



For Immediate Release

February 17, 2016

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NIPSCO Electric Infrastructure case: Consumer comments invited

Proposed \$1.33 billion plan would raise rates over next 7 years

If you would like to comment on Northern Indiana Public Service Company's (NIPSCO's) proposed infrastructure improvement plan, with corresponding rate increases, here's your chance. The Indiana Office of Utility Consumer Counselor (OUCC) is inviting written consumer comments through March 17, 2016 on the utility's \$1.33 billion plan for electric transmission and distribution system improvements.

NIPSCO has filed its plan with the Indiana Utility Regulatory Commission (IURC) under a 2013 Indiana law.

- The law allows an investor-owned electric or natural gas utility to seek IURC approval of a seven-year infrastructure improvement plan. The IURC must rule on the request within 210 days.
- If the plan is approved, the utility may then adjust rates every six months, subject to OUCC review and IURC approval, to recover project costs as they are incurred. The OUCC and IURC review periods are limited to 60 and 90 days, respectively.
- The rate adjustments – under a Transmission, Distribution, and Storage System Improvement Charge (TDSIC) mechanism – may not exceed two percent of the utility's total retail revenues.
- Recovery of 20 percent of the costs must be deferred until the utility's next base rate case, which must be filed before the end of the seven-year period.

NIPSCO's testimony and exhibits in IURC Cause No. 44733 state that:

- The proposed projects would be built from 2016 through 2022.
- Projects would include the installation and replacement of aging infrastructure throughout NIPSCO's electric service territory, including substations, transformers, poles, and lines, and the replacement of municipal streetlights with light emitting diode (LED) technology.
- Estimated TDSIC rate increases from 2017 through 2022 would vary each year, ranging between 0.4 percent and 1.3 percent annually. The estimated average annual percentage increase over the plan's term is about 0.9 percent.

The OUCC – the state agency representing consumer interests in cases before the IURC – is reviewing the utility's plan and is scheduled to file testimony on March 24, 2016.

A number of additional parties – including industrial customers (ArcelorMittal USA, BP Products North America, Inc., Marathon Petroleum Company LP, Praxair, Inc., USG Corporation, and United States Steel Corporation), and municipal governments (Dyer, East Chicago, Griffith, Highland, Munster, Schererville, Valparaiso, and Winfield) – have intervened and are also scheduled to file testimony on March 24.

Under the law's timing requirements, the IURC must issue an order on the plan by late July 2016.

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This is the second electric infrastructure plan NIPSCO has requested under the 2013 law. Its initial \$1.07 billion plan received IURC approval in 2014 but is no longer in effect following proceedings before the Indiana Court of Appeals and later additional proceedings before the IURC.

The tracker rate increases due to the plan would be in addition to NIPSCO's electric base rates, which are under review in a separate case. In the rate case (IURC Cause No. 44688), NIPSCO has requested about \$126.6 million in new annual operating revenues.

NIPSCO currently adjusts its rates, subject to OUCC review and IURC approval, through various trackers. All Indiana investor-owned electric utilities use trackers, with NIPSCO using them to recover costs for generating fuel, environmental compliance, regional transmission, energy efficiency programs, system reliability, and critical infrastructure protection (cyber security).

NIPSCO's natural gas rates and charges are not at issue in this case.

Consumers who wish to submit written comments for the case record may do so via the OUCC's Website at www.in.gov/oucc/2361.htm, or by mail, email or fax:

- Mail: Consumer Services Staff
Indiana Office of Utility Consumer Counselor
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204
- email: uccinfo@oucc.IN.gov
- Fax: (317) 232-5923

The OUCC needs to receive all written consumer comments no later than March 17, 2016 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case's formal evidentiary record. Comments should include the consumer's **name, mailing address**, and a reference to "**IURC Cause No. 44733.**"

Consumers with questions about submitting written comments can contact the OUCC's consumer services staff toll-free at 1-888-441-2494.

(IURC Cause No. 44733)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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