OFFICIAL
EXHIBITS

VERIFIED DIRECT TESTIMONY OF KARL E. STANLEY

IURC
JOINT PETITIONER'S
EXHIBIT NO. 1
DATE 9-16-20 REPORTER AT

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

A1. My name is Karl E. Stanley. My business address is 801 E. 86th Avenue, Merrillville, Indiana 46410. I am the Vice President of Supply & Optimization for NiSource Inc.

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

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

Q3. Please describe your educational and employment background.

A3. I received a Bachelor of Arts Degree in Chemistry from the University of Chicago in 1988. In 2000, I received an M.B.A. from the University of Chicago with a concentration in Finance. After graduating with my Bachelor of Arts Degree, I was hired by The Gelber Group Inc. as a trader/analyst for its brokerage/trading operation. In 1998, NESI Energy Marketing hired me as its Risk Manager responsible for all financial trading

and risk management. In 1999, I moved over to the NiSource Corporate Risk Management Department where I was responsible for the measuring and monitoring of risk factors across the corporation. In 2004, I was promoted to Manager, Energy Supply Services for Bay State, Northern Utilities, NIPSCO, Northern Indiana Fuel & Light Company, Inc. and Kokomo Gas and Fuel Company. In 2005, I was promoted to Director of Gas Management Services. In 2008, I was promoted to Executive Director, Energy Supply and Trading. In 2010, I was promoted to Vice President of Commercial Operations. In 2018, I assumed the role of Vice President of Customer Operations. In 2021, I assumed the role of Vice President of Supply & Optimization which I currently hold.

Q4. What are your responsibilities as Vice President of Supply & Optimization?

A4. As Vice President of Supply & Optimization, I oversee teams responsible for the purchase and delivery of natural gas and power to NIPSCO customers. This includes the effective design and implementation of supply plans, the day-to-day operations of purchasing and scheduling natural gas, and the dispatch of electric generating units. I also oversee

teams that track and report all gas and electric transactions which include gas commodity purchases, electric purchases from the Midcontinent Independent System Operator, Inc. ("MISO"), any bi-lateral electric capacity purchases, and purchases and sales of Renewable Energy Credits (RECs). I also oversee teams that provide regulatory support and financial planning support for NIPSCO.

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

A5. Yes. I submitted testimony before the Commission supporting NIPSCO's requests for approval of customer-specific contracts and Joint Petitioners' requests for approval of power purchase agreements ("PPA") (along with alternative regulatory plan relief and depreciation accrual rates) in Cause Nos. 46322 and 46393. I have also previously filed testimony before the Commission in Cause Nos. 38706-FAC-143, 38706-FAC-86, 38706-FAC-85, 38706-FAC-84, 44363, 43525, 43618-DSM-4, 43849, 43969, 44016, 44926, 45078, and 45947.

Q6. Are you sponsoring any attachments to your direct testimony?

A6. Yes. I am sponsoring Attachment 1-A, the Verified Petition filed in this Cause, and Attachment 1-B and Attachment 1-C as described below, all of which were prepared or assembled by me or under my direction and supervision.

Q7. What is the purpose of your direct testimony in this proceeding?

A7. The purpose of my direct testimony is to support Joint Petitioners' request for approval of (1) a Capacity Transfer Agreement dated May 18, 2026 by and between NIPSCO and GenCo (the "CTA"), a copy of which is attached hereto as Attachment 1-B; and (2) Affiliate Capacity Transfers Procedure effective July 1, 2026 outlining the affiliate arrangement between NIPSCO and GenCo related to (a) the CTA and (b) times when NIPSCO may have excess capacity and uses that to cover periods of GenCo shortfalls of capacity (the "Procedure"), a copy of which is attached hereto as Attachment 1-C.

Q8. Why are Joint Petitioners requesting approval in this proceeding?

A8. Joint Petitioners are making this filing in furtherance of Petitioner's obligations pursuant to the Stipulation and Settlement Agreement approved in the Commission's September 24, 2025 Order in Cause No.

46183 (the "GenCo Settlement").[1] The Settlement (at 17, Section 4(i)) states:

> All affiliate contracts and agreements between NIPSCO and Genco will be submitted for Commission approval using a procedure similar to the Commission's 30-day filing procedure, or as part of a regularly docketed proceeding. If such filing contains confidential information, it may still be filed with a request for approval within 30 days.

While Joint Petitioners made an initial filing of these documents in a 30-day filing, it was determined that a docketed proceeding is a more appropriate venue for review of these affiliate agreements, as it will allow further review by the Commission and stakeholders and a more fulsome explanation of the need and purpose of the CTA.

Q9. What are the most relevant provisions from the GenCo and Amazon Settlements for the Commission to consider as it reviews the CTA and Procedure?

A9. In addition to the requirement to have affiliate agreements approved by the Commission noted immediately above, Section A.2.(a) of the GenCo Settlement provides that GenCo's operations will be limited to developing generation resources to support NIPSCO's expected megaload customer

[1] Stipulation and Settlement Agreement by and among NIPSCO, GenCo, and NIPSCO Industrial Group in Cause No. 46318.

needs and that NIPSCO will be GenCo's only customer. Section A.2.(b) of the GenCo Settlement provides that GenCo's capacity "will be planned to meet PPA obligations and resource adequacy requirements and planning reserve requirements, guided by NIPSCO's ongoing IRP process and informed by customer negotiations and Commission-approved special contract demand." A related provision in Section 8.(b) of the Commission's June 17, 2026 Order in Cause No. 46322 (the "Amazon Settlement")[2] prohibits GenCo from "becom[ing] an independent power producer or leverag[ing] GenCo generation assets for long-term participation in the wholesale power markets." Section A.2.(a)(i) of the GenCo Settlement, which is also cited at the end of the above Amazon Settlement term, also explicitly provides that Section A.2.(a) of the GenCo Settlement "shall not prohibit GenCo from participating in the wholesale market using existing, non-committed capacity or energy, subject to such regulatory approvals as may be required."

Although Section A.2.(e) of the GenCo Settlement specifically relates to *asset*

---

[2] Stipulation and Settlement Agreement by and among NIPSCO, GenCo, the Indiana Office of Utility Consumer Counselor, and NIPSCO Industrial Group in Cause No. 46322.

transfers between NIPSCO and GenCo (such as the sale of a generation asset, which is distinct from this type of contractual arrangement), it demonstrates the parties' expectation that the GenCo framework would guide Joint Petitioners' ongoing interactions. This section contemplates a future arrangement between NIPSCO and GenCo (such as this CTA or a PPA) that would be used by NIPSCO to provide service to its non-megaload retail customers, and provides that for such arrangements (i) all affiliate guidelines must be adhered to, (ii) it must involve only existing assets, (iii) it is approved in a regularly docketed proceeding,[3] and (v) such agreement needs to be demonstrated to be a cost-effective resource decision and also be subject to review by a third party evaluator. Finally, while the scenario of offering GenCo capacity *directly* to a NIPSCO non-megaload retail customer is not implicated here, Section A.2.(e)(vii) explicitly contemplates a scenario where "GenCo has planned capacity after meeting its obligations to NIPSCO to serve NIPSCO's megaload customers and any other retail customers through an approved PPA" and offers "such excess capacity" to

[3] Sub-section (iv) is intentionally excluded, as it applies to a transfer of assets from NIPSCO to GenCo, which is not applicable here.

NIPSCO or a NIPSCO non-megaload retail customer.

In combination, these key provisions make clear that (1) GenCo must tailor its generation to reasonably expected megaload customer needs and cannot intentionally overbuild with the intention to become an independent power producer (IPP) or participate in the wholesale market in the long term; (2) these settlements explicitly contemplate scenarios where GenCo has excess capacity after selling under PPAs to NIPSCO to serve megaload customers, and GenCo (i) sells it into the wholesale market, such as through the MISO Planning Resource Auction ("PRA"), and/or (ii) enters into a contract with NIPSCO for this excess capacity; and (3) if GenCo and NIPSCO avail themselves to these options, (i) certain requirements must be adhered to and (ii) Commission approval is required.

Q10. Are the CTA and Procedure consistent with the GenCo Settlement and Amazon Settlement?

A10. As more fully discussed below, the CTA and Procedure are fully consistent with the GenCo Settlement and the Amazon Settlement and implement processes and concepts contemplated by the settling parties. They do not change the Commission's role or alter existing regulatory requirements;

rather, they operationalize an additional mechanism within the bounds of the framework of the Settlements.

Q11. What exactly is the Commission being asked to approve?

A11. The Commission is being asked to approve a framework and procedural mechanism, the CTA and Procedure, not any specific transaction, contract, or pricing outcome. Approval would authorize the structure under which future opportunities for capacity transfers would be evaluated but would not approve or prejudge any resulting specific transaction. As further explained below, any specific transaction would be reviewed in NIPSCO's existing Resource Adequacy Tracker ("RA Tracker") filings.

Q12. Please provide an overview of the key sections in the CTA and Procedure.

A12. Section 1 of the CTA provides definitions, rules of interpretation, and similar information. Section 2 provides that the term of the CTA is from the Effective Date through May 30, 2031 and provides that it will not be effective until receipt of IURC and FERC Approvals. Section 3 addresses the sale, purchase, and delivery of capacity (called Zonal Resource Credits, or ZRCs). Section 4 outlines the invoicing process, and Section 5 addresses confidentiality.

Q13. What is the overarching purpose of the CTA and Procedure?

A13. The overarching purpose of the CTA and Procedure is (1) to find the most economical, efficient way for NIPSCO to serve retail and megaload customers and (2) to avoid materially overbuilding NIPSCO owned and operated generation (which is intended to directly serve NIPSCO's other retail customers) or GenCo owned and operated generation (which is intended to be used by NIPSCO to serve megaload customers through PPAs between NIPSCO and GenCo). In combination, the CTA and Procedure will allow NIPSCO to economically and efficiently plan to meet its load obligations for all its retail customers and will prevent development of excess generation capacity, thereby reducing unnecessary investment in potentially duplicative infrastructure.

On the other hand, without approval of the CTA, NIPSCO will need to evaluate the capacity it has available to serve NIPSCO's other retail customers (*e.g.*, non-megaload customers) and ensure it is resource adequate in all MISO Planning Seasons and *separately* evaluate the capacity it has available to serve NIPSCO's megaload customers. This would have the effect of the overall NIPSCO portfolio being materially long on capacity

in certain seasons, with those long positions likely being sold into the MISO PRA for the benefit of the broader market—as opposed to being used first by NIPSCO and GenCo for the benefit of NIPSCO's customers. Importantly, it would also lead to NIPSCO needing to build or purchase new, incremental generation resources to cover expected open positions in future years, when such additional resources may be avoided if the CTA is allowed to be utilized.

Q14. Practically speaking, why do you believe the CTA and Procedure are a reasonable tool to add to NIPSCO's resource planning alternatives?

A14. Ultimately, NIPSCO is responsible for ensuring it has sufficient capacity to serve all customers, whether that be the "traditional" customer base or the emerging megaload customer base. While NIPSCO has enacted the GenCo structure to ensure appropriate protection of its other retail customers from the risks from serving megaload customers, based on the reality that there are going to be seasons when GenCo has capacity length, there is an opportunity presented here to bring more cost-effective resources to NIPSCO's other retail customers. While GenCo could just offer any excess capacity into the MISO PRA, and NIPSCO could take short positions into

the MISO PRA and purchase needed capacity based on the MISO PRA's clearing price, the CTA and Procedure will provide NIPSCO another option to fill any capacity shortfall in a cost-effective and flexible manner. There would be at least two downsides if GenCo offered its excess capacity into the MISO PRA, instead of offering it to NIPSCO. First, it would allow the benefit of cost-effective capacity to be realized by the broader MISO market, as opposed to being offered to NIPSCO and allowing NIPSCO to decide if it needs such capacity. Second, it would create potential uncertainty for NIPSCO in terms of pricing in future MISO PRAs where NIPSCO would need to purchase. As discussed below, this optionality and flexibility are good for NIPSCO and its other retail customers.

Q15. How do the CTA and Procedure fit into NIPSCO's existing procurement options?

A15. The CTA and Procedure add an additional procurement option to NIPSCO's existing toolkit. Currently, NIPSCO may meet its capacity needs through bilateral PPAs, purchasing an asset being built by a developer (*e.g.*, a build transfer agreement ("BTA")), utility-driven resource development (such as the NIPSCO Schahfer Gas Peaker), or market purchases from the

MISO PRA. The CTA and Procedure would provide an additional option that can provide additional flexibility in how capacity can be evaluated and procured.

Q16. How does the CTA provide additional flexibility in capacity procurement?

