

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY FOR APPROVAL OF AN )  
ADJUSTMENT TO ITS RATES THROUGH ITS )  
ENVIRONMENTAL COST RECOVERY )  
MECHANISM FACTOR AND ENVIRONMENTAL )  
EXPENSE RECOVERY MECHANISM FACTOR )  
PURSUANT TO IND. COD 8-1-2-6.6, 8-1-2-6.8 AND 8- )  
1-8.7 AND 170 IAC 4-6-1, ET SEQ. AND THE )  
COMMISSION'S ORDERS IN CAUSE NOS. 42150, )  
43188 AND 43913, AND PROGRESS REPORT AND )  
PETITION FOR APPROVAL OF MODIFICATIONS )  
OF AND REVISED COST ESTIMATES )  
RESPECTING CLEAN COAL TECHNOLOGY )  
UNDER THE ONGOING REVIEW PROCESS )  
APPROVED IN CAUSE NOS. 42150, 43188 AND )  
43913 PURSUANT TO IND. CODE 8-1-8.7. )

CAUSE NO. 42150 ECR 17

APPROVED: APR 27 2011

**BY THE COMMISSION:**

**David E. Ziegner, Commissioner**  
**Aaron A. Schmoll, Senior Administrative Law Judge**

On February 4, 2011, Northern Indiana Public Service Company ("Petitioner" or "NIPSCO") petitioned the Indiana Utility Regulatory Commission ("Commission") for approval of an adjustment to its electric utility service rates to reflect costs incurred in connection with the construction of its Qualified Pollution Control Property ("QPCP"), pursuant to the procedures approved by the Commission in Cause No. 42150 dated November 26, 2001. Petitioner also petitioned for approval of its progress report and modifications of and revised cost estimates respecting clean coal technology under the ongoing review process approved in Cause Nos. 42150, 43188, and 43913 pursuant to Ind. Code Ch. 8-1-8.7. On February 4, 2011, NIPSCO also prefiled direct testimony of its witnesses Mitchell Hershberger, Thomas Titus, and Curt Westerhausen.

On February 25, 2011, NIPSCO filed its Submission of Corrections to Verified Direct Testimony and Exhibits.

On March 16, 2011, the Commission issued a Docket Entry ordering Petitioner Responses and on March 24, 2011, NIPSCO filed its Response to the Commission's March 16, 2011 Docket Entry.

On March 30, 2011, the Indiana Office of Utility Consumer Counselor ("OUCC") prefiled direct testimony from its witness Wes R. Blakley.

On April 1, 2011, the Commission issued a Docket Entry ordering Petitioner Responses and on April 4, 2011, NIPSCO filed its Response to the Commission's April 1, 2011 Docket Entry.

Pursuant to notice given as provided by law, proof of which was incorporated into the record, an evidentiary hearing was held in this matter on April 6, 2011, at 10:00 a.m., in Room 222, PNC Center, 101 West Washington Street, Indianapolis, Indiana. At the hearing, NIPSCO presented its case-in-chief and its Responses to the Commission's March 16, 2011 and April 1, 2011 Docket Entries, which were admitted into evidence without objection. The OUCC also participated in the hearing, and presented its case-in-chief, which was admitted into evidence without objection. No member of the public appeared or participated at the hearing.

The Commission, having considered the evidence and being duly advised, now finds that:

**1. Notice and Jurisdiction.** Proper legal notice of the hearing in this case was given and published by the Commission as required by law. Petitioner is a public utility within the meaning of the Public Service Commission Act, as amended, Ind. Code § 8-1-2, and is subject to the jurisdiction of the Commission, in the manner and to the extent provided by Indiana law. The Commission has jurisdiction over the Petitioner and subject matter of this case.

**2. Petitioner's Characteristics and Generating System.** Petitioner is a public utility organized and existing under Indiana law, with its principal office at 801 E. 86<sup>th</sup> Street, Merrillville, Indiana 46410. NIPSCO owns and operates property and equipment used for the production, transmission, delivery and furnishing of electric utility service to the public in northern Indiana.

