

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY FOR AUTHORITY TO)
MODIFY ITS RATES AND CHARGES FOR)
ELECTRIC UTILITY SERVICE AND FOR)
APPROVAL OF: (1) CHANGES TO ITS)
ELECTRIC SERVICE TARIFF INCLUDING A)
NEW SCHEDULE OF RATES AND CHARGES)
AND CHANGES TO THE GENERAL RULES)
AND REGULATIONS AND CERTAIN RIDERS;)
(2) REVISED DEPRECIATION ACCRUAL)
RATES; (3) INCLUSION IN ITS BASIC RATES)
AND CHARGES OF THE COSTS ASSOCIATED)
WITH CERTAIN PREVIOUSLY APPROVED)
QUALIFIED POLLUTION CONTROL)
PROPERTY, CLEAN COAL TECHNOLOGY,)
CLEAN ENERGY PROJECTS AND FEDERALLY)
MANDATED COMPLIANCE PROJECTS; AND)
(4) ACCOUNTING RELIEF TO ALLOW NIPSCO)
TO DEFER, AS A REGULATORY ASSET OR)
LIABILITY, CERTAIN COSTS FOR RECOVERY)
IN A FUTURE PROCEEDING.)

CAUSE NO. 44688

**VERIFIED PETITION FOR GENERAL RATE INCREASE AND
ASSOCIATED RELIEF UNDER INDIANA CODE §§ 8-1-2-61 AND 8-1-2-42.7,
NOTICE OF PROVISION OF INFORMATION REQUIRED BY THE
COMMISSION'S MINIMUM STANDARD FILING REQUIREMENTS AND
REQUEST FOR ADMINISTRATIVE NOTICE**

Northern Indiana Public Service Company ("NIPSCO" or "Petitioner")
respectfully requests that the Indiana Utility Regulatory Commission

("Commission") issue an order modifying NIPSCO's rates and charges for electric utility service and for approval of: (1) changes to its electric service tariff including a new schedule of rates and charges, changes to the general rules and regulations and changes to certain riders; (2) revised depreciation accrual rates; (3) inclusion in its basic rates and charges of the costs associated with certain previously approved qualified pollution control property, clean coal technology, clean energy projects, and federally mandated compliance projects; (4) accounting relief to allow NIPSCO to defer, as a regulatory asset or liability, certain costs for recovery in a future proceeding; and (5) other requests as described herein. This filing is made pursuant to Ind. Code §§ 8-1-2-61 and 8-1-2-42.7.

In accordance with the Commission's General Administrative Order 2013-5 (Rate Case Standard Procedural Schedule and Recommended Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7), NIPSCO hereby provides its Notice of Intent to File Information required under the Minimum Standard Filing Requirements ("MSFRs"), 170 IAC 1-5-1 *et seq.*, as applicable, to provide support for this Petition and to reduce or avoid disputes. NIPSCO also requests administrative notice to be taken of certain Commission orders that are pertinent to this proceeding, as identified herein. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, NIPSCO submits the following information in support of this Petition.

Petitioner's Corporate Status

1. NIPSCO 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. NIPSCO 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. 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" within the meaning of Ind. Code § 8-1-2.5-2. NIPSCO is also a "utility" within the meaning of Ind. Code § 8-1-2-42.7(c). NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

Petitioner's Operations

3. 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.

4. During the 12 months ended March 31, 2015, NIPSCO delivered more than 17.7 billion kilowatt hours (“kWh”) of electricity to more than 461,000 residential, commercial, industrial, wholesale and other customers in accordance with its tariffs, rules and regulations. More than 50% of that electricity was provided to NIPSCO’s industrial customers, making its proportion of industrial load among the highest in the industry.

