

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY FOR APPROVAL OF A GAS )  
COST ADJUSTMENT TO BE APPLICABLE IN )  
THE MONTHS OF SEPTEMBER, OCTOBER AND )  
NOVEMBER 2016, PURSUANT TO IND. CODE § 8- )  
1-2-42(g) AND AUTHORITY TO ENTER INTO )  
ONE OR MORE TRANSACTIONS FOR THE )  
LONG-TERM PURCHASE OF GAS SUPPLY )  
ASSUMING CONTINUATION OF FAVORABLE )  
MARKET PRICES. )

CAUSE NO. 43629 GCA 39

APPROVED: SEP 14 2016

ORDER OF THE COMMISSION ON RECONSIDERATION

**Presiding Officer:**  
**Loraine L. Seyfried, Chief Administrative Law Judge**

On August 31, 2016, the Indiana Utility Regulatory Commission (“Commission”) entered its final Order in this Cause. On September 2, 2016, Northern Indiana Public Service Company (“NIPSCO”) filed an Unopposed Petition for Expedited Reconsideration and Clarification (“Motion”). In its Motion, NIPSCO requests the Commission reconsider a portion of Paragraph 12 of the Order to clarify that the Commission did not intend to, and did not, modify or negate the procedures by which gas utilities have obtained authority to enter into long-term contracts for gas supply as set forth in *Ind. Gas Co., Inc. d/b/a Vectren Energy Delivery of Ind., Inc.*, Cause No. 37394 GCA 116 S1 (IURC 3/21/2013) and *S. Ind. Gas and Elec. Co. d/b/a Vectren Energy Delivery of Ind., Inc.*, Cause No. 37366 GCA 119 (IURC 7/31/2013), and that NIPSCO is authorized to enter into its proposed transactions.

The Commission, having considered the matter, finds that the Commission’s August 31, 2016 Order in this Cause should be revised to clarify that NIPSCO is authorized to enter into the proposed long-term purchases of gas in accordance with the parameters identified in its case-in-chief. Accordingly, Paragraph 12 is modified as follows:

**12. Proposed Long-Term Contract(s).** Petitioner’s gas portfolio includes securing seasonal physical supply of natural gas as well as an approved financial volatility mitigation program. NIPSCO has determined that its current approach would be enhanced by securing a percentage of its gas costs for a term beyond the current seasonal structure. After analyzing current market conditions, NIPSCO has proposed to enter into one or more contracts to secure a portion of its gas supply at a not to exceed price and seeks Commission approval to do so. OUCC witness Haase testified that the OUCC did not object to the proposed purchases, as long as Petitioner presented any such long-term fixed contracts separately on Schedule 3 and Schedule 8 of its future GCA filings. NIPSCO

indicated its agreement with the OUCC's request in its Notice of Intent Not to Pre-File Rebuttal Testimony.

The Commission has reviewed Petitioner's request to enter into one or more transactions for the long-term purchase of a portion of its gas supply needs. We agree that the proposed long-term purchases are another reasonable component to mitigate price volatility within NIPSCO's gas supply portfolio and authorize Petitioner to enter into the transactions on terms described in the testimony of Mr. Pluard. Any such purchases should be identified separately on Schedule 3 and Schedule 8 in future GCA filings.

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

1. NIPSCO's Unopposed Petition for Expedited Reconsideration and Clarification is granted and the August 31, 2016 Order is modified as set forth above.
2. This Order shall be effective on and after the date of its approval.

**STEPHAN, HUSTON, AND ZIEGNER CONCUR; WEBER ABSENT:**

**APPROVED: SEP 14 2016**

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

  
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Mary M. Becerra  
Secretary of the Commission