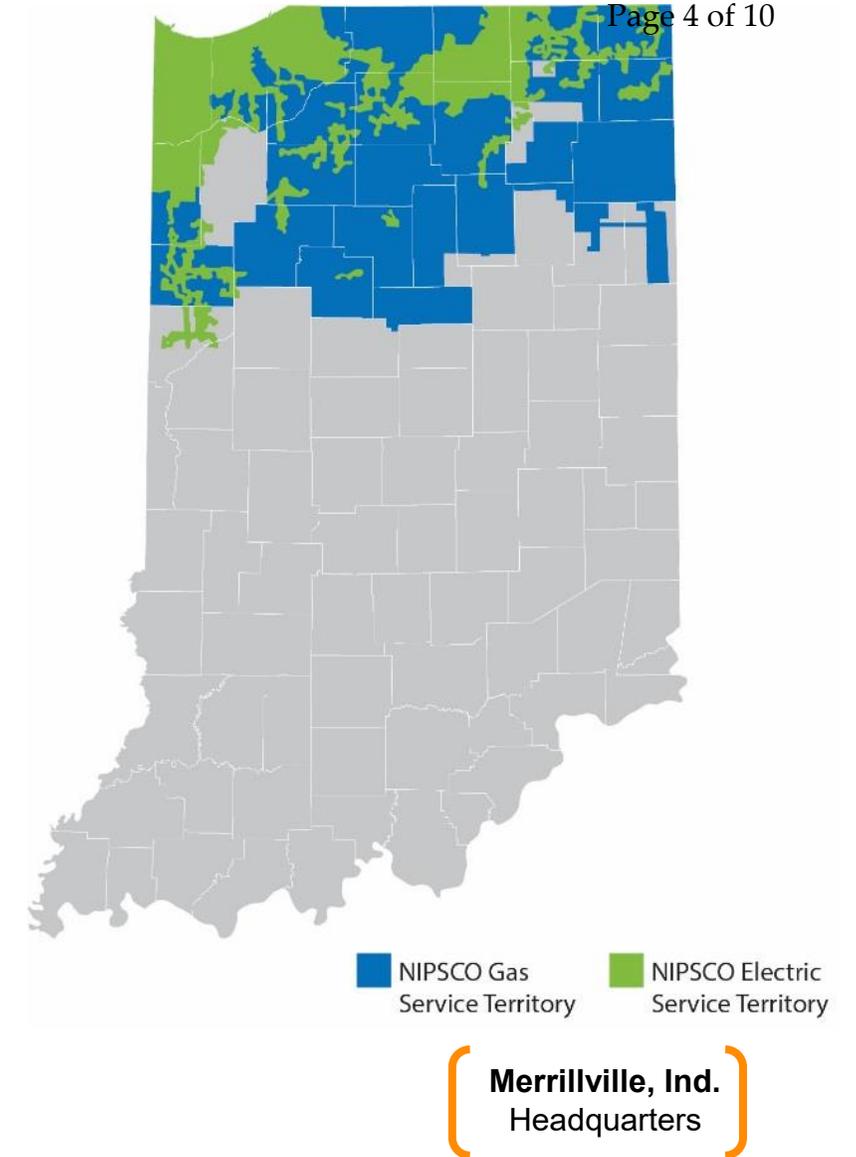
# NIPSCO Gas AMI Program Background

## ➤ NIPSCO Natural Gas Service Territory

- 872,000 Natural Gas Customers; 32 Counties
- 17,000 Miles of Transmission and Distribution Line/Main
- Interconnections with Seven Major Interstate Pipelines
- Overlaps NIPSCO Electric Service Territory in NE and portions of NC Indiana
  - NIPSCO also has an Electric AMI Project being deployed
  - Electric AMI network expected to provide coverage for ~640K gas endpoints

## ➤ Regulatory Background & Project Approval

- In Cause No. 45967, NIPSCO's most recent gas rate case, we received Commission approval of the Settlement that included approval of the NIPSCO proposed AMI project
- NIPSCO is replacing its current gas automated meter reading system (AMR) with new advanced metering infrastructure (AMI) communications modules, which provides two-way communication to the gas meter
- We are replacing AMR (drive-by technology) modules with AMI (remote radio-based technology) modules and in some instances where it's necessary, replacing the meter with a Gas Smart meter technology



# NIPSCO Gas AMI Program Overview

Activity	2023	2024				2025				2026				2027			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gas Module Deployment			~103K Total Installed ★			~491K Total Installed ★				~872K Total Installed ★							