5. NIPSCO owns, operates, manages and controls electric generating, transmission and distribution plant and equipment and related facilities (“Utility Property”), 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. The NIPSCO generating facilities have an installed capacity of 3,305 megawatts (“MW”) and consist of six (6) separate generation sites, including two (2) hydroelectric generating plants. NIPSCO’s transmission system, with voltages from 69,000 to 345,000 volts, consists of approximately 2,802 circuit miles. NIPSCO is interconnected with five neighboring electric utilities. Pursuant to the Commission’s Order dated September 24, 2003 in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. (“MISO”), a regional transmission organization (“RTO”) operated under the authority of FERC, which controls the use of NIPSCO’s transmission system and the dispatching of NIPSCO’s generating units. NIPSCO

also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

Petitioner's Existing Rates and Rate Structure

6. NIPSCO's current basic rates and charges were approved by the Commission in its Order dated December 21, 2011 in Cause No. 43969 ("2011 Rate Case Order").

7. The petition initiating Cause No. 43969 was filed with the Commission on November 19, 2010. Therefore, in accordance with Ind. Code § 8-1-2-42(a), more than fifteen months have passed since the filing date of NIPSCO's most recent request for a general increase in its basic rates and charges.

8. The Commission's Orders in Cause Nos. 42150, 43188, 44012, 44311 and 44340 approved specific depreciation accrual rates to be applied to plant and equipment identified in those proceedings. For other items of property, NIPSCO's current depreciation accrual rates were approved in the 2011 Rate Case Order.

9. NIPSCO files a quarterly Fuel Adjustment Clause ("FAC") proceeding in accordance with Ind. Code § 8-1-2-42(d) in Cause No. 38706-FAC-XXX to adjust its rates to account for fluctuation in its fuel and purchased energy costs.

10. In coordination with its FAC proceedings, NIPSCO files semi-annual proceedings in: (a) Cause No. 44156-RTO-XX to recover costs associated with MISO non-fuel costs and revenues and to provide for off-system sales sharing through its Rider 671 – Adjustment of Charges for Regional Transmission Organization and Appendix C – Regional Transmission Organization Adjustment Factor (“RTO Tracker”) approved by the Commission in its 2011 Rate Case Order,¹ and (b) Cause No. 44155-RA-XX to recover prudently incurred capacity costs through its Rider 674 – Adjustment of Charges for Resource Adequacy and Appendix F – Resource Adequacy Adjustment Factor approved by the Commission in its 2011 Rate Case Order.²

11. The Commission approved two tracking mechanisms by its November 26, 2002 Order in Cause No. 42150 that authorize NIPSCO to recover costs associated with qualified pollution control property, clean coal technology and clean energy projects (collectively “Environmental Compliance Projects”) to allow NIPSCO to comply with various environmental obligations. Since that time, NIPSCO has been recovering a return on its investment in approved Environmental

¹ In Cause No. 43526, the Commission found that NIPSCO’s MISO non-fuel costs and revenues and off system sales sharing should be included in one mechanism designated as the RTO Adjustment. The 2011 Rate Case Order approved the implementation of the RTO Adjustment approved in Cause No. 43526 by approving Rider 671 and Appendix C.

² In Cause No. 43526, the Commission found that NIPSCO’s prudently incurred capacity should be recovered through the Resource Adequacy or RA Adjustment. The 2011 Rate Case Order approved the implementation of the RA Adjustment approved in Cause No. 43526 by approving

Compliance Projects and depreciation expense and operation and maintenance expense relating thereto through its Rider 672 - Adjustment of Charges for Environmental Cost Recover Mechanism ("ECRM") and Appendix D – Environmental Cost Recovery Mechanism Factor and Rider 673 - Adjustment of Charges for Environmental Expense Recovery Mechanism ("EERM") and Appendix E – Environmental Expense Recovery Mechanism Factor.

12. Pursuant to the Commission's May 25, 2011 Order in Cause No. 43618, NIPSCO files a semi-annual proceeding in Cause No. 43618-DSM-XX to recover program costs and lost revenues³ associated with approved demand side management and energy efficiency programs through its Rider 683 – Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA) and Appendix G - Demand Side Management Adjustment Mechanism (DSMA) Factor.

