

**ORIGINAL**

Commissioner	Yes	No	Not Participating
Huston	√		
Veleta	√		
Ziegner	√		

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**VERIFIED PETITION OF NORTHERN INDIANA )  
PUBLIC SERVICE COMPANY LLC FOR APPROVAL )  
OF DEMAND SIDE MANAGEMENT ADJUSTMENT )  
FACTORS FOR ELECTRIC SERVICE FOR THE )  
BILLING CYCLES FOR THE MONTHS OF JANUARY )  
THROUGH DECEMBER 2026, AND CONTINUED )  
ACCOUNTING AUTHORITY IN ACCORDANCE )  
WITH THE ORDER OF THE COMMISSION IN CAUSE )  
NOS. 45456 AND 45849. )**

**CAUSE NO. 43618 DSM 20  
APPROVED: DEC 03 2025**

**ORDER OF THE COMMISSION**

**Presiding Officers:  
David E. Veleta, Commissioner  
Kehinde Akinro, Administrative Law Judge**

On July 15, 2025, Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) filed its request for Indiana Utility Regulatory Commission (“Commission”) approval of Demand Side Management Adjustment (“DSMA”) factors for electric service for the billing cycles for the months of January through December 2026. Also on July 15, 2025, Petitioner filed its case-in-chief, including the direct testimony and attachments of Kevin J. Blissmer, Manager of Regulatory for NiSource Corporate Services Company, and Jennifer Staciwa, Manager of DSM, supporting the proposed DSMA factors and the underlying costs for which Petitioner seeks recovery.

On September 12, 2025, Petitioner filed a Submission of Revisions to Direct Testimony and Attachments to make necessary updates following the implementation of Updated Step 1 Rates<sup>1</sup> in accordance with the Commission’s June 26, 2025 Final Order in Cause No. 46120.

On September 30, 2025, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the testimony and exhibits of Brittany L. Baker, Utility Analyst in the OUCC’s Electric Division. On October 17, 2025, NIPSCO filed a Notice of Intent Not to File Rebuttal Testimony.

An evidentiary hearing was held in this Cause at 10:30 a.m. on November 7, 2025 in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. NIPSCO and the OUCC, by counsel, participated in the evidentiary hearing, and the parties’ evidence was admitted into the record without objection.

Based upon the applicable law and the evidence of record, the Commission finds:

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<sup>1</sup> On August 29, 2025, NIPSCO filed new schedules of rates and charges based on the addition to rate base and associated depreciation expense for the Gibson Solar Generating Facility. The rates became effective for services rendered on and after September 2, 2025 (“Updated Step 1 Rates”).

**1. Notice and Jurisdiction.** Notice of the hearing in this Cause was given and published as required by law. NIPSCO is a public utility as defined in Ind. Code § 8-1-2-1. The Commission’s September 1, 2021 Order in Cause No. 45456 (the “45456 Order”) and October 18, 2023 Order in Cause No. 45849 (the “45849 Order”) authorized NIPSCO to seek recovery of costs associated with its Demand Side Management (“DSM”) program through a DSMA mechanism pursuant to Ind. Code § 8-1-8.5-10. Under Ind. Code § 8-1-2-42, the Commission has jurisdiction over changes to Petitioner’s schedules of rates and charges. Therefore, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

**2. Petitioner’s Characteristics.** Petitioner is a public utility organized and existing under Indiana law and has its principal office at 801 E. 86th Avenue, Merrillville, Indiana. Petitioner renders electric public utility service in Indiana and owns, operates, manages, and controls, among other things, plant and equipment within the state used for the generation, transmission, distribution, and furnishing of electric utility service to the public within its assigned service territories.

**3. Background.** On October 18, 2023 the Commission issued a Final Order in Cause No. 45849 (“45849 Order”) approving NIPSCO’s proposed energy efficiency (“EE”) programs for January 1, 2024 through December 31, 2026 (“2024-2026 Plan”) for electric service, via a Stipulation and Settlement Agreement. The 45849 Order also approved estimated program costs and budgets, program portfolios, evaluation, measurement, and verification (“EM&V”) procedures, and associated accounting and ratemaking treatment for the 2024-2026 Plan.

**4. Requested Relief.** Petitioner requests Commission approval of DSMA factors to be effective for the billing cycles for the months of January through December 2026 (“Billing Period”). The DSMA factors proposed in this proceeding include: (1) projected start-up, implementation, and administrative costs for the Billing Period ; (2) actual EM&V costs incurred in 2024 for measures installed in January through December 2023 and January through December 2024; (3) projected lost revenues for the Billing Period; and (4) actual financial incentives for the period of January through December 2024 (“Reconciliation Period”). This filing also includes a reconciliation of: (1) projected start-up, implementation, and administrative costs to actual costs for the Reconciliation Period; (2) projected lost revenues to actual lost revenues for the Reconciliation Period; and (3) the revenue requirement for the Reconciliation Period.

