

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY FOR APPROVAL OF )  
PETITIONER'S 7-YEAR ELECTRIC TDSIC )  
PLAN FOR ELIGIBLE TRANSMISSION, )  
DISTRIBUTION AND STORAGE SYSTEM )  
IMPROVEMENTS, PURSUANT TO IND. ) CAUSE NO. 44733  
CODE § 8-1-39-10(a), FOR AUTHORITY TO )  
DEFER COSTS FOR FUTURE RECOVERY, )  
AND APPROVING INCLUSION OF NIPSCO'S )  
TDSIC PLAN PROJECTS IN ITS RATE BASE )  
IN ITS NEXT GENERAL RATE PROCEEDING )  
PURSUANT TO IND. CODE § 8-1-2-23. )

---

---

SUBMISSION OF SETTLEMENT AGREEMENT

---

---

Northern Indiana Public Service Company, by counsel, on behalf of itself and the Indiana Municipal Utilities Group, the Indiana Office of Utility Consumer Counselor, LaPorte County Board of Commissioners, NIPSCO Industrial Group and United States Steel Corporation (collectively, the "Settling Parties"), respectfully submits the attached 7-Year Plan and Transmission, Distribution and Storage System Improvement Charge ("TDSIC") Settlement Agreement ("Settlement Agreement").

The Settling Parties also request that an Attorneys Conference be promptly set by the Commission for the purpose of addressing procedural matters including setting a procedural schedule in this proceeding. To the extent the parties to this

proceeding reach an agreement on a procedural schedule, the parties will file that agreed schedule.

Respectfully submitted,



---

Christopher C. Earle, Attorney #10809-49  
NISOURCE CORPORATE SERVICES COMPANY  
150 West Market Street, Suite 600  
Indianapolis, Indiana 46204  
Phone: 317-684-4904  
Fax: 317-684-4918  
Email: cearle@nisource.com

Attorney for Northern Indiana Public Service  
Company

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

Tiffany Murray  
Office of Utility Consumer Counselor  
115 W. Washington Street,  
Suite 1500 South  
Indianapolis, Indiana 46204  
[timurray@oucc.in.gov](mailto:timurray@oucc.in.gov)  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

Bette J. Dodd  
Jennifer W. Terry  
Todd A. Richardson  
Lewis & Kappes, P.C.  
One American Square, Suite 2500  
Indianapolis, Indiana 46282  
[bdodd@lewis-kappes.com](mailto:bdodd@lewis-kappes.com)  
[jterry@lewis-kappes.com](mailto:jterry@lewis-kappes.com)  
[trichardson@lewis-kappes.com](mailto:trichardson@lewis-kappes.com)

Nikki G. Shoultz  
P. Parvin Price  
Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
Indianapolis, Indiana 46204  
[nshoultz@boselaw.com](mailto:nshoultz@boselaw.com)  
[pprice@boselaw.com](mailto:pprice@boselaw.com)

Robert M. Glennon  
Robert Glennon & Assoc., P.C.  
3697 N. Co. Rd. 500 E.  
Danville, IN 46122  
[glennon@iquest.net](mailto:glennon@iquest.net)

Jennifer A. Washburn  
Citizens Action Coalition  
602 East Washington Street, Suite 502  
Indianapolis, Indiana 46204  
[jwashburn@citact.org](mailto:jwashburn@citact.org)

Shaw R. Friedman  
Friedman & Associates, P.C.  
705 Lincolnway  
LaPorte, Indiana 46350  
[Sfriedman.associates@frontier.com](mailto:Sfriedman.associates@frontier.com)

Keith L. Beall  
Beall & Beall  
13238 Snow Owl Dr., Suite A  
Carmel, Indiana 46033  
[kbeall@indy.rr.com](mailto:kbeall@indy.rr.com)

Dated this 24<sup>th</sup> day of March, 2016.



