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JUL 19 2013

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY FOR (1) APPROVAL OF)
A TRANSMISSION, DISTRIBUTION AND)
STORAGE SYSTEM IMPROVEMENT)
CHARGE ("TDSIC") RATE SCHEDULE, (2))
APPROVAL OF PETITIONER'S PROPOSED) CAUSE NO. 44371
COST ALLOCATIONS, (3) APPROVAL OF THE)
TIMELY RECOVERY OF TDSIC COSTS)
THROUGH PETITIONER'S PROPOSED TDSIC)
RATE SCHEDULE, AND (4) AUTHORITY TO)
DEFER APPROVED TDSIC COSTS,)
PURSUANT TO IND. CODE CH. 8-1-39.)

VERIFIED PETITION

Northern Indiana Public Service Company ("NIPSCO" or "Petitioner") petitions the Indiana Utility Regulatory Commission ("Commission") for (1) approval of a Transmission, Distribution and Storage System Improvement Charge ("TDSIC") Rate Schedule, (2) approval of Petitioner's proposed cost allocation, (3) approval of the timely recovery of TDSIC costs through Petitioner's proposed TDSIC Rate Schedule, and (4) authority to defer approved TDSIC costs, pursuant to Ind. Code Ch. 8-1-39. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

Petitioner's Corporate Status

1. Petitioner is a public utility corporation 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. Petitioner renders electric and gas public utility service in the State of Indiana and owns, operates, manages and controls, among other things, plant and equipment within the State of Indiana used for the generation, transmission, distribution and furnishing of such service to the public. Petitioner is a wholly-owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

Petitioner's Regulated Status

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

Petitioner's Operations

3. Petitioner is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble,

Porter, Pulaski, Saint Joseph, Stake, Steuben, Warren and White Counties in northern Indiana. Petitioner provides electric utility service to more than 457,000 residential, commercial, industrial, wholesale and other customers.

Relief Sought by Petitioner

4. In accordance with Ind. Code § 8-1-39-9(a), Petitioner requests Commission approval of a new electric rate schedule establishing a Transmission, Distribution and Storage System Improvement Charge ("TDSIC") that will allow the periodic automatic adjustment of Petitioner's basic rates and charges to provide for timely recovery of eighty percent (80%) of approved capital expenditures and TDSIC costs including depreciation expenses, allowance for funds used during construction, post in service carrying costs, property taxes and pretax returns associated with eligible transmission, distribution, and storage system improvements. Petitioner also requests approval of NIPSCO's electric service tariff relating to the TDSIC Rate Schedule.

5. In accordance with Ind. Code § 8-1-39-9(b), Petitioner will defer twenty percent (20%) of approved capital expenditures and TDSIC costs including depreciation expenses, allowance for funds used during construction, post in service carrying costs, property taxes and pretax returns associated with eligible transmission, distribution, and storage system improvements, and will

recover those capital expenditures and TDSIC costs as part of Petitioner's next general electric rate case that Petitioner files with the Commission.

6. Ind. Code § 8-1-39-9(a)(1) requires Petitioner to use the customer class revenue allocation factor based on firm load approved in Petitioner's most recent retail base rate case order (Cause No. 43969).¹ Petitioner is proposing that transmission project costs be allocated on the basis of the revenue allocation found in Joint Exhibit C of the Stipulation and Settlement Agreement approved in the 43969 Order modified to reflect an adjustment for Rider 675 credits paid related to the interruptible load served under Rates 632 and 634. Petitioner is proposing that distribution costs be allocated to distribution customers on the basis of the revenue allocation found in Joint Exhibit C of the Stipulation and Settlement Agreement approved in the 43969 Order with the exclusion of Rates 632, 633 and 634, which are only available to transmission and subtransmission customers.

