ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA FUEL AND LIGHT COMPANY, INC. ("PETITIONER") FOR APPROVAL OF AND AUTHORITY FOR: (1) MODIFICATION TO ITS RATES AND CHARGES FOR GAS UTILITY SERVICE; (2) NEW SCHEDULES OF RATES AND CHARGES APPLICABLE THERETO; (3) REVISIONS TO ITS DEPRECIATION ACCRUAL RATES; (4) AN ALTERNATIVE REGULATORY PLAN ALLOWING PETITIONER TO IMPLEMENT AN ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT PROGRAM; (5) IMPLEMENTATION OF A NEW LOW-INCOME PROGRAM; (6) AN ALTERNATIVE REGULATORY PLAN ALLOWING PETITION TO IMPLEMENT A NEW CUSTOMER CHOICE PROGRAM AND CERTAIN RATEMAKING TREATMENTS FOR REVENUES AND EXPENSES RELATING TO SERVICES AND PROGRAMS OFFERED PURSUANT TO PETITIONER'S NEW CUSTOMER CHOICE PROGRAM ALTERNATIVE REGULATORY PLAN; (7) TO THE EXTENT NECESSARY, GRANTING THE REQUESTED RELIEF AS AN ALTERNATIVE REGULATORY PLAN PURSUANT TO IND. CODE CHAPTER 8-1-2.5; (8) MODIFICATION OF PETITIONER'S GAS COST ADJUSTMENT PROCESS TO INCLUDE UNACCOUNTED FOR GAS AND THE GAS COST COMPONENT OF BAD DEBT EXPENSE; AND (9) VARIOUS CHANGES TO ITS TARIFF FOR GAS SERVICE IMPLEMENTING A STRAIGHT-FIXED VARIABLE RATE DESIGN, REMOVAL OF GAS COSTS FROM BASE RATES AND CHANGES TO ITS GENERAL TERMS AND CONDITIONS FOR SERVICE	CAUSE NO. 43943 **PREHEARING CONFERENCE ORDER** APPROVED: OCT 14 2010

BY THE COMMISSION:
James D. Atterholt, Chairman
David E. Veleta, Administrative Law Judge

On September 1, 2010, Petitioner, Northern Indiana Fuel and Light Company, Inc. ("Petitioner") filed its petition with the Indiana Utility Regulatory Commission ("Commission") in this matter.

Pursuant to notice and as provided for in 170 IAC 1-1.1-15, a Prehearing Conference in this Cause was held in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana at 10:30 a.m., on September 27, 2010. Proofs of publication of the notice of the Prehearing Conference have been incorporated into the record and placed in the official files of the Commission. The Petitioner and the Indiana Office of Utility Consumer Counselor ("Public" or "OUCC") appeared and participated at the Prehearing Conference. Also, participating in the Prehearing Conference was the Choice Marketer Group whose petition to intervene will be granted by Docket Entry. No members of the general public appeared.

Prior to the opening of the record and with the consent of all parties in attendance, an informal discussion was held regarding procedural and scheduling matters in this Cause. The agreement of the parties was then read into the record.

Based upon the agreement of the parties, the Commission now enters the following Findings and Order which shall become a part of the record in this proceeding:

1. **Test Year and Accounting Method**. The test year to be used in determining Petitioner's actual and pro forma operating revenues, expenses and operating income under present and proposed rates shall be the twelve months ended March 31, 2010, adjusted for changes that are fixed, known and measurable for ratemaking purposes and that will occur within twelve months following the end of the test.

2. **Cutoff date**. The rate base cutoff shall reflect used and useful property at the end of the test year.

3. **Notice to Customers**. Petitioner shall provide evidence of its compliance with 170 IAC 5-1-18(C) to provide notice to its customers within forty-five (45) days of filing a petition with the Commission for a change in its base rates which fairly summarizes the nature and extent of the proposed changes.

4. **Petitioner's Prefiling Date**. Petitioner filed with the Commission and served on all parties of record the prepared testimony and exhibits constituting its case-in-chief on September 1, 2010.

5. **Field Hearing**. A field hearing to provide interested persons with an opportunity to offer comments concerning this Cause shall be held on November 9, 2010 in Auburn, Indiana at a time and location to be determined at a later date.