---

Christopher C. Earle

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY FOR APPROVAL OF )  
PETITIONER'S 7-YEAR ELECTRIC TDSIC )  
PLAN FOR ELIGIBLE TRANSMISSION, )  
DISTRIBUTION AND STORAGE SYSTEM )  
IMPROVEMENTS, PURSUANT TO IND. ) CAUSE NO. 44733  
CODE § 8-1-39-10(a), FOR AUTHORITY TO )  
DEFER COSTS FOR FUTURE RECOVERY, )  
AND APPROVING INCLUSION OF NIPSCO'S )  
TDSIC PLAN PROJECTS IN ITS RATE BASE )  
IN ITS NEXT GENERAL RATE PROCEEDING )  
PURSUANT TO IND. CODE § 8-1-2-23. )

---

---

7-YEAR PLAN AND TRANSMISSION, DISTRIBUTION AND STORAGE SYSTEM  
IMPROVEMENT CHARGE ("TDSIC") SETTLEMENT AGREEMENT

---

---

**1. Introduction**

This Settlement Agreement ("Settlement" or "TDSIC Settlement") is entered into by and between Northern Indiana Public Service Company ("NIPSCO"), Indiana Municipal Utilities Group, the Indiana Office of Utility Consumer Counselor, LaPorte County Board of Commissioners,<sup>1</sup> NIPSCO Industrial Group and United States Steel Corporation<sup>2</sup> (collectively, the "Settling Parties") solely for purposes of compromise and settlement. The Settling Parties agree that this Settlement resolves all disputes, claims and issues arising from the Indiana Utility Regulatory Commission ("Commission") proceeding regarding NIPSCO's TDSIC filing currently pending in Cause No. 44733, as between the Settling Parties.

---

<sup>1</sup> LaPorte County Board of Commissioners' signature page will be late-filed upon receipt of authorization from the Board following its noticed and scheduled meeting.

<sup>2</sup> United States Steel Corporation's signature page will be late filed upon receipt of authorization from U.S. Steel's executive management.

## **2. NIPSCO's T&D Plan**

The Settling Parties agree that the Commission should approve, as “eligible transmission, distribution, and storage system improvements” within the meaning of Ind. Code ch. 8-1-39 (the “TDSIC statute”), the projects summarized in NIPSCO’s 7-Year Electric TDSIC Plan (Petitioner’s Exhibit No. 2, Attachment 2-A (Confidential)) inclusive of portions of Appendices 1 through 5 thereto, and detailed in the exhibits and workpapers of Russell L. Atkins and Timothy R. Caister (the “T&D Plan”). This T&D Plan consists of capital expenditures of up to \$1.33 billion, which includes direct capital, indirect capital and allowance for funds used during construction (“AFUDC”) over the 7-year period from 2016 through 2022; however, the Settling Parties agree that a maximum of \$1.25 billion of direct capital, indirect capital, and AFUDC (collectively “Approved T&D Plan Costs”) shall be eligible for the TDSIC ratemaking treatment, as discussed further below.

The Settling Parties agree that NIPSCO has provided detailed project descriptions for the T&D Plan, as well as sufficient cost estimates for the projects, as would support a Commission finding that the T&D Plan is reasonable and in the public interest, that the Approved T&D Plan Costs are justified by the benefits of the plan, and that the estimates summarized on Petitioner’s Exhibit No. 2, Attachment 2-A reflect the best estimates of the T&D Plan costs.

## **3. Deferral Authority**

The Settling Parties agree that NIPSCO should be granted authority to defer as a regulatory asset all TDSIC Costs (as defined in Ind. Code § 8-1-39-7) associated with the Approved T&D Plan Costs that are incurred from January 1, 2016 and subsequent to the issuance of an Order in this proceeding until such amounts are recovered through rates.