13. Pursuant to the Commission's December 3, 2014 Order in Cause No. 44520, NIPSCO files a semi-annual proceeding in Cause No. 44198-GPR-XX to revise the Green Power Rider rate set forth in its Rider 686 – Green Power Rider and Appendix H – Green Power Rider Rate.⁴

Rider 674 and Appendix F.

³ The Commission granted NIPSCO authority to recover lost margins in its August 8, 2012 Order in Cause No. 44154.

⁴ The Green Power Rider Rate was initially approved in the Commission's December 19, 2012 Order in Cause No. 44198.

14. Pursuant to the Commission's January 29, 2014 Order in Cause No. 44340, NIPSCO files a semi-annual proceeding in Cause No. 44340-FMCA-XX to recover federally mandated costs associated with critical infrastructure protection compliance projects (the "CIP Compliance Project") through its Rider 687 – Adjustment of Charges for Federally Mandated Costs and Appendix I – Federally Mandated Cost Adjustment Factor.

15. In Cause No. 44371, the Commission approved a transmission, distribution, and storage system improvement charge pursuant to Ind. Code § 8-1-39-9 set forth in Rider 688 - Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge and Appendix J - Transmission, Distribution and Storage System Improvement Charge (the "TDSIC"), to effectuate the timely recovery of 80% of approved capital expenditures and TDSIC costs incurred in connection with NIPSCO's eligible transmission, distribution, and storage system improvements ("TDSIC Projects").⁵

⁵ On April 8, 2015, the Court of Appeals of Indiana issued a published opinion in Cause No. 93A02-1403-EX-158, reversing in part, affirming in part, and remanding the Commission Orders in Cause Nos. 44370 and 44371 (NIPSCO's Electric TDSIC cases) ("Appellate Order"). Subsequently, NIPSCO, entered into a Stipulation and Settlement Agreement with the Indiana Office of Utility Consumer Counselor ("OUCC"), NIPSCO Industrial Group, United States Steel Corporation (the "Settling Parties") to resolve how all issues addressed in the Appellate Order should be handled on Remand. On September 23, 2015, the Commission issued an Order on Remand in Consolidated Cause Nos. 44370 and 44371 whereby the Commission denied the Stipulation and Settlement in its entirety and ordered NIPSCO to refund monies collected through Rider 688. On September 29, 2015, the Settling Parties and Indiana Municipal Utilities Group filed a Verified Petition for Rehearing and Reconsideration or, Alternatively, Commission Clarification and Guidance.

Petitioner's Operating Results Under Existing Rates

16. Since the 2011 Rate Case Order, NIPSCO's cost of providing service has increased. NIPSCO has and must continue to make significant capital expenditures for additions, replacements and improvements to its Utility Property, both as a result of environmental mandates and to maintain safe and reliable service. In addition, changes in the service lives of NIPSCO's Utility Property warrant the implementation of revised depreciation rates. Further, NIPSCO has and must continue to incur increasing operation and maintenance expenses in order to maintain safe and reliable service. It is necessary and appropriate to recognize these and other costs of providing retail electric service by establishing new rates and charges.

17. NIPSCO's existing rates are below the level required to provide revenues adequate to cover its necessary and reasonable operating expenses and permit NIPSCO to earn a fair return upon the fair value of its property to which NIPSCO is lawfully entitled. Consequently, a rate increase is necessary and appropriate to provide NIPSCO an opportunity to recover its operating expenses and earn a fair return on the fair value of its property used and useful in providing service to its customers. The proposed rate increase is also necessary and appropriate to provide revenues which will enable NIPSCO to continue to attract capital required for additions, replacements and improvements to its Utility

Property and to comply with regulatory mandates and otherwise provide adequate and reliable service at a reasonable cost.

