

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 GDSM FACTORS FOR GAS)
SERVICE RENDERED DURING THE MONTHS) CAUSE NO. 44001 GDSM 19
OF JANUARY THROUGH DECEMBER 2026, AND)
CONTINUED ACCOUNTING AUTHORITY IN) APPROVED: DEC 03 2025
ACCORDANCE WITH THE ORDER OF THE)
COMMISSION IN CAUSE NOS. 45455 AND 45850.)**

ORDER OF THE COMMISSION

**Presiding Officers:
James F. Huston, Chairman
Kehinde Akinro, Administrative Law Judge**

On July 11, 2025, Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) filed a Verified Petition and case-in-chief in this Cause requesting the Indiana Utility Regulatory Commission (“Commission”) approve its Gas Demand Side Management (“GDSM”) Factors to be effective for gas service rendered during the months of January through December 2026. NIPSCO also requests continued authority to recover, through Rider 372 – Gas Demand Side Management (“GDSM Rider”) and Appendix C – GDSM Factors (the “GDSM Mechanism”), program costs, lost revenues, and over- and under-recoveries associated with the GDSM programs and ongoing authority to defer certain amounts 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.

Petitioner’s prefiled case-in-chief included the testimony and exhibits of its witnesses, Thomas P. Harmon, Manager of Regulatory for NIPSCO, and Jennifer Staciwa, Manager of DSM Reporting for NIPSCO.

On September 23, 2025, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the testimony of Mohab M. Nouredin, a Utility Analyst with the Natural Gas Division.

On October 14, 2025, NIPSCO filed a Notice of Intent not to File Rebuttal testimony.

An evidentiary hearing was held in this Cause at 1:30 p.m. on November 5, 2025, in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. NIPSCO and the OUCC participated by counsel in the evidentiary hearing, and the testimony and exhibits of NIPSCO and the OUCC were admitted without objection.

Based upon applicable law and the evidence presented, the Commission finds:

1. **Notice and Jurisdiction.** Notice of the public hearing was given and published by the Commission as required by law. Petitioner is a public utility as defined in Ind. Code § 8-1-2-1(a). Under Ind. Code § 8-1-2-4 and -42, the Commission has jurisdiction over changes in Petitioner’s schedules of rates and charges and over Petitioner’s GDSM programs and associated recovery of lost revenues; therefore, the Commission has jurisdiction over NIPSCO and the subject matter of this proceeding.

2. **Petitioner’s Characteristics.** Petitioner is a public utility organized under Indiana law with its principal office located at 801 East 86th Avenue, Merrillville, Indiana. Petitioner renders natural gas and electric public utility service in Indiana and owns, operates, manages, and controls, among other things, plant and equipment within Indiana that are used for the distribution and furnishing of natural gas utility service. NIPSCO provides gas utility service to approximately 871,000 residential, commercial, and industrial customers.

3. **Background.** The Commission issued a Final Order in Cause No. 44001 GDSM 10 (the “GDSM 10 Order”) on February 22, 2017, authorizing NIPSCO to transition from semi-annual to annual GDSM filings. Per the GDSM 10 Order, NIPSCO initiates its annual GDSM tracker proceeding by July 15.

On July 14, 2021, the Commission issued a Final Order in Cause No. 45455 approving NIPSCO’s proposed energy efficiency (“EE”) Plan for January 1, 2022, through December 31, 2023, for gas service, including EE goals, the GDSM programs to achieve these goals, program budgets and costs, evaluation, measurement, and verification (“EM&V”) procedures for the programs, and associated ratemaking and accounting treatment. The approved ratemaking and accounting treatment includes timely recovery through NIPSCO’s GDSM Rider and GDSM Mechanism of program costs, including direct and indirect program and EM&V costs, along with recovery of lost revenues associated with measures installed as part of any gas EE program offered by NIPSCO beginning in 2022, and authority to defer costs until such costs are reflected in Petitioner’s retail gas rates.

On August 30, 2023, the Commission issued an Order in Cause No. 45850 