## ➤ Overview of Gas AMI Exchange Program

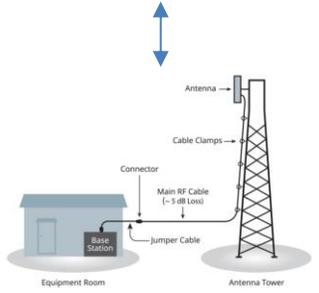
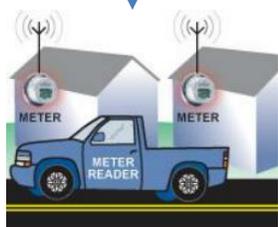
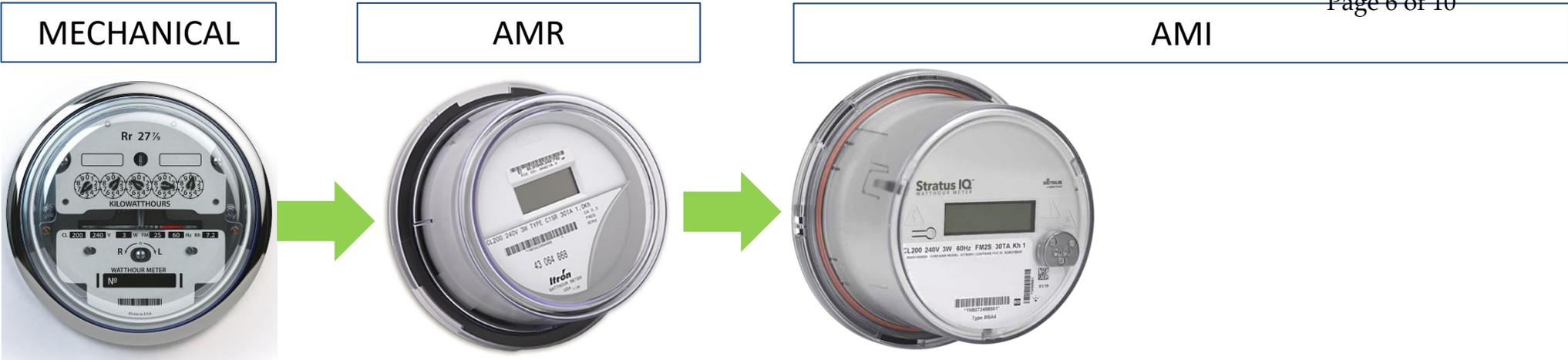
- Gas AMI Mass Deployment began mid 2024, utilizing internal crews and a contractor to exchange modules with AMI technology
- Currently have ~491,000 Gas AMI Modules installed, about 56% completion
- Mass deployment is ahead of schedule and has a chance to complete before the end of 2026
- Project is on budget and on target to finish with no EAC variance

## ➤ Mass Deployment Benefits

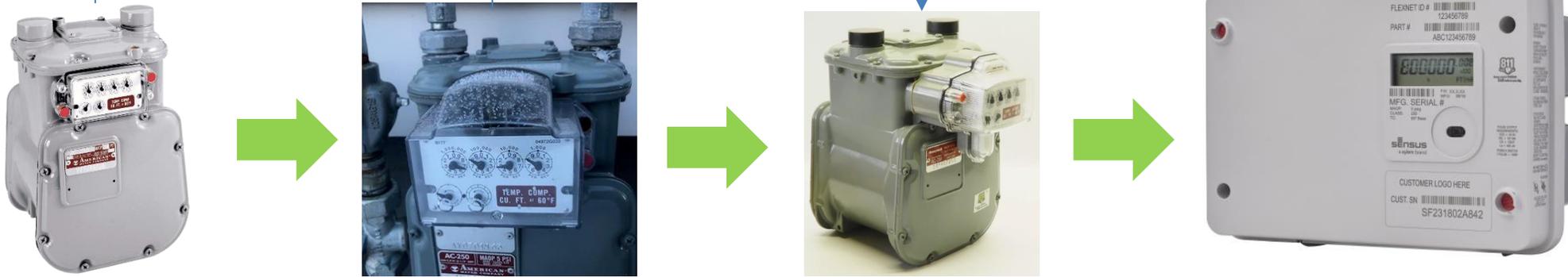
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- This deployment has helped strengthen the metering infrastructure by uncovering unknown issues, such as incorrect meter indexes in a very small percentage of customers

# History of Meter Reading Technology

Electric



Gas



We exist to deliver safe, reliable energy that drives value to our customers

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### ➤ Index Resolution:

- NIPSCO investigated and developed processes to correct the indexes
- Smart meters moving forward won't have mechanical indexes and will communicate readings and meter issues in real time

### Program Totals as of 12/12/25

Total Modules Exchanged: 488,271

Total Index Issues Identified: 4,027

Total Issues Fixed: 3,972

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# Gas AMI Index Billing Resolution Process

## ➤ Customer Billing Resolution:

- For any customer who has been billed for more than actual usage because of this issue, NIPSCO is providing the maximum billing adjustment of 12 months from the date discovered, consistent with IURC rules and regulations
  - *Underbilled Customers:* These customers will not receive a billing adjustment. We are simply correcting the index and reactivating the module with the correct drive rate
  - *Overbilled Customers:* These customers will receive up to a 12-month billing adjustment from the date discovered, issued as a credit of 50% of the previous 12 bills
    - These customers had charges 2x their actual usage

## ➤ Customer Communications:

- NIPSCO has developed a customer communication process in the event customers call about their billing credit or changes in their billing history
  - *A specialized group of call center staff have been trained to work with customers to explain the issue and the resolution*

### Billing Totals

As of 12/08/2025	Incorrect Index
Potential Overbilled (x2)	3,542
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Total \$'s Credited	\$1,404,014

## Ongoing Communications

### ➤ Customer Communications Development:

- NIPSCO is in the process of developing a communications campaign to customers regarding the gas meter index issue including:
  - Broad customer email to all customers and likely media outlets explaining the issue in greater detail as well as number of customers impacted and that NIPSCO will be communicating directly to impacted customers
    - Broad communication also intended to reduce concerns that AMI meters are the problem
  - Developing a broad set of targeted communications to overbilled and underbilled customers explaining the issue and how customers will be impacted
    - Communications under development include targeted customer letters, a NIPSCO website landing page, and field communications with QR code to landing page (if questions asked)
- NIPSCO plans to offer to provide communications to the OUCC and IURC CAD staff for review before distribution

## Appendix – Gas Index Statistics – as of 12/1/2025

➤ **Breakdown by customer class:**

Breakdown by Class	Overbilled	Underbilled
Residential	3136	289
Commercial	325	9

Dear NIPSCO Natural Gas Customer,

We are writing to inform you of a billing discrepancy affecting some of NIPSCO's natural gas customers.

A mechanical issue was discovered with some of NIPSCO's natural gas meters during the rollout of our Automated Metering Infrastructure (AMI) that has caused some customers to be either overbilled or underbilled. To date, this issue is affecting less than 1% of NIPSCO's natural gas customers. While this historical issue was discovered during AMI rollout, *it is not related to or caused by this new technology in any way*. AMI technology gives our billing and operations teams access to near real time data that allows us to recognize and resolve problems more quickly.

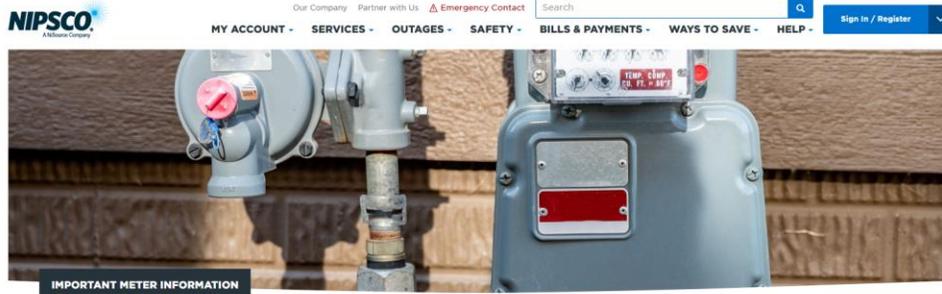
If you are receiving this letter, you have been identified as a customer whose natural gas meter has had AMI technology installed and whose meter has not been impacted by the mechanical issue described above.

NIPSCO is committed to accuracy in our metering and billing processes and has already taken steps to verify and correct any impacted bills. NIPSCO has also implemented quality control procedures to ensure the accuracy of all future meter readings.

You do not need to take any action, as this communication is for your awareness only. Customers who are impacted by the billing discrepancies are being notified separately by NIPSCO.

For more information, please visit [NIPSCO.com/MeterInfo](http://NIPSCO.com/MeterInfo).

Sincerely,  
NIPSCO Customer Care Team



## Important Information Regarding NIPSCO Natural Gas Meters

During the rollout of our Automated Metering Infrastructure (AMI), NIPSCO discovered an issue with a very limited number of NIPSCO's existing gas meters, impacting less than 1% of natural gas customers. While this historical issue was discovered during AMI rollout, it is not related to or caused by this new technology in any way.