**3. Background and Relief Requested.** On November 26, 2002 in Cause No. 42150, the Commission approved NIPSCO's proposed Environmental Cost Recovery Mechanism ("ECRM") as set forth in its Rule 47, which provides for ratemaking treatment of NIPSCO's QPCP pursuant to Ind. Code §§ 8-1-2-6.6, 8-1-2-6.8, and 8-1-8.7-7 ("Original Order"). In the Original Order, the Commission also approved NIPSCO's proposed Environmental Expense Recovery Mechanism ("EERM") as set forth in its Rule 48, which provides for recovery of operation and maintenance and depreciation expenses related to NIPSCO's QPCP in service.

In this proceeding, NIPSCO seeks (1) ratemaking treatment for its QPCP that, on December 31, 2010, had been under construction for at least six months, as required by 170 IAC 4-6-1, computed in accordance with its Rule 47; and (2) adjustment to its rates to reflect operation and maintenance and depreciation expenses related to its QPCP now in service. NIPSCO requests authority to reflect additional values of QPCP in its rates and charges for electric service beginning May 1, 2011, via the ECRM, and expenses associated with QPCP in its rates and charges for electric service in the 12-month period beginning May 1, 2011, via the EERM.

In its petition for recovery of these environmental costs in Cause No. 42150, NIPSCO proposed that the Commission maintain an ongoing review of its QPCP construction and expenditures and submit to the Commission annually a report of any revisions of its plan and cost estimates for such construction ("Progress Report"), which ongoing review the Commission has conducted.

On February 4, 2004, January 19, 2005, December 21, 2005 and December 13, 2006, the Commission approved revisions of NIPSCO's NOx Compliance Plan, by its Orders entered in Cause Nos. 42515, 42737, 42935 and 43144, respectively.

By its July 3, 2007 Order in Cause No. 43188, the Commission approved NIPSCO's plan to comply with the U.S. Environmental Protection Agency's ("EPA") Clean Air Interstate Rule ("CAIR") and Clean Air Mercury Rule ("CAMR") (the "CAIR/CAMR Compliance Plan"), which was designed to achieve additional reductions of sulfur dioxide ("SO<sub>2</sub>"), NO<sub>x</sub> and Mercury ("Hg") emissions.

On December 19, 2007, January 14, 2009 and July 7, 2010, the Commission approved revisions to NIPSCO's NO<sub>x</sub> Plan and CAIR/CAMR Compliance Plan (referred to collectively as the "Compliance Plan") by its Orders entered in Cause Nos. 43371, 43593 and 43840, respectively.

By its December 29, 2010 Order in Cause No. 43913, the Commission approved NIPSCO's petition for a certificate of public convenience and necessity ("CPCN") pursuant to Ind. Code § 8-1-8.7 for the construction of additional clean coal technology in the form of wet flue gas desulfurization ("FGD") facilities at its R.M. Schahfer facility on Unit 14, along with additional facilities to be used jointly with the adjacent Unit 15.

Pursuant to Ind. Code § 8-1-8.7-7, NIPSCO requests that the Commission approve additional revisions to its Compliance Plan.<sup>1</sup> A copy of the revised plan as approved by the Commission in Cause Nos. 43840 and 43913 was attached as Exhibit 5 to NIPSCO's Petition in this Cause. The proposed revisions for changes in estimated costs, construction start, and in-service dates and scope additions to the Compliance Plan were attached as Exhibit 6 to the Petition. Exhibit 7 to the Petition described the changes in greater detail.

**4. Petitioner's Direct Evidence.** Thomas N. Titus, Manager of Major Projects for NIPSCO, testified regarding NIPSCO's proposed implementation of the ratemaking treatment for NIPSCO's QPCP and supported NIPSCO's proposed rate adjustments for recovery of operating, maintenance and depreciation expenses connected with the operation of its QPCP. He also reported the progress of NIPSCO's construction program utilizing clean coal technology ("CCT") approved by the Commission's Compliance Plan Orders and supported NIPSCO's request for Commission approval of revisions to NIPSCO's Compliance Plan and cost estimates for the installation of the related technology. Mr. Titus described NIPSCO's generation facilities and its current plans to comply with the Indiana Department of Environmental Management NO<sub>x</sub> State Implementation Plan ("SIP") Call, CAIR and CAMR by implementing certain emission controls with regard to NO<sub>x</sub>, SO<sub>2</sub> and Hg emitting generating units within the State of Indiana. Mr. Titus also presented the current construction schedule for implementation of NIPSCO's Compliance Plan and a current estimate of the costs that will be incurred by NIPSCO.