A16. Bilateral capacity offers are typically structured for full planning years or multiple years and are often set at a fixed MW quantity, which can limit the ability to align procurement precisely with seasonal needs and may result in "over-procurement" that is not fully aligned with actual load. Utility-owned resource development and BTAs are often constrained by supply chain limitations, development timelines, and capital intensity, and these are large capital investments with 15-, 20-, and even 30-year lives. Market purchases through the MISO PRA provide some flexibility, but expose NIPSCO to price volatility and uncertainty, and are also statutorily limited in scope under House Enrolled Act 1520 (2021), with no more than 15 percent of capacity needs permitted to be met through that mechanism.

The CTA and Procedure introduce an additional, optional framework that allows NIPSCO to evaluate capacity opportunities in smaller, more

targeted MW blocks that can be better aligned with seasonal (or otherwise time-specific) needs. This improves the ability to match procurement more precisely to when capacity is needed, rather than being constrained to large full-year or long-term commitments. Importantly, any use of the CTA or Procedure is discretionary by NIPSCO and GenCo and also remains subject to the Commission review in NIPSCO's RA Tracker filings, ensuring it is only used when economically justified.

Q17. You have noted a couple times that purchasing GenCo capacity under the CTA is optional for NIPSCO. Why is that important?

A17. The optional nature of this arrangement is important because it does not allow GenCo to "put" capacity to NIPSCO when it has excess, thereby potentially making NIPSCO long on capacity. Instead, NIPSCO can continue to evaluate the capacity needs of its other retail customers (*e.g.*, non-megaload customers) just as it does today. However, as it looks at closing any open positions, if GenCo has excess capacity, NIPSCO will now have an additional option to evaluate and compare to its current options. Additional choice in this regard is a good thing, as the "capacity market" is

relatively illiquid and the options that may be available when NIPSCO needs to close an open position may be limited.

Important as well, GenCo's offers of capacity under the CTA will be much more flexible than the capacity offers NIPSCO has recently experienced in the bilateral market. Because MISO's planning reserve margin and its resource accreditation for generation resources varies between and among each of the four MISO seasons in a single Planning Year,[4] NIPSCO's capacity position (short, long, or resource adequate) also changes each season—even if its generation portfolio and customer demand has not changed. As MISO moved to a seasonal resource adequacy construct, I was hopeful that we would begin to see "seasonal capacity offers" in the bilateral market, which would allow NIPSCO and other utilities to purchase capacity in only the seasons where they may have a need, but this has generally not occurred. Instead, bilateral capacity offers are typically for a set number of MWs and must be purchased for the entirety of a Planning Year—and sometimes for more than one Planning Year. This can

[4] MISO's four Planning Seasons are Summer (June-August), Fall (September-November), Winter (December-February), and Spring (March-May).

lead to NIPSCO making a purchase to close an open position in one season and at the same time becoming materially long on capacity in another season—because it needed to purchase the entire amount of MWs offered and for all four seasons.

This is where the CTA can provide much needed flexibility, as when GenCo makes a written offer to NIPSCO, it will include the number of MWs being offered for each season. NIPSCO will then have the choice to take none, some, or all the MWs being offered, and it will have this choice season-by-season. It will not be an "all or nothing" proposition. Below, I provide a numerical example to demonstrate how this kind of additional GenCo capacity offer can lead to both planning efficiency and financial savings for NIPSCO's other retail customers.

Q18. How would NIPSCO evaluate this additional "option" as it considers the most appropriate means to close an open capacity position?

A18. When NIPSCO receives a written offer from GenCo, NIPSCO will first determine whether it has a need for capacity in any of the Planning Seasons that GenCo is offering. If it does not reasonably expect to have a need (an open capacity position), NIPSCO would decline the GenCo offer in its

entirety. On the other hand, assuming NIPSCO had a need in one or more of the Planning Seasons that GenCo is offering, NIPSCO would then compare the pricing and the number of MWs to any other capacity offers that may be available, such as those NIPSCO typically receives from brokers in the capacity market. Since GenCo's offer will have a set price for each season (based on the most recent MISO Zone 6 clearing price for that season), it will allow NIPSCO to compare the GenCo offer to alternatives available in the market.

Q19. Please further explain the set price of capacity that GenCo would offer under the CTA.

A19. The purchase price for each seasonal capacity offer will be based on the most recent MISO clearing price for the Indiana "zone" (MISO Zone 6) for the applicable season. As an example, if GenCo made a written offer to sell 25 MW of Summer 2028 capacity to NIPSCO today (July 2026), the price would be based on the Summer 2026 MISO Zone 6 clearing price, as that is the most recent summer price available. On the other hand, if GenCo made a written offer to sell 25 MW of Fall 2028 capacity to NIPSCO in June 2027, the price would be based on the Fall 2027 MISO Zone 6 clearing price, as

there would have been a new MISO PRA run in the Spring of 2027 that established new clearing prices for each season during the Planning Year of June 2027 to May 2028.

Q20. Why did NIPSCO and GenCo agree to utilize the historical MISO clearing price, and do you believe this is a fair indicator of the current market price for capacity?

A20. While it may go without saying, because they are affiliated companies, NIPSCO and GenCo are not allowed to negotiate pricing for each capacity transaction at arms-length as NIPSCO would ordinarily do with an unaffiliated third party. Thus, a reasonable and objective pricing mechanism is needed.

Two different pricing mechanisms were considered by NIPSCO and GenCo, both of which were tied to the MISO PRA. First, the future MISO auction clearing price for the Indiana "zone" for the applicable season was considered. While the price would not be known when the decision is made, this pricing would mirror the future price NIPSCO would pay if it remained short on capacity and bought capacity in the MISO auction in the future as a "price taker." But the downside is that NIPSCO would not have

a known price in a GenCo offer to compare to other available alternatives.

Second, the most recent historical MISO auction clearing price for the Indiana "zone" for the applicable season was also considered. While this option does not mirror the future MISO PRA price, it is a fair indicator of current market pricing, and, importantly, it allows NIPSCO to compare GenCo offers to other alternatives in real time.

Ultimately, NIPSCO and GenCo agreed to use the historical price so it is a known price that can be fairly compared with other offers in real time. While the capacity market continues to be somewhat of an illiquid market, meaning by definition it is challenging to determine the "current market price," using the most recent MISO seasonal clearing price is a reasonable market indicator.

Q21. Please provide an example to illustrate how use of the CTA could be economically beneficial to NIPSCO's other retail customers as compared to a bilateral capacity purchase that may be offered by a third party.

A21. I will first note that the prices and MW amounts in the two examples that I provide are hypothetical, except for the MISO 2026-27 clearing prices, which are publicly known. In Table 1, it is assumed that NIPSCO has a 200

MW need in each of four future Planning Seasons, and it is further assumed that GenCo offers NIPSCO 200 MW in each of those seasons (at the MISO clearing prices), as does a third party (at an assumed price of $350/MW-day). Table 1 illustrates that the seasonal pricing at which GenCo would be required to offer its capacity would potentially save NIPSCO's other retail customers more than $16 million in one Planning Year.

Table 1: NIPSCO has a 200 MW need in all 4 MISO Seasons				
	MISO Price* ($/MW-day)	MWs	Days	Total for season
Summer	$ 424.30	200	92	$ 7,807,120
Fall	$ 33.92	200	91	$ 617,344
Winter	$ 35.97	200	90	$ 647,460
Spring	$ 7.61	200	92	$ 140,024
				$ 9,211,948
*Actual MISO 2026-27 Planning Year clearing prices by season				
	Bilateral Price* ($/MW-day)	MWs	Days	Total for season
Summer	$ 350.00	200	92	$ 6,440,000
Fall	$ 350.00	200	91	$ 6,370,000
Winter	$ 350.00	200	90	$ 6,300,000
Spring	$ 350.00	200	92	$ 6,440,000
				$ 25,550,000
*Assumes an offer from a third party at $350-MW-day, but they will only sell the entire Planning Year				

Estimated Customer Savings $ 16,338,052

In Table 2, it is assumed that NIPSCO has a MW need in only three of four future Planning Seasons (150 MW in Summer, 100 MW in Fall, 0 MW in Winter, and 50 MW in Spring), and it is further assumed that GenCo offers

NIPSCO 200 MW in each of those seasons (at the MISO clearing prices), as does a third party (at an assumed price of $350/MW-day). But it also assumes the third party only offers 200 MW for the entire Planning Year, which is what would reasonably be expected based on recent experience with the market. Table 2 illustrates that (1) the seasonal pricing at which GenCo would be required to offer its capacity combined with (2) NIPSCO's ability to select only the amount of MWs it needs in each season, would potentially save NIPSCO's other retail customers more than $19 million in one Planning Year.

Table 2: NIPSCO has different needs in each MISO Season

	MISO Price* ($/MW-day)	MWs	Days	Total for season
Summer	$ 424.30	150	92	$ 5,855,340
Fall	$ 33.92	100	91	$ 308,672
Winter	$ 35.97	0	90	$ -
Spring	$ 7.61	50	92	$ 35,006
				$ 6,199,018
*Actual MISO 2026-27 Planning Year clearing prices by season				
	Bilateral Price* ($/MW-day)	MWs	Days	Total for season
Summer	$ 350.00	200	92	$ 6,440,000
Fall	$ 350.00	200	91	$ 6,370,000
Winter	$ 350.00	200	90	$ 6,300,000
Spring	$ 350.00	200	92	$ 6,440,000
				$ 25,550,000
*Assumes an offer from a third party at $350-MW-day, but they will only sell the entire Planning Year				

Estimated Customer Savings $ 19,350,982

Q22. Is approval of the CTA and Procedure "prejudgment" of future capacity transactions that would lead to automatic recovery?

A22. No. Approval of the CTA and Procedure would approve a construct that allows for the future exchange of capacity between NIPSCO and GenCo, but it would not be a prejudgment of any particular transaction or lead to automatic recovery. Instead, future purchases by NIPSCO from GenCo under the CTA (or allocations of cost responsibility from NIPSCO to GenCo under the Procedure) will be evaluated by the Commission through NIPSCO's RA Tracker, where other bilateral capacity transactions are recovered and PRA revenues are credited. NIPSCO commits to reporting each transaction under the CTA in each semiannual RA Tracker and would propose that review of each transaction occur at the time it is reported in the RA Tracker, to allow somewhat real-time review based on the information available at the time the decision was made.[5]

---

[5] Another alternative for review of capacity transactions would be to review them in the RA Tracker when recovery is sought, but this could lead to a decision a year or more in the future, which does not seem optimal as compared to a review in the RA Tracker immediately subsequent to execution of the capacity transaction.

Q23. Under the CTA, would NIPSCO ever offer capacity to cover a GenCo shortfall?

A23. Yes. This is addressed in the Procedure, not the CTA. In short, approval of the Procedure would authorize NIPSCO to make a written offer to GenCo when NIPSCO has excess capacity and GenCo has a potential shortfall for the capacity it has contractually committed to providing to NIPSCO under a customer-specific PPA. The method for making offers and the pricing mechanism would be identical. However, under this scenario, NIPSCO would not make an actual transfer of capacity "to GenCo." Instead, NIPSCO, as the entity responsible for ensuring resource adequacy and procuring sufficient capacity to cover non-megaload and megaload customer load (plus planning reserve margin requirement) would retain the capacity *but assign cost responsibility to GenCo for a set number of MWs at a set price*. This would be documented in writing and executed by an officer of NIPSCO and GenCo, just as the formal contractual transfers under the CTA would be. Such transactions would also be reported and reviewed in the RA Tracker, just as transactions under the CTA would be.

Q24. Who were the commercial and legal representatives for NIPSCO and GenCo during the negotiations of the CTA?

A24. For commercial representation, NIPSCO was represented by Vincent Parisi, NIPSCO's President, CEO, and COO and GenCo was represented by Daniel Douglas, GenCo's President, CEO, and COO. On the legal side, NIPSCO was represented by in-house attorney Bryan Likins, and GenCo was represented by in-house attorney Todd Rodgers, as well as Russell Kooistra from the law firm of Troutman Pepper Locke LLP.

Q25. Because the CTA addresses the sale of capacity between two utilities, this would be a wholesale contract ordinarily reviewed and approved by the Federal Energy Regulatory Commission ("FERC"). Do Joint Petitioners intend to file the CTA with FERC? And are you aware of any similar arrangement that has been reviewed by FERC?