18. As of the date of this Verified Petition, NIPSCO estimates that the proposed increase to its total revenues, including revenues from basic rates and charges and the riders as reset upon effectiveness of new base rates, will represent an increase of approximately 9.17% over NIPSCO's current retail revenues. NIPSCO estimates that the proposed increase to its revenues from basic rates and charges will represent an increase of approximately 7.87% over NIPSCO's current revenues from basic rates and charges. Rates for individual customers and different customer classes may change by amounts less than or greater than the average increase for all customers.

Statutory Authority for Requested Relief

19. This Petition is filed pursuant to Ind. Code §§ 8-1-2-61 and 8-1-2-42.7. Other provisions of the Public Service Commission Act, as amended, Ind. Code § 8-1-2-1, *et seq.* that may be applicable to the subject matter of this proceeding include, but are not limited to, Ind. Code §§ 8-1-2-4, 6, 6.8, 10, 19, 20, 21, 24, 25, 29, 42, 68 and 71, Ind. Code ch. 8-1-8.4, Ind. Code ch. 8-1-8.5, Ind. Code ch. 8-1-8.7, Ind. Code ch. 8-1-8.8, Ind. Code ch. 8-1-39 and Ind. Code § 5-14-3-4.

20. In accordance with GAO 2013-5, on August 27, 2015, NIPSCO provided its Notice of Intent to File Rate Case to the Commission. A copy thereof was provided to stakeholders who attended a prefiling meeting regarding the rate case, which included: the Utility Consumer Counselor and counsel for: Citizens Action Coalition of Indiana, Inc., an unspecified group of industrial customers, United States Steel Corporation, municipalities that previously intervened in NIPSCO's electric TDSIC proceeding, and NLMK Indiana.

Test Year and Rate Base Cutoff Date

21. In accordance with Ind. Code § 8-1-2-42.7(d)(2), NIPSCO designates the twelve (12) months ended March 31, 2015 as the test year to be adjusted for fixed, known and measurable changes and appropriate normalizations and annualizations. This test year ends less than 270 days prior to the date of this Petition. NIPSCO is utilizing June 30, 2015 as the general rate base cut-off date and does not seek to update rate base beyond this cut-off date during the course of this proceeding. In addition, NIPSCO is utilizing its actual capital structure and cost of capital as of June 30, 2015 for purposes of calculating a fair return on the fair value of its property.

Petitioner's Requested Relief

22. NIPSCO seeks approval of changes to its basic rates and charges for electric utility service and associated accounting relief as proposed in its evidence to

be presented in this proceeding that will provide NIPSCO with the opportunity to recover its ongoing costs of providing electric utility service and earn a fair return on the fair value of its property. NIPSCO's proposal is detailed in its case-in-chief filed contemporaneous herewith and includes, but is not limited to, the following:

(a) Electric Service Tariff and Standard Contract. NIPSCO seeks approval of changes to its basic rates and charges for electric utility service that will provide NIPSCO with the opportunity to earn a fair return on the fair value of its property. NIPSCO seeks approval of changes to its Electric Service Tariff, including changing from Series 600 Rate Schedules to Series 700 Rate Schedules, as discussed in more detail herein, revising its Standard Contract, instituting a new Automated Meter Reading ("AMR") opt-out charge, implementing a new low income assistance program, revising its Economic Development Rider, adding new street lighting rates for Light Emitting Diode ("LED") luminaires, and miscellaneous changes to its General Rules and Regulations and Standard Contract for improved clarity and administrative simplification, as proposed in its evidence to be presented in this proceeding.

(b) Depreciation Rates. NIPSCO seeks approval to revise its depreciation accrual rates as proposed in its evidence to be presented in this

proceeding.