Mr. Titus sponsored Schedules 1 and 1A of Petitioner's Exhibit 3 which describes the QPCP under construction on which NIPSCO proposes to earn a return. The schedules set out a brief description of the projects, the construction start dates, the anticipated costs and in-service dates and the current and prior QPCP values for each project as of December 31, 2010. Mr. Titus also testified that all of the projects on which NIPSCO is seeking a return have been under construction for at least six months.

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<sup>1</sup> The Commission's August 25, 2010 Order in Cause 43526 ordered Petitioner to file its Annual Progress Reports on the status of QPCP tracked in the ECRM as part of its ECRM filings rather than a separate Cause.

Schedule 1-EERM, Pages 1 & 2 of Petitioner's Exhibit 3 also set out the Actual O&M Expense. Mr. Titus testified the Actual O&M Expense consists of reasonably incurred operating and maintenance expenses associated with NIPSCO's ownership and operation of the QPCP facilities that have been placed in service.

Schedules 1 and 1A show for the period ending December 31, 2010 a total net balance for such QPCP of \$281,264,849. Schedule 1-EERM shows, for the period ending December 31, 2010, \$13,474,330 of Actual O&M Expense, of which \$2,672,063 was fixed and \$10,802,267 was variable. This is a \$4,345,719 (48%) increase compared to 2009. Mr. Titus explained the primary reasons for the increase, including higher costs for SCR Balance of Plant, SCR Operations and Chemical Systems, SCR Chemicals, SCR Catalyst maintenance, FGD Chemicals, and FGD Aux. Power. *See also* NIPSCO's April 4, 2011 Response to the Commission's April 1, 2011 Docket Entry.

Mr. Titus also described NIPSCO's updated NOx Compliance Plan. He stated the NOx Compliance Plan is nearing completion with the exception of catalyst layer replacements. He stated the plan was designed to evaluate and utilize available technologies in order to pursue, in the most economical manner, and to meet the State NOx SIP Call. Mr. Titus described the NOx control technologies that are utilized in the revised NOx Compliance Plan.

Mr. Titus also described NIPSCO's updated CAIR/CAMR Compliance Plan. He stated the CAIR/CAMR Compliance Plan was designed to evaluate and utilize available technologies in order to pursue the most economical manner to comply with the CAIR/CAMR emissions caps for SO<sub>2</sub>, NOx and Hg. Mr. Titus described the control technologies that are utilized in the revised CAIR/CAMR Compliance Plan.

Mr. Titus sponsored NIPSCO's latest approved Compliance Plan, including both the NOx and CAIR/CAMR Compliance Plans (Exhibit 5); NIPSCO's NOx and CAIR/CAMR Compliance Plans, as revised and proposed, (Exhibit 6); and a summary of the revisions to the NOx and CAIR/CAMR Compliance Plan (Exhibit 7).

Mr. Titus explained that the revised Compliance Plan includes construction beginning and completion dates for facilities that have been or will be installed as well as the current cost estimates and sets forth the estimated cost for NIPSCO to implement the revised plans. He stated that the Compliance Plan is updated at least every 12 months to ensure that the most economically effective alternatives for NOx and CAIR/CAMR compliance are considered and implemented by NIPSCO.

Mr. Titus testified the cost estimates set forth in the revised Compliance Plan are predicated upon the best and most current information available to NIPSCO and the utility industry.

Mr. Titus testified that in Cause No. 43913, the Commission approved NIPSCO's request for a CPCN for a wet flue gas desulfurization ("FGD") and waste water treatment facilities at its R.M. Schahfer facility on Unit 14, along with additional facilities to be used jointly with the adjacent Unit 15 (hereinafter referred to as "U14 FGD & WWT") at a projected cost of \$153,560,417 and ordered NIPSCO to provide updated cost estimates by filing in that Cause such estimates upon completion of preliminary and final designs. He stated that on February 4, 2010 NIPSCO filed in Cause No. 43913 its updated cost estimates for the U14 FGD & WWT, which

were developed during the preliminary engineering of the project. He noted the updated cost estimate was based on actual project costs for FGD projects whose scope related to the anticipated scope requirements for the U14 FGD & WWT. Mr. Titus stated that NIPSCO's updated cost estimate is higher than the original projected cost contemplated in the Commission's Order in 43913 but that no contracts have been let for the projects and, therefore, NIPSCO does not know the savings due to market opportunities. Mr. Titus indicated that for that reason, NIPSCO is not currently requesting any additional authorization in this Cause but that additional authorization would be requested in a future CPCN filing. *See also* NIPSCO's March 24, 2011 Response to the Commission's March 16, 2011 Docket Entry.

