

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMPLAINT OF)
THE NORTHERN INDIANA PUBLIC)
SERVICE COMPANY AGAINST UNITED)
STATES STEEL CORPORATION BECAUSE)
OF BREACH OF CONTRACT, VIOLATION)
OF ELECTRICITY SUPPLIERS' SERVICE)
AREA ASSIGNMENTS ACT; VIOLATION OF)
NATURAL GAS SERVICE TERRITORY;)
UNLAWFUL PROVISION OF RETAIL)
ELECTRIC SERVICE TO AN END USE)
CONSUMER; AND RELATED MATTERS.)

CAUSE NO. 43363

APPROVED: OCT 24 2012

RESPONDENT: UNITED STATES STEEL)
CORPORATION)

IN THE MATTER OF THE COMPLAINT OF)
UNITED STATES STEEL CORPORATION)
AND ISG INDIANA HARBOR INC. AGAINST)
NORTHERN INDIANA PUBLIC SERVICE)
COMPANY FOR DETERMINATION THAT)
PASS-THROUGH ARRANGEMENT IS NOT)
IN VIOLATION OF TARIFF OR UTILITY)
LAW REQUIREMENTS)

CAUSE NO. 43369

APPROVED: OCT 24 2012

RESPONDENT: NORTHERN INDIANA)
PUBLIC SERVICE COMPANY)

ORDER OF THE COMMISSION

Presiding Officers:

James D. Atterholt, Chairman

Lorraine L. Seyfried, Chief Administrative Law Judge

This consolidated matter is before the Indiana Utility Regulatory Commission ("Commission") for consideration of a Stipulation and Settlement Agreement ("Settlement Agreement") entered into between and among United States Steel Corporation ("U.S. Steel"), ArcelorMittal Indiana Harbor, Inc. ("ArcelorMittal") and Northern Indiana Public Service Company ("NIPSCO") (collectively "Settling Parties"), which incorporates a Non-Standard Agreement for Gas Service ("Non-Standard Agreement").

This matter involves a dispute between NIPSCO, U.S. Steel and ArcelorMittal¹ regarding the provision of utility service to a plate mill facility operated by ArcelorMittal, but located on land leased from U.S. Steel within U.S. Steel's Gary Works facility in Lake County, Indiana (the "Plate Mill"). The dispute concerned U.S. Steel's utilization of its internal distribution system to deliver electricity and natural gas to the Plate Mill in accordance with the terms of a 2003 agreement between U.S. Steel and ArcelorMittal's predecessor.

The dispute initially appeared before the Commission in September, 2007, when U.S. Steel and ArcelorMittal filed an informal complaint with the Commission's Consumer Affairs Division. On October 1, 2007, NIPSCO filed a complaint in Cause No. 43363. On October 4, 2007, following a directive from the Consumer Affairs Division, U.S. Steel and ArcelorMittal refiled their Complaint with the Commission in Cause No. 43369. Pursuant to an order issued on November 28, 2007, the Causes were consolidated.

The Commission issued its Final Order on May 11, 2010, dismissing the Complaint as filed by U.S. Steel and ArcelorMittal and granting summary judgment in favor of NIPSCO on specified claims, finding that U.S. Steel had acted as a public utility by providing certain utility services to the Plate Mill using U.S. Steel's internal distribution system.

On May 21, 2010, NIPSCO filed a complaint against U.S. Steel in Porter County, Indiana, seeking monetary damages for some of the conduct that was the subject of the Commission's May 11, 2010 Final Order. That case was subsequently removed to federal court in the Northern District of Indiana, and docketed under Case No. 2:10-cv-00254-JTM-APR (the "Federal Court Action").

U.S. Steel and ArcelorMittal commenced an appeal of the Commission's May 11, 2010 Final Order with the Indiana Court of Appeals, and NIPSCO initiated a cross-appeal with respect to the Commission's order denying NIPSCO's Petition for Reconsideration.

On June 9, 2011, the Court of Appeals issued its opinion on the issues raised on appeal. *See U.S. Steel Corp. v. N. Ind. Pub. Serv. Co.*, 952 N.E.2d 542 (Ind. Ct. App. 2011). In its opinion, the Court of Appeals reversed the finding that U.S. Steel was acting as a "public utility" with respect to the delivery of electricity to the Plate Mill. The Court of Appeals affirmed, however, the Commission's finding that U.S. Steel had acted as a "public utility" under Indiana Code § 8-1-2-87.5 ("Section 87.5") with respect to natural gas transportation. The Court remanded the matter to the Commission with direction that the May 11, 2010 Final Order be vacated with respect to electricity.

U.S. Steel and ArcelorMittal filed a petition to transfer with the Indiana Supreme Court, seeking review of the Court of Appeal's decision with respect to the delivery of natural gas. On February 7, 2012, the Indiana Supreme Court issued an order denying transfer. *See* 963 N.E.2d 1119 (Ind. 2012) *table*.

In accordance with the direction of the Court of Appeals, on May 9, 2012, the Commission issued its Order on Remand to bring its May 11, 2010 Final Order into conformity

¹ For purposes of the procedural history discussed herein, references to ArcelorMittal include its predecessors.

with the Court of Appeal's opinion. In the Order on Remand, the Commission vacated its prior findings relating to the delivery of electricity to the Plate Mill.

On August 24, 2012, the Settling Parties filed their "Joint Motion for Approval of Stipulation and Settlement Agreement, Submission of Supporting Evidence, and Request to Set Procedural Schedule" requesting approval of the Settlement Agreement and associated Non-Standard Agreement.

By Docket Entry dated August 30, 2012, the Commission set a procedural schedule for the filing of evidence by the Indiana Office of Utility Consumer Counselor ("OUCC") and any intervenors, and set an evidentiary hearing in this matter for September 25, 2012.

Pursuant to notice duly published as required by law, the Commission conducted an evidentiary hearing at 1:30 p.m. on September 25, 2012 in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. U.S. Steel, ArcelorMittal, NIPSCO, and the OUCC appeared at the hearing. During the hearing, the Settling Parties offered their prefiled testimony and exhibits into evidence, which were admitted without objection. No member of the general public appeared.