Petitioner also requests continued authority to defer as a regulatory asset or regulatory liability the over- and under-recoveries of projected program costs and lost revenues incurred implementing the DSM programs until the Commission issues an order authorizing Petitioner to recover these costs through the ratemaking process. NIPSCO will defer these costs on the balance sheet as a regulatory asset in Account 182.3 – Regulatory Asset or a regulatory liability in Account 254 – Other Regulatory Liabilities until such amounts are recovered through rates.

**5. Implementation of DSM Programs.** Ms. Staciwa described NIPSCO’s EE programs for 2025 (as approved by the Commission in Cause Nos. 45456 and 45849), the administration of those programs, and an overview of the current 2025 performance of NIPSCO’s

EE Program as of May 31, 2025. Ms. Staciwa testified that TRC Companies, Inc. (“TRC”)<sup>2</sup> has subsequently completed several Multifamily Direct Install projects and achieved additional savings in the Residential Online Marketplace program due to various marketing promotions. She noted that the Residential Home Energy Report program is on target for where it would be expected to be at this point in the year, and NIPSCO is working with Oracle<sup>3</sup> to determine the goal by program. Regarding C&I Online Marketplace, she testified that kits have been purchased and will be reported on NIPSCO’s July scorecard.

**6. Recovery and Reconciliation of Program Costs, Financial Incentives, and Revenues.** Ms. Staciwa sponsored Petitioner’s Exhibit 2, Attachment 2-A, Schedule 1, which provides a breakdown of projected and reconciled program costs for the Billing Period. She stated this filing includes projected program costs incurred January through December 2026, reconciles the projected program costs to actual program costs for January through December 2024, and includes actual financial incentives for January through December 2024. Ms. Staciwa testified the projections for the Billing Period were based on a forecast provided by TRC and Oracle. She noted that the reconciliation of projected-to-actual comparison amounts billed, resulted in an over-recovery of \$5,065,670 for program costs. Ms. Staciwa explained that the over-recovery of costs was due to the electric portfolio not achieving the savings goal due to lower than anticipated program participation mainly in the Prescriptive, Home Rebates, and Custom programs.

Ms. Staciwa testified that NIPSCO is authorized to recover a financial incentive for each of its programs (except the Income Qualified Weatherization and Income Qualified Home Energy Report programs), calculated as a shared savings incentive based on the net present value (“NPV”) of the Utility Cost Test (“UCT”) net benefits at the program level, to be recovered on a timely basis through NIPSCO’s DSMA Mechanism, as follows:

<b>Achievement (% of Gross Energy Savings Target (MWh) – Program)</b>	<b>Incentive Level (NPV of net benefits of UCT)</b>
110%	9%
100 – 109.99%	7%
90 – 99.99%	6%
80 – 89.99%	5%
0 – 79.99%	0%

Ms. Staciwa stated financial incentives are recovered based on the actual amount of financial incentives earned and are allocated on a per kilowatt-hour basis based on the 12-month kilowatt-hour (“kWh”) sales forecast for each Rate Schedule. She testified that NIPSCO used the same methodology to calculate financial performance incentives as it did in DSM 19, and as approved in the 45849 Order.

<sup>2</sup> TRC is the program implementer for the 2025 Residential and C&I portfolio.

<sup>3</sup> Oracle is the program implementer for the 2025 Residential Home Energy Report and Residential Income Qualified Home Energy Report programs.

OUCW Witness Baker testified that she did not discover any issues with the mathematical calculation of NIPSCO's financial incentives for the period January through December 2024.

Ms. Staciwa discussed the calculation of \$21,567,277 in program costs to be collected in this filing, which is shown on Petitioner's Exhibit 2, Attachment 2-A, Schedule 1. Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 6, sponsored by Mr. Blissmer, reconciles the forecasted versus actual DSMA factor revenue for January through December 2024, which adds up to an under-recovery of \$131,958 to be collected via the DSMA factors.

Mr. Blissmer testified that the total DSMA costs associated with all components, except lost revenues, is \$21,699,235 [Schedule 1, Column (h), Line 25 (\$21,567,277) plus Revised Schedule 6, Column (d), Line 80 (\$131,958)].

**7. Calculation and Reconciliation of Lost Revenues.** Petitioner's Exhibit 2, Revised Attachment 2-A, Revised Schedule 4A calculates the total allocation of lost revenues associated with energy measures installed for 2024-2026, which totals \$26,900,476. Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 5A calculates the total allocation of lost revenues associated with demand measures installed for 2024-2026, which totals \$405,134.

Ms. Staciwa sponsored and explained Petitioner's Exhibit 2, Revised Attachment 2-A, Schedule 3A, showing the projected energy and demand savings on measures installed used in the calculation of lost revenues, and Petitioner's Exhibit 2, Revised Attachment 2-A, Schedule 3B, which shows a summary of the reconciliation of the previous Reconciliation Period.