A25. It is accurate to note that this is a wholesale contract between affiliated parties, which is subject to FERC approval. Assuming approval by the Commission in this filing, Joint Petitioners will also file the CTA with FERC for approval under Section 205 of the Federal Power Act as an "affiliate arrangement." While I am not aware of an identical contract that FERC has

approved, I am aware of a recent decision by FERC in *Cordova Energy Company, LLC*, 193 FERC ¶ 61,090 (2025) ("*Cordova*"), and *Cordova Energy Company, LLC*, 194 FERC ¶ 61,108 (2026) ("*Cordova II*), which are discussed in the Procedure (p. 4). In that case, the parties proposed to use a future MISO PRA clearing price, but the arrangement was very similar to what is proposed under the CTA.

Conclusion

Q26. Are the CTA and Procedure reasonable and will they serve the public interest?

A26. Yes. As I discussed above, Joint Petitioners were careful to craft the arrangements under the CTA and Procedure to be fully consistent with the terms of the GenCo and Amazon Settlements, and this kind of arrangement was explicitly contemplated in those settlements. The approvals requested by Joint Petitioners will allow for efficient and cost-effective use of GenCo and NIPSCO generation capacity and help them avoid the need to build or procure incremental capacity, as would likely be required without the CTA. Furthermore, the written offer process and pricing defined in the CTA and Procedure ensure that agreed-to transactions are based on a reasonable

price, and each transaction will remain subject to Commission approval in the future. For all these reasons, Joint Petitioners request Commission approval based on a finding that the CTA and Procedure are just and reasonable and in the public interest.

Q27. Does this conclude your prefiled direct testimony?

A27. Yes.

VERIFICATION

I, Karl E. Stanley, Vice President of Supply & Optimization 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.

Karl E. Stanley

Date: July 10, 2026

Attachment 1-A

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED JOINT PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC ("NIPSCO") AND NIPSCO GENERATION LLC ("GENCO") FOR APPROVAL OF A CAPACITY TRANSFER AGREEMENT AND AFFILIATE CAPACITY TRANSFERS PROCEDURES BETWEEN NIPSCO AND GENCO PURSUANT TO IND. CODE §§ 8-1-2-49 AND -83.	**CAUSE NO.**

VERIFIED JOINT PETITION

Northern Indiana Public Service Company LLC ("NIPSCO") and NIPSCO Generation LLC ("GenCo") (collectively "Joint Petitioners") respectfully petition the Indiana Utility Regulatory Commission ("Commission") for approval of (1) a Capacity Transfer Agreement dated May 18, 2026 by and between NIPSCO and GenCo (the "CTA"); and (2) Affiliate Capacity Transfers Procedure effective July 1, 2026 outlining the affiliate arrangement between NIPSCO and GenCo related to (a) the CTA and (b) times when NIPSCO may have excess capacity and uses that to cover periods of GenCo shortfalls of capacity (the "Procedure"), as further described herein and in Petitioner's case-in-chief. 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.

Joint Petitioners' Corporate and Regulated Status

1. 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 86th Avenue, Merrillville, Indiana. NIPSCO 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. 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, which are used and useful for the convenience of the public in the production, transmission, distribution and furnishing of electric energy, heat, light and power to the public.

2. 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 "energy utility" under

Ind. Code § 8-1-2.5-2, and its service (as that term is defined in Ind. Code § 8-1-2-1) constitutes "retail energy service" under Ind. Code § 8-1-2.5-3.

3. NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and is a member of the Midcontinent Independent System Operator, Inc., a regional transmission organization operated under the authority of FERC which controls the use of NIPSCO's transmission system and the dispatching of its generating units.

4. GenCo is a limited liability company with its principal place of business located at 801 East 86th Avenue, Merrillville, Indiana. GenCo will purchase, construct, own and operate generation facilities and related assets. All sales by GenCo of electric energy produced by its generation facilities will be provided exclusively to NIPSCO through agreements that will be subject to Commission approval. If excess generation exists after satisfying contractual requirements with NIPSCO, electric energy produced by its generation facilities will be offered into the wholesale power market and not sold at retail. Pursuant to the Commission's September 24, 2025 Order in Cause No. 46183 (the "Declination Order"), GenCo is a "public utility" and an "energy utility" for purposes of Ind. Code § 8-1-2.5-2.

Requested Relief

5. This proceeding is being filed in furtherance of Petitioner's obligations pursuant to the Stipulation and Settlement Agreement (the "GenCo Settlement") approved in the Declination Order. The Settlement (at 17, Section 4(i)) states:

> All affiliate contracts and agreements between NIPSCO and Genco will be submitted for Commission approval using a procedure similar to the Commission's 30-day filing procedure, or as part of a regularly docketed proceeding. If such filing contains confidential information, it may still be filed with a request for approval within 30 days.

Therefore, while Ind. Code § 8-1-2-49 generally only requires submission of agreements between affiliated companies, Joint Petitioners are submitting the CTA for Commission review and approval. In addition, Ind. Code § 8-1-2-83(a) requires that special contracts between public utilities at rates other than those previously approved by the Commission must be approved. *See, e.g., In re Petition of Indianapolis Power & Light Co.*, 1989 Ind. PUC LEXIS 128; 103 P.U.R.4th 420 (1989).

6. Other relevant provisions of the GenCo Settlement and the Stipulation and Settlement Agreement approved by the Commission on June 17, 2026 in Cause No. 46322 ("Amazon Settlement") and consistency of the CTA and Procedure with such provisions is further discussed in Joint Petitioners' case-in-chief.

7. Joint Petitioners request the Commission approve the CTA and Procedure as reasonable and in the public interest.

The CTA and Procedure

8. As further discussed in Joint Petitioners' case-in-chief, the overarching purposes of the CTA and Procedure are (1) to find the most economical, efficient way for NIPSCO to serve retail and megaload customers and (2) to avoid materially overbuilding NIPSCO owned and operated generation (which is intended to directly serve NIPSCO's other retail customers) or GenCo owned and operated generation (which is intended to be used by NIPSCO to serve megaload customers through power purchase agreements ("PPAs") between NIPSCO and GenCo).

9. In combination, the CTA and Procedure will allow NIPSCO to economically and efficiently plan to meet its load obligations and resource adequacy requirements for all its retail customers and will prevent development of excess generation capacity, thereby reducing unnecessary investment in potentially duplicative infrastructure.

10. Upon Commission approval, the CTA will also be submitted to FERC for approval under Section 205 of the Federal Power Act as an affiliate transaction and would not be effective until approved by both the Commission and FERC.

Public Interest

11. The relief sought in this Joint Petition serves the public interest, as further discussed and supported in Joint Petitioners' case-in-chief.

Other Matters

12. Joint Petitioners consider the provisions of the Public Service Commission Act, as amended, to be applicable to this proceeding, including Ind. Code §§ 8-1-2-49, 10, 19, 24, 25, 29, and 83.

13. The names and addresses of persons authorized to accept service of papers in this proceeding on behalf of Joint Petitioners are:

Counsel of Record:

Bryan M. Likins (No. 29996-49)
Alexandra L. Jones (No. 38604-06)
NiSource Corporate Services - Legal
150 West Market Street, Suite 600
Indianapolis, Indiana 46204
Likins Phone: (317) 684-4922
Jones Phone: (317) 964-1752
Fax: (317) 684-4918
Likins Email: blikins@nisource.com,
Jones Email: alexandrajones@nisource.com

With a copy to:

Erin A. Whitehead
Northern Indiana Public Service Company LLC
150 W. Market Street, Suite 600
Indianapolis, Indiana 46204
Phone: (317) 684-4915
Email: ewhitehead@nisource.com

Debi McCall
NiSource Corporate Services - Legal
150 West Market Street, Suite 600
Indianapolis, Indiana 46204
Phone: (317) 684-4925
Fax: (317) 684-4918
Email: demccall@nisource.com

14. As noted above, the Settlement provides that a procedural schedule in this proceeding would have a Commission order issued not more than 30 days after the filing of a petition and supporting testimony. Joint Petitioners originally submitted a request for similar relief under 170 IAC 1-6-1 *et seq.* but withdrew that filing to allow for a more fulsome review of the CTA and Procedure in a docketed proceeding. Joint Petitioners need clarity regarding approval of the CTA and Procedure as soon as reasonably possible so that, as necessary, transactions related thereto can be considered and planned for. Specifically, assuming Commission approval of the CTA, it must also be submitted to and approved by the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act as an affiliate arrangement, and Joint Petitioners need to achieve all regulatory approvals no later than the end of calendar year 2026 to allow for prudent planning activities in advance of the next MISO Planning Year. Joint Petitioners,

therefore, respectfully request the Commission issue its Order no later than September 23, 2026.[1]

15. In accordance with 170 IAC 1-1.1-15(e), before making this filing, Joint Petitioners sought stipulation with the Indiana Office of Utility Consumer Counselor ("OUCC") and other interested stakeholders regarding a proposed procedural schedule in lieu of a prehearing conference. Discussions are ongoing concerning the procedural schedule set out below, and Joint Petitioners anticipate an agreement will be reached and timely filed with the Commission.

Event	Deadline
Joint Petitioners' Petition and case-in-chief	07/10/2026
OUCC and Intervenors file case-in-chief	08/10/2026
Joint Petitioners file rebuttal testimony	08/17/2026
Evidentiary Hearing	08/27/2026
Joint Petitioners file Proposed Order	08/28/2026
OUCC and Intervenors file Proposed Order	09/04/2026
Joint Petitioners file Reply to OUCC and Intervenor Proposed Orders	09/10/2026
Order	09/23/2026

WHEREFORE, Joint Petitioners respectfully request that the Commission promptly publish notice, make such other investigation, and hold such hearings

[1] Joint Petitioners requested order date accounts for the fact that the Commission and interested stakeholders have had a copy of the CTA and Procedure since at least May 19, 2026, when a later-withdrawn 30-day filing was submitted.

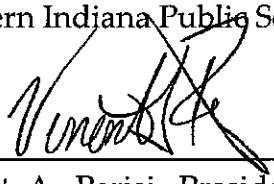
as are necessary or advisable, and thereafter make and enter appropriate orders in this Cause:

1. Approving the Capacity Transfer Agreement and Affiliate Capacity Transfers Procedure in their entireties; and

2. Granting such other and further relief as may be appropriate and proper.

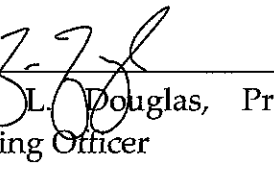
Dated this 10th day of July, 2026.

Northern Indiana Public Service Company LLC



Vincent A. Parisi, President, Chief Operating Officer and Chief Executive Officer

NIPSCO Generation LLC

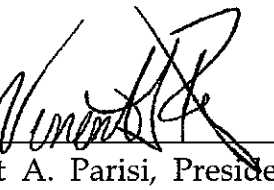


Daniel L. Douglas, President and Chief Operating Officer

Verifications

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

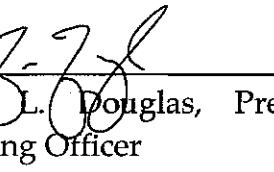
Dated: July 10, 2026.



Vincent A. Parisi, President, Chief Operating Officer, and Chief Executive Officer
Northern Indiana Public Service Company LLC

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

Dated: July 10, 2026.



Daniel L. Douglas, President and Chief Operating Officer
NIPSCO Generation LLC

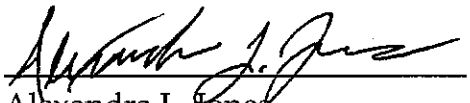
CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon Abby R. Gray, Carol S. Drake, T. Jason Haas, Adam Kashin, Indiana Office of Utility Consumer Counselor, 115 W. Washington Street, Suite 1500 South, Indianapolis, Indiana 46204 (agray@oucc.in.gov, cadrake@oucc.in.gov, thaas@oucc.in.gov, akashin@oucc.in.gov, infomgt@oucc.in.gov).

A courtesy copy has also been provided by email transmission to the following:

Todd A. Richardson
Joseph P. Rompala
Emily R. Vlasak
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0003
trichardson@lewis-kappes.com
jrompala@lewis-kappes.com
evlasak@lewis-kappes.com
atyler@lewis-kappes.com

Dated this 10th day of July, 2026.



Alexandra L. Jones

CAPACITY TRANSFER AGREEMENT

BETWEEN

NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC

AND

NIPSCO GENERATION LLC

DATED: May 18, 2026

Table of Contents **Page**

1. Rules of Interpretation 2
2. Term; Conditions Precedent. 7
3.Sale, Purchase and Delivery of Contracted ZRCs 8
4. Invoicing 9
5. Confidentiality 10
6. Default and Remedies 11
7. Dispute Resolution 12
8. Representations, Warranties and Covenants 14
9. No Consequential Damages; Liability and Damages, Insurance 14
10. Indemnity 15
11. Assignment 16
12. Record Retention 16
13. Miscellaneous 17

CAPACITY TRANSFER AGREEMENT

This Capacity Transfer Agreement (this "Agreement") is made as of May 18, 2026 ("Execution Date"), by and between:

(1) **Northern Indiana Public Service Company LLC**, a limited liability company organized under the laws of the State of Indiana ("NIPSCO"); and

(2) **NIPSCO Generation LLC**, a limited liability company organized under the laws of the State of Indiana ("GenCo").