Based on the applicable law and evidence presented, the Commission now finds:

1. **Notice and Jurisdiction.** Due, legal, and timely notice of the public evidentiary hearing in this Cause was given and published by the Commission as required by law. NIPSCO is a public utility as defined by Indiana Code § 8-1-2-1 and is subject to the jurisdiction of the Commission in the manner and to the extent provided for by the laws of the State of Indiana. Additionally, the Commission has jurisdiction, when requested under appropriate circumstances, to address the issue of what constitutes public utility service. *Hidden Valley Lake Property Owners v. HVL Utilities*, 408 N.E.2d 622, 628-29 (Ind. Ct. App. 1980).

2. **Settling Parties' Characteristics.** Both U.S. Steel and ArcelorMittal are businesses engaged in the production of steel, and both operate steel production mills in Indiana. Relevant to this dispute, U.S. Steel conducts steelmaking operations at its Gary Works property in Lake County, Indiana; and ArcelorMittal operates the Plate Mill located within Gary Works.

NIPSCO is a public utility with its principal place of business located at 801 East 86th Avenue, Merrillville, Indiana, and is authorized by the Commission to provide retail natural gas and electric utility service to the public in specified portions of northern Indiana.

3. **Relief Requested.** The Settling Parties request approval of the Settlement Agreement executed by U.S. Steel, ArcelorMittal, and NIPSCO, which incorporates the Non-Standard Agreement. The Settling Parties state that the proposed arrangement will establish a direct customer relationship between NIPSCO and ArcelorMittal so that U.S. Steel will no longer be acting as a public utility within the scope and meaning of Section 87.5.

4. Settlement Agreement and Non-Standard Agreement. The Settling Parties have presented to the Commission for approval a Settlement Agreement into which is incorporated the Non-Standard Agreement. The agreements are summarized below.

The Settlement Agreement states that the Settling Parties agreed to enter into the Non-Standard Agreement, under which ArcelorMittal would be billed directly by NIPSCO for gas service as a separately metered customer at the Plate Mill. This arrangement materially alters the circumstances addressed in the Court of Appeals' opinion concerning U.S. Steel's transportation of natural gas to the Plate Mill. The Settling Parties agree, upon Commission approval, the service arrangement will establish a direct customer relationship between NIPSCO and ArcelorMittal at the Plate Mill, and that U. S. Steel will no longer be acting as a public utility under Section 87.5.

The Settlement Agreement also provides that, contingent upon Commission approval of the settlement, NIPSCO will withdraw and dismiss with prejudice its complaint in the Federal Court Action. The Settling Parties further agree that they will not "seek to reopen, relitigate, or otherwise alter the legal determinations set forth in the Court of Appeals' decision relating to the same factual circumstances regarding provisions of utility services to the Plate Mill." Joint Exhibit 1 at 4.

Pursuant to the Non-Standard Agreement, ArcelorMittal will become a customer served directly by NIPSCO, which will separately meter and bill ArcelorMittal for natural gas used at the Plate Mill. The Non-Standard Agreement states that the NIPSCO gas main is approximately 12,000 feet from the Plate Mill, and that for NIPSCO to provide direct service to the Plate Mill, a separate main, traversing U.S. Steel's Gary Works property, would have to be installed. The parties agree, in light of the unusual circumstances, including that it is economically undesirable to construct a service line from NIPSCO's main, across the Gary Works property, to the Plate Mill, that NIPSCO will deliver gas to ArcelorMittal by utilizing U.S. Steel's existing natural gas distribution system within Gary Works. U.S. Steel is to be responsible for delivery of gas from its entry into the U.S. Steel distribution system until it arrives at a metering point owned by NIPSCO at, or near, the Plate Mill. There, the gas will be delivered by NIPSCO, through the meter, to ArcelorMittal. This will allow NIPSCO to subtractively meter the natural gas used by ArcelorMittal, and directly bill ArcelorMittal as a separate customer for its gas usage at the Plate Mill.

5. Summary of the Evidence. The Settling Parties submitted the Verified Settlement Testimony of Mr. Karl Stanley. Mr. Stanley is NIPSCO's Vice President of Commercial Operations. Mr. Stanley briefly summarized the history of the proceedings in the consolidated Causes, the Federal Court Action, and the related appeal as set forth above.

Mr. Stanley stated that during periods before, and after, the Commission issued its Order on Remand, the Settling Parties engaged in discussions with respect to the issues relating to the delivery of natural gas. Mr. Stanley testified that the parties were able to reduce their settlement to writing in the form of the Settlement Agreement and Non-Standard Agreement, as presented to the Commission for review and approval.

Mr. Stanley explained that with the approval of the Commission, ArcelorMittal will be billed directly by NIPSCO for gas service, separately metered for consumption at the Plate Mill. Mr. Stanley stated the proposed arrangement will materially alter the circumstances addressed by the Court of Appeals' opinion by establishing a direct customer relationship between NIPSCO and ArcelorMittal so that U.S. Steel is no longer acting as a public utility within the scope and meaning of Section 87.5 with respect to the transportation of natural gas to the Plate Mill. Mr. Stanley explained that this will render moot the question of U.S. Steel's status as a public utility under the circumstances addressed in the Court of Appeals' opinion.

Mr. Stanley also testified that the agreements will resolve the Federal Court Action between NIPSCO and U.S. Steel, as NIPSCO, upon Commission approval of the Settlement Agreement, will withdraw and dismiss with prejudice the complaint in that action. Mr. Stanley stated the parties agreed not to reopen, relitigate, or otherwise seek to alter the legal determinations set forth in the Court of Appeals' decision relating to the same factual circumstances regarding the provision of utility service to the Plate Mill.