7. In accordance with Ind. Code § 8-1-39-9(a)(2), Petitioner's request for approval of its seven (7) year plan for eligible TDSIC ("7-Year Electric Plan") is currently pending before the Commission in Cause No. 44370. A copy of the redacted 7-Year Electric Plan submitted in Cause No. 44370 is attached hereto as

¹ *Petition of Northern Indiana Public Service Company*, Cause No. 43969 (IURC 12/21/2011) ("43969 Order").

Redacted Exhibit 1.

8. In accordance with Ind. Code § 8-1-39-9(a)(3), Petitioner is required to project the effects of the TDSIC on retail rates and charges. Petitioner is not seeking a rate adjustment in this proceeding. Rather, Petitioner is seeking approval of a TDSIC rate adjustment mechanism (the proposed TDSIC Rate Schedule), and in subsequent proceedings, Petitioner will seek rate adjustments based upon the cost of eligible transmission, distribution, storage system improvements included in its Commission-approved 7-Year Electric Plan. However, the estimated revenue requirement by retail rate for the TDSIC Rate Schedule is currently projected as follows:

Estimated Revenue Requirement Based on 7-Year Electric Plan (in millions)

	Estimated Revenues							
	2014	2015	2016	2017	2018	2019	2020	Total
611	0.1	2.0	5.4	10.9	16.7	23.5	32.8	\$ 91.4
612	0.0	0.0	0.1	0.1	0.2	0.3	0.4	\$ 1.2
613	0.0	0.0	0.0	0.0	0.1	0.1	0.1	\$ 0.3
617	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 0.0
620	0.0	0.0	0.0	0.0	0.0	0.0	0.1	\$ 0.2
621	0.0	0.9	2.6	5.2	7.9	11.2	15.6	\$ 43.3
622	0.0	0.0	0.0	0.0	0.1	0.1	0.1	\$ 0.3
623	0.0	0.8	2.3	4.5	6.9	9.8	13.6	\$ 38.0
624	0.0	1.0	2.8	5.6	8.5	12.0	16.7	\$ 46.6
625	0.0	0.0	0.0	0.1	0.1	0.2	0.3	\$ 0.8
626	0.0	0.3	0.8	1.7	2.6	3.7	5.1	\$ 14.3
632	0.0	0.2	0.5	1.0	1.4	2.1	2.9	\$ 8.2
633	0.0	0.2	0.5	1.0	1.4	2.0	2.9	\$ 8.1
634	0.0	0.1	0.3	0.6	0.9	1.3	1.8	\$ 5.1
641	0.0	0.0	0.0	0.1	0.1	0.1	0.2	\$ 0.6
642	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 0.0
644	0.0	0.0	0.0	0.1	0.1	0.1	0.2	\$ 0.5
650	0.0	0.0	0.1	0.3	0.4	0.6	0.8	\$ 2.1
655	0.0	0.0	0.0	0.0	0.0	0.1	0.1	\$ 0.2
660	0.0	0.0	0.0	0.1	0.1	0.1	0.2	\$ 0.5
Total	\$ 0.2	\$ 5.7	\$ 15.6	\$ 31.3	\$ 47.7	\$ 67.3	\$ 94.0	\$ 261.7

9. In addition to the estimated revenue requirement provided above, NIPSCO also estimates that the balance of deferred TDSIC costs will be approximately \$139.0 million at the end of 2020, the last year of NIPSCO's 7-Year Electric Plan. Recovery of these costs will be included in NIPSCO's basic rates and charges as part of its next general rate proceeding which must be filed prior to the end of the Commission-approved 7-Year Electric Plan. At this time, NIPSCO has not determined when it will file that next general rate proceeding. In addition, the timing of the recovery of those deferred costs is not defined in the statute. For these reasons, NIPSCO has not projected the effect on retail rates and charges past the final year of NIPSCO's 7-Year Electric Plan.

10. In accordance with Ind. Code § 8-1-39-14(a), Petitioner's evidence will provide Petitioner's calculation of the 2% per year cap and show that the annual increase to total retail revenue from the TDSIC is projected to be less than 2% in each year.