Mr. Titus testified the clean coal technologies that NIPSCO is proposing to use in its revised Compliance Plan to comply with the State NOx SIP Call and CAIR/CAMR were not commercially available prior to January 1, 1989 and are more efficient than conventional technologies in general use as of January 1, 1989. Mr. Titus also testified the CCT that NIPSCO is proposing will extend the useful life of NIPSCO's existing generating facilities and will achieve the required NOx, SO2 and Hg reduction.

Mr. Titus stated that at times it may be necessary to re-dispatch unit operations in order to achieve compliance with the NOx and SO2 requirements and that if necessary, NIPSCO will dispatch accordingly. Mr. Titus testified there are no adverse environmental factors associated with the products resulting from utilization of the proposed CCT and that implementation of NIPSCO's revised Compliance Plan is in the public interest. He stated that use of the proposed CCT will allow NIPSCO to continue to meet demands made upon it for electric power, while doing so in an environmentally compliant manner, and at the lowest reasonably achievable cost. Mr. Titus testified the public convenience and necessity will be served by the use of NIPSCO's proposed CCT.

Mr. Titus testified NIPSCO's current CCT estimate is \$518,862,005 (NOx \$323,969,407, CAIR/CAMR \$194,892,598, representing a \$4,558,177 increase compared to \$514,303,828 (NOx \$322,729,446; CAIR/CAMR \$191,574,382) previously approved in Cause Nos. 43840 and 43913.

Mitchell E. Hershberger, Controller for NIPSCO, sponsored Schedules 1 and 1A of Petitioner's Exhibit 3 in which Mr. Hershberger computed the allowance for funds used during the construction ("AFUDC"), in accordance with the FERC Uniform System of Accounts.

In Schedule 2 of Petitioner's Exhibit 3, Mr. Hershberger computed a NIPSCO weighted cost of capital of 6.8%, using its regulatory capital structure, at December 31, 2010, which is the date of valuation of the QPCP in accordance with 170 IAC 4-6-14. Mr. Hershberger indicated that the cost rates for long-term debt and preferred stock reflect the costs of such capital at December 31, 2010. The cost rates for common equity capital of 9.9% and customer deposits of 6.0% were those approved and used by the Commission in the Petitioner's last general electric rate case, Cause No. 43526. Mr. Hershberger indicated that deferred taxes and the reserve for post-retirement benefits were treated as zero-cost capital. The cost of post-1970 investment tax credits reflects the weighted costs of a capital structure consisting of long-term debt, preferred stock and common equity capital.

In Schedule 3 of Petitioner's Exhibit 3, Mr. Hershberger computed the revenue conversion factor used to compute NIPSCO's QPCP-related revenue requirement before income taxation.

In Schedule 4 of Petitioner's Exhibit 3, Mr. Hershberger computed Petitioner's proposed annual return on its QPCP at December 31, 2010, which is the product of Petitioner's QPCP value multiplied by its weighted cost of capital. As shown on Petitioner's Exhibit 3, Schedule 7, Petitioner's semi-annual revenue requirement related to a return on the QPCP as of December 31, 2010, in the amount of \$14,302,455 and an adjusted semi-annual revenue requirement of \$12,483,868 after including the prior period reconciliation. *Id.*

In Schedule 1-EERM, Page 1 of 2 of Petitioner's Exhibit 3, Mr. Hershberger computed the Depreciation Expense as part of the calculation of NIPSCO's set of proposed EERM factors to be applicable to NIPSCO electric utility customers beginning May 1, 2011. He testified the Actual Depreciation Expense consists of depreciation expense incurred associated with NIPSCO's ownership and operation of the QPCP facilities that have been placed in service.<sup>2</sup> Schedule 1-EERM, Page 1 of 2 shows total Depreciation Expense of \$13,663,536 and jurisdictional Depreciation Expense of \$13,552,669. Schedule 1-EERM, Page 1 of 2 also shows total O&M Expense of \$ 13,474,330 and jurisdictional O&M expense of \$13,419,792. Schedule 1-EERM, Page 1 of 2 shows total Depreciation and O&M Expense of \$ 27,137,866, jurisdictional Depreciation and O&M Expense of \$26,972,461 and an adjusted total jurisdictional Depreciation and O&M Expense of \$28,396,354 after including the prior period variance.