NIPSCO and GenCo are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS:

(A) NIPSCO is a regulated electric utility that provides retail electric service within the State of Indiana;

(B) GenCo is an Affiliate (capitalized terms used but not defined in these Recitals are defined in Section 1.1 below) of NIPSCO and was formed for the purpose of purchasing contracted power and capacity as well as, constructing, owning, and operating generation facilities and related assets, and has the rights and privileges outlined in a declination order issued by the IURC on September 24, 2025 (the "GenCo Declination Order");

(C) GenCo is also a public utility and an energy utility under Indiana law but is prohibited from providing retail electric service under the GenCo Declination Order;

(D) GenCo and NIPSCO are parties to one or more Power Purchase Agreements ("PPAs") pursuant to which GenCo will sell and deliver, and NIPSCO will purchase and receive, certain products and services, including Committed Capacity (as defined in the PPAs), on the terms and conditions set forth in the PPAs, for the purpose of NIPSCO providing electric service pursuant to certain Special Contracts (as defined in the PPAs) with certain data center customers;

(E) GenCo will obtain ZRCs from MISO from time to time through conversion of the confirmed deliverable Seasonal Accredited Capacity of GenCo's Planning Resources, transfers pursuant to bilateral contracts, or participation in the MISO Planning Resource Auction;

(F) From time to time, GenCo may hold more ZRCs than the equivalent amount of Committed Capacity that GenCo is required to sell and deliver to NIPSCO for a given Season under the PPAs ("Excess ZRCs"); and

(G) GenCo desires to sell such Excess ZRCs to NIPSCO from time to time, and NIPSCO desires to purchase such Excess ZRCs from GenCo from time to time, subject to and on the terms and conditions provided for herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

1. Rules of Interpretation

1.1 Defined Terms.The following capitalized terms shall have the meanings set forth below, whether in the singular or the plural or in the present or past tense. Other capitalized terms used in this Agreement but not set forth below shall have meanings defined therein.

"Affiliate" means, in respect of any designated Person, any Person that directly or indirectly controls, is under the control of, or is under common control with, such designated Person by the power to direct or cause the direction of the management of the policies of such designated Person, whether through ownership interest, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Applicable ZRC" means the most recently cleared MISO PRA clearing price for ZRCs Local Resource Season, regardless of whether the ZRCs are used to meet NIPSCO's Resource Adequacy Requirements (as defined in the MISO Rules) or if they are offered into the PRA. For example, a transaction entered into in writing in June of 2026 for summer 2028 ZRCs will be priced at the MISO PRA Local Resource Zone 6 clearing price for the summer of 2026, and a transaction entered into in writing in June of 2027 for summer 2028 ZRCs will be priced at the MISO PRA Local Resource Zone 6 clearing price for the summer of 2027.

"Business Day" means any Day that is not a Saturday, a Sunday, or a NERC recognized holiday.

"Capacity" has the meaning set forth in the MISO Rules.

"Claim" has the meaning set forth in Section 10.2.

"Confidential Information" means all information, written or oral, which has been or is disclosed by a Transferor to Transferee which: (a) relates to matters such as trade secrets, research and development activities, draft or final contracts or other business arrangements, books and records, budgets, cost estimates, pro forma calculations, vendor lists, suppliers, pricing information, private processes, and other similar information, as they may exist from time to time; (b) contains the terms of this Agreement (the terms, not the existence, of this Agreement are

deemed Confidential Information); (c) is exchanged in connection with this Agreement; or (d) the Transferor designates in writing to be confidential, provided that "Confidential Information" shall exclude information falling into any of the following categories: (i) information that, at the time of disclosure hereunder or thereafter, is in or enters into the public domain, other than information that entered the public domain by breach of this Agreement by the Transferee; (ii) information, other than that obtained from third parties, that prior to disclosure hereunder, was already in the Transferee's possession, either without limitation on disclosure to others or subsequently becoming free of such limitation; or (iii) information obtained by the Transferee from a third-party having an independent right to disclose the information.

"Confirmation Notice" has the meaning set forth in Section 3.1.

"Contracted ZRCs" has the meaning set forth in Section 3.1.

"Courts" has the meaning set forth in Section 7.4.2.

"Day" means a calendar day.

"Default" has the meaning set forth in Section 6.1.

"Defaulting Party" has the meaning set forth in Section 6.1.

"Dispute Notification" has the meaning set forth in Section 7.1.

"Effective Date" has the meaning set forth in Section 2.1.

"Excess ZRCs" has the meaning set forth in the Recitals.

"Execution Date" has the meaning set forth in the preamble.

"FERC" means the Federal Energy Regulatory Commission.

"FERC Approval" means an order from FERC pursuant to section 205 of the Federal Power Act and Sections 35.39(b) and 35.44(a) of FERC's regulations authorizing the sales of ZRCs from GenCo to NIPSCO pursuant to this Agreement.

"Force Majeure Event" means any event or circumstance, or combination of events or circumstances, arising after the Effective Date that wholly or partly prevents or delays a Party from performing any obligation under this Agreement, but only if and to the extent:

(a) such event or circumstance, or combination of events or circumstances, is not within the reasonable control of such Party or its Affiliates;

(b) such Party has (and has procured that its Affiliates have) used reasonably diligent efforts in taking precautions and measures to (i) avoid the effect of such event or circumstance, or combination of events or circumstances and (ii) mitigate the consequences thereof;

(c) such event or circumstance, or combination of events or circumstances, does not result from the failure of such Party to perform any of its obligations under this Agreement; and

(d) such event or circumstance, or combination of events or circumstances, could not have been (i) reasonably anticipated or (ii) avoided by the exercise of reasonable diligence and care.

A "Force Majeure Event" shall include the following; provided, that such event or circumstance, or combination of events or circumstances, meets all of the requirements in clauses (a)-(d) of the immediately preceding sentence: expropriation; invasion; drought, landslide, tornado, hurricane, tsunami, flood, lightning, earthquake, and other acts of God; fire; explosion; pandemic; invasion, acts of terrorism, war (declared or undeclared), or other armed conflict; riot, revolution, insurrection; blockade; port closure; sabotage or vandalism; strikes and other labor disputes (including collective bargaining disputes and lockouts) involving a Party and not directed exclusively at such Party; or embargoes.

"FRAP" has the meaning set forth in Section 3.1.

"GenCo" has the meaning set forth in the preamble.

"GenCo Declination Order" has the meaning set forth in the Recitals.

"Governmental Authority" means any federal, state, regional, local, municipal or other governmental, regulatory, administrative, judicial, public or statutory instrumentality, court or governmental tribunal, agency, commission, authority, body or entity, or any political subdivision thereof, having legal jurisdiction over the matter or person in question or authority to bind a Party at Law, including NERC, MISO, IURC or other applicable public utility commission, FERC, and successor Governmental Authority. For the avoidance of doubt, NIPSCO is not a Governmental Authority for purposes of this Agreement.

"Governmental Authorizations" means any license, permit, order, approval, filing, waiver, exemption, variance, clearance, entitlement, allowance, franchise, or other authorization from or by a Governmental Authority.

"Indemnified Parties" has the meaning set forth in Section 10.1.

"Indemnifying Party" has the meaning set forth in Section 10.1.

"Initial Term" has the meaning set forth in Section 2.1.

"Insolvent" means, with respect to any Person, such Person: (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law; (b) has any such petition, action or proceeding filed or commenced against it and such petition, action or proceeding is not stayed or dismissed within sixty (60) Days after filing; (c) makes an assignment or any general arrangement for the benefit of creditors or commences a marshalling of its assets for the benefit of creditors; (d) otherwise becomes bankrupt or insolvent; (e) has a liquidator, administrator, receiver,

trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; (f) is generally unable to pay its debts as they fall due or admits in writing its general inability to pay debts as they fall due; (g) has dissolved (other than pursuant to a consolidation, amalgamation or merger); (h) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (i) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; (j) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (i) inclusive; or (k) takes any action indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Interest Rate" means the lower of: (a) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent (2%) per annum; or (b) the maximum applicable lawful interest rate.

"Invoice Due Date" has the meaning set forth in Section 4.2.

"IURC" means the Indiana Utility Regulatory Commission.

"IURC Approval" means a written order of the IURC making an affirmative determination approving this Agreement, subject only to the requirement that the IURC retains ongoing prudency review of NIPSCO's performance and administration of this Agreement, as determined by NIPSCO in its sole discretion..

"Law" means all laws, treaties, ordinances, statutes, judgments, decrees, injunctions, writs, orders, rules, regulations, tariffs, interpretations, Governmental Authorizations and similar acts or promulgations or other legally enforceable requirements of any Governmental Authority, in each case, applicable to a Party or the substance of this Agreement.

"Market Participant" has the meaning set forth in the MISO Rules.

"MECT" has the meaning set forth in Section 3.2.

"MISO" means the Midcontinent Independent System Operator, Inc.

"MISO Rules" means all policies, rules, business practice manuals, guidelines, procedures, standards and criteria applicable to Market Participants in MISO, including the applicable MISO Tariff provisions, agreements, and MISO manuals.

"MISO Tariff" means the MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff on file with FERC, as may be amended from time to time.

"Mobile-Sierra Doctrine" has the meaning set forth in Section 13.5.2.

"Month" means a calendar month.

"NERC" means the North American Electric Reliability Corporation or any successor organization.

"NIPSCO" has the meaning set forth in the preamble.

"NIPSCO Liability Cap" has the meaning set forth in Section 9.2.

"Non-Defaulting Party" has the meaning set forth in Section 6.1.

"Party" and "Parties" has the meanings set forth in the preamble.

"Person" means a natural person, corporation, limited liability company, electric cooperative, partnership, trust, association, joint venture, real estate investment trust or business trust (including any beneficiary thereof), unincorporated association, municipal corporation, municipally-owned utility, municipality or other Governmental Authority, and any other form of business or legal entity.

"Planning Resources" has the meaning set forth in the MISO Rules.

"Planning Year" has the meaning set forth in the MISO Rules.

"PPA" has the meaning set forth in the Recitals.

"PRA" means the MISO Planning Resource Auction as defined in the MISO Rules.

"Pricing Dispute" has the meaning set forth in Section 4.4.

"Renewal Term" has the meaning set forth in Section 2.1.1.

"Sale Notice" has the meaning set forth in Section 3.1.

"Season" has the meaning set forth in the MISO Rules.

"Seasonal Accredited Capacity" has the meaning set forth in the MISO Rules.

"Senior Executive Notice" has the meaning set forth in Section 7.1.2.

"Settlement Agreement" has the meaning set forth in Section 7.1.1.

"Taxes" has the meaning set forth in Section 13.2.2.

"Term" means the period of time during which this Agreement remains in full force and effect, as further defined in Section 2.1.1.

"ZRC" means a Zonal Resource Credit (as defined in the MISO Rules).

1.2 Interpretation. The following rules of interpretation shall apply in this Agreement:

1.2.1 The masculine shall include the feminine and neuter.

1.2.2 References to "Articles" and "Sections" shall be to articles and sections of this Agreement unless otherwise noted.

1.2.3 This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

1.2.4 Use of the words "include" or "including" or similar words shall be interpreted as "including but not limited to" or "including, without limitation."

1.2.5 Use of the word "or" means "and/or" unless the context indicates otherwise.

1.2.6 References to any Law mean such Law as may be updated or otherwise modified from time to time, including any successor thereto; and references to any agreement mean such agreement as may be amended, restated, supplemented, or otherwise modified from time to time.

1.2.7 Reference to a Party includes that Party's successors and permitted assigns.

1.2.8 Reference to a Governmental Authority shall include an entity succeeding to its functions.

1.3 Good Faith and Fair Dealing. The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (a) when this Agreement specifically references the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever this Agreement specifically gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be commercially reasonable.

2. Term; Conditions Precedent; Termination.

2.1 Term. This Agreement shall be effective upon the date on which the conditions precedent in Section 2.2 have been satisfied in accordance with the terms thereof (the "Effective Date") and shall terminate at the conclusion of the MISO Planning Year 2030/2031 (May 30, 2031), unless terminated earlier in accordance with the terms herein (the "Initial Term").

