

For Immediate Release

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NIPSCO, OUCC, Industrial Customers Reach Agreement on Electric Infrastructure Modernization Plan

INDIANAPOLIS – Northern Indiana Public Service Company (NIPSCO), the Indiana Office of Utility Consumer Counselor (OUCC) and some of NIPSCO’s largest industrial customers have reached a settlement agreement following the Indiana Court of Appeals’ recent decision to overturn the Indiana Utility Regulatory Commission’s (IURC) approval of NIPSCO’s initial seven-year Electric Infrastructure Modernization Plan.

The agreement resolves concerns raised by the parties in the Court of Appeals proceeding, and it allows NIPSCO to refile a long-term Electric Infrastructure Modernization Plan.

“There is a critical need to modernize and upgrade the energy infrastructure for our customers and communities, and we’re pleased that this settlement agreement helps put NIPSCO’s Infrastructure Modernization Plan back on track,” said NIPSCO CEO Jim Stanley.

“The agreement will make NIPSCO’s customers whole in the short-term, while charting a long-term course for future infrastructure improvements,” said Indiana Utility Consumer Counselor David Stippler. “The 2013 statute allowing utilities to seek approval of seven-year infrastructure plans, combined with incremental rate increases as the projects are completed, still requires energy utilities to meet their respective burdens of proof to gain IURC approval of such plans. When new plans for NIPSCO and other utilities are considered in the future, we trust that they will meet the statute’s requirements and provide the information necessary for meaningful reviews of the plans’ impacts on customer rates.”

Among the settlement’s key provisions:

- NIPSCO will cease collecting under the previously approved seven-year plan and all money collected – less than \$1 million in total – will be credited back to customers with interest.
- By the end of 2015, NIPSCO will file an electric base rate case which will allow for a full review of the utility’s finances.
- NIPSCO will refile an updated Electric Infrastructure Modernization Plan with the IURC, incorporating the required level of project details as agreed to by the parties.

NIPSCO, with headquarters in Merrillville, Ind., is one of the nine energy distribution companies of NiSource Inc. (NYSE: NI). With more than 712,000 natural gas customers and 457,000 electric customers across the northern third of Indiana, NIPSCO is the largest natural gas distribution company, and the second largest electric distribution company, in the state. NiSource distribution companies serve 3.8 million natural gas and electric customers primarily in seven states. More information about NIPSCO is available at NIPSCO.com.

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC’s mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving. To learn more, visit www.IN.gov/OUCC.