Mr. Stanley stated NIPSCO supports approval of the Settlement Agreement and Non-Standard Agreement as a just and reasonable resolution to the proceeding. He also stated that in his opinion, the Settlement Agreement is a fair, just, reasonable, and complete resolution of all the issues raised by the consolidated proceedings. He stated the Settlement Agreement brings closure to the protracted and costly litigation and provides a certainty of result that will facilitate continued operations at the Plate Mill, which he testified is a major customer and employer in NIPSCO's service territory.

6. Commission Discussion and Findings. It is undisputed that the public policy of the State of Indiana strongly favors the settlement of controversies. *See Georgos v. Jackson*, 790 N.E.2d 448, 453 (Ind. 2003). However, settlements presented to the Commission are not ordinary contracts between private parties, but rather lose their "status as a strictly private contract and takes on a public interest gloss." *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000) (quoting *Citizens Action Coalition v. PSI Energy*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). The Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406. Like any decision of this Commission, an order approving a settlement must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795. Therefore, we must determine that there is sufficient evidence to support the conclusion that the Settlement Agreement, a copy of which is attached to this Order and incorporated by reference, is just, reasonable, and serves the public interest.

Following the issuance of the Court of Appeals' opinion and our Order on Remand, the remaining issue in this consolidated proceeding is the status of U.S. Steel as a public utility under Section 87.5.

The facts presented in this case are similar to those addressed by the Commission in Cause No. 43525. There, as here, we addressed the circumstance of an entity, BP Products North America, Inc. ("BP"), using its internal gas distribution system to deliver gas to a tenant,

Chemtrade, operating a facility within a large industrial complex owned by BP. The Indiana Court of Appeals ultimately determined that BP's delivery of gas from NIPSCO's main to Chemtrade's facility rendered BP a public utility for purposes of Section 87.5. *See BP Products North America, Inc. v. Indiana Office of Utility Consumer Counselor*, 947 N.E.2d 471 (Ind. Ct. App.), *reh' g granted*, 964 N.E.2d 234 (2011), *transfer dismissed*, 963 N.E.2d 1120 (Ind. 2012) (granting rehearing and reversing prior decision finding BP was not a public utility under Section 87.5). On limited remand in Cause No. 43525 from the Indiana Supreme Court, we approved a Settlement Agreement and Non-Standard Agreement that was substantially identical to that presented for our review in this proceeding. *BP Products North America, Inc.*, Cause No. 43525 at 4-6 (IURC Feb. 22, 2012). We found there that the Settlement Agreement and Non-Standard Agreement remove the arrangement from the scope of Section 87.5. *Id.* at 6. We reach the same conclusion here.

Under the terms of the agreements among the Settling Parties in this Cause, ArcelorMittal will become a direct customer of NIPSCO and will be separately billed through a NIPSCO meter for consumption at the Plate Mill. U.S. Steel will no longer be delivering natural gas to the Plate Mill on behalf of ArcelorMittal. Instead, U.S. Steel will permit NIPSCO limited use of its existing gas distribution system to move gas from NIPSCO's main roughly 12,000 feet to a NIPSCO meter located at, or near, the Plate Mill, where NIPSCO will complete the delivery of gas to ArcelorMittal. The gas is metered entering U.S. Steel's property and re-metered by NIPSCO before entering the Plate Mill. Under this non-standard contractual arrangement, U.S. Steel will be transporting natural gas on behalf of NIPSCO, rather than transporting natural gas directly on behalf of an end use customer within the meaning of Section 87.5. Therefore, we find that upon implementation of the agreement U.S. Steel will not be a public utility pursuant to, nor subject to regulation as a public utility under, Section 87.5.

Approval of the Settlement Agreement and Non-Standard Agreement will resolve a dispute between NIPSCO and two of its largest customers that has run for five years through various legal and administrative forums. Resolution of the dispute is in the interests of all the parties involved. As Mr. Stanley testified, closure of this protracted and costly litigation will facilitate ArcelorMittal's continued operations at the Plate Mill, which is a major customer and employer in NIPSCO's service territory. Further, it is evident that NIPSCO's use of U.S. Steel's existing infrastructure to move natural gas from its main to the Plate Mill will permit operations at both the Plate Mill and the larger Gary Works complex to continue with a minimum of disruption, and will permit NIPSCO to serve an additional customer without incurring the unnecessary expense associated with the construction of a redundant service line through the Gary Works property.

Accordingly, based on the evidence presented, the Commission finds the Settlement Agreement and incorporated Non-Standard Agreement to be reasonable and in the public interest. The Commission therefore approves the Settlement Agreement and Non-Standard Agreement. With regard to future citation of the Settlement Agreement, we find the Settlement Agreement and our approval should be treated in a manner consistent with our findings in *Richmond Power & Light*, Cause No. 40434 (IURC Mar. 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION THAT:

1. The Settlement Agreement and the Non-Standard Agreement are approved in their entirety without modification.

2. The Settling Parties shall proceed to implement the provisions of the Settlement Agreement and Non-Standard Agreement in accordance with their terms. The Settlement Agreement shall be implemented upon issuance of this Order, and the terms of the Non-Standard Agreement shall commence with the first day of the next succeeding month following the date of the issuance of this Order.

3. This Order shall be effective on and after the date of its issuance.

ATTERHOLT, BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR:

APPROVED: OCT 24 2012

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


Brenda A. Howe
Secretary to the Commission

OFFICIAL
EXHIBITS

IN THE
INDIANA UTILITY REGULATORY COMMISSION

)
IN THE MATTER OF THE COMPLAINT OF)
UNITED STATES STEEL CORPORATION)
AND ARCELORMITTAL INDIANA HARBOR)
INC. AGAINST NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR)
DETERMINATION THAT PASS-THROUGH)
ARRANGEMENT IS NOT IN VIOLATION)
OF TARIFF OR UTILITY LAW)
REQUIREMENTS)

CAUSE NO. 43369

)
RESPONDENT: NORTHERN INDIANA)
PUBLIC SERVICE COMPANY)

IURC
JOINT

EXHIBIT No. 1
9-25-12 AT
DATE REPORTER

)
IN THE MATTER OF THE COMPLAINT)
OF THE NORTHERN INDIANA PUBLIC)
SERVICE COMPANY AGAINST UNITED)
STATES STEEL CORPORATION BECAUSE)
OF BREACH OF CONTRACT, VIOLATION)
OF ELECTRICITY SUPPLIERS' SERVICE)
AREA ASSIGNMENTS ACT; VIOLATION)
OF NATURAL GAS SERVICE TERRITORY;)
UNLAWFUL PROVISION OF RETAIL)
ELECTRIC SERVICE TO AN END USE)
CONSUMER; AND RELATED MATTERS.)