2.1.1. Renewal. If neither Party provides written notice at least twelve (12) Months prior to the expiration of the Initial Term or any Renewal Term, the Term will automatically extend by an additional twenty four (24) Months (each additional term, a "Renewal Term"). The Initial Term together with any Renewal Term shall be the "Term" of this Agreement.

2.2 Conditions Precedent.

2.2.1 IURC Approval. No later than forty-five (45) Days after the date of this Agreement or as extended by mutual written agreement of the Parties, NIPSCO and GenCo shall jointly apply to the IURC for the IURC Approval. The Parties shall use commercially reasonable efforts to obtain the IURC Approval as soon as reasonably practicable and shall cooperate with each other to obtain the IURC Approval. If the IURC Approval has not been obtained within one-hundred and eighty (180) days of the Parties jointly applying to the IURC for the IURC Approval, then either Party may terminate this Agreement by written notice delivered to the other Party.

2.2.2 FERC Approvals. Promptly following receipt of the IURC Approval, NIPSCO and GenCo shall use commercially reasonable efforts to jointly make FERC filings seeking the FERC Approval, and following such filings, respond promptly and accurately to any requests for additional information made by FERC and/or other parties to the proceeding. The Parties shall reasonably cooperate with each other to facilitate prompt responses, including by using commercially reasonable efforts to provide information or other documents reasonably requested by the other Party as required for the FERC Approval and/or any regulatory proceedings or litigation between NIPSCO or GenCo and a third party that may arise relating to the FERC Approval. If the FERC Approval has not been obtained within one-hundred and twenty (120) days of receipt of the IURC Approval, then either Party may terminate this Agreement by written notice delivered to the other Party.

2.3 Early Termination.

2.3.1 Mutual Termination. This Agreement may be terminated at any time before the end of the Term by the mutual written agreement of the Parties.

2.3.2 NIPSCO Termination. If GenCo ceases to be an Affiliate of NIPSCO, then NIPSCO may terminate this Agreement by written notice delivered to GenCo within thirty (30) Days after the date that GenCo ceases to be an Affiliate of NIPSCO.

2.3.2 Obligations and Liabilities After Termination. If this Agreement is terminated early in accordance with Section 2.2.1, Section 2.2.2, Section 2.3.1 or Section 2.3.2, then the Parties shall have no further obligation or liability hereunder, other than any liability arising hereunder prior to such termination.

3. Sale, Purchase and Delivery of Contracted ZRCs.

3.1 Sale and Purchase of Excess ZRCs. Prior to each MISO Planning Year during the Term, GenCo may elect, in its sole and absolute discretion, to sell Excess ZRCs to NIPSCO by providing written notice of its election to NIPSCO (a "Sale Notice"), including details with respect to the quantity and applicable Season of such Excess ZRCs and the Applicable ZRC Price for each applicable Season. The Sale Notice must be provided to NIPSCO no later than sixty (60) days prior to the deadline under the MISO Tariff for NIPSCO to submit its Fixed Resource Adequacy Plan ("FRAP") for the applicable Planning Year. NIPSCO may elect, in its sole and absolute discretion, to purchase none, some, or all of the Excess ZRCs in the Sale Notice (such Excess ZRCs that NIPSCO agrees to purchase are referred to as the "Contracted ZRCs") at the Applicable ZRC Price by providing written confirmation to GenCo within thirty (30) days after NIPSCO receives the Sale Notice (a "Confirmation Notice"). Such Confirmation Notice shall include the amount of Contracted ZRCs that NIPSCO agrees to purchase, if any, and for which Season(s), and confirmation that NIPSCO agrees with the Applicable ZRC Price identified by GenCo for such Contracted ZRCs, or if GenCo's Sale Notice contained an erroneous price, correction of such price. At no time will NIPSCO sell any Contracted ZRCs back to GenCo under this Agreement.

3.2 Delivery and Receipt of ZRCs.

GenCo will accomplish delivery of the Contracted ZRCs to NIPSCO by submitting the appropriate transaction(s) in MISO's Module E capacity tracking tool, or any successor systems ("MECT"), in a manner consistent with the MISO Rules and by no later than twenty (20) days prior to the deadline under the MISO Tariff for NIPSCO to submit its FRAP for the applicable Planning Year. NIPSCO will accomplish receipt of the Contracted ZRCs by confirming the appropriate transaction(s) submitted by GenCo in the MECT. GenCo and NIPSCO shall accomplish delivery and receipt of the Contracted ZRCs by no later than ten (10) Business Days prior to the deadline under the MISO Tariff for NIPSCO to submit its FRAP for the applicable Planning Year.

3.3 Reservation of NIPSCO Rights. Notwithstanding anything to the contrary, nothing in this Agreement shall be construed to limit or otherwise impair NIPSCO's ability to enter into bilateral capacity agreements with third parties or to pursue alternative capacity resources as necessary to fulfill its resource adequacy obligations.

4. Invoicing.

4.1 Invoicing. Within thirty (30) Days of the date NIPSCO submits its FRAP for the applicable Planning Year, GenCo shall submit to NIPSCO an invoice setting forth the amount of Contracted ZRCs delivered to NIPSCO pursuant to Section 3.2 and the amount owed by NIPSCO to Genco for such Contracted ZRCs based on the Applicable ZRC Price.

4.2 Payments Due. All payments shall be due and payable on or before thirty (30) Days after issuance of an invoice from GenCo in accordance with Section 4.1 (the "Invoice Due Date");

provided, however, that if such Day is not a Business Day, payment shall be due on the next Business Day.

4.3 Interest. Any amounts not paid by the Invoice Due Date that result in a Default pursuant to Section 6.1, shall accrue interest at the Interest Rate, from the date of such Default until the date of payment.

4.4 Payment Disputes. In respect of any invoice issued by GenCo to NIPSCO pursuant to Section 4.1, if either Party raises a dispute regarding the correctness of any audit or invoice or any adjustment to an invoice ("Pricing Dispute"), then that Party shall provide the other Party with written notice of the Pricing Dispute within twelve (12) Months of the delivery of the invoice.

4.5 Records and Information. GenCo and NIPSCO shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement, including billing and payment records, and such records as may be required by Governmental Authorities. Throughout the Term, either Party may reasonably request the other Party to provide information and supporting documentation related to this Agreement and the other Party's performance hereunder, and the other Party shall timely provide such information and supporting documentation.

5. Confidentiality.

5.1 Disclosure of Confidential Information. Any Confidential Information which is disclosed by either Party (the "Transferor") to or received by the other Party (the "Transferee") incident to this Agreement shall be held in confidence and the Transferee shall not (except as provided below) disclose any Confidential Information of the Transferor to any Person for any reason whatsoever, or use any Confidential Information for any purpose other than performance under this Agreement, without the prior written approval of the Transferor, which approval may be granted or withheld by the Transferor in its sole discretion. Without limiting the generality of the foregoing, each Transferee shall observe at a minimum the same safeguards and precautions with regard to the Transferor's Confidential Information which the Transferee observes with respect to its own information of the same or similar kind.

5.2 Permitted Disclosures. Notwithstanding anything to the contrary contained in this Article 5:

5.2.1 a Transferee may provide any Confidential Information to any Governmental Authority having jurisdiction over or asserting a right to obtain such information, provided that (i) such Governmental Authority orders that such Confidential Information be provided, and (ii) unless prohibited from so doing by applicable Law, the Transferee promptly advises the Transferor of any request for such information by such Governmental Authority and cooperates in giving the Transferor an opportunity to present objections, requests for limitation, and/or requests for confidentiality or other restrictions on disclosure or access, to such Governmental Authority;

5.2.2 a Transferee may, to the extent required, disclose Confidential Information to any Governmental Authority in connection with the application for any Governmental Authorization; provided that unless prohibited from so doing by applicable Law, the Transferee shall provide the Transferor advance notice of such disclosure and the Confidential Information that is to be disclosed; and

5.2.3 a Transferee may disclose such Confidential Information regarding the existence and terms of this Agreement as such Transferee deems necessary to enable it to comply with the Securities Exchange Act of 1934, or the rules, regulations and forms of the Securities and Exchange Commission, issued thereunder or the applicable rules of any stock exchange, or as otherwise required by applicable Governmental Requirements.

5.3 Disclosure to Representatives. Each Transferee agrees that it will make available Confidential Information received from a Transferor to its own representatives only on a need-to-know basis, and that all Persons to whom such Confidential Information is made available will be made aware of the confidential nature of such Confidential Information, and will be required to agree to hold such Confidential Information in confidence in accordance with the terms hereof. Each Transferee shall be responsible for any breach of the provisions of this Article 5 by any of its representatives.

5.4 Injunctive Relief. In the event of a breach or threatened breach of the provisions of this Article 5 by any Transferee, the Transferor shall be entitled to an injunction restraining the Transferee from such breach or threatened breach. Nothing contained herein shall be construed as prohibiting the Transferor from pursuing any other remedies available at law or equity for such breach or threatened breach of this Agreement.

6. Default and Remedies.

6.1 Events of Default. Either Party (in such instance, the "Non-Defaulting Party") may exercise the applicable remedies set forth in Section 6.2 after the occurrence and during the continuation of the following events (each, a "Default") by the other Party (the "Defaulting Party"):

6.1.1 failure to pay any amount when due under this Agreement by the Defaulting Party that is not cured within fourteen (14) Days after receipt of written notice thereof from the Non-Defaulting Party;

6.1.2 breach of any material provision of this Agreement (not otherwise a separate Default under this Section 6.1 or where a remedy has not already been set forth in this Agreement) by the Defaulting Party that, if curable, is not cured in all material respects within thirty (30) Days after receipt of written notice thereof from the Non-Defaulting Party (or for breaches which cannot be cured within thirty (30) Days despite the Defaulting Party's use of commercially reasonable efforts, sixty (60) Days after receipt of such written notice thereof from the Non-Defaulting Party);

6.1.3 the Defaulting Party is Insolvent; or

6.1.4 the Defaulting Party breaches any of its representations and warranties in Article 8 and fails to cure such breach within thirty (30) Days after receipt of written notice thereof from the Non-Defaulting Party.

6.2 Remedies. In the event of a Default, the Non-Defaulting Party shall have the right to pursue any one or more of the following remedies against the Defaulting Party:

6.2.1 Seek any remedies in law or in equity, subject to any applicable limitations of remedies or damages under this Agreement, including to receive from the Defaulting Party direct damages incurred by the Non-Defaulting Party in connection with such Default; and/or

6.2.2 Provide thirty (30) Days' prior written notice to the Defaulting Party of its intent to terminate this Agreement for such Default, and if the Defaulting Party has failed to cure such Default within such thirty (30) Day period, terminate this Agreement upon written notice to the Defaulting Party.

7. Dispute Resolution.

7.1 Step Negotiations. If any dispute or claim arises under this Agreement which is not resolved in the ordinary course of business, the Party raising such dispute shall notify, in writing, the other Party of the dispute, which notification must include a written explanation of the dispute and the material details of the notifying Party's position as to the dispute (the "Dispute Notification"). Upon issuance of the Dispute Notification set forth in this Section 7.1:

7.1.1 the senior executives shall meet within ten (10) Business Days of issuance of such Dispute Notification and in good faith attempt to resolve the dispute within ten (10) Business Days thereafter, and to produce written terms of settlement for the dispute (a "Settlement Agreement"). If the senior executives are unable to resolve a dispute pursuant to this Section 7.1.1, and to produce a Settlement Agreement within thirty (30) Days after the date of their first meeting, or if no meeting of the senior executives has taken place within fifteen (15) Days after the Dispute Notification; then

7.1.2 each Party shall nominate a top executive with authority to decide or resolve the matter in dispute and provide written notice thereof (each, a "Senior Executive Notice") to the other Party within five (5) Days thereafter; provided, however, that such top executives shall not be involved in the day-to-day management of the transaction contemplated hereunder. Such top executives shall meet within ten (10) Business Days of issuance of the last Senior Executive Notice and in good faith attempt to resolve the dispute within ten (10) Business Days thereafter, and to produce a Settlement Agreement. If the top executives are unable to resolve a dispute pursuant to this Section 7.1.2, and to produce a Settlement Agreement within thirty (30) Days after the date of their first meeting, or if no meeting of top executives has

taken place within fifteen (15) Days after the last of the Senior Executive Notices; then

7.1.3 either Party shall have the right to seek any remedies in law or in equity, subject to any applicable limitations of remedies or damages under this Agreement.