## **4. Capital Cost Reductions and Cost Cap**

(a) Notwithstanding the T&D Plan described above, in order to compromise and settle this case, NIPSCO has agreed to limit recovery through the TDSIC ratemaking treatment of its capital costs actually expended under its T&D Plan up to \$1.25 billion over the 7-year TDSIC period – a reduction in capital costs of \$80 million from its as-filed T&D Plan. Pursuant to the TDSIC statute, eighty percent (80%) of TDSIC Costs shall be recovered through its Rider 688 – Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge (the “TDSIC Rider”) and twenty percent (20%) shall be authorized to be deferred for subsequent recovery with carrying costs (calculated at NIPSCO’s weighted average cost of capital) in a subsequent rate case.

(b) The Settling Parties agree that NIPSCO will remove \$80 million of capital expenditures from the TDSIC ratemaking treatment. The Settling Parties request that the Commission approve all projects included in the T&D Plan and that NIPSCO be authorized to use any project included in its \$1.33 billion T&D Plan to comprise the up to \$1.25 billion in total plan capital expenditures over the 7-year period.

(c) The Settling Parties agree that NIPSCO’s annual spend for TDSIC capital costs should be capped at \$5 million less than currently projected for Years 1 and 2 (2016 and 2017), \$10 million less than currently projected for Year 3 (2018), and \$15 million less than currently projected for Years 4, 5, 6 and 7 (2019 through 2022). Subject to adjustments in accordance with Paragraph 5(b) below, accordingly, the annual caps shall be as follows: \$135,767,602 for 2016; \$112,159,247 for 2017; \$160,259,646 for 2018; \$209,113,823 for 2019; \$209,560,172 for 2020; \$213,831,907 for 2021; and \$211,261,638 for 2022.

(d) The Settling Parties agree that the Approved T&D Plan Costs eligible for TDSIC ratemaking treatment will not exceed \$1.25 billion. NIPSCO shall have the ability to deviate above each annual cost recovery cap by no more than 5% in a rolling historical three-year period. Any amount below the annual cap in a given year may be rolled over as an increase to the cap for the following years within the three year rolling period. Any amount above the annual cap in a given year will operate as an offset to the available cap variance for the following years within the three year rolling period. The following examples document the operation of the 5% deviation within the three-year rolling period:

**Example 1 –Illustrative \$100 Million Cap per year (Below Annual Cap)**

	Year 1	Year 2	Year 3	Year 4
<b>Annual Cap</b>	\$100 Million	\$100 Million + rollover of \$5 Million underspend from Year 1	\$100 Million	\$100 Million
<b>Actual Expenditure</b>	\$95 Million	\$100 Million	\$100 Million	
<b>Available Cap Variance</b>	\$5 Million	5%*(Year 1 Cap + Year 2 Cap) = \$10 Million	5%*(Year 1 Cap + Year 2 Cap + Year	5%*(Year 2 Cap + Year 3 Cap +Year 4 Cap) minus

			3 Cap) = \$15 Million	verage from years 2 and 3 = \$15 Million
--	--	--	-----------------------	--

**Example 1 – Illustrative \$100 Million Cap per year (Above Annual Cap)**

	Year 1	Year 2	Year 3	Year 4
<b>Annual Cap</b>	\$100 Million	\$100 Million	\$100 Million	\$100 Million
<b>Actual Expenditure</b>	\$105 Million	\$100 Million	\$100 Million	
<b>Available Cap Variance</b>	\$0	5%*(Year 1 Cap +Year 2 Cap) minus \$5 Million overage from Year 1 = \$5 Million	5%*(Year 1 Cap + Year 2 Cap + Year 3 Cap) minus overage from Years 1 and 2 = \$10 Million	5%*(Year 2 Cap + Year 3 Cap +Year 4 Cap) minus overage from years 2 and 3 = \$15 Million

(e) The Settling Parties agree that the overall composition of the projects included in the T&D Plan will be maintained at 61 percent distribution projects and 39 percent transmission projects, plus or minus one percent. With each T&D Plan update, NIPSCO shall provide estimates for planned expenditures through the remaining years of the T&D Plan adhering to this composition requirement.