CAUSE NO. 43363

)
RESPONDENT: UNITED STATES STEEL)
CORPORATION)

STIPULATION AND SETTLEMENT AGREEMENT

United States Steel Corporation ("U. S. Steel"), ArcelorMittal Indiana Harbor Inc. ("ArcelorMittal"), and Northern Indiana Public Service Company ("NIPSCO") (collectively, the "Parties"), solely for the purpose of compromise and settlement and having been duly advised by

their respective staff and counsel, stipulate and agree that the terms and conditions of this Stipulation and Settlement Agreement (“Settlement”) as set forth below, subject to their incorporation into a final Indiana Utility Regulatory Commission (“Commission”) Order without modification or further condition unacceptable to any Party, represent a fair, just, reasonable and complete resolution of the issues in this Cause.

1. Prior proceedings. This matter involved a dispute between NIPSCO and U. S. Steel and ArcelorMittal regarding the provision of utility service to a plate mill facility operated by ArcelorMittal, but located on land leased from U. S. Steel within the boundaries of U. S. Steel’s Gary Works facility in Lake County, Indiana (the “Plate Mill”). U. S. Steel utilized its own private, internal distribution system to pass electricity and natural gas through to ArcelorMittal in accordance with the terms of a lease agreement executed between those companies in 2003. This Cause was commenced initially in September of 2007 when U. S. Steel and ArcelorMittal filed an informal complaint with the IURC’s Consumer Affairs Division. Subsequently, on October 1, 2007, NIPSCO filed its Complaint in Cause No. 43363 and, following a directive from the Consumer Affairs Division, U. S. Steel and ArcelorMittal refiled their Complaint with the Commission on October 4, 2007, which was docketed as Cause No. 43369. The Causes were consolidated by an Order issued on November 28, 2007. The Commission issued its Final Order on May 11, 2010, which dismissed the Complaint of U. S. Steel and ArcelorMittal and granted summary judgment in favor of NIPSCO on its claims, determining that U. S. Steel had acted as a public utility and violated certain of NIPSCO’s tariffs by providing certain utility services to the Plate Mill using U. S. Steel’s private internal distribution system.

On May 21, 2010, NIPSCO filed a complaint against U. S. Steel in Porter County, Indiana, which has since been removed to federal court in the Northern District of Indiana at Case No. 2:10-cv-00254-JTM-APR (the “Federal Court Action”), that sought monetary damages for conduct that had been the subject of the Commission’s Final Order of May 11, 2010.

U. S. Steel and ArcelorMittal commenced an appeal from the Commission’s order of May 11, 2010 at the Court of Appeals and NIPSCO initiated a cross-appeal with respect to the Commission’s order that denied NIPSCO’s Petition for Reconsideration.

On June 9, 2011, the Court of Appeals issued its decision on the issues raised on appeal. See U. S. Steel Corp. v. N. Ind. Pub. Serv. Co., 952 N.E.2d 542 (Ind. Ct. App. 2011). In that decision, the Court of Appeals reversed the finding that U. S. Steel was a “public utility” with respect to the delivery of electricity to ArcelorMittal and further found that U. S. Steel had not violated any statutory or tariff provision with respect to the delivery of electricity to the ArcelorMittal facility. The Court of Appeals remanded the matter to the Commission with direction that its Order with respect to electricity be vacated. The Court of Appeals affirmed, however, the Commission’s finding that U. S. Steel had acted as “public utility” with respect to natural gas transportation.

U. S. Steel and ArcelorMittal filed a petition to transfer with the Indiana Supreme Court, seeking review of the Court of Appeals’ decision with respect to the delivery of natural gas. The Indiana Supreme Court denied transfer by order of February 7, 2012. Subsequently, and in accordance with the Court of Appeals’ direction, the Commission issued its Order on Remand to conform the order of May 11, 2010 to the Court of Appeals’ decision with respect to electricity. In that Order on Remand, the Commission vacated its prior findings that U. S. Steel had acted as a public utility by providing electricity to ArcelorMittal and that portion of its prior

order that found U. S. Steel had violated Indiana Code ch. 8-1-2.3. During periods before and after the Order on Remand, the Parties have engaged in discussions with respect to the settlement of any and all remaining issues, including issues relating to the delivery of natural gas.

2. Resolution as to natural gas issue. U. S. Steel, ArcelorMittal, and NIPSCO have agreed to enter into a Non-Standard Agreement for Gas Service, pursuant to which ArcelorMittal will be billed directly by NIPSCO for gas service as separately metered for consumption at the Plate Mill. A copy of the Non-Standard Agreement for Gas Service is attached hereto as Exhibit A and incorporated herein by reference. The proposed arrangement will materially alter the circumstances addressed in the Court of Appeals' decision, under which natural gas had been transported to the Plate Mill. The Parties stipulate and agree that, upon Commission approval, the revised service arrangement will establish a direct customer relationship between NIPSCO and ArcelorMittal, so that U. S. Steel will no longer be acting as a "public utility" within the scope and meaning of Ind. Code §8-1-2-87.5 with respect to the transport of natural gas to the Plate Mill and, accordingly, all issues relating to U. S. Steel's status as a "public utility" under that circumstance will be moot.