(c) Previously approved Environmental Compliance Projects and CIP Compliance Projects. NIPSCO has been recognizing for ratemaking purposes the cost of previously approved Environmental Compliance Projects and CIP Compliance Projects and associated operating expense through its ECRM, EERM and FMCA. NIPSCO proposes to reflect in its basic rates and charges the capital costs and operating expenses associated with Environmental Compliance Projects and CIP Compliance Projects previously approved by the Commission in Cause Nos. 42150, 43188, 44012, 44311 and 44340 that were completed and in service at the end of the rate base cutoff date (June 30, 2015) and that are currently being recovered through the ECRM, EERM and FMCA. When new tariff sheets are filed based upon the final order in this proceeding, NIPSCO proposes to adjust, as applicable, its then current ECRM, EERM and FMCA adjustment factors to reflect the removal of the in-service plant and related expenses as of the same effective date, subject to any necessary variance reconciliations in the ongoing ECRM, EERM and FMCA proceedings. The ECRM will continue to reflect approved Environmental Compliance Projects that were not in service as of June 30, 2015 as explained in NIPSCO's case-in-chief. All CIP Compliance Projects previously approved by the Commission were in service

as of June 30, 2015.

(d) Accounting Relief. As explained in NIPSCO's case-in-chief, NIPSCO seeks accounting authority to implement the relief sought in this proceeding, including: (1) authority to defer, as a regulatory asset, discounts offered to certain customers under the Economic Development Rider for recovery in a future rate case; (2) authority to defer, as a regulatory asset or liability, an amount equal to 50% of annual off-system sales margins above or below the level of off-system sales margins included in the test year for recovery through the RTO Tracker; and (3) authority to defer, as a regulatory liability, revenues collected to fund NIPSCO's proposed low income assistance program until such amounts are disbursed to participating customers. Furthermore, due to the substantial nature of the investments that NIPSCO is making in transmission and distribution assets, NIPSCO requests authority, to the extent necessary, to defer, as a regulatory asset, all costs, including depreciation expense, property tax expense, and financing costs, associated with certain transmission and distribution related projects commenced by NIPSCO in 2014 and 2015 for recovery in this proceeding or in a future general electric rate case.

(e) Demand Side Management (“DSM”). NIPSCO proposes to exclude from its basic rates and charges all costs associated with its DSM program. In addition, NIPSCO proposes adjustments to test year usage in order to reflect the impact of all DSM projects. This includes a downward adjustment to annualize the impact of measures installed through December 31, 2014 and an upward adjustment for measures installed between January 1 and March 31, 2015. Upon entry of the final order in this proceeding, NIPSCO proposes to adjust, as applicable, its then current DSM adjustment factors to reflect the removal of lost revenues for those DSM projects placed in service as of December 31, 2014, as of the same effective date.

(f) RTO Tracker and Off-System Sales Margin Sharing. NIPSCO proposes to update Rider 671 – Adjustments of Charges for Regional Transmission Organization to reflect updated base levels of MISO costs and revenues and off-system sales margins based on test year amounts and to share 50% of off-system sales margins above and below the base level amount through the RTO Tracker. As part of this proposal, NIPSCO requests authority to defer, as a regulatory asset or liability, an amount equal to 50% of annual off-system sales margins above or below the level of off-system sales margins included in the test year for recovery through the RTO Tracker.

(g) Environmental Cost Recovery Mechanism and Environmental Expense Recovery Mechanism. NIPSCO proposes to combine its Rider 672 – Adjustment of Charges for Environmental Cost Recovery Mechanism and Rider 673 – Adjustment of Charges for Environmental Expense Recovery Mechanism into one consolidated semi-annual Rider.

(h) Economic Development Rider. As proposed in its evidence to be presented in this proceeding, NIPSCO requests approval to change certain aspects of its Rider 677 – Economic Development Rider (“EDR”), including:

(i) waiver of the current tariff provision that, upon effectiveness of new base rates, existing EDR contracts would terminate; (ii) authority to defer, as a regulatory asset, the discounted revenue associated with the EDR contracts in effect during the test year and surviving beyond the effectiveness of new base rates; (iii) a tariff change inside of the EDR that would, on a going-forward basis, provide that EDR contracts would not terminate upon new base rates; and (iv) a tariff change reducing the maximum term of new EDR contracts from 5 years to 3 years.