**5. T&D Plan Flexibility**

(a) NIPSCO expects to complete substantially all of the projects within the scope of the T&D Plan within the 7-year plan period, and the cost recovery terms are predicated on that understanding. Nothing in this Settlement nor in the T&D Plan obligates NIPSCO to implement the entirety of the T&D Plan over the 7-year period nor to recover the revenue requirement associated with the full \$1.25 billion capital cost cap amount over the 7-year period. Rather, NIPSCO shall be authorized to implement components of the T&D Plan in good faith up to the \$1.25 billion cap over a 7-year period, as outlined herein, but shall have the flexibility to adjust the T&D Plan as circumstances dictate, consistent with Paragraph 5(d) below. Such circumstances include but are not

limited to system changes, reliability issues, or reasonable and prudent cost changes. NIPSCO shall update its T&D Plan at least annually, and shall present such T&D Plan updates to the Commission and Settling Parties, consistent with the TDSIC statute.

(b) Each year in its Fall tracker filing, NIPSCO will provide a detailed list of projects for the upcoming year, with best estimate of project costs, but NIPSCO retains the ability to move projects between years as appropriate. In the event that a given project, in whole or in part, is rescheduled to a different year, the annual cost recovery caps for the affected years will be adjusted by that project's whole or partial approved cost estimate to reflect the change (e.g., if a \$10 million project is moved from 2018 to 2019, the annual cap for 2018 will be reduced by \$10 million and the annual cap for 2019 will be increased by \$10 million). Each year in its Spring tracker filing, NIPSCO will provide the actual costs of the projects completed in the prior year and updated projected costs of the projects in the following years. For projects with actual or projected costs higher than the costs previously approved, NIPSCO will provide justification in the form of written variance explanations. Projects with cost variances greater than \$30,000 or 15%, whichever is greater, will be supported by a project change request (PCR) form. Projects with cost variances greater than \$100,000 or 20%, whichever is greater, will also be supported by written testimony. The Settling Parties shall retain the ability to challenge any costs that exceed the approved estimates pursuant to Ind. Code § 8-1-39-9(f).

(c) The Settling Parties each reserve the right to take any position with respect to any new project proposed by NIPSCO for inclusion in the T&D Plan in a future TDSIC tracker proceeding, but recovery of a maximum of 80% of incurred costs associated with the \$1.25 billion in capital expenditures through the TDSIC Rider, and deferral of 20% of such costs for recovery in a future base rate case shall not be adjusted.

(d) The Settling Parties agree to inclusion of up to \$3.5 million for an Economic Development project for the LaPorte County Kingsbury Industrial Park ("Kingsbury Project") including a \$2.5 million project for substation upgrades as provided for in the proffered Settlement Agreement submitted in NIPSCO's pending rate case in Cause No. 44688 and up to \$1.0 million for other distribution infrastructure upgrades. Any capital expenditures for the Kingsbury Project will be presented in a tracker filing by NIPSCO and LaPorte County, which should provide a sufficient evidentiary showing consistent with and required by Ind. Code Ch. 8-1-39 for the approval of such capital expenditures, and the other Settling Parties each reserve the right to timely take any position on such filing in future proceedings.

Any approved Economic Development project during the term of the T&D Plan, including the Kingsbury Project, will not be included in the \$1.25 billion capital cost cap nor in the annual recovery caps agreed to herein.

## 6. TDSIC Tracker Filings

The Settling Parties agree that the first tracker filing associated with the approved T&D Plan shall occur on or about July 1, 2016 to establish factors for the first portion of 2016 which shall be implemented with the first billing cycle starting February 1, 2017. The second such tracker filing shall be made on or about July 1, 2017, with rates to be effective with the first billing cycle of October 2017 consistent with the statutory 90 day cycle. Subsequent tracker filings would occur semi-annually each February and August thereafter.