7.2 Confidential Information. All negotiations pursuant to this dispute resolution provision are Confidential Information, inadmissible in any legal proceeding, and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence, including Rule 408, and state rules of evidence. Nothing in this Article 7 shall limit either Parties' legal or equitable rights and remedies or any rights or remedies set forth in this Agreement.

7.3 Injunctive Relief. Notwithstanding anything to the contrary contained in this Article 7, either Party may seek injunctive relief with respect to any disputed matter without following the dispute resolution procedure set forth in this Article 7.

7.4 Governing Law; Jurisdiction.

7.4.1 This Agreement shall be governed by the laws of the State of Indiana, except as to any matters subject to federal Law and the exclusive jurisdiction of FERC.

7.4.2 The Parties irrevocably agree, consent, and submit to the exclusive jurisdiction of the state and federal courts located in Marion County, Indiana (collectively, the "Courts") for any suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, except for matters subject to federal Law and the exclusive jurisdiction of FERC. If an action is filed and pending in state court, the Parties consent to and shall stipulate to venue in the Indiana Commercial Court. Each of the Parties irrevocably waive, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in these Courts and venue or that any such suit, action, or proceeding brought in these Courts has been brought in an inconvenient forum.

7.4.3 Each of the Parties shall bear its own attorneys' fees, costs, and expenses in connection with the matters set forth in this Agreement, including the negotiation and preparation of this Agreement.

7.4.4 EACH PARTY HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY, AND UNCONDITIONALLY WAIVES ITS RESPECTIVE RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING OR DECIDING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE PARTIES DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT

BE OR HAS NOT BEEN WAIVED. THIS PROVISION IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BETWEEN THE PARTIES.

7.5 Comparative Negligence. It is the intent of the Parties that where negligence is determined to have been joint or contributory, principles of comparative negligence shall be followed and each Party shall bear the proportionate cost of any loss, damage, expense or liability attributable to that Party's negligence.

8. Representations, Warranties and Covenants.

Each Party represents and warrants to the other Party as of the Effective Date as to Article 8(a) through Article 8(e) below and covenants as to Article 8(f) below as follows:

(a) Such Party has the full limited liability company power and authority to execute, deliver and perform its obligations under this Agreement and the execution, delivery and performance of this Agreement have been duly authorized by such Party.

(b) This Agreement constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability of this Agreement may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditor's rights generally and by general principles of equity.

(c) Neither the execution nor delivery of this Agreement results in any breach of or constitutes any default under any material agreement to which such Party is bound or causes such Party to be in violation of any Law applicable to such Party.

(d) It is duly organized and validly existing under the Laws of the jurisdiction of its organization and, if relevant under such Laws, is in good standing.

(e) Except as otherwise set forth in this Agreement, all governmental and other authorizations, approvals, consents, notices and filings that are required to have been obtained or submitted by it with respect to its entering into this Agreement have been obtained and are in full force and effect or have been submitted and all conditions of any such obtained authorizations, approvals, consents, notices and filings have been complied with.

(f) Each Party covenants that, except with the prior written notice of the other Party, it will not, and will use commercially reasonable efforts to ensure that its Affiliates will not, institute or voluntarily cooperate in the institution or conduct of any claim, action or proceeding before any Governmental Authority under any provision of applicable Laws which claim, action or proceeding is intended to change or materially modify the terms of this Agreement.

9. No Consequential Damages; Liability and Damages, Insurance.

9.1 No Consequential Damages. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES (TO THE EXTENT SUCH LOST PROFITS OR BUSINESS INTERRUPTION DAMAGES ARE NOT DIRECT DAMAGES), BY STATUTE, IN TORT OR CONTRACT, OR OTHERWISE; PROVIDED, HOWEVER, THAT ANY SUCH WAIVER OF DAMAGES SHALL NOT APPLY TO THE EXTENT CLAIMED BY A THIRD PARTY (EXCLUDING ANY AFFILIATE) AGAINST AN INDEMNIFIED PARTY (IN SUCH CASE SUCH DAMAGES TO BE DEEMED DIRECT DAMAGES OF THE INDEMNIFIED PARTY). IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE NEGLIGENCE.

9.2 Liability Cap. NIPSCO'S AGGREGATE CUMULATIVE LIABILITY TO GENCO ARISING OUT OF OR RELATING TO THIS AGREEMENT FOR ANY AND ALL CAUSES, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR OTHERWISE, SHALL IN NO EVENT EXCEED THE AGGREGATE AMOUNT OF TEN MILLION DOLLARS ($10,000,000) OVER THE TERM OF THIS AGREEMENT ("NIPSCO LIABILITY CAP"), EXCEPT TO THE EXTENT CAUSED BY NIPSCO OR NIPSCO'S AFFILIATES' (EXCLUDING GENCO) FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

9.3 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages that it may incur as a result of the other Party's breach or non-performance of this Agreement.

10. Indemnity.

10.1 Indemnification. Notwithstanding any provision to the contrary in this Agreement and to the fullest extent permitted by Law, each Party (the "Indemnifying Party") will protect, defend, indemnify and hold the other Party and its respective directors, officers, shareholders, employees, attorneys-in-fact, agents, representatives and affiliated companies (collectively, the "Indemnified Parties") free and harmless from and against any third party claim, suit or proceeding, and any and all losses, expenses, damages, and liability and from any and all claims for damages on account of or by reason of: (a) violation of Laws, regulations or other regulatory requirements by the Indemnifying Party; (b) breach by the Indemnifying Party of its representations and warranties in Article 8; or (c) breach of Article 5 by the Indemnifying Party. Neither Party shall be indemnified for its damages resulting from its gross negligence, willful misconduct, or fraud. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

10.2 Indemnification Procedure. Promptly after receipt by a Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation (a "Claim") as to which the indemnity provided for Section 10.1 may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact; provided, that failure to give such notice shall not reduce the Indemnifying Party's obligations hereunder, except to the extent it is materially prejudiced thereby. The Indemnifying Party shall be entitled, if it so elects, to take control of the defense and investigation of any Claim, at its sole expense if it has agreed that it has the obligation to indemnify the Indemnified Party and if it is diligently pursuing such Claim. The Indemnified Party shall cooperate, at the cost of the Indemnifying Party, in all reasonable respects with the Indemnifying Party in the defense of such Claim and may, at its own expense, participate in the defense of such Claim through attorneys of its choice. If the Indemnifying Party does not assume control over the defense of a Claim subject to indemnification under this Article 10 within a reasonable period, the Indemnified Party shall have the right to defend and settle the Claim in such manner as it may deem appropriate, at the expense of the Indemnifying Party. In all other circumstances not addressed in the prior sentence, no Party will consent to the entry of any judgment that in any way impacts the other Party's rights or enter into or agree with any judgement, settlement or compromise without the other Party's prior written consent.

10.3 Survival. The obligation of each Party to indemnify the other Party hereunder shall survive the termination or cancellation of this Agreement.

11. Assignment.

11.1 Consensual Assignment. Subject to Section 11.2, neither Party may assign this Agreement without the prior written consent of the other Party. Further, GenCo shall not undergo any change in control without the prior consent of NIPSCO, which consent shall not be unreasonably withheld, conditioned or delayed.

11.2 Permitted Assignments. Without the consent of the other Party, but subject to any approval required by IURC or any other Governmental Authority, either Party may assign this Agreement to (a) an Affiliate; and (b) to a lender as collateral security for obligations under the financing documents entered into with such lender (including debt or tax equity financing or refinancing); provided, however, that such lender or its assignee or transferee may only take assignment of this Agreement in a foreclosure and then only if such lender or its assignee or transferee agrees in writing to be bound by the terms and conditions of this Agreement.

12. Record Retention.

Each Party shall keep complete and accurate records and all other data required by each Party for the proper administration of this Agreement, including such records as may be required by applicable Governmental Authorities. Each Party shall maintain such records

and data for a period of not less than two (2) years following the creation thereof (or such long period as may be required by applicable Law).

13. Miscellaneous.

13.1 Notice Addresses.

13.1.1 Notice Addresses. Unless this Agreement specifically requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if sent by email and delivered by registered or certified mail, or by a nationally recognized overnight courier service that provides a receipt of delivery, in each case, to a Party at its address specified below:

If to NIPSCO, to:

Northern Indiana Public Service Company LLC
801 E. 86th Street
Merrillville, Indiana 46410
Attention: Vincent Parisi, NIPSCO President
Email: vparisi@nisource.com

with a copy to:

NiSource Corporate Services Company
Legal Department
801 E. 86th Street
Merrillville, Indiana 46410
Attention: Kimberly Cuccia, General Counsel
Email: kscuccia@nisource.com

If to GenCo, to:

NIPSCO Generation LLC
801 E. 86th Street
Merrillville, Indiana 46410
Attention: Daniel Douglas, GenCo President
Email: ddouglas@nisource.com

with a copy to:

NiSource Corporate Services Company
Legal Department
801 E. 86th Street
Merrillville, Indiana 46410
Attention: Kimberly Cuccia, General Counsel

Email: kscuccia@nisource.com

13.1.2 Effective Time. Notice shall be given by either personal delivery, mail or overnight courier pursuant to this Article 13. Notice given by email pursuant to this Article 13 shall be effective as of (a) the date of confirmed delivery if delivered before 5:00 p.m. local prevailing time on any Business Day, or (b) the next succeeding Business Day if confirmed delivery is after 5:00 p.m. local prevailing time on any Business Day or during any non-Business Day.

13.2 Taxes.

13.2.1 The Parties shall comply with all federal, state and local tax Laws applicable to transactions occurring under this Agreement. Each Party shall reasonably cooperate with the other in good faith with respect to the determination, documentation, collection, remittance, and contest of any Taxes arising from transactions under this Agreement, to the extent legally permissible and without requiring either Party to (i) take a position inconsistent with its filed returns or regulatory filings, (ii) waive any privilege, or (iii) incur material unreimbursed out-of-pocket costs. Each Party shall cooperate with the other in the settlement of any claim for taxes, arising from this Agreement, asserted by applicable taxing authorities. Each Party shall maintain and, upon reasonable request, provide to the other Party documentation reasonably necessary to support the amounts invoiced and paid under this Agreement for applicable state and federal income/franchise tax reporting and audit purposes. Each Party will provide the other with a completed Form W-9, applicable Form W-8 series form, or Form 8233, or other necessary forms as required and as appropriate, for federal income tax reporting purposes.

13.2.2 The amounts payable under this Agreement are exclusive of any sales, use, excise, transaction, or similar taxes (including any interest or penalties thereon) imposed by any governmental authority on the sale, transfer, delivery, or receipt of the Contracted ZRCs (collectively, "Taxes"), other than taxes imposed on a Party's net income, franchise, or gross receipts. If applicable Law requires a Party to collect Taxes from the other Party, the collecting Party shall separately state such Taxes on its invoice and the other Party shall pay such Taxes in accordance with Section 4. The invoice will include information reasonably necessary to support the collection and remittance of such Taxes under applicable Law. If the paying Party provides a valid exemption certificate or other documentation reasonably acceptable to the applicable taxing authority, the collecting Party will not collect Taxes covered by such documentation.

13.3 Laws.

13.3.1 Each Party shall comply with all Laws (including MISO Rules) in connection with its performance of this Agreement, at its own expense, except for any non-compliance that (individually or in the aggregate) could not reasonably be expected to have a material adverse effect on the other Party or on such Party's ability to perform this Agreement.

13.3.2 As applicable, each Party shall give all required notices, shall procure and maintain all Governmental Authorizations necessary for performance of this Agreement, and shall pay its respective charges and fees in connection therewith.

13.4 Fines and Penalties. GenCo shall pay when due all fees, fines, penalties and costs incurred by NIPSCO, GenCo and/or their agents, employees or contractors arising from noncompliance by GenCo, its employees, or subcontractors with any provision of this Agreement, or any contractual obligation, Governmental Authorization or requirements of Law, except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by GenCo and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

13.5 Rate Changes.

13.5.1 The terms and conditions and the rates for service specified in this Agreement shall remain in effect for the Term hereof. Neither Party shall seek (nor support any third party seeking) any prospective or retroactive change to the rates or terms of service under this Agreement pursuant to §205, §206 or §306 of the Federal Power Act.

13.5.2 The standard of review for changes to this Agreement whether proposed by a Party, a non-party, or FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (aka the "Mobile-Sierra Doctrine"), as interpreted in Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1, 128 S. Ct. 2733 (2008).

13.6 Certifications. Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available personnel and records relating to this Agreement to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before the IURC.

13.7 Disclaimer of Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this Agreement.

13.8 Relationship of the Parties.

13.8.1 This Agreement shall not be interpreted to create an association, joint venture, or partnership between the Parties, nor to impose any partnership obligation or liability upon either Party. Except as specifically provided for in this Agreement to the contrary, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

13.8.2 GenCo shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by GenCo shall be considered employees of NIPSCO for any purpose; nor shall GenCo represent to any person that he or she is or shall become a NIPSCO employee.