6. **Settlement Hearing**. If the parties have a settlement agreement to present by that time, a Settlement Hearing shall be conducted in this cause on February 17, 2011, beginning at 9:30 a.m., EDT, in Judicial Room 224, PNC Center, 101 West Washington Street, Indianapolis, Indiana.

The Settlement and Evidence in support of any such settlement agreement shall be filed with the Commission and served on the parties at least five (5) business days before the Settlement Hearing. Settlements may also be presented to the Commission five (5) days prior to the evidentiary hearings scheduled pursuant to Paragraph 8 or 9 hereof.

7. **Public's and Intervenors' Prefiling Date**. Public and all Intervenors shall prefile with the Commission the prepared testimony and exhibits constituting their respective cases-in-chief on or before January 28, 2011. Copies of same shall be served upon all parties of record.

8. **Cross Answering Testimony**. Public and all Intervenors may prefile cross answering testimony in response their respective cases-in-chief on or before February 11, 2011. Copies of same shall be served upon all parties of record.

9. **Petitioner's Rebuttal Prefiling**. The Petitioner shall prefile with the Commission its prepared rebuttal testimony on or before March 11, 2011. Copies of same shall be served upon all parties of record.

10. **Evidentiary Hearing on the Parties' Cases-In-Chief**. In the event this Cause is not settled, the cases-in-chief of the Petitioner, Public and any Intervenors shall be presented in an evidentiary hearing to commence at 9:30 a.m., on April 11-12, 2011, in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. At such time, the direct evidence of the respective parties shall be presented and their respective witnesses examined. Thereafter, Petitioner shall present its prefiled rebuttal evidence as well as any additional evidence rebutting evidence adduced on cross-examination of Public's or Intervenors' witnesses.

11. **Discovery**. Discovery is available for all parties and shall be conducted on an informal basis. Any response or objection to a discovery request shall be made within ten (10) business days of the receipt of such request. After March 11, 2011, discovery shall be responded to within five (5) calendar days. Any discovery served after 12:00 p.m. shall be deemed to have been served the following business day.

12. **Prefiling of Workpapers**. The Public and all Intervenors shall file with the Commission copies of the work papers used to produce their technical evidence not later February 4, 2011. Thereafter any party prefiling technical evidence with the Commission shall file copies of the work papers used to produce that evidence within two (2) business days after the prefiling of the technical evidence. Copies of prefiled work papers shall also be served on the other parties to this Cause. When submitting workpapers to the Commission, two (2) copies of each document shall be filed with the Secretary of the Commission.

13. **Number of Copies/Corrections**. With the exception of work papers, the parties shall file with the Commission an original and five (5) copies of all prefiled testimony and exhibits. Any corrections to prefiled testimony shall be made in writing as soon as possible after discovery of the need to make such corrections. Although the Commission's rules require that original copies be one-sided, it is the Commission's preference that duplicate copies use both sides of the paper.

Parties may also elect to file documents with the Commission using the Commission's Electronic Filing System in lieu of filing paper documents. Pursuant to the terms and conditions of the Electronic Filing System, documents filed electronically are deemed filed the date they are submitted, subject to verification and acceptance by the Commission, and will receive an electronic file stamp. For filings greater than thirty (30) pages in length, a party shall file with the Commission an original and (1) paper copy within two (2) business days of the electronic filing. When supplying such copies, the party must provide a copy of the email reflecting the electronic filing was accepted by the Commission.

14. **Objections to Prefiled Testimony and Exhibits**. Any objections to the admissibility of prefiled testimony or exhibits shall be filed with the Commission and served on all parties of record no less than two (2) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

15. **Intervenors**. Any party permitted to become an Intervenor in this Cause shall be bound by the record as it stands at the time its Petition to Intervene is granted, pursuant to 170 IAC 1-1.1-11.

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

1. The determinations of the Prehearing Conference set forth in this Order are made a part of the record in this Cause and shall be binding on all present and future parties of record during the proceedings of this Cause.

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

ATTERHOLT, LANDIS, MAYS AND ZIEGNER CONCUR:

APPROVED: OCT 14 2010

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

Brenda A. Howe

Brenda A. Howe
Secretary to the Commission