As part of the AMI project, NIPSCO identified that a limited number of gas customers were being billed for more or less than actual usage prior to the AMI installation.

Customers do not need to take any action at this time. We are committed to accuracy in our metering and billing processes and have already taken steps to verify and correct any impacted bills. Those customers who are identified as being impacted by the billing discrepancies are being notified by NIPSCO through direct mail and email. NIPSCO will also be issuing 12-month refunds to those who have been overbilled.

We appreciate your patience and understanding as we work to resolve this matter.

### Frequently Asked Questions

#### Why were some meters giving an inaccurate reading?

When Advanced Metering Infrastructure (AMI) was installed on customers' meter, photos were taken of each meter component to ensure accuracy. It was identified that two components on a limited number of customers' meter were mismatched, resulting in incorrect readings. These components were not part of the AMI installation but were already part of customers' gas meters. Impacted customers' meters have been corrected.

Was this helpful?

#### Did your new AMI meters cause this issue?

No. The issue was discovered during the rollout of NIPSCO's new Automated Metering Infrastructure (AMI) but is not related to or caused by this new technology.

Was this helpful?

#### Are impacted meters being fixed?

Yes, NIPSCO has already taken step to fix inaccurate meters, and additional analysis has been completed to ensure all components are functioning as intended. We are estimating that all meters will be corrected by the end of 2026, and any customer whose meter was impacted will be notified directly.

Was this helpful?

#### How do I know this won't happen again?

NIPSCO has implemented quality control procedures to ensure the accuracy of the meter readings. Additionally, AMI gives our billing and operations teams access to near real time data that allows us to recognize and resolve problems quickly.

Was this helpful?

#### How will customers who are impacted receive their bill credit/refund?

Customers who have been overbilled will receive a credit issued to their account in the amount of 50% of the 12 bills prior to the date the issue was discovered. For customers who have been underbilled, NIPSCO will not be seeking any of the prior underbilled amounts.

Was this helpful?

#### If customers were charged for less than actual usage will their bill be going up?

NIPSCO will not seek any additional payment from you for the period in which customers were underbilled. However, because the meter was previously reading their natural gas usage at half the actual usage, they may see your natural gas bill increase or possibly double what they have previously paid, especially throughout this heating season, when natural gas usage increases due to colder temperatures.

We understand that any potential increase to bills is significant and want to make sure customers are aware of the options we offer to help them manage your bill, like energy efficiency programs and tips, budget plan, payment plans and energy assistance programs. Customers can find out more about these offerings by visiting [NIPSCO.com/ConnectingYou](https://www.nipSCO.com/ConnectingYou).

Was this helpful?

#### Our Company

About Us  
Your Energy, Your Future  
Giving Back  
Rates and Tariffs  
Our Environment  
News Room  
Careers

#### Partner with Us

Builders and Developers  
Contractors and Plumbers  
Suppliers and Vendors  
Economic Development  
Emergency Responders  
Excavators

#### Quick Links

Sign In  
Outages  
Ways to Pay  
Get Help Paying  
Mobile App  
Document Upload Form

#### Need Help?

FAQs  
Cookie Preferences  
Contact Us  
Call 1-800-464-7726

#### Connect with Us



Dear Valued Customer,

We are writing to inform you about a billing discrepancy affecting NIPSCO's natural gas meter at your property, causing you to be overbilled.

A mechanical issue was discovered with some of NIPSCO's natural gas meters during the rollout of our Automated Metering Infrastructure (AMI) that has caused some customers to be either overbilled or underbilled. To date, this issue is affecting less than 1% of NIPSCO's natural gas customers. While this historical issue was discovered during AMI rollout, *it is not related to or caused by this new technology in any way*. AMI technology gives our billing and operations teams access to near real time data that allows us to recognize and resolve problems more quickly.

**We have resolved the issue with our meter on your property. Our meter is now accurately reading your natural gas usage, and a credit has been issued to your account in the amount of 50% of the 12 bills prior to the date the issue was discovered.** Your future bills will reflect your actual energy usage, which will likely result in lower bills than you have been experiencing.

We apologize for this issue. NIPSCO is committed to accuracy in our metering and billing processes and has implemented quality control procedures to ensure the accuracy of all future meter readings.

You do not need to take any action at this time, and again, we apologize for any inconvenience this issue may have caused. If you'd like more information about this issue, you can visit [NIPSCO.com/MeterInfo](http://NIPSCO.com/MeterInfo).