13.9 Survival of Obligations. Expiration or earlier termination of this Agreement shall not relieve the Parties of obligations, including warranties, remedies, or indemnities, that by their nature should survive such expiration or termination, which obligations shall survive for the period of the applicable statute(s) of limitation.

13.10 Severability. In the event any of the terms, covenants, or conditions of this Agreement, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the Agreement and their application not adversely affected thereby shall remain in force and effect; provided, however, that NIPSCO and GenCo shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this Agreement with a view toward effecting the purposes of this Agreement by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

13.11 Complete Agreement; Amendments. The terms and provisions contained in this Agreement constitute the entire agreement between NIPSCO and GenCo with respect to the subject matter of this Agreement and shall supersede all previous communications, representations, or agreements, either verbal or written, between NIPSCO and GenCo with respect to the subject matter of this Agreement. Any amendment of this Agreement, or any waiver of any provision hereof, shall be evidenced by a writing signed by the Party/ies to be bound thereby.

13.12 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this Agreement, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

13.13 Binding Effect. This Agreement is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and permitted assigns.

13.14 Headings. Captions and headings used in this Agreement are for ease of reference only and do not constitute a part of this Agreement.

13.15 Counterparts and Electronic Signatures. This Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument. A manually signed copy of this Agreement, or a copy of this Agreement signed with an

electronic or digital signature, delivered by e-mail shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. No legally binding obligation shall be created with respect to a Party until such Party has delivered or caused to be delivered a signed copy of this Agreement.

[*remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

NIPSCO:

Northern Indiana Public Service Company LLC

By: _____
Name: Vincent Parisi
Title: President

GenCo:

NIPSCO Generation LLC

By: _____
Name: Daniel Douglas
Title: President

PROCEDURE NUMBER: **GenCo. #1, NIPSCO-GenCo Procedure regarding Affiliate Capacity Transfers**	VERSION NUMBER: **1.0**
PROCESS OWNERSHIP: **NiSource Inc.**	EFFECTIVE DATE: **07/01/2026**

FERC Affiliate Capacity Transfers Procedure

Table of Contents

PROCEDURE NUMBER: GenCo. #1, NIPSCO-GenCo Procedure regarding Affiliate Capacity Transfers 1
1. RESPONSIBILITIES 1
2. AFFILIATE CAPACITY TRANSFERS 1
A. Capacity Transfer Agreement 4
B. NIPSCO's Use of Excess ZRCs to Cover GenCo Shortfalls 6
3. PROCEDURES 7
A. Offers reduced to writing. 7
B. Acceptance reduced to writing. 8
C. Submission of all accepted offers to the IURC. 8
4. RECORDS 9
5. RESPONSIBLE PARTIES 9
6. RELATED POLICY AND PROCEDURE DOCUMENTS 9
7. REVISION HISTORY 10

1. RESPONSIBILITIES

The responsibilities of the Assistant General Counsel—Legal Federal Regulatory, Assistant General Counsel—NIPSCO, FERC Compliance Manager, Energy Supply & Optimization Department, and NiSource Records Department are detailed in the Section 3-Procedures. (See also Section 5-Responsible Parties).

2. AFFILIATE CAPACITY TRANSFERS

Under Federal Energy Regulatory Commission ("FERC") regulations and applicable state law, sales of energy or capacity between a franchised public utility with captive retail customers—such as Northern Indiana Public Service Company LLC ("NIPSCO")—and its market-regulated power supply affiliate—such as NIPSCO Generation LLC ("GenCo")—are subject to heightened regulatory scrutiny and require prior authorization from FERC and the Indiana Utility Regulatory Commission ("IURC"). Specifically, because NIPSCO is a franchised public utility with captive

customers, any wholesale power sales arrangement with GenCo implicates the Federal Power Act's ("FPA") requirements that rates, terms, and conditions be just, reasonable, and not unduly preferential or anti-competitive. As a result, affiliate power purchase agreements ("PPAs") and capacity transfer arrangements between NIPSCO and GenCo must be filed with and approved by FERC under section 205 of the FPA. The filing will include appropriate affiliate and pricing safeguards, and evidentiary support demonstrating that the transaction will not harm NIPSCO's captive customers, specifically that such captive customers are not subsidizing the cost for NIPSCO's market-regulated affiliate, such as GenCo. In addition, because the costs of such affiliate transactions are expected to be reflected in NIPSCO's retail rates, these arrangements are also subject to review and approval by the IURC, which evaluates whether the contracts and associated cost recovery are consistent with Indiana law and in the public interest.

NIPSCO plans to serve its "megaload" customers ("Megaload Customers")[1] under customer-specific contracts for retail electric service ("Customer-Specific Contracts"), which are subject to review and approval by the IURC. GenCo was created as a subsidiary of NiSource, Inc. and affiliate of NIPSCO to protect NIPSCO's current retail electric customers from the risks associated with providing service to Megaload Customers. This is accomplished by having the significant capital investments for the generation and capacity resources made at GenCo, rather than NIPSCO. Additionally, NIPSCO will be able to serve as the retail electric provider to Megaload Customers by obtaining energy and capacity through affiliate power purchase agreements ("PPAs") with GenCo ("Affiliate Megaload PPAs"). Under each such Affiliate Megaload PPA, GenCo provides the capacity, and associated energy, for NIPSCO to meet MISO capacity accreditation requirements and serve the relevant Megaload Customer at retail. Each Affiliate Megaload PPA is submitted to the FERC for prior approval. Each Affiliate Megaload PPA will also be submitted to the IURC for approval as part of the IURC's evaluation of the Customer-Specific Contract.

For clarity, GenCo will be responsible for providing capacity to NIPSCO under *contractual* obligations that are documented in the Affiliate Megaload PPAs, and any reference to GenCo's obligation to provide or procure capacity shall not be construed as making GenCo responsible for resource adequacy obligations of NIPSCO's customers. Additionally, notwithstanding anything that appears to the contrary in this Procedure or the Capacity Transfer Agreement, NIPSCO shall at all times be responsible for providing retail electric service to all Megaload Customers and shall also be responsible for resource adequacy requirements associated with procurement of capacity to serve such Megaload Customers.

In addition to these customer-specific Affiliate Megaload PPAs, NIPSCO and GenCo have determined that a separate, overarching framework for capacity transfers would provide important flexibility and administrative efficiency, as well as potential cost savings to NIPSCO's captive

[1] Megaload Customers are defined as retail customers taking 100 MW or more of firm electric service from NIPSCO.

customers. Specifically, where GenCo holds Zonal Resource Credits ("ZRCs") in excess of those needed to satisfy GenCo's capacity obligations under its Affiliate Megaload PPAs, the parties wish to govern such excess capacity transfers through a blanket agreement.[2] Under this Capacity Transfer Agreement, GenCo will offer, and NIPSCO will have an option to take, capacity "length" made available by GenCo. Any excess ZRCs used to satisfy NIPSCO's resource adequacy obligations for its existing base customers will be priced based on the most recent Midcontinent Independent System Operator, Inc. ("MISO") Zone 6 Planning Resource Auction ("PRA") clearing price. At no time will NIPSCO sell GenCo's transferred ZRCs back to GenCo under the Capacity Transfer Agreement.

The parties also recognize the value of establishing clear procedures and pricing for situations in which GenCo may be short of its ZRC obligations under an Affiliate Megaload PPA. In such circumstances, NIPSCO may elect to use its own excess ZRCs associated with its base customers to cover GenCo's shortfall. In this scenario, NIPSCO would use its own excess ZRCs to meet its obligations when serving a Megaload Customer under a customer-specific contract and would charge GenCo for such coverage. As further detailed in this Procedure, if NIPSCO elects to use its own excess ZRCs to cover any GenCo shortfall, the price for such ZRCs will be based on the most recent MISO PRA clearing price for the applicable season. This Procedure describes the structure, mechanics, and regulatory considerations of these arrangements for purposes of FERC review and ongoing compliance.

The purpose of the Capacity Transfer Agreement and this Procedure is to seek to identify and utilize the most economical solution to serve all NIPSCO's retail customers, whether they be current retail customers or new data center customers (*e.g.*, Megaload Customers), and to avoid material overbuilding of generation capacity, which could occur if NIPSCO's base customer load and data center customer load were addressed separately and independently. As an example, consider if NIPSCO had a 100MW "need" for 2 MISO Planning Seasons, its ordinary option may be to purchase capacity for an entire planning year, or sometimes multiple planning years—assuming market capacity is even available. And it might also have to make a purchase for several hundred MWs, as this may be the only denomination in which it is offered by a potential counterparty. And it also could be that no bilateral capacity is available, and NIPSCO would need to build a BESS with 15-year life or turbines with 20+ year lives. Having the option available to close the exact seasons NIPSCO needs in the approximate denomination of MW it needs is a very flexible, more liquid option that can lead to much greater economic efficiency. And allowing these kinds of efficient transactions will keep NIPSCO and GenCo from each building to cover 100% of their individual needs in every single season, which would lead to NIPSCO and GenCo both

[2] Note that under the Amazon Customer-Specific Contract, all capacity for the Contract Assets is transferred to NIPSCO under the Amazon-related NIPSCO-GenCo PPA, and NIPSCO would monetize all excess capacity for the Contract Assets.

being long every season and "overloading" or having significant excess capacity that would be offered into the wholesale market.

A. Capacity Transfer Agreement

Regulatory Approvals. The Capacity Transfer Agreement is a blanket agreement under which GenCo will offer to transfer ZRCs to NIPSCO that are in excess of GenCo's obligations to provide capacity under the Affiliate Megaload PPAs, and it outlines the timing of notifications to NIPSCO from GenCo related to ZRCs that will be transferred to NIPSCO. Because the Capacity Transfer Agreement governs affiliate sales of capacity between a franchised public utility with captive customers and its market-regulated affiliate, the Capacity Transfer Agreement is subject to prior authorization by both FERC under 18 C.F.R. §§ 35.39, 35.44 and the IURC, under the terms of the Stipulation and Settlement Agreement in Cause No. 46183 ("GenCo Settlement"), before any sales can occur. Further, GenCo cannot make any sales under such Capacity Transfer Agreement until such time as FERC grants GenCo authorization to make sales of energy, capacity, and ancillary services at market-based rates.

Excess ZRC Offers and NIPSCO's Use of ZRCs. FERC has recently authorized similar affiliate ZRC transfer arrangements, although they were tied to the future MISO PRA clearing prices for the applicable season. In *Cordova Energy Company, LLC*, 193 FERC ¶ 61,090 (2025) ("*Cordova*"), and *Cordova Energy Company, LLC*, 194 FERC ¶ 61,108 (2026) ("*Cordova II*) FERC approved an affiliate capacity sale because the transaction price was tied directly to the MISO PRA clearing price, ensuring the franchised public utility paid no more than it would have paid to procure equivalent ZRCs from the market. While applicants did not provide the required benchmark evidence under *Edgar* for affiliate transactions, the Commission still found that this market-based pricing eliminated concerns of undue affiliate preference and demonstrated that the affiliate arrangement simply replicated the cost of acquiring capacity from non-affiliated sellers in the market. FERC approved the affiliate transaction for a period of one year. However, other franchised public utilities (Duke Energy Indiana, LLC and Duke Energy Kentucky, Inc.) have blanket authority under their market-based rate tariffs, which is not term-limited, to make sales of energy and capacity to market-regulated affiliates in PJM Interconnection, L.L.C. and MISO, so long as the price is based on the applicable zonal capacity price. Because the pricing under the Capacity Transfer Agreement is based on the most recent applicable Zone 6 PRA clearing price, but applied to future seasons, this represents a departure from what FERC authorized in *Cordova* and *Cordova II* that requires additional explanation to FERC.

GenCo PRA Discretion. GenCo's offering of excess ZRCs under the Capacity Transfer Agreement is entirely discretionary. GenCo has the right, but no obligation, to offer any or all of its excess ZRCs to NIPSCO. If GenCo determines that it is preferable to sell its excess ZRCs directly into the MISO PRA, it may choose to dispose of its excess ZRCs in the market, instead of transferring them to NIPSCO under the Capacity Transfer Agreement. However, under the GenCo Settlement (Sections A.2.(a) and A.2.(a)(i)), GenCo's only options are to sell its capacity to

NIPSCO under a PPA or to offer into the PRA.