According to Petitioner's Exhibit 2, Revised Attachment 2-A, Schedule 3B, projected energy lost revenues for January through December 2024 were \$20,879,562. Actual energy revenues for January through December 2024 were \$16,497,927, resulting in an over-recovery of \$4,381,635. Projected demand lost revenue for January through December 2024 was \$317,594 and, after the reconciliation, the actual revenues for January through December 2024 were \$138,806, resulting in an over-recovery of \$178,788. The total lost revenue is an over-recovery of \$4,560,423. Ms. Staciwa explained that the over-recovery was largely attributable to the shortfall in achieving plan savings in the C&I Prescriptive and Custom programs for 2023. As shown on Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 7 (Line 80, Columns (g), (h), (i), and (j)), the total DSMA costs associated with lost revenues in this proceeding is \$22,877,145.

**8. Resulting DSMA Factors.** Mr. Blissmer explained NIPSCO's proposed DSMA factor calculations and testified that the proposed ratemaking treatment is consistent with the 45849 Order. He sponsored Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 2 showing the allocated actual EM&V costs and financial incentives; Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 4 showing the allocated energy related DSM funding and reconciliation of energy related DSM funding for the Reconciliation Period; Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 5 showing the allocated demand related DSM funding and reconciliation of the demand related DSM funding; Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 6 showing the reconciliation of the revenue requirement during the Reconciliation Period; and Petitioner's Exhibit 1, Revised Schedule 7 showing the calculation of the DSMA factors to be applicable for the Billing Period.

Mr. Blissmer testified the DSMA factors are developed based on projected program costs and lost revenues (with the exception of EM&V costs and financial incentives which are recovered based on actual costs). He stated that the projected program costs are reconciled to actual program costs in a subsequent filing. As shown on Petitioner's Exhibit 2, Attachment 2-A, Revised Schedule 2, NIPSCO then allocates the projected program costs to the individual rate classes based on energy allocators consistent with the Commission's December 30, 2014 Order in Cause No. 43618 DSM 7 (the "DSM 7 Order"). As shown on Petitioner's Exhibit 2, Attachment 2-A, Revised Schedules 4 and 5, NIPSCO allocates the projected lost revenues to the individual rate classes based on energy allocators consistent with the DSM 7 Order. Once NIPSCO allocates the program costs to the individual rate classes and performs a reconciliation of revenue collection, NIPSCO then calculates the DSMA factors by dividing the cost per rate class by the respective forecasted usage on Petitioner's Exhibit 1, Revised Schedule 7. As shown on Revised Schedule 7 (Line 80, Column (n)), the DSMA factors proposed in this proceeding are projected to collect \$44,112,350 in total DSMA costs for the Billing Period.

Mr. Blissmer sponsored Revised Attachment 1-D to Petitioner's Exhibit 1, reflecting the DSMA factors for recovery for the Billing Period. He also sponsored Revised Attachment 1-E to Petitioner's Exhibit 1, showing the calculation of the estimated average monthly bill impact for a typical residential customer using 672 kWh per month<sup>4</sup> is \$3.26 (a \$0.39 decrease compared to the current DSMA factors), and the impact for a customer using 1,000 kWh per month is \$4.85 (a \$0.58 decrease compared to the current DSMA factors).

Ms. Baker testified that she reviewed NIPSCO's invoices, workpapers, and testimony submitted in this Cause and that nothing came to her attention indicating that NIPSCO's calculations were incorrect or that the proposed DSMA factors were unreasonable. Ms. Baker testified that the OUCC recommends the Commission approve NIPSCO's proposed DSMA factors for January through December 2026.

**9. Commission Findings.** Based on the evidence of record, we find that NIPSCO's proposed DSMA factors are properly calculated and contain the appropriate input. Therefore, we approve the requested DSMA factors to be effective for the first billing cycle for the billing month of January 2026, to remain in effect through December 2026, or until replaced by different adjustment factors approved in a subsequent filing. We also find NIPSCO's request for continued authority to defer over- and under-recoveries of projected and incurred program costs for DSM programs until the Commission issues an order authorizing Petitioner to recognize these costs through the ratemaking process to be reasonable, and, therefore, we approve that request.

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

1. NIPSCO's request for approval of DSMA factors, as set out herein, is approved and such DSMA factors will be effective for electric service rendered during the billing cycles for the months of January through December 2026 or until replaced by different approved DSMA factors.

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<sup>4</sup> The average kWh per month usage in Cause No. 46120.

2. NIPSCO is granted continued authority to defer as a regulatory asset or regulatory liability the over and under-recoveries of projected program costs and program costs incurred in implementing the DSM programs prior to the time the Commission issues an order authorizing Petitioner to recognize these costs through the ratemaking process.

3. Before implementing the rates authorized by this Order, NIPSCO shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rates shall be effective on or after the order date subject to Division review and agreement with the amounts reflected.

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

**HUSTON, VELETA AND ZIEGNER CONCUR:**

**APPROVED: DEC 03 2025**

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

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**Dana Kosco  
Secretary of the Commission**