Curt. A. Westerhausen, Director of Rates and Contracts for NIPSCO, sponsored Exhibit 2 showing the ECRM factors applicable to the various NIPSCO rate schedules and explained how the ECRM factors were developed. He testified that, upon Commission approval of the proposed ratemaking treatment of NIPSCO's QPCP, NIPSCO would cease accruing AFUDC on those costs.

Mr. Westerhausen also sponsored Exhibit 4 showing the EERM factors applicable to the various NIPSCO rate schedules and customers and explained how the EERM factors were developed.

Mr. Westerhausen noted that Schedules 1 and 1A of Petitioner's Exhibit 3 were not affected by the August 25, 2010 Order in Cause No. 43526. He explained that because the new base rates proposed in that Cause have not gone into effect, no QPCP projects have been placed into rate base and that all of the current QPCP projects are included in this proceeding and will continue to be tracked until new basic rates and charges are approved by the Commission.

He identified the production allocation percentages attributable to each of NIPSCO's rate schedules to be used to allocate QPCP values to customer classes (Petitioner's Exhibit 3, Schedule 5) and said that the source for these allocation factors is NIPSCO's most recent cost of service study, introduced as Petitioner's Exhibits RDG-2 and RDG-3 (revised) in the Commission's Order in Cause No. 42150 (Approved Nov. 26, 2002) and approved for use in NIPSCO's subsequent proceedings for recovery of a return on the QPCP costs. He stated adjustments were made to these production allocation percentages to reflect certain customer migrations between rates that were

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<sup>2</sup> Mr. Hershberger noted that in the Commission's October 22, 2010 Docket Entry in Cause No. 43526, the Commission clarified that the effective date of new depreciation accrual rates authorized by the Commission in its August 25, 2010 Order in Cause No. 43526 "will coincide with the approval of new rates by the Electricity Division." He testified that since the new basic rates and charges proposed by NIPSCO in Cause No. 43526 have not been approved, NIPSCO depreciated the QPCP projects using the same depreciation rates ordered by the Commission in Cause No. 38045, as required by the Commission's Order in Cause No. 42150.

approved by the Commission in Cause Nos. 42150 ECR-7/EER-3, 42150 ECR-8, and 41250 ECR-14.

Mr. Westerhausen testified that Exhibit 3, Schedule 6 shows NIPSCO's process for reconciling projected period recoveries of ECRM revenue with actual revenue collections and the calculation of the ECRM factors proposed to be used by NIPSCO beginning with May 1, 2011 billing and explained the prior period adjustment shown on Exhibit. 3, Schedule 6. He also testified that Schedule 7 shows the calculation of the ECRM factors proposed to be used by NIPSCO beginning May 1, 2011 and that the revenue requirement connected with this QPCP was shown on Exhibit 3, Schedule 4.

Mr. Westerhausen sponsored Exhibit 4 showing the EERM factors applicable to the various NIPSCO rate schedules and customers and explained how the EERM factors were developed. He testified that Schedule 1-EERM of Petitioner's Exhibit 3 was not affected by the August 25, 2010 Order in Cause No. 43526. He explained that the new base rates proposed in that Cause have not gone into effect, therefore depreciation expenses and O&M expenses related to QPCP projects are not yet included in basic rates. Therefore Depreciation Expense and O&M Expense for all of the current projects are included in this proceeding and will continue to be tracked until new basic rates and charges are approved by the Commission.

Mr. Westerhausen explained that Schedule 2-EERM shows NIPSCO's reconciliation of projected period recoveries of EERM revenue with actual revenue collections and explained the prior period adjustment shown on Schedule 2-EERM.

Mr. Westerhausen affirmed that the computations he had made on the schedules he sponsored are consistent with the Commission's Order in Cause No. 42150, and that the factors set forth in proposed Appendix D to Petitioner's tariff are the result of those computations.

**5. OUC's Direct Evidence.** Mr. Wes R. Blakley, Senior Utility Analyst, testified that NIPSCO calculated a semi-annual revenue requirement amount for its ECRM to recover a return on investment. He also stated that NIPSCO calculated its annual revenue requirement amount for its EERM to recover O&M and depreciation expense.