(i) Residential Space Heating. NIPSCO proposes to discontinue Rate 611 Space Heating and Rates 612 and 613 in their entirety.

(j) Regulatory Assets. NIPSCO proposes to recover through its revenue requirement certain costs NIPSCO has deferred in accordance with the Commission's Orders identified in NIPSCO's case-in-chief.

(k) Prepaid Pension Asset. NIPSCO's pension plan is currently in a net prepaid pension asset position, which is represented on the balance sheet as the net of the related pension obligation and regulatory asset in accordance with governing accounting standards. NIPSCO proposes that its rates reflect this asset as part of its rate base, which reduces the pension cost that would otherwise be reflected in the revenue requirement and preserves the integrity of the pension fund.

(l) LED Street Lighting Rates. NIPSCO proposes to add LED lighting to Rate 650 – Street Lighting.

(m) Administrative Notice of Orders. NIPSCO requests the Commission to take administrative notice of the orders set forth in Paragraph 26 below.

Submission of Case-in-Chief, Workpapers and MSFRs

23. NIPSCO's case-in-chief, workpapers and information required by GAO 2013-5, the MSFRs and Ind. Code § 8-1-2-42.7, are being filed contemporaneous with this Petition to aid the Commission in processing this

Petition. The supporting workpapers for pro-forma adjustments are also being provided in Excel format on a CD-Rom pursuant to the best practices set forth in GAO 2013-5.

Confidential Information

24. In accordance with 170 IAC 1-5-15(e)(2), the electronic copy of the cost of service study is to be treated as confidential and protected from disclosure to the public under Ind. Code §§ 5-14-3-4 and 8-1-2-29. In addition, NIPSCO will be submitting other information as part of its MSFRs and case-in-chief that is confidential and trade secret information. NIPSCO is filing a motion for protective order in accordance with 170 IAC 1-1.1-4 and to otherwise comply with 170 IAC 1-5-3 contemporaneous with this Petition. NIPSCO has entered into a Standard Form Nondisclosure Agreement with the OUCC and will work with any intervenors to negotiate an acceptable nondisclosure agreement to facilitate the production of the confidential information as appropriate.

Request for Prehearing Conference and Preliminary Hearing and Technical Conference

25. In accordance with 170 IAC 1-1.1-15(b) of the Commission's Rules of Practice and Procedure and GAO-2013-5, NIPSCO requests that a prehearing conference and preliminary hearing be promptly set by the Commission on or about October 29, 2015 for the purpose of addressing procedural matters including setting

a procedural schedule in this proceeding that will allow completion of this proceeding in accordance with GAO 2013-5 and Ind. Code § 8-1-2-42.7. NIPSCO has worked with the OUCC and other stakeholders to develop an agreed procedural schedule, which is being separately filed as directed in GAO-2013-5. In accordance with the standard schedule set forth in GAO-2013-5, NIPSCO also requests the Commission to establish a technical conference on or about November 19, 2015 to address questions related to NIPSCO's case-in-chief.

Request for Administrative Notice

26. In accordance with 170 IAC 1-1.1-21, NIPSCO requests administrative notice to be taken of the following Commission Orders: Cause Nos. 42150 (IURC 11/26/2002), 42349 (IURC 09/24/2003), 43188 (IURC 07/3/2007), 43526 (IURC 08/25/2010), 43618 (IURC 05/25/2011), 43912 (IURC 07/27/11), 43969 (IURC 12/21/2011), 44012 Phase I (IURC 12/28/2011), 44012 Phase II (IURC 02/15/2012), 44012 Phase III (IURC 09/05/2012), 44154 (IURC 08/08/2012), 44016 (IURC 02/01/2012), 44156-RTO-1 (IURC 08/22/2012), 44198 (IURC 12/19/2012), 44311 (IURC 10/10/2013), 44340 (IURC 01/29/2014), 44363 (IURC 12/18/2013), 44393 (IURC 03/04/2015), 44370 (IURC 02/17/2014), 44371 (IURC 02/17/2014), Consolidated 44370 and 44371 Remand (IURC 09/23/2015), 44436 (IURC 09/03/2014), 44496 (IURC 11/12/2014), 44520 (IURC 12/03/2014) and 44554 (01/21/2015). In addition, NIPSCO requests administrative notice to be taken of its 2014 Integrated Resource Plan

("IRP"), a portion of which was deemed confidential by the Commission's January 21, 2015 Order in Cause No. 44554. Copies of these orders (as well as the 2014 IRP) are being filed contemporaneous with this Petition.