## 7. Other Ratemaking Terms

The Settling Parties agree that NIPSCO will be entitled to the following relief in future tracker proceedings relating to the T&D Plan:

(a) CWIP Ratemaking Treatment. NIPSCO has authority to apply CWIP ratemaking treatment to all eligible transmission, distribution, and storage system improvements associated with the Approved T&D Plan Costs through the proposed TDSIC mechanism.

(b) Recovery Mechanism. NIPSCO will continue to recover 80% of TDSIC Costs associated with Approved T&D Plan Costs through Rider 688 or successor TDSIC Riders as approved by the Commission utilizing the recovery mechanism established in Cause No. 44371.

(c) Carrying Charges. NIPSCO will defer as a regulatory asset ongoing carrying charges based on the weighted cost of capital on all deferred TDSIC Costs associated with Approved T&D Plan Costs until the deferred TDSIC Costs are included for recovery in rates.

(d) Earnings Test. NIPSCO will adjust its authorized net operating income to reflect any approved earnings associated with the TDSIC for purposes of Ind. Code § 8-1-2-42(d)(3) pursuant to Ind. Code § 8-1-39-13(b).

(e) Capital Structure. The capital structure used to calculate the weighted average cost of capital will reflect the components approved in NIPSCO's 2016 base rate case in Cause No. 44688 (i.e. debt, equity, prepaid pension asset, deferred income taxes, etc).

(f) Increase in Total Retail Revenue. NIPSCO will calculate the average aggregate increase in its total retail revenue attributable to the TDSIC to determine whether the TDSIC will result in an average aggregate increase of more than 2% in a

twelve month period consistent with the methodology affirmed by the Indiana Court of Appeals in Cause Nos. 44370 and 44371.

(g) Return on Equity. The ROE for the TDSIC Rider will be 9.975%. NIPSCO acknowledges that if the proffered Settlement Agreement submitted in its pending rate case in Cause No. 44688 is approved, the provision in the rate case settlement calling for at least 60% debt financing shall be applicable to the capital projects in the T&D Plan in the aggregate and NIPSCO shall report on compliance status in regard to this debt financing requirement in each financing petition filed with the IURC.

(h) Revenue Requirement Netting. There is no netting in the TDSIC Rider of depreciation or return, meaning, the depreciation expense and/or return associated with retired and replaced equipment will not be netted against the depreciation expense and/or return associated with new equipment in the TDSIC Rider, and base retail rates will not be adjusted for these items.

(i) Allocation Factors. The allocation factors for NIPSCO's TDSIC rider shall be those from NIPSCO's 2016 base rate case in Cause No. 44688. The Settling Parties agree that using such factors complies with the TDSIC statute.

(j) Base Rate Case. No commitments have been made in this Agreement with respect to base rate case timing beyond what is required in the TDSIC Statute. At the time of any subsequent base rate case filed by NIPSCO, the Settling Parties agree that the T&D improvements in-service by the rate base cut-off date will (subject to a normal prudence review in the TDSIC Rider proceedings) be included in rate base and NIPSCO's new base rates, and the TDSIC Rider then will be subject to the ROE and allocation factors that are ultimately determined by the Commission in any subsequent retail base rate case. Similarly, the 20% of the T&D improvements associated with the T&D Plan that have been deferred with carrying costs will be included in retail rates and rate base in such subsequent base rate case. If a final Order is approved in a base rate case during the T&D Plan, all recovery caps agreed upon herein will remain in effect for 2016 – 2022 unless NIPSCO files a new TDSIC Plan, which the Commission approves.

(k) LED Streetlights. The Settling Parties agree to NIPSCO's proposed implementation of a TDSIC mass retrofit LED Streetlight project for NIPSCO-owned streetlights subject to the following ratemaking treatment:

- (i) NIPSCO shall conduct Requests for Proposals ("RFP") seeking competitive bids for the procurement and for the installation of LED streetlight fixtures to be installed pursuant to this Agreement and NIPSCO's TDSIC Plan.