Excess ZRC Offers and NIPSCO's Use of ZRCs. In the event GenCo elects to offer ZRCs, in any amount, under the Capacity Transfer Agreement, it will extend an offer in writing to NIPSCO to make such offer, which will include which future MISO Planning Seasons it is offering and what denominations of MWs it is offering, as well as the most recent clearing price for each MISO Planning Season in the most recent MISO PRA. NIPSCO is not required to accept any excess ZRCs that GenCo offers, and following each offer by GenCo, NIPSCO will respond in writing to GenCo's offer of excess capacity to confirm which, if any, seasons and denominations of capacity it would like to procure. This written response will also confirm that NIPSCO agrees that the price identified by GenCo is the correct MISO PRA price, or if GenCo's notice had an erroneous price, correct such price. GenCo may inform NIPSCO of the intent to sell capacity to NIPSCO under the Capacity Transfer Agreement at any time, and such notice will be reduced to writing and dated and signed by an officer of GenCo. However, GenCo must provide written notice to NIPSCO of such intent no later than sixty (60) calendar days in advance of the deadline under the MISO Tariff for NIPSCO to submit its Fixed Resource Adequacy Plan for the applicable Planning Year, and NIPSCO must respond to any such offer within thirty (30) calendar days of receiving the offer, unless otherwise agreed by the parties in writing.

Once any ZRCs are transferred, NIPSCO has sole discretion regarding their use. Notwithstanding anything that may appear to the contrary in this Procedure or the Capacity Transfer Agreement, the Capacity Transfer Agreement does not limit or impair NIPSCO's ability to enter into bilateral capacity agreements with third parties or to pursue alternative capacity resources as necessary to fulfill its resource adequacy obligations. This means that even if NIPSCO accepts the ZRCs from GenCo, NIPSCO is within its rights to sell any of its ZRCs into the PRA. Similarly, instead of procuring the GenCo-offered ZRCs to cover NIPSCO obligations, NIPSCO may elect to contract with third parties, build generation, or seek other options to obtain additional ZRCs to cover the shortfall. Under no circumstances will any ZRCs that have been transferred to NIPSCO pursuant to the Capacity Transfer Agreement be transferred back to GenCo. The Capacity Transfer Agreement is limited to transfers of excess ZRCs from GenCo to NIPSCO and does not authorize any reverse flow of ZRCs from NIPSCO back to GenCo. Practically, if NIPSCO uses its own excess ZRCs to cover GenCo's contractual obligations under an Affiliate Megaload PPA, NIPSCO will reallocate these directly to cover the Megaload Customer's load, and ensure GenCo has full cost responsibility.

ZRC Pricing. For ZRCs that NIPSCO elects to purchase from GenCo, the price paid to GenCo for these ZRCs will be based on the MISO Zone 6 PRA clearing price for the most recent season or seasons corresponding to those excess ZRCs. For example, if GenCo offered and NIPSCO agreed to purchase ZRCs for the summer of 2028 in June of 2026, the MISO PRA clearing price for Zone 6 for the summer of 2026 would be utilized. But if this same transaction for summer 2028 ZRCs were to be made in June of 2027, the MISO PRA clearing price for Zone 6 for the summer of 2027 would be utilized, as it would be the most recent market pricing indicator available.

Allocation and Assignment of ZRC Cost Responsibility. Once NIPSCO has received any ZRCs associated with GenCo's assets—whether supplied under an Affiliate Megaload PPA or under the Capacity Transfer Agreement—NIPSCO will assign cost responsibility for those ZRCs among its traditional base customers and the Megaload Customers. Assuming there is any capacity "length" or unallocated ZRCs, these may be sold by NIPSCO into the PRA or pursuant to a bilateral agreement, and any proceeds from such sales will be allocated among NIPSCO, GenCo, and any Megaload Customer consistent with the applicable contracts. Ensuring that traditional base customers are allocated only the appropriate share of ZRC-related costs, and that Megaload Customers bear costs and receive credits consistent with their contractual arrangements, is primarily an IURC-level issue and will be addressed in consultation with NIPSCO's state regulatory counsel.

Example Under the Capacity Transfer Agreement. For example, assume that in the summer of 2029, GenCo reasonably expects to be "long" 100 MW of capacity (*i.e.*, holds 100 MW of excess ZRCs not needed to fulfill GenCo's obligations under all Affiliate Megaload PPAs) in the summer of 2030 and NIPSCO reasonably expects to be "short" 100 MW relative to its resource adequacy obligations to existing base customers in the summer of 2030. Under the Capacity Transfer Agreement, GenCo may offer to transfer up to 100 MW of ZRCs to NIPSCO. NIPSCO could elect to purchase 100 MW of the offered ZRCs to cover its base-customer shortfall. NIPSCO would remit the costs of these 100 MWs of ZRCs to GenCo, which would be priced at the MISO Zone 6 PRA clearing price for the summer 2029 season.

As noted above, NIPSCO is not required to purchase any of the GenCo ZRCs to meet its base customer load and could meet that through a bilateral agreement, an asset purchase or build, or any other means.

B. NIPSCO's Use of Excess ZRCs to Cover GenCo Shortfalls

Conversely, if GenCo is short relative to its contractual obligations to provide ZRCs under an Affiliate Megaload PPA, the parties intend to establish clear procedures and pricing terms governing NIPSCO's ability to cover that shortfall using ZRCs that are in excess of NIPSCO's capacity obligations to its base customers. These procedures are designed to ensure that any such use of NIPSCO's excess base-customer ZRCs to satisfy GenCo's obligations under an Affiliate Megaload PPA occurs pursuant to transparent, pre-defined terms that protect NIPSCO's base customers and are consistent with applicable regulatory requirements.

GenCo's Shortfall Options. If GenCo is short on its ZRC obligations under any Affiliate Megaload PPA—but NIPSCO holds excess ZRCs with respect to its base customer obligations—GenCo remains free to cure its shortfall through other means. In particular, nothing in the Capacity Transfer Agreement framework prohibits GenCo from covering that shortfall by executing bilateral capacity purchases with third parties, constructing or acquiring new generation resources, or otherwise obtaining additional ZRCs from the market. In order for GenCo to have NIPSCO

utilize NIPSCO excess ZRCs to meet GenCo's obligations under Affiliate Megaload PPAs, GenCo must inform NIPSCO in writing of the amount(s) and season(s) of the potential shortfall, and if NIPSCO has excess ZRCs available, NIPSCO would make a written offer to GenCo to cover some or all of the GenCo ZRC shortfall in one or more of the seasons, which would include the price for ZRCs in each season from the most recent MISO PRA, consistent with the pricing methodology established below. GenCo would then provide a written acceptance of such NIPSCO offer, which would establish a binding agreement between the two parties.

Pricing Methodology. If NIPSCO determines that it needs or desires to utilize its excess ZRCs associated with existing base customers to cover a potential GenCo ZRC shortfall for a future season under an Affiliate Megaload PPA, the price for those ZRCs will be based on the last PRA clearing price for the applicable season. For example, if GenCo had a ZRC shortfall for the summer of 2028 and informed NIPSCO of that shortfall in the fall of 2026, the summer 2026 MISO PRA clearing price for Zone 6 would be utilized. Under this construct, NIPSCO will invoice GenCo for the 100 MW of ZRCs (calculated as the total MW of ZRCs used to cover the shortfall multiplied by the most recent Zone 6 PRA price for the applicable season).

Temporal Limits on NIPSCO's Ability to Cover Shortfalls. NIPSCO's ability to use its excess base-customer ZRCs to cover GenCo's ZRC shortfalls under an Affiliate Megaload PPA is temporally limited. NIPSCO may elect to cover such shortfalls for up to three (3) years beyond the current year. NIPSCO may not commit excess base-customer ZRCs to cover GenCo's obligations for periods beyond that three-year forward window. This limitation is intended to balance flexibility in managing forward capacity positions with prudent risk management and regulatory expectations.

Example of NIPSCO's Covering GenCo's ZRC Shortfall. For example, assume that, in advance of the summer 2030 season, GenCo is short 100 MW of its ZRC obligations under an Affiliate Megaload PPA, while NIPSCO holds 100 MW or more of excess ZRCs associated with its base customers. In this situation, GenCo would first need to notify NIPSCO in writing that GenCo reasonably expects to be short under the Affiliate Megaload PPA, then NIPSCO may provide a written offer to GenCo to cover some or all of GenCo's 100 MW ZRC shortfall under the relevant Affiliate Megaload PPA using NIPSCO's excess base-customer ZRCs (assuming NIPSCO has at least 100 MW of length). If NIPSCO makes this offer and GenCo provides a written acceptance of it, NIPSCO will invoice GenCo for this 100 MW multiplied by the most recent PRA summer clearing price for the applicable season.

3. PROCEDURES.

A. Offers reduced to writing.

1) All offers by GenCo to sell capacity under the Capacity Transfer Agreement shall, consistent with Section 1.A of this Procedure, be reduced to writing and include, at

minimum, the following information: (a) the number of megawatts being offered for each applicable MISO planning season and (b) the price at which the capacity for each season is being offered, which shall be priced in compliance with the Capacity Transfer Agreement and this Procedure. All offers by GenCo shall also be signed by an officer of GenCo.

2) All offers by NIPSCO to sell cover under this Procedure shall, consistent with Section 1.B of this Procedure, be reduced to writing and include, at minimum, the following information: (a) the number of megawatts being offered for each applicable MISO planning season and (b) the price at which the capacity for each season is being offered, which shall be priced in compliance with this Procedure. All offers by NIPSCO shall also be signed by an officer of NIPSCO.

B. Acceptance reduced to writing.

1) All acceptances by NIPSCO of GenCo's offer to sell capacity under the Capacity Transfer Agreement shall, consistent with Section 1.A of this Procedure, be reduced to writing and include, at minimum, the following information: (a) the number of megawatts being accepted for each applicable MISO planning season and (b) an affirmative statement that NIPSCO agrees with the price at which the capacity for each season is being offered by GenCo, or if NIPSCO believes GenCo has misstated the price for any season, a statement of the corrected price which NIPSCO is accepted. All acceptances by NIPSCO shall also be signed by an officer of NIPSCO.

2) All acceptances by GenCo of NIPSCO's offer to cover capacity under this Procedure shall, consistent with Section 1.B of this Procedure, be reduced to writing and include, at minimum, the following information: (a) the number of megawatts being accepted for each applicable MISO planning season and (b) an affirmative statement that GenCo agrees with the price at which the capacity for each season is being offered by NIPSCO, or if GenCo believes NIPSCO has misstated the price for any season, a statement of the corrected price which GenCo is accepted. All acceptances by GenCo shall also be signed by an officer of GenCo.

C. Submission of all accepted offers to the IURC.

1) A record of all accepted offers by NIPSCO or by GenCo shall be maintained by both NIPSCO and GenCo, consistent with Section 4 of this Procedure and shall also be submitted to the IURC, as may be further defined or prescribed by the IURC upon review and approval of this Procedure.

4. RECORDS

The NiSource Records Management Policy addresses the retention and storage of business records. All records will be maintained in accordance with the NiSource Record Retention Schedule. It is the responsibility of the NiSource Records Management Department to ensure that the retention schedule satisfies all requirements of 18 CFR.

The NiSource Records Management Department must be immediately informed if any records are destroyed prior to the end of their retention period. The NiSource Records Management Department will contact the Legal Federal Regulatory Department to determine if any filing or notice must be made to the FERC. It is the responsibility of the Legal Federal Regulatory Department to timely complete such filings as are required.

5. RESPONSIBLE PARTIES

The following positions/groups are responsible for the timely and accurate completion of this procedure, and for ensuring that affected personnel under their supervision are aware of, understand, and comply with this procedure and its requirements.

- NiSource Legal Federal Regulatory Department / Assistant General Counsel - Legal Federal Regulatory / FERC Compliance Manager / Assistant General Counsel – NIPSCO
- Energy Supply & Optimization Department
- NiSource Records Management Department

Any responsible party may designate another individual to perform the duties specified in this procedure, by informing the FERC Compliance Manager in writing of the name and position of the designee. The name and contact information of the current incumbent of each responsible position is maintained in the Responsible Parties matrix published on the FERC Compliance site on *MySource*. Notice of a change of incumbent or position responsibility should be forwarded immediately to the FERC Compliance Manager.

6. RELATED POLICY AND PROCEDURE DOCUMENTS

Title	Document
Responsible Parties under FERC Compliance	FERC RACI—Electric and Responsibility MatrixPolicies and Procedures

NiSource Records Management Program

7. REVISION HISTORY

Version	Effective Date	Created/Revised By	Approved By	Description
SP 1.0	07/012026	NiSource Legal	Bryan Little & Bryan Likins	Origination