11. In accordance with Ind. Code § 8-1-39-9(c), Petitioner's is not filing this petition within nine (9) months after the date on which the Commission issued an order changing Petitioner's basic rates and charges. The date of Petitioner's most recent retail electric base rate order was December 21, 2011.

12. In accordance with Ind. Code § 8-1-39-9(d), if Petitioner's request for approval to implement a TDSIC under Ind. Code Ch. 8-1-39 is granted in this Cause, Petitioner will petition the Commission for review and approval of its electric basic rates and charges before the expiration of its 7-Year Electric Plan.

13. In accordance with Ind. Code § 8-1-39-9(e), Petitioner has not filed a petition under Ind. Code § 8-1-39-9 within the last six (6) months. This is Petitioner's first filing under Ind. Code § 8-1-39-9.

14. In accordance with Ind. Code § 8-1-39-9(f), if actual capital expenditures and TDSIC costs exceed the approved capital expenditures and TDSIC costs, Petitioner will provide specific justification for, and request specific Commission approval of, the additional capital expenditures and TDSIC costs before being authorized for recovery in customer rates.

Applicable Law

15. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code § 8-1-2-23 and Ind. Code Ch. 8-1-39, among others, to be applicable to the subject matter of this Petition and believes that such traditional statutes provide the Commission authority to approve the requested relief.

Petitioner's Counsel

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

Counsel of Record:

Erin Casper Borissov (No. 27745-49)
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150 West Market Street, Suite 600
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With a copy to:

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Prehearing Conference and Preliminary Hearing

17. Ind. Code § 8-1-39-12 provides that (a) not more than ninety (90) days after a public utility files a petition under Ind. Code § 8-1-39-9, the Commission shall conduct a hearing and issue an order on the petition; and (b) not more than sixty (60) days after a public utility files a petition under Ind. Code § 8-1-39-9, the Office of Utility Consumer Counselor ("OUCC") and other intervenors, if any, may: (1) examine the information to confirm that the proposed transmission, distribution, and storage system improvements comply with Ind. Code Ch. 8-1-39; and (2) report its findings to the Commission. Given that this is Petitioner's initial filing and that the Commission must make a determination of the appropriate cost allocation methodology, Petitioner waives its right to receive an order in 90 days and instead requests that the procedural

schedule of this Cause be concurrent with the agreed upon procedural schedule established in Cause No. 44370 (Petitioner's request for approval of its 7-Year Electric Plan).

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

(a) Approving Petitioner's proposed TDSIC Rate Schedule and accompanying changes to its electric service tariff, which will allow for timely recovery of 80% of eligible and approved capital expenditures and TDSIC costs and authorizing Petitioner to defer, until recovery through the TDSIC, 80% of the post in service TDSIC costs of the TDSIC projects, including carrying costs, depreciation and taxes;

(b) Approving Petitioner's proposal that transmission project costs be allocated on the basis of the revenue allocation found in Joint Exhibit C of the Stipulation and Settlement Agreement approved in the 43969 modified to reflect an adjustment for Rider 675 credits paid related to the interruptible load served under Rates 632 and 634 over the previous twelve months.

(c) Approving Petitioner's proposal that distribution costs be allocated to distribution customers on the basis of the revenue allocation found in Joint Exhibit C of the Stipulation and Settlement Agreement approved in the 43969 Order with the exclusion of Rates 632, 633 and 634, which are only available to transmission and subtransmission customers;

(d) Authorizing Petitioner to defer 20% of eligible and approved capital expenditures and TDSIC costs under Ind. Code § 8-1-39-9(b) and authorizing Petitioner to recover those capital expenditures and TDSIC costs as part of Petitioner's next general rate case;

(e) Approving Petitioner's proposed method of calculating pretax return under Ind. Code § 8-1-39-13;