3. Resolution as to the Federal Court Action. Contingent on Commission approval of this Settlement, NIPSCO will withdraw and dismiss with prejudice its complaint in the pending Federal Court Action. NIPSCO shall make all necessary and appropriate filings and take such steps as may be required to secure the withdrawal and dismissal with prejudice of the claims asserted in that action. The Parties further agree not to seek to reopen, relitigate or otherwise alter the legal determinations set forth in the Court of Appeals' decision relating to the same factual circumstances regarding provisions of utility service to the Plate Mill.

4. Procedure before the Commission. The Parties stipulate and agree that the terms and conditions described herein constitute a fair, just, reasonable and complete resolution of all issues raised in these Causes. The Parties will request Commission approval of this Settlement in its entirety, without any change or condition that is unacceptable to any Party. The Parties will support any Commission order accepting and approving this Settlement in accordance with its terms, and will not seek rehearing, reconsideration and/or appeal with respect to any such order.

5. Non-Approval or Alteration. If the Settlement is not approved by the Commission, the Parties agree that the terms hereof shall not be admissible in evidence or in any way discussed in any subsequent proceeding. Moreover, the concurrence of the Parties with the terms of the Settlement is expressly predicated upon the Commission's approval of the Settlement in its entirety without modification or further condition unacceptable to either Party. If the Commission modifies the Settlement in any way, unless all of the Parties confirm to the Commission in writing that they consent to any such modification, the Settlement shall be null and void and shall be deemed withdrawn and of no force and effect. In that event, all Parties shall be entitled to assert such positions and make such filings in any and all further proceedings as they see fit, without any prejudice or impediment arising from this Settlement or from any proceedings seeking approval of the terms herein.

6. Successors. This Settlement shall inure to the benefit of and be binding upon the successors, heirs, and assigns of the Parties.

7. Privileged Communications. The communications and discussions and materials produced and exchanged during the negotiation of the Settlement relate to offers of settlement and shall be privileged and confidential.

8. Authorization. The undersigned represent and agree that they are fully authorized to execute the Stipulation on behalf of the designated Parties who will be bound thereby.

ACCEPTED and AGREED this 24th day of August, 2012.

UNITED STATES STEEL CORPORATION.



(Signature)

MJ HATCHER

(Printed Name)

VICE PRESIDENT - PROCUREMENT, RAW MATERIALS

(Title) REAL ESTATE

ATTEST:



NORTHERN INDIANA PUBLIC SERVICE COMPANY

(Signature)

(Printed Name)

(Title)

ATTEST:

8. Authorization. The undersigned represent and agree that they are fully authorized to execute the Stipulation on behalf of the designated Parties who will be bound thereby.

ACCEPTED and AGREED this 24th day of August, 2012.

UNITED STATES STEEL CORPORATION.

(Signature)

(Printed Name)

(Title)

ATTEST:

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Karl E. Stanley
(Signature)

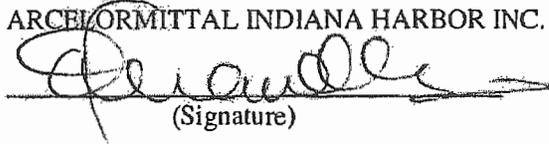
Karl E. Stanley
(Printed Name)

VP, Commercial Operations
(Title)

ATTEST:

Nancy Czarnecki

ARCELORMITTAL INDIANA HARBOR INC.


(Signature)

Om Mandhana
(Printed Name)

VICE-PRESIDENT - Procurement Supply Chain
(Title)

ATTEST:

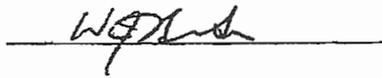


EXHIBIT A

Non-Standard Agreement for Gas Service

THIS NON-STANDARD AGREEMENT FOR GAS SERVICE ("Agreement") is made and entered this 24th day of August, 2012, by and between Northern Indiana Public Service Company, an Indiana corporation, ("NIPSCO"), ArcelorMittal Indiana Harbor LLC ("Customer"), and United States Steel Corporation, a Delaware Corporation (hereinafter referred to as "U. S. Steel") (each of NIPSCO, Customer, and U. S. Steel are individually referred to herein as a "Party" and collectively referred to as the "Parties");

WITNESSETH:

WHEREAS, Customer desires to obtain natural gas service exclusively from NIPSCO for Customer's Plate Mill facility which produces steel plate ("Facility") located within the bounds of the property owned by U. S. Steel at 1 North Broadway, Gary, Indiana 46402 ("U. S. Steel Property"); and

WHEREAS, NIPSCO is willing and able to provide natural gas service to Customer pursuant to its existing tariff; and

WHEREAS, NIPSCO's gas main is located approximately 12,000 feet from the Facility, and service to the Facility from said gas main can only be accomplished by traversing the U. S. Steel Property; and

WHEREAS, NIPSCO's General Rules and Regulations Applicable to Gas Service require Customer to provide a contribution, letter of credit, or minimum guarantee prior to the installation of new facilities to provide gas service; and

WHEREAS, it is economically undesirable, from Customer's perspective, to incur the time and expense associated with the construction of a gas service line that traverses the U. S. Steel Property; and

WHEREAS, U. S. Steel, the owner of the real property upon which the gas service line would be constructed, has indicated its opposition to the construction of such a service line; and

WHEREAS, although it is NIPSCO's standard practice to serve customers via facilities that are under NIPSCO's control up to a delivery point that is typically located at the customer's meter, NIPSCO, in light of the unusual circumstances presented herein, is willing to provide natural gas service to Customer for the benefit of the Facility pursuant to a non-standard arrangement, upon and subject to the terms and conditions expressed herein; and

WHEREAS, such non-standard arrangement would entail NIPSCO's use of U. S. Steel's existing natural gas distribution system within the U.S. Steel Property (the "U. S. Steel System"), with U. S. Steel remaining solely responsible for the operation of the U. S. Steel System and solely responsible for natural gas while it is passing through the U. S. Steel System, as delivered through the U. S. Steel System inside the U. S. Steel Property to metering facilities owned by NIPSCO at or near the Facility (the "Delivery Point").