- (ii) The per LED unit capital cost components will be finalized after the contractor responses to the RFPs for mass LED purchase and mass installation contracts are received and the contracts are negotiated and finalized. Upon selection of qualified bidders for LED supply and installation and an updated, estimated cost of the mass retrofit LED Streetlight project, 50% of the estimated revenue requirement (on a per lamp basis) associated with the installed cost shall be included in a streetlight lamp rate applicable to each fixture as part of NIPSCO's tariff rate.
  - (iii) The remaining 50% of the estimated revenue requirement and including all variances associated with the revenue requirement for all actual installed cost of the mass LED Streetlight project throughout the TDSIC Plan, shall be recoverable as TDSIC Costs as that term is defined in the TDSIC Statute through NIPSCO's TDSIC Rider.
- (l) Other. All other issues should be decided as proposed in NIPSCO's case in chief testimony and exhibits.

## **8. Regulatory and Procedural Terms**

(a) The Settling Parties agree that the evidence to be submitted in support of this Settlement, along with the evidence of record, together constitute substantial evidence to support this Settlement and provide a sufficient evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement. The Settling Parties shall prepare and file with the Commission as soon as reasonably possible, testimony and proposed order(s) in support of and consistent with this Settlement.

(b) This Settlement is a complete and interrelated package that is intended to resolve all issues between the Settling Parties as to NIPSCO's filing in Cause No. 44733.

(c) The Settling Parties will not appeal or seek rehearing, reconsideration or a stay of a Final Order approving this Settlement in its entirety or without change or condition(s) unacceptable to any adversely affected Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement), except with the agreement of all Settling Parties on the issues to be subject to rehearing, reconsideration or appeal.

(d) The Settling Parties agree to support in good faith the terms of this Settlement before the Commission and further agree not to take any positions adverse to

or inconsistent with the Settlement or any adverse positions against each other with respect to the Settlement before any appellate courts, or on rehearing, reconsideration, remand or subsequent or additional related proceedings before the Commission.

(e) The Settling Parties also agree to support or not oppose this Settlement in the event of any request for a stay by a person not a party to this Settlement or if this Settlement is the subject matter of any other state proceeding.

(f) The Settling Parties shall remain bound by the terms of this Settlement Agreement and shall continue to support or not oppose all the terms of the Settlement on appeal, remand, reconsideration, etc., even if the Commission rejects the Settlement. However, in the event that the Settlement is rejected by the Commission and such rejection is ultimately upheld on rehearing, reconsideration, and/or appeal, at the point when all such proceedings and appeals are complete, this Settlement Agreement shall become void and of no further effect (except for provisions which have already been fully implemented or that are explicitly stated herein to survive termination/voiding).

(g) If the Commission approves the Settlement in its entirety, or approves the Settlement with modifications that are not unacceptable to affected Settling Parties, and such Commission approval is ultimately vacated or reversed on appeal, the Settling Parties agree to support or not oppose the terms of this Settlement in any additional proceedings before the Commission (as well as any subsequent appeals). In such situation, the Settling Parties agree not to take any positions adverse to or inconsistent with the Settlement or any adverse positions against each other with respect to the Settlement or the subject matters herein, on remand or in additional related proceedings before the Commission.

(h) If the Agreement is not approved in its entirety by the Commission, the Settling Parties agree that the terms herein shall not be admissible in evidence or discussed by any party in a subsequent proceeding. Moreover, the concurrence of the Settling Parties with the terms of this Agreement is expressly predicated upon the Commission's approval of the Agreement in its entirety without any material modification or any material condition deemed unacceptable by any Party and the Commission's approval of the application of the allocation factors for TDSIC expenditures reflected in Joint Exhibit D to the Settlement Agreement filed on February 19, 2016 in IURC Cause No. 44688 ("TDSIC Allocation"). If the Commission does not approve the Agreement in its entirety and the TDSIC Allocation, the Agreement shall be null and void and deemed withdrawn, upon notice in writing by any Settling Party within fifteen (15) business days after the date of the Final Order that any modifications made by the Commission are unacceptable to it. In the event the Agreement is

withdrawn, the Settling Parties will request that an Attorneys' Conference be convened to establish a procedural schedule for the continued litigation of this proceeding.