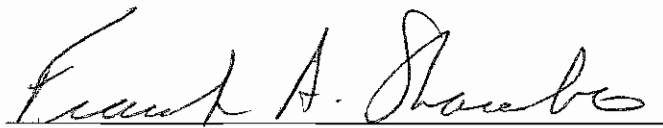
(f) Authorizing Petitioner to adjust its authorized net operating income to reflect any approved earnings associated with the TDSIC for purposes of Ind. Code § 8-1-2-42(d)(3) pursuant to Ind. Code § 8-1-39-13(b);

(g) Approving Petitioner's proposed method of calculating the average aggregate increase in its total retail revenue attributable to the TDSIC to determine whether the TDSIC will result in an average aggregate increase of more than 2% in a twelve month period; and

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

Dated this 19th day of July, 2013.

Northern Indiana Public Service Company

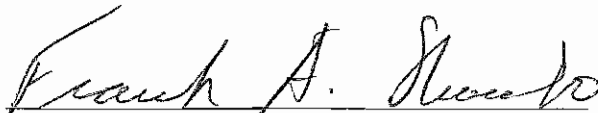
A handwritten signature in cursive script, reading "Frank A. Shambo", written in black ink on a white background.

Frank A. Shambo, Vice President of Regulatory and Legislative Affairs

Verification

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

Dated: July 19, 2013.

A handwritten signature in cursive script, reading "Frank A. Shambo", written in black ink on a white background.

Frank A. Shambo, Vice President of Regulatory and Legislative Affairs

Erin Casper Borissov (No. 27745-49)
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Attorney for Petitioner
Northern Indiana Public Service Company

CERTIFICATE OF SERVICE

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

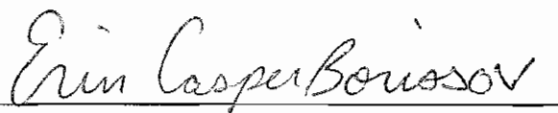
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Dated this 19th day of July, 2013.


Erin Casper Borissov

Redacted Exhibit 1

Northern Indiana Public Service Company
7-Year Electric Plan

NORTHERN INDIANA PUBLIC SERVICE COMPANY

7-YEAR ELECTRIC PLAN BY PROJECT CATEGORY

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Line No.	Project Category	2014	2015	2016	2017	2018	2019	2020	7-Year Total	% of Total
	Direct Capital									
	<u>Transmission Project Category</u>									
1	Transmission Substations	\$19,287,771	\$6,940,922	\$30,656,338	\$21,268,715	\$30,613,541	\$42,658,936	\$65,241,980	\$216,668,203	
2	Transmission Lines	\$3,479,414	\$3,941,591	\$12,517,710	\$2,384,768	\$21,736,967	\$23,406,269	\$22,829,854	\$90,296,573	
3	Transmission Project Category Total	\$22,767,185	\$10,882,513	\$43,174,048	\$23,653,483	\$52,350,508	\$66,065,205	\$88,071,834	\$306,964,776	
	<u>Distribution Project Category</u>									
4	4kV Lines	\$1,620,000	\$720,000	\$2,160,000	\$1,238,000	\$3,155,000	\$3,260,000	\$3,025,000	\$15,178,000	
5	4kV Substations	\$0	\$600,000	\$100,000	\$1,100,000	\$125,000	\$50,000	\$0	\$1,975,000	
6	Underground Cable	\$5,000,000	\$5,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$120,000,000	
7	Distribution Substations	\$13,231,915	\$20,072,029	\$26,480,979	\$18,991,985	\$35,205,891	\$42,178,591	\$30,051,461	\$186,212,851	
8	Distribution Lines	\$9,380,900	\$8,425,458	\$35,484,973	\$22,716,532	\$35,163,601	\$63,546,204	\$53,651,705	\$228,369,373	
9	Distribution Project Category Total	\$29,232,815	\$34,817,487	\$86,225,952	\$66,046,517	\$95,649,492	\$131,034,795	\$108,728,166	\$551,735,224	
10	Economic Development	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$70,000,000	
11	Total Direct Capital	\$62,000,000	\$55,700,000	\$139,400,000	\$99,700,000	\$158,000,000	\$207,100,000	\$206,800,000	\$928,700,000	
12	Indirect Capital	\$11,616,009	\$8,740,946	\$14,472,263	\$11,145,949	\$17,866,112	\$23,410,055	\$23,531,169	\$110,782,503	
13	AFUDC	\$1,622,394	\$2,114,909	\$5,049,985	\$3,637,890	\$5,771,808	\$7,565,186	\$7,559,315	\$33,321,487	
14	Total Capital	\$75,238,403	\$66,555,855	\$158,922,247	\$114,483,839	\$181,637,920	\$238,075,241	\$237,890,484	\$1,072,803,990	
15	Amount of Transmission	\$26,895,935	\$23,792,131	\$56,810,914	\$40,925,243	\$64,931,226	\$85,106,222	\$85,040,176	\$383,501,848	35.7%
16	Amount of Distribution	\$48,342,468	\$42,763,724	\$102,111,333	\$73,558,596	\$116,706,694	\$152,969,019	\$152,850,308	\$689,302,142	64.3%
17	Total Capital	\$75,238,403	\$66,555,855	\$158,922,247	\$114,483,839	\$181,637,920	\$238,075,241	\$237,890,484	\$1,072,803,990	100.0%

NORTHERN INDIANA PUBLIC SERVICE COMPANY

7-YEAR ELECTRIC PLAN BY FERC ACCOUNT

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Line No.	Electric FERC Account	2014	2015	2016	2017	2018	2019	2020	7-Year Total	% of T&D Only
	Direct Capital									
	Transmission									
1	352 - Structures and Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
2	353 - Station Equipment	\$19,287,771	\$6,940,922	\$30,656,338	\$21,268,715	\$30,613,541	\$42,658,936	\$65,241,980	\$216,668,203	25.2%
3	354 - Towers and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
4	355 - Poles and Fixtures	\$1,635,324	\$2,643,274	\$6,664,226	\$1,950,861	\$11,046,394	\$11,830,966	\$11,560,051	\$47,331,097	5.5%
5	356 - Overhead Conductors and Devices	\$1,844,090	\$1,298,317	\$5,853,484	\$433,907	\$10,690,573	\$11,575,303	\$11,269,803	\$42,965,476	5.0%
6	Total Transmission	\$22,767,185	\$10,882,513	\$43,174,048	\$23,653,483	\$52,350,508	\$66,065,205	\$88,071,834	\$306,964,776	35.7%
	Distribution									
7	360.1 - Land	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	0.0%
8	361 - Structures and Improvements	\$262,638	\$1,033,601	\$1,329,049	\$1,004,599	\$1,766,545	\$2,111,430	\$1,502,573	\$9,010,435	1.0%
9	362 - Station Equipment	\$12,869,277	\$19,638,428	\$25,251,930	\$19,087,386	\$33,564,346	\$40,117,161	\$28,548,888	\$179,077,416	20.9%
10	364 - Poles, Towers, and Fixtures	\$5,172,500	\$6,144,711	\$20,726,823	\$13,886,746	\$20,828,752	\$35,890,432	\$30,604,048	\$133,254,012	15.5%
11	365 - Overhead Conductors and Devices	\$5,828,400	\$3,000,747	\$16,918,150	\$10,067,786	\$17,489,849	\$30,915,772	\$26,072,657	\$110,293,361	12.8%
12	366 - Underground Conduit	\$668,500	\$668,500	\$2,941,400	\$2,941,400	\$2,941,400	\$2,941,400	\$2,941,400	\$16,044,000	1.9%
13	367 - Underground Conductors and Devices	\$4,331,500	\$4,331,500	\$19,058,600	\$19,058,600	\$19,058,600	\$19,058,600	\$19,058,600	\$103,956,000	12.1%
14	Total Distribution	\$29,232,815	\$34,817,487	\$86,225,952	\$66,046,517	\$95,649,492	\$131,034,795	\$108,728,166	\$551,735,224	64.3%
15	Economic Development	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$70,000,000	
16	Total Direct Capital	\$62,000,000	\$55,700,000	\$139,400,000	\$99,700,000	\$158,000,000	\$207,100,000	\$206,800,000	\$928,700,000	
17	Indirect Capital	\$11,616,009	\$8,740,946	\$14,472,263	\$11,145,949	\$17,866,112	\$23,410,055	\$23,531,169	\$110,782,503	
18	AFUDC	\$1,622,394	\$2,114,909	\$5,049,985	\$3,637,890	\$5,771,808	\$7,565,186	\$7,559,315	\$33,321,487	
19	Total Capital	\$75,238,403	\$66,555,855	\$158,922,247	\$114,483,839	\$181,637,920	\$238,075,241	\$237,890,484	\$1,072,803,990	

