

FILED

MAY 29 2014

**INDIANA UTILITY
REGULATORY COMMISSION**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY FOR APPROVAL OF ELECTRIC)
DEMAND SIDE MANAGEMENT PROGRAMS TO BE)
EFFECTIVE JANUARY 1, 2015 THROUGH DECEMBER)
31, 2015, FOR AUTHORITY TO RECOVER)
ASSOCIATED START-UP, IMPLEMENTATION AND)
ADMINISTRATIVE COSTS ALONG WITH COSTS)
ASSOCIATED WITH THE EVALUATION,)
MEASUREMENT AND VERIFICATION OF THOSE)
PROGRAMS ("PROGRAM COSTS") AND LOST)
REVENUES THROUGH ITS DEMAND SIDE)
MANAGEMENT ADJUSTMENT MECHANISM IN)
ACCORDANCE WITH IND. CODE § 8-1-2-42(a) AND)
PURSUANT TO 170 IAC 4-8-5 AND 170 IAC 4-8-6 AND)
FOR AUTHORITY TO DEFER PROGRAM COSTS)
AND LOST REVENUES FOR FUTURE RECOVERY.)

CAUSE NO. 44496

VERIFIED PETITION

Northern Indiana Public Service Company ("NIPSCO" or "Petitioner") petitions the Indiana Utility Regulatory Commission ("Commission") for approval of electric demand side management ("DSM") programs and authority to recover associated start-up, implementation and administrative costs along with costs associated with the evaluation, measurement and verification ("EM&V") of those programs ("Program Costs") pursuant to 170 IAC 4-8-5 and lost revenues pursuant to 170 IAC 4-8-6 through its Demand Side Management Adjustment ("DSMA")

Mechanism in accordance with Ind. Code § 8-1-2-42(a) and to defer Program Costs and lost revenues for future recovery. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, Petitioner respectfully 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 § 8-1-2-1 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.

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 468,000 residential, commercial, industrial, wholesale and other customers.

Background of Petitioner's Electric DSM Programs

4. On May 25, 2011, the Commission issued an Order in Cause No. 43618 approving NIPSCO's request for approval of its DSMA Mechanism through Rule 52 of NIPSCO's General Rules and Regulations (now Rider 683 – Adjustment of Charges for Demand Side Management Adjustment Mechanism) and Appendix G – Demand Side Management Adjustment Mechanism Factor.

5. On July 27, 2011, the Commission issued an Order in Cause No. 43912 ("43912 Order") approving, among other things, NIPSCO's proposed Core and Core Plus energy efficiency programs (the "43912 Programs"), budgets for its 43912 Programs, authority to recover Program Costs, and the NIPSCO Oversight Board. The 43912 Programs expired on December 31, 2013.

6. On January 2, 2012, the Core Programs approved by the Commission

in its Phase II Order dated December 9, 2009 in Cause No. 42693 and administered by the Third Party Administrator approved by the Commission in its July 27, 2011 Order on TPA & EM&V Contracts in Cause No. 42693-S1, became available on a statewide basis. The statewide Core programs approved by the Commission in the Phase II Order are in effect through December 31, 2014 by virtue of the Commission's August 15, 2012 Order in Cause No. 42693-S1 granting an extension of one year to the underlying TPA and EM&V contracts.

7. On August 8, 2012, the Commission issued an Order in Cause No. 44154 ("44154 Order") approving, among other things, NIPSCO's request for approval to recover lost revenues associated with reduced sales attributable to NIPSCO's Commission-approved electric DSM programs.

8. On December 18, 2013, the Commission issued an Order in Cause No. 44363 ("44363 Order") approving NIPSCO's request for approval of a portfolio of electric DSM programs through December 31, 2014 along with the authority to recover Program Costs and lost revenues associated with those programs. The portfolio of DSM programs for which approval was granted included the continuation of the 43912 Programs with the addition of two new Commercial and Industrial ("C&I") Core Plus programs. The Commission also authorized the continuation of the NIPSCO Oversight Board.

Petitioner's Current Electric DSM Program

9. NIPSCO currently provides electric DSM and energy efficiency programs under two categories: Core Programs and Core Plus Programs. Core Programs are those outlined and approved by the Commission's Phase II Order that are currently being implemented through GoodCents. These programs consist of the five (5) separate programs listed below:

Core Programs

- Residential Lighting Program
- Residential Home Energy Assessment Program
- Residential Income Qualified Weatherization Program
- Energy Efficient Schools (School Education Kits and School Audit) Program
- Commercial & Industrial Prescriptive Rebates Program

The Core Plus Programs were approved by the 44363 Order for the period January 1, 2014 through December 31, 2014. These programs consist of the eleven (11) separate programs listed below:

Core Plus Programs

- Appliance Recycling Program
- Residential Energy Efficiency Rebates Program
- Weatherization Program
- Direct Install Program (Multi-family)

- Conservation Program (Opower)
- Residential New Construction Program
- A/C Cycling Program (Residential and Commercial & Industrial)
- Non-Residential New Construction Program
- Commercial & Industrial Custom Incentive Program
- Small Business Direct Install Program
- Guest Room Energy Management Direct Install Program

Petitioner’s Request for Approval of its 2015 Electric DSM Program

10. In this proceeding, NIPSCO requests Commission approval of its portfolio of electric DSM and energy efficiency programs to be effective from January 1, 2015 through December 31, 2015 (“2015 Electric DSM Program”), as follows:

Residential Programs

- Residential Lighting Program
- Residential Elementary Education Program
- Residential Low Income Weatherization Program
- Residential Home Energy Audit and Weatherization Program
- Residential Energy Efficiency Rebates Program
- Residential New Construction Program
- Residential Home Energy Conservation Program
- A/C Cycling Program (Residential and C&I)

C&I Programs

- C&I Custom Program
- C&I Prescriptive Program
- C&I Small Business Direct Install Program
- School Audit Direct Install Program
- A/C Cycling Program (Residential and C&I)

Petitioner's Request for Continued Authority to Recover Program Costs

11. Consistent with current practice, NIPSCO requests authority to recover Program Costs associated with its 2015 Electric DSM Program through its DSMA Mechanism consistent with the provisions of 170 IAC 4-8-5 as authorized in the 43912 Order and 44363 Order. NIPSCO also requests authority to defer expenses associated with the 2015 Electric DSM Program that are incurred prior to and subsequent to the issuance of an Order in this proceeding until such amounts are recovered through rates.