Petitioner's Counsel

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

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Customer Notification

28. In accordance with Ind. Code § 8-1-2-61(a), NIPSCO will publish notice of the filing of this Petition in a newspaper of general circulation published in each Indiana county in which NIPSCO renders electric service. In accordance with 170 IAC 4-1-18(C), NIPSCO will furnish to each residential customer (via bill messaging, bill inserts, or similar mailing) within forty-five (45) days of this Petition, a notice which fairly summarizes the nature and extent of the proposed changes.

WHEREFORE, Petitioner Northern Indiana Public Service Company respectfully requests that the Indiana Utility Regulatory Commission promptly conduct a prehearing conference and preliminary hearing, make such other investigation and hold such hearings as are necessary or advisable and thereafter, make and enter an order in this Cause by July 27, 2016:

- (a) Finding that NIPSCO's existing rates and charges for electric utility service should be increased; determining, and by order fixing, modified rates and charges to be observed in the future by NIPSCO; and authorizing and approving the filing by NIPSCO of new schedules of rates and charges applicable to its electric utility service that will provide just, reasonable, sufficient and nonconfiscatory rates;
- (b) Approving various changes in the terms, conditions and provisions of

NIPSCO's Electric Service Tariff (including rates, charges, rules and riders) and Standard Contract as proposed in NIPSCO's evidence herein;

- (c) Authorizing NIPSCO to revise its depreciation accrual rates as proposed in NIPSCO's evidence herein;
- (d) Approving the inclusion in NIPSCO's basic rates and charges of the costs associated with certain previously approved qualified pollution control property, clean coal technology, clean energy projects, and federally mandated compliance projects;
- (e) granting accounting authority including: (1) authority to defer, as a regulatory asset, discounts offered to certain customers under the Economic Development Rider for recovery in a future rate case; (2) authority to defer, as a regulatory asset or liability, an amount equal to 50% of annual off-system sales margins above or below the level of off-system sales margins included in the test year for recovery through the RTO Tracker; (3) authority to defer, as a regulatory liability, revenues collected to fund NIPSCO's proposed low income assistance program until such amounts are disbursed to participating customers; and (4) authority, to the extent necessary, to defer, as a

regulatory asset, all costs, including depreciation expense, property tax expense, and financing costs, associated with certain transmission and distribution assets commenced by NIPSCO in 2014 and 2015 for recovery in this proceeding or in a future general electric rate case;

- (f) Approving the other requests set forth in this Petition and in NIPSCO's evidence herein; and
- (g) Granting to NIPSCO such additional and further relief as may be deemed necessary or appropriate.

Dated this 1st day of October, 2015.

Northern Indiana Public Service Company

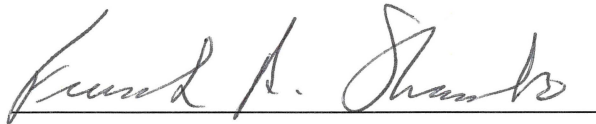
A handwritten signature in cursive script, reading "Frank A. Shambo", written over a horizontal line.

Frank A. Shambo, Vice President, 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: October 1, 2015.



Frank A. Shambo, Vice President, Regulatory
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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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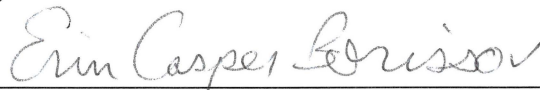
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Erin Casper Borissov