Thank you for your patience and understanding as we worked to resolve this issue.

Sincerely,  
NIPSCO Customer Care Team

Dear Valued Customer,

We are writing to inform you about a billing discrepancy affecting NIPSCO's natural gas meter at your property, causing you to be underbilled.

A mechanical issue was discovered with some of NIPSCO's natural gas meters during the rollout of our Automated Metering Infrastructure (AMI) that has caused some customers to be either overbilled or underbilled. To date, this issue is affecting less than 1% of NIPSCO's natural gas customers. While this historical issue was discovered during AMI rollout, *it is not related to or caused by this new technology in any way*. AMI technology gives our billing and operations teams access to near real time data that allows us to recognize and resolve problems more quickly.

**We have resolved the issue with our meter on your property, and your meter is now accurately reading your natural gas usage. Please note that NIPSCO will not seek any additional payment from you for the period in which you were underbilled.** However, because the meter was previously reading your natural gas usage at half the actual usage, you may see your natural gas bill increase or possibly double what you have previously paid, especially throughout this heating season, when natural gas usage increases due to colder temperatures.

We understand that any potential increase to your bill is significant and want to make sure you are aware of the options we offer to help you manage your bill, like energy efficiency programs and tips, budget plan, payment plans and energy assistance programs. You can find out more about these offerings by visiting [NIPSCO.com/ConnectingYou](http://NIPSCO.com/ConnectingYou).

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If you are receiving this letter, you have been identified as a customer whose natural gas meter has not yet had AMI technology installed. This work is scheduled to be completed for all customers by the end of 2026.

As we install AMI technology in your natural gas meter, we will be able to identify if your current meter is impacted by this issue and, if necessary, will then correct the issue to ensure accuracy of readings moving forward and issue an appropriate refund if you have been overbilled. NIPSCO will notify you separately from this letter if your natural gas meter is impacted.

NIPSCO is committed to accuracy in our metering and billing processes and has already taken steps to verify and correct any impacted bills. NIPSCO has also implemented quality control procedures to ensure the accuracy of all future meter readings.

You do not need to take any further action at this time, as this communication is for your awareness only.

For more information, please visit [NIPSCO.com/MeterInfo](https://www.nipSCO.com/MeterInfo).

Sincerely,  
NIPSCO Customer Care Team

**GENERAL RULES AND REGULATIONS**  
**Applicable to Gas Service**

**9. METERING**

9.1 Meters to be Installed by Company

The gas supplied, unless otherwise specified, shall be measured by a meter or meters of standard manufacture, installed and owned by the Company. If more than one meter is installed for a Customer that is charged under two (2) or more Rate Schedules, each meter shall be considered by itself in calculating the amount of any bills. If, for the convenience of the Company, more than one (1) meter is installed on the same class of service at the same Premise for the same Customer, the sum of the registrations shall in all cases be taken as the total registration.

Where service is supplied at pressures in excess of ten (10) inches of water column or where gas temperature varies from 60° F., the Company may correct the volume of gas metered to correspond to gas of standard condition on a water vapor free basis, at an absolute pressure of 14.65 pounds per square inch, and at a temperature of 60° F.

Charges for metering may be imposed in accordance with Rule 17.5.

9.2 Meter Testing

The Company will test meters used for billing Customers in accordance with 170 IAC 5-1-9.

9.3 Failure of Meter and/or Instrumentation

Whenever it is discovered that a meter or associated instrumentation when used to correct metered gas volumes to standard conditions is not operating within the limits of accuracy as prescribed in the IURC Rules, an adjustment shall be made in accordance with such IURC Rules. In the event of the stoppage of or the failure of any meter or metering instrumentation equipment to register an accurate amount of gas consumed, the Customer will be charged or credited for such period on an estimated consumption based upon engineering calculations and measurements or Customer's use of gas in a similar period of like use and consistent with 170 IAC 5-1-14(B).

9.4 Correction of Metered Quantities for Billing

For the purpose of billing under this Rule, a Therm shall be one hundred cubic feet of gas at a temperature of 60° F, at an absolute pressure of 14.65 pounds per square inch, having an average total heating value equivalent to 100,000 Btu. Metered quantities of gas, corrected for temperature and pressure conditions, shall be adjusted for Btu content by multiplying by the average heating value per Cubic Foot of gas, as determined for the latest monthly period available, and dividing by 1,000.

**Issued Date**  
**07/31/2024**

**Effective Date**  
**08/20/2024**

