

# IURC News Release

## Indiana Utility Regulatory Commission

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### **The IURC Approves Rate Reduction in NIPSCO Gas Rate Case** *Reason follows unanimous settlement agreement with all parties*

**INDIANAPOLIS** – All customer classes in the NIPSCO service territory will receive a modest reduction in their rates and charges as a result of the Indiana Utility Regulatory Commission's approval of the settlement agreement in the Northern Indiana Public Service Company (NIPSCO) gas rate case (Cause No. 43894).

In the settlement agreement, the parties agreed to an overall rate reduction of \$14.8 million and reached a comprehensive agreement that resolved all issues, including the structure and design of new gas rates for NIPSCO. The settlement agreement reflects the significant collaboration and compromise inherent in serious negotiations among a diverse group of interests.

Because a unanimous settlement agreement is rare, the Commission applauds the stakeholders on their ability to balance the welfare of all parties, including: the general public, the utility's customer base and NIPSCO. Parties to the case included: Citizens Action Coalition of Indiana, the Choice Marketer Group, the Industrial Group, and the Office of Utility Consumer Counselor, the state's consumer advocate.

NIPSCO's existing rates were based on a volumetric rate design, which is where the utility's cost recovery is based on the volume of gas sold. The new rates, however, are reflective of a decoupled rate design, which is in agreement with the Commission's investigation in Cause No. 43180. Decoupling is the separation of the volume of gas sold from the company's recovery of fixed costs. By separating these components, utilities are able to institute a wholesale cultural change and expand their energy efficiency efforts, thereby helping customers find ways to reduce consumption and their utility bills.

In its order, the Commission also approved the continuation of NIPSCO's low-income assistance program. NIPSCO agreed that its shareholders will continue to contribute 25 percent of the program costs, \$500,000 of which will be dedicated to a hardship program for customers who do not qualify for the low-income home energy assistance program (LIHEAP) but are in need of assistance. The contribution amount is consistent with the Commission's findings in Cause No. 43669.

For more information on Cause No. 43894, please visit the Commission's Electronic Document System at <https://myweb.in.gov/IURC/eds/>.

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*The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.*