WHEREAS, pursuant to the provisions of this Agreement, U. S. Steel agrees to provide NIPSCO with the use of and access to the U. S. Steel System to the extent needed to complete delivery of natural gas to the Facility, and Customer agrees to accept service from NIPSCO subject to such risks and limitations on service reliability as may arise from the completion of delivery over, in part, facilities under the operation and control of U. S. Steel rather than NIPSCO;

NOW THEREFORE, for and in consideration of the premises and of the covenants and agreements set forth hereinafter, the Parties, with the intent of being legally bound, do hereby covenant and agree as follows:

1. NIPSCO agrees to provide, and Customer agrees to receive, natural gas service for the benefit of the Facility at the Delivery Point.

2. NIPSCO and Customer agree that the gas service provided to Customer at the Delivery Point shall be provided in accordance with an applicable NIPSCO tariff. NIPSCO and Customer further agree that said gas service shall be subject to all of the terms and conditions of existing and successor NIPSCO tariffs as approved by the Indiana Utility Regulatory Commission ("IURC"). Customer agrees to apply for service and to execute such documents, including, without limitation, one or more contracts for service, if such documents and contracts are required by NIPSCO's tariff from time to time depending on the nature of the services provided to Customer.

3. The Parties agree that U. S. Steel will be responsible for the delivery of the gas from its entry into the U. S. Steel System until its arrival at the Delivery Point, and that NIPSCO will have no responsibility for the gas while it is passing through the U. S. Steel System. U. S. Steel assumes this responsibility in exchange for NIPSCO's agreement to settle all remaining issues related to Cause No. 43363, 43369, Case No. 2:10-cv-00254-JTM-APR. U. S. Steel further assumes the responsibility, during the duration of this Agreement, to maintain in good working order such facilities that are part of the U. S. Steel System that are needed to ensure the reliable delivery of gas to the Delivery Point. U. S. Steel agrees to indemnify and hold NIPSCO harmless from any and all claims from any party in any forum, including reasonable attorneys' fees, resulting from or related to the delivery of natural gas from its entry into the U. S. Steel System until its arrival at the Delivery Point.

4. Customer understands and agrees that the above-described metering arrangement is a non-standard arrangement, in that the delivery will be completed in part through facilities over which NIPSCO has no control and for which NIPSCO has no responsibility. Customer further understands and agrees that NIPSCO's agreement to this non-standard arrangement is conditioned on the agreement of Customer and U. S. Steel to all of the terms expressed herein, and subject to approval by the IURC.

5. Customer agrees that the non-standard arrangement described herein can only be accomplished by the use of subtractive metering, whereby natural gas usage measured by

meter(s) installed at or near the Facility shall be subtracted from natural gas delivered, metered and billed to U. S. Steel. This arrangement will result in U. S. Steel having access to natural gas usage data associated with Customer's Facility. Customer agrees to NIPSCO providing such information to U. S. Steel and hereby agrees to waive any and all claims it might assert against NIPSCO's disclosure of such information to U. S. Steel, its affiliates, or subsidiaries.

6. Because this non-standard service arrangement introduces additional sources of potential dispute between NIPSCO, U. S. Steel and Customer (viz., the use of subtractive metering and the use of distribution facilities outside of NIPSCO's control), U. S. Steel and Customer agree to promptly pay any undisputed amounts due by operation of this Agreement on their respective monthly bills. U. S. Steel and Customer acknowledge and agree that NIPSCO's execution and performance of this Agreement is expressly conditioned on and made in reliance on U. S. Steel's and Customer's agreement to the terms of this Section 6.

7. Customer understands that its service may be interrupted if it becomes necessary for NIPSCO to disconnect service to U. S. Steel and hereby irrevocably waives and releases NIPSCO, its affiliates, officers, directors, employees and agents from, any claims Customer may have against NIPSCO arising out of any such interruption. NIPSCO will provide advance notice of such an interruption, to the extent practicable. All parties shall exercise commercially reasonable efforts to minimize any service disruptions to Customer arising under this Section 7.

8. Customer agrees that the quality of service being provided by NIPSCO to Customer shall be measured only at the point the gas enters the U. S. Steel System, and NIPSCO has no obligation or responsibility for the quality of service conveyed beyond that point. Customer agrees that by utilizing natural gas conveyed to the Customer Facility via facilities not owned and operated by NIPSCO, Customer assumes all risks associated with the receipt at the Delivery Point of gas delivered in such manner, including but not limited to fluctuations in odorant levels, BTU levels, quality of natural gas, delivery pressures, interruption of delivery, and damage to the Facility.

9. Customer understands and agrees that NIPSCO's ability to promptly respond to problems associated with the meter(s) used to measure Customer's natural gas usage may be negatively affected, based on the security protocols prescribed by U. S. Steel. Accordingly, Customer hereby irrevocably releases NIPSCO, its affiliates, officers, directors, employees and consultants, from any and all claims, suits, proceedings, costs and damages (including reasonable attorneys' fees) arising out of any failure by NIPSCO to respond to problems associated with the meters used to measure Customer's natural gas usage that is attributable to U. S. Steel's security protocols.

10. Customer agrees that because natural gas is to be delivered to the Delivery Point in part via facilities outside of NIPSCO's control, in the event of a meter malfunction NIPSCO shall determine whether the malfunction was due to any factor other than ordinary wear and tear or a fault with the meter itself. If NIPSCO determines that the malfunction was due to any factor other than ordinary wear and tear or a fault with the meter itself, Customer agrees to reimburse NIPSCO for any and all reasonable costs associated with any meter repair and/or replacement, including but not limited to travel time and overhead. With the consent of NIPSCO, which shall

not be unreasonably withheld, U. S. Steel and/or Customer may effectuate and implement any necessary meter repair and/or replacement, at their sole cost and subject to NIPSCO's acceptance, as may be appropriate and efficient to facilitate the operation of the Facility.