(i) The positions taken by the Settling Parties in this Settlement shall not be deemed to be admissions by any of the Settling Parties and shall not be used as precedent, except as necessary to implement the terms of this Settlement. This provision shall survive termination/voiding of this Agreement.

(j) It is understood that this Settlement is reflective of a good faith negotiated settlement and neither the making of the Settlement nor any of its provisions shall constitute an admission by any Settling Party in this or any other litigation or proceeding except as necessary to implement or enforce this Settlement Agreement. It is also understood that each and every term of the Settlement Agreement is in consideration and support of each and every other term.

(k) The Settling Parties will support this Settlement before the Commission and request that the Commission expeditiously accept and approve the Settlement. This Settlement is a complete, interrelated package and is not severable, and shall be accepted or rejected in its entirety without modification or further condition(s) that may be unacceptable to any Settling Party.

(l) The Settling Parties will file this Settlement and testimony in support of this Settlement. Such supportive testimony will be agreed-upon by the Settling Parties and offered into evidence without objection by any Settling Party and the Settling Parties hereby waive cross-examination of each other's witnesses. The Settling Parties propose to submit this Settlement and evidence conditionally, and if the Commission fails to approve this Settlement in its entirety without any change or with condition(s) unacceptable to any adversely affected Settling Party, the Settlement and supporting evidence may be withdrawn and the Commission will continue to proceed to decision in the affected proceedings, without regard to the filing of this Settlement.

(m) The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of any Settling Party, and are not to be used in any manner in connection with any other proceeding or otherwise. This provision shall survive termination/voiding of this Agreement.

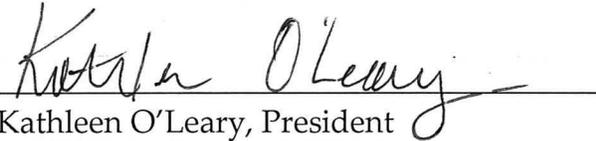
(n) The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement on behalf of their designated clients, and their successors and assigns, who will be bound thereby.

(o) This Settlement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ACCEPTED AND AGREED TO THIS 24<sup>th</sup> day of March, 2016:

[Signature pages to follow]

**For Northern Indiana Public Service Company**

  
Kathleen O'Leary, President  
Northern Indiana Public Service Company

[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]

**For the Indiana Municipal Utilities Group:**

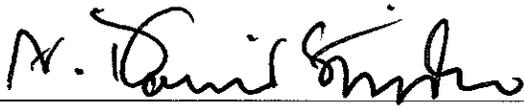
A handwritten signature in blue ink, appearing to read "R M Glennon", written over a horizontal line.

Robert M. Glennon

Counsel For Indiana Municipal Utility Group

[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]

For the Indiana Office of Utility Consumer Counselor:

A handwritten signature in black ink, appearing to read "A. David Stippler". The signature is written in a cursive style with a horizontal line underneath it.

A. David Stippler, Consumer Counselor  
Indiana Office of Utility Consumer Counselor

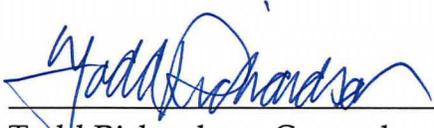
[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]

**For LaPorte County Board of Commissioners**

---

[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]

**NIPSCO Industrial Group:**

A handwritten signature in blue ink, appearing to read "Todd Richardson", is written over a horizontal line.

Todd Richardson, Counsel  
NIPSCO Industrial Group

[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]

**For United States Steel Corporation**

---

[This is a signature page for the 7-Year Plan and Transmission, Distribution and Storage Improvement Charge ("TDSIC") Settlement Agreement before the Indiana Utility Regulatory Commission in Cause No. 44733. Remainder of page intentionally left blank.]