Mr. Blakley testified that NIPSCO discussed updating its cost estimate for its Unit 14 FGD project at R.M. Schahfer which was the subject of Cause No. 43913, in which the Commission issued its Final Order on December 29, 2010.

Mr. Blakley noted that "NIPSCO's updated cost estimate is higher than the original projected cost contemplated by the December 29, 2010 Order in Cause No. 43913," but NIPSCO has not asked for authorization for this increased estimate for Unit 14 in this Cause. He testified that Petitioner filed a new Petition on March 22, 2011, seeking a modification to the CPCN granted in Cause No. 43913, which was docketed with the Commission as Cause No. 44012. The issue of the increase to the construction cost estimate for the R.M. Schahfer FGD units will be addressed in that Cause.

Mr. Blakley testified that nothing came to his attention that would indicate that Petitioner's calculation of estimated ECR adjustment factors for the relevant period is unreasonable.

**6. Commission Discussion and Findings.** Based upon the evidence presented in this Cause, the Commission finds that NIPSCO's requested relief should be granted as set forth herein. Specifically, the Commission finds that NIPSCO shall be authorized to reflect the additional values of QPCP in its rates and charges for electric service in accordance with NIPSCO's ECRM, beginning on May 1, 2011. The Commission finds that NIPSCO shall be authorized to reflect its proposed rate adjustments reflecting the recovery of operation, maintenance and depreciation expenses for electric service in accordance with NIPSCO's EERM, beginning on May 1, 2011. The Commission calculates the updated ECRM and EERM rates being approved herein will, collectively, cause the bill of a typical residential customer using 1,000 kWh per month to decrease by approximately \$1.49, or 1.4%, compared to the currently approved ECRM and EERM rates (excluding various other tracking mechanisms and sales tax).

The Commission further finds that NIPSCO has submitted, in this Cause, revised construction cost estimates, scope additions and updated construction start and in-service dates as part of its annual Progress Report. We note that in response to the Commission's March 16, 2011 Docket Entry, NIPSCO indicated that it filed a separate petition (which has since been docketed as Cause No. 44012) seeking to increase its certificated amount granted in Cause No. 43913. Accordingly, the issue of revised construction cost estimates for the 43913 projects will be addressed in that Cause. With the exception of those issues, we find that the Progress Report is reasonable and should be approved.

Finally, we note that under 170 IAC 4-6-14:

A utility seeking ratemaking treatment under this rule for the value of its qualified pollution control property under construction shall use the following parameters in computing its related revenue requirement:

- (1) If the utility is an investor-owned utility, it shall compute its weighted cost of capital used in the revenue requirement determination by including the following:

\* \* \*

(B) The amount, ratio, and *cost rate* for the utility's common equity capital, where this amount corresponds to the date of valuation of the utility's qualified pollution control property under construction, and where the *cost rate has been established by the commission in a previous proceeding involving the utility's base rates and charges*. If the commission has established a range of cost rates for the utility's common equity capital, the utility shall use the midpoint of such range for the computation of its overall weighted cost of capital. The commission shall not make a new finding on the cost rate for the common equity capital of a utility in a proceeding under this rule unless the proceeding also involves the establishment or investigation of the utility's base rates and charges.

Although the Commission has not approved new rates and charges for NIPSCO under Cause No. 43526, the Commission did approve a cost rate in that Cause of 9.9%, which NIPSCO has correctly utilized in its calculations in this Cause.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. NIPSCO is hereby authorized to reflect the additional values of QPCP identified herein in its rates and charges for electric service in accordance with NIPSCO's ECRM, beginning May 1, 2011.

2. NIPSCO is hereby authorized to reflect the rate adjustments reflecting the recovery of operation, maintenance and depreciation expenses identified herein in its rates and charges for electric service in accordance with NIPSCO's EERM, beginning May 1, 2011.

3. Pursuant to Ind. Code § 8-1-8.7-7, NIPSCO's revised Compliance Plan, as described in NIPSCO's Exhibit 6 attached to the Petition (with the exception of cost estimates for the projects previously approved in Cause No. 43913 that will be further addressed in Cause No. 44012) is hereby approved, as set forth above.

4. This Order shall be effective on and after the date of its approval.

**ATTERHOLT, BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR:**

**APPROVED: APR 27 2011**

**I hereby certify that the above is a true and correct copy of the Order as approved.**



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**Shala Coe,  
Acting Secretary to the Commission**