11. Customer shall permit NIPSCO to construct, install, maintain, remove and replace on the Facility property (a description of which is set forth as Exhibit A) such facilities as NIPSCO in its reasonable judgment deems necessary to commence, continue, meter and terminate NIPSCO's service to Customer, including meters, regulators, bypass facilities, and shut off valves. Upon request, Customer and/or U. S. Steel shall also provide a telephone line and a power source at no charge, to enable NIPSCO to remotely read its meter. Customer and U. S. Steel further agree to give NIPSCO access to the premises for purposes of reading, servicing, operating, replacing, and/or removing said facilities. Customer, U. S. Steel and NIPSCO may agree from time to time upon mutually acceptable safety and security protocols to be observed by the parties and their representatives, but failure to agree on such safety and security protocols shall not in any way affect NIPSCO's rights to any and all payments under this Agreement.

12. U. S. Steel hereby grants NIPSCO a license to construct, install, maintain, remove and replace on the U. S. Steel Property such facilities as NIPSCO in its reasonable judgment deems necessary to commence, continue, meter and terminate NIPSCO's service to Customer, including meters, regulators, bypass facilities, and shut off valves, provided that if U. S. Steel or Customer already has adequate facilities installed and in good working order, NIPSCO shall purchase such facilities at a price equal to the greater of zero or Net Book Value (as defined below) thereof recorded in the relevant accounting records as of the date of such purchase and use such facilities for purposes of providing service to Customer pursuant to this Agreement. Upon termination of this Agreement, the Customer shall re-purchase from NIPSCO any of said facilities which it sold to NIPSCO pursuant to this Section 12 at a price equal to the greater of zero or Net Book Value thereof as recorded in NIPSCO's accounting records as of the date of such re-purchase. NIPSCO, Customer and U. S. Steel agree to coordinate their efforts so that such activities can be accomplished in a prudent and timely manner. Title to said facilities pursuant to the aforesaid purchase and re-purchase of such facilities shall be conveyed free and clear of any and all liens, claims or encumbrances of any nature (other than those encumbrances expressly imposed by this Section 12 and the obligations expressly imposed on any Party under this Agreement affecting the use or transfer of such facilities), and shall include appropriate warranties and indemnifications, and shall be effectuated by a bill of sale or other instrument or instruments reasonably satisfactory to the respective legal counsel for each of U. S. Steel, Customer and NIPSCO.

13. This Agreement shall be submitted to the IURC for approval and shall not take effect until the first day of the next succeeding month after it has been approved by the IURC in a manner acceptable to all of the Parties. The Parties further agree that any dispute arising out of or relating to the interpretation of this Agreement shall be subject to and submitted to the IURC for its review and decision.

14. Termination. This Agreement shall remain in effect, until the earlier to occur of (i) termination by a Party upon written notice to all other Parties in the event another Party

breaches any material obligation required of such Party under this Agreement and such Party fails to cure such breach within 15 days after written notice thereof from the non-breaching Party, (ii) upon written notice by one Party to all other Parties following the termination or expiration of gas service by NIPSCO to Customer at the Customer's facility; or (iii) sale by U. S. Steel of the land that is used by NIPSCO for provision of service to Customer. Termination of this Agreement pursuant to clause (i) of this Section 14 is not the exclusive remedy for the non-breaching Parties, and each Party shall have available to it all rights and remedies with respect to any breach of this Agreement available hereunder, or at law or in equity, unless expressly provided otherwise under the NIPSCO Gas Tariff.

15. All notices, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to be made or given when personally delivered or two (2) business days after being mailed by registered or certified United States mail, postage prepaid, return receipt requested, or one (1) business day after being sent by Federal Express or other recognized courier guaranteeing overnight delivery, postage prepaid, to the Parties at the following respective addresses, or at such other address as a respective Party may designate from time to time pursuant to a notice duly given hereunder to the other Parties:

Procurement Manager, Energy
ArcelorMittal Indiana Harbor LLC
3300 Dickey Road 4-442
East Chicago, IN 46312

With a copy to:
ArcelorMittal Indiana Harbor LLC
3300 Dickey Road MC 4-442
East Chicago, Indiana 46312
Attn.: Vice President of Procurement and Supply Chain

And via e-mail to:

AMUSAPurchasing.ContractAdministration@arcelormittal.com

Manager - Energy Procurement
United States Steel Corporation
600 Grant Street, Room 2028
Pittsburgh, PA 15219

With a copy to:

Attorney -- Energy
United States Steel Corporation
600 Grant Street, Room 1500
Pittsburgh, PA 15219

NIPSCO
Michael Pasky
Executive Director, Major Accounts
Northern Indiana Public Service Company
801 E. 86th Avenue
Merrillville, Indiana 46410
Email: mrpasky@nisource.com

16. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of NIPSCO's Gas Tariff, the provisions of this Agreement shall govern and control.

17. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

18. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of Indiana, without regard to any choice of law or conflicts of law rules that would direct the application of the laws of another jurisdiction.

19. The terms and conditions of Sections 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 shall survive any expiration or termination of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed as of the day and year first above written.

ArcelorMittal Indiana Harbor LLC



(Signature)

Om Mandhana

(Printed Name)

Vice-President - Procurement / Supply Chain

(Title)

ATTEST:



United States Steel Corporation

MJ Hatcher

(Signature)

MJ HATCHER

(Printed Name)

VICE PRESIDENT - PROCUREMENT, RAW MATERIALS

(Title) ~~REAL ESTATE~~

ATTEST:

J M Sabrae

NORTHERN INDIANA PUBLIC SERVICE COMPANY

(Signature)

(Printed Name)

(Title)

ATTEST:

United States Steel Corporation

(Signature)

(Printed Name)

(Title)

ATTEST:

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Karl E. Stanley

(Signature)

Karl E. Stanley

(Printed Name)

VP, Commercial Operations

(Title)

ATTEST:

Nancy Czarnecki

LEGAL DESCRIPTION:

That part of the North Half of Section 33 and the Northwest Quarter of Section 34, Township 37 North, Range 8 West of the 2nd Principal Meridian in the City of Gary, Lake County, Indiana, and being part of the Lot Numbers 20 through 22, 27 through 29, 34 through 36, 40 through 49 and 52 through 57 as shown on the Plat of survey of the proposed dockline by the Lake County Surveyor and approved by the Congress of the United States of America by Joint Resolution on May 16, 1906, more particularly described as follows; Commencing at the Northeast Corner of Section 4, Township 36 North, Range 8 West of the 2nd Principal Meridian, thence North 0°00'00" East (said bearing and all subsequent bearings are based on the Indiana Coordinate System of 1983), 4542.43 feet to the Point of Beginning;

- 1) thence North 72°03'21" West, 34.71 feet;
- 2) thence North 76°58'11" West, 210.41 feet;
- 3) thence North 84°14'50" West, 56.87 feet;
- 4) thence North 88°12'19" West, 121.65 feet;
- 5) thence North 88°52'31" West, 311.79 feet;
- 6) thence North 88°29'12" West, 139.34 feet;
- 7) thence North 71°55'07" West, 45.62 feet;
- 8) thence North 88°48'29" West, 40.86 feet (this and the previous 7 courses are along the North edge of a paved roadway);
- 9) thence Northwesterly along the arc of a curve 66.05 feet in length and subtended by a long chord 64.19 feet in length bearing North 37°36'26" West, said curve being concave to the Northeast;
- 10) thence North 1°01'39" East, 350.75 feet along the East edge of a paved roadway;
- 11) thence North 88°45'24" West, 206.92 feet;
- 12) thence Northwesterly along the arc of a non-tangent curve 74.65 feet in length and subtended by a long chord 74.08 feet in length bearing North 79°04'04" West, said curve being concave to the Northeast;
- 13) thence Northwesterly along the arc of a non-tangent curve 37.46 feet in length and subtended by a long chord 37.31 feet in length bearing North 75°46'26" West, said curve being concave to the Southwest;
- 14) thence North 89°53'55" West, 62.12 feet (this course and the previous 3 courses are along the face of a steel guard rail);
- 15) thence North 3°26'05" East, 208.64 feet along the West edge of a paved parking lot;
- 16) thence North 88°50'09" West, 1221.64 feet;
- 17) thence North 73°38'02" West, 83.05 feet (this course and the previous course are along the North edge of a paved roadway);
- 18) thence Northwesterly along the arc of a non-tangent curve 77.14 feet in length and subtended by a long chord 73.07 feet in length bearing North 47°25'25" West, said curve being concave to the Northeast;
- 19) thence North 0°50'05" East, 330.89 feet;
- 20) thence Northeasterly along the arc of a non-tangent curve 151.32 feet in length and subtended by a long chord 142.25 feet in length bearing North 57°59'45" East, said curve being concave to the Southeast.
- 21) thence South 88°56'38" East, 163.58 feet (this course and the previous 3 courses are along the northeasterly, the East, the southeasterly and the south edges of a paved roadway);

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LEGAL DESCRIPTION: (CONT'D)

- 22) thence North 73°16'16" East, 343.29 feet;
- 23) thence South 88°29'43" West, 59.02 feet;
- 24) thence South 84°43'22" West, 57.08 feet;
- 25) thence South 77°20'11" West, 220.41 feet;
- 26) thence North 88°40'38" West, 532.39 feet;
- 27) thence North 72°01'07" West, 310.75 feet;
- 28) thence North 79°37'01" West, 89.00 feet;
- 29) thence North 1°10'28" East, 20.00 feet;
- 30) thence South 89°33'40" East, 47.00 feet;
- 31) thence North 87°16'04" East, 32.10 feet;
- 32) thence North 77°30'04" East, 182.33 feet;
- 33) thence South 88°35'47" East, 631.94 feet;
- 34) thence South 74°11'32" East, 132.60 feet;
- 35) thence South 78°41'41" East, 48.41 feet;
- 36) thence South 85°26'45" East, 23.17 feet;
- 37) thence South 88°44'39" East, 355.42 feet;
- 38) thence South 88°50'56" East, 1085.32 feet along the south edge of paved roadway;
- 39) thence South 88°50'20" East, 1257.86 feet along the south edge of paved roadway;
- 40) thence South 43°21'00" East, 100.62 feet along the face of a steel guard rail;
- 41) thence South 1°08'41" West, 1130.38 feet along a line 9.00 feet West of and parallel with the West sheeting line of the former 46" Slabbing Mill Soaking Pit Building;
- 42) thence North 88°51'20" West, 47.42 feet along the South sheeting line of the 46" Slabbing Mill Building;
- 43) thence South 1°18'41" West, 231.13 feet along the West edge of a paved roadway;
- 44) thence South 14°02'00" West, 47.51 feet along said West edge of a paved roadway;
- 45) thence South 56°27'01" West, 12.47 feet along the Northwest edge of said paved roadway;
- 46) thence North 86°16'20" West, 43.26 feet along the North edge of said paved roadway;
- 47) thence South 1°08'41" West, 151.08 feet along a line 10.00 feet East of the eastern most corner of the Sanitary Sewer Lift Station;
- 48) thence North 88°51'19" West, 48.14 feet along a line 10.00 feet South of the southernmost corner of the Sanitary Sewer Lift Station;
- 49) thence North 1°08'41" East, 153.25 feet along a line 10.00 feet West of the westernmost corner of the Sanitary Sewer Lift Station;
- 50) thence North 86°16'20" West, 42.04 feet along the North edge of previously mentioned paved roadway;
- 51) thence North 53°03'44" West, 107.83 feet along the Northeast edge of said paved roadway;
- 52) thence North 62°22'58" West, 40.43 feet along the Northeast edge of said paved roadway;
- 53) thence North 72°36'02" West, 54.56 feet along the Northeast edge of said paved roadway;
- 54) thence North 73°18'28" West, 56.49 feet along the Northeast edge of said paved roadway;
- 55) thence North 72°03'21" West, 66.07 feet along the Northeast edge of a paved roadway to the Point of Beginning containing 74.851 acres, more or less.