NORTHERN INDIANA PUBLIC SERVICE COMPANY

2014 PROJECT DETAIL FOR NIPSCO'S 7-YEAR ELECTRIC PLAN - DIRECT CAPITAL DOLLARS ONLY

	(A)	(B)	(C)	(D)	(E)
Line No.	Project Category	Project Driver	Project Title	Project Cost (direct dollars)	Project Category (direct dollars)
	Transmission System Investments				
	<u>Transmission Substations</u>				
1	Arresters	Aging Infrastructure	Arrester Replacements		
2	Batteries	Aging Infrastructure	Replace Battery and Charger Equipment		
3	345kV or 138kV Breaker Upgrades	Aging Infrastructure	St. John 34519 BKR		
4	345kV or 138kV Breaker Upgrades	Aging Infrastructure	Lake George 138KV Equipment Upgrade		
5	345kV or 138kV Breaker Upgrades	Aging Infrastructure	Maple 138KV Terminal Equipment Upgrades		
6	Disconnects	Aging Infrastructure	Substation Switch Replacements		
7	69kV Relay Upgrades	Aging Infrastructure	Flint Lake - 69KV Protection Upgrades		
8	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 34508 Relay Upgrade		
9	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 34524 Relay Upgrade		
10	345kV or 138kV Relay Upgrades	Aging Infrastructure	138KV Breaker Control Replacement		
11	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13877 Relay Upgrade		
12	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13869 Relay Upgrade		
13	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13866 Relay Upgrade		
14	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13854 Relay Upgrade		
15	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13812 Relay Upgrade		
16	345kV or 138kV Relay Upgrades	Aging Infrastructure	Circuit 13827 Relay Upgrade		
17	345kV or 138kV Relay Upgrades	Aging Infrastructure	Install Fiber Optic Static from Starke to RMSGS and Luchtman to MCGS (supports 2015 relay upgrades)		
18	345kV or 138kV Relay Upgrades	Aging Infrastructure	Digital Fault Recorder Upgrade Program		
19	345kV or 138kV Relay Upgrades	Aging Infrastructure	Substation Annunciator Replacement Program		
20	Potential Transformers	Aging Infrastructure	Potential Transformer Replacements		
21	New/Rebuild Substation	System Deliverability	South Valpo Substation		
22	Substation Engineering	Aging Infrastructure	Engineering		
23	Transmission Substations Total			\$19,287,771	\$19,287,771
	<u>Transmission Lines</u>				
24	69kV Line Switch Replacement	Aging Infrastructure	69kV Line Switch Replacements		
25	69kV New/Rebuild Line	Aging Infrastructure	Finish Reconductoring 69KV Ckt 6964		
26	138kV New/Rebuild Line	System Deliverability	South Valpo Substation New Transmission Lines		
27	Line Engineering	Aging Infrastructure	Engineering		
27	Transmission Lines Total			\$3,479,414	\$3,479,414
28	Total Transmission Investment			\$22,767,185	\$22,767,185

NORTHERN INDIANA PUBLIC SERVICE COMPANY

2014 PROJECT DETAIL FOR NIPSCO'S 7-YEAR ELECTRIC PLAN - DIRECT CAPITAL DOLLARS ONLY

	(A)	(B)	(C)	(D)	(E)
Line No.	Project Category	Project Driver	Project Title	Project Cost (direct dollars)	Project Category (direct dollars)
	Distribution System Investments				
29	Underground Cable Replacement Program	Aging Infrastructure	Underground Cable Replacement Program	\$5,000,000	\$5,000,000
	<u>4kV Replacement Program</u>				
30	4kV Lines	Aging Infrastructure	Gary, 4KV Conversion - Upgrade Cir 2143 - Fairbanks to Colfax - 4KV to 12.5 KV		
31	4kV Lines	Aging Infrastructure	Gary, 4KV Conversion - Upgrade Cir 2641 - Fairbanks to Gibson - 4KV to 12.5 KV		
32	4kV Replacement Program Total			\$1,620,000	\$1,620,000
	<u>Distribution Substations</u>				
33	Arrestors	Aging Infrastructure	Arrestor Replacement		
34	Breaker/Recloser Upgrades	Aging Infrastructure	Recloser Replacement Program		
35	Breaker/Recloser Upgrades	System Deliverability	Wheeler Sub - Add Motor Operator to 12kV Regulated Bus Tie Switch		
36	Batteries	Aging Infrastructure	Replace Battery and Charger Equipment		
37	Feeder Cable	Aging Infrastructure	Feeder Cable Replacement		
38	Line Switches	Aging Infrastructure	Switches to Clear Incoming Lines Program		
39	Switchgears	Aging Infrastructure	Cedar Lake Sub, Replace Switchgear (2 of 2)		
40	12kV or 34kV Transformers	Aging Infrastructure	Ohio St Replace #1 & #2 Three Phase Regulators		
41	12kV or 34kV Transformers	Aging Infrastructure	LTC Voltage Control		
42	12kV or 34kV Transformers	System Deliverability	Cedar Lake Sub, Upgrade Transformer to 28 MVA (1 of 2)		
43	12kV or 34kV Transformers	System Deliverability	Liberty Park add Fans #7 and #8 trsf's to get to 28 MVA		
44	Potential Transformers	Aging Infrastructure	Potential Transformer Replacement		
45	Failed Transformers	Aging Infrastructure	Failed Transformers		
46	New/Rebuild Substations	System Deliverability	Merrillville, New 69 -12kV Substation		
47	New/Rebuild Substations	System Deliverability	Portage, New 69-12 Kv Sub - Land		
48	Substation Engineering	Aging Infrastructure	Engineering		
49	Distribution Substations Total			\$13,231,915	\$13,231,915
	<u>Distribution Lines</u>				
50	Circuit Performance Improvement Program	Aging Infrastructure	Circuit Performance Improvement Program		
51	Wood Poles	Aging Infrastructure	Wood Poles		
52	AB Chance Cutout and Aluminum Bells	Aging Infrastructure	AB Chance Cutout and Aluminum Bells		
53	Line Engineering	Aging Infrastructure	Engineering		
54	Distribution Lines Total			\$9,380,900	\$9,380,900
55	Total Distribution Investment			\$29,232,815	\$29,232,815
56	Total T&D Investment			\$52,000,000	\$52,000,000
57	Total System Deliverability Investment			\$15,437,000	31%
58	Total Aging Infrastructure Investment			\$34,679,342	69%
59	Total T&D Investment			\$50,116,342	100%