Petitioner's Request for Continued Authority to Recover Lost Revenue

12. Consistent with current practice, NIPSCO requests authority to recover lost revenues associated with its 2015 Electric DSM Program, as well as lost revenues associated with previous program years, including those lost revenues associated with prior programs that are not included in the 2015 Electric DSM Program, through its DSMA Mechanism consistent with the provisions of 170 IAC

4-8-6 as authorized in the 44154 Order and 44363 Order. NIPSCO also requests authority to defer lost revenues associated with the 2015 Electric DSM Program and lost revenues for previous program years, including DSM programs previously offered but subsequently discontinued, through Petitioner's DSMA Mechanism, until such amounts are recovered through rates.

Petitioner's Request for Continued Approval of NIPSCO Oversight Board

13. Consistent with current practice, as approved in the 43912 Order and 44363 Order, NIPSCO requests approval to continue to utilize its existing NIPSCO Oversight Board ("OSB") to assist in the administration of the 2015 Electric DSM Program. Specifically, once the 2015 Electric DSM Program is approved by the Commission, the NIPSCO OSB will have the flexibility to shift costs within a program budget as needed, shift funds among programs so long as the overall 2015 Electric DSM Program budget is not exceeded, and design and implement new programs as long as they pass the Total Resource Cost test and the overall 2015 Electric DSM Program budget is not exceeded.

Petitioner's Request for Evaluation, Measurement and Verification

14. Consistent with current practice, NIPSCO requests to continue the same evaluation, measurement and verification program for its 2015 Electric DSM Program, consistent with the provisions of 170 IAC 4-8-1 *et seq.*, as authorized in the 43912 Order and 44363 Order.

Petitioner's Request for Approval of Tariff Modifications

15. NIPSCO requests approval of necessary tariff changes to effectuate approval of the 2015 Electric DSM Program and other relief requested herein.

Petitioner's Proposed Reporting Requirements

16. Consistent with current practice, NIPSCO proposes to continue to utilize the same reporting requirement to file a monthly scorecard detailing program performance for the 2015 Electric DSM Program.

Applicable Law

17. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-2-4, 8-1-2-12, 8-1-2-42, 8-1-2-46 and 8-1-2-61 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. The Commission's administrative rule on demand side management, 170 IAC 4-8-1 *et seq.*, is also applicable.

Petitioner's Counsel

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

Counsel of Record:

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Request for Prehearing Conference and Preliminary Hearing

19. In accordance with 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure, Petitioner requests that the Commission schedule a prehearing conference and preliminary hearing for the purpose of fixing a procedural schedule in this proceeding and considering other procedural matters as soon as possible. Petitioner requests that an evidentiary hearing on this matter be set and noticed as required by law.

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 2015 Electric DSM Program, as described above, to be effective from January 1, 2015 through December 31,

2015;

(b) Granting to Petitioner continued authority to recover Program Costs associated with the 2015 Electric DSM Program through Petitioner's DSMA Mechanism;

(c) Granting to Petitioner authority to defer expenses associated with the 2015 Electric DSM Program that are incurred prior to and subsequent to the issuance of an Order in this proceeding until such amounts are recovered through rates;

(d) Granting to Petitioner continued authority to recover lost revenues associated with the 2015 Electric DSM Program, as well as lost revenues for measures associated with previous program years, including those installed through prior programs that are not included in the 2015 Electric DSM Program, through Petitioner's DSMA Mechanism;

(e) Granting to NIPSCO continued authority to defer lost revenues associated with the 2015 Electric DSM Program and lost revenues for previous program years, including DSM programs previously offered but subsequently discontinued, through Petitioner's DSMA Mechanism, until such amounts are recovered through rates.

(f) Granting to Petitioner continued approval to utilize its existing NIPSCO Oversight Board to administer the 2015 Electric DSM Program;

(g) Granting to Petitioner authority to continue the same evaluation, measurement and verification program for its 2015 Electric DSM Program;

(h) Approving necessary tariff changes to effectuate approval of the 2015 Electric DSM Program;

(i) Granting to Petitioner continued approval to utilize the same reporting requirement to file a monthly scorecard detailing program performance for the 2015 Electric DSM Program; and

(j) Granting to NIPSCO such additional and further relief as the Commission may be deemed necessary or appropriate.

Dated this 29th day of May, 2014.

Northern Indiana Public Service Company



Alison M. Becker
Manager, Regulatory Policy

Verification

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

Dated: May 29, 2014.



Alison M. Becker
Manager, Regulatory Policy

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CERTIFICATE OF SERVICE

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

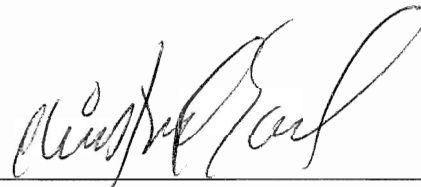
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Dated this 29th of May, 2014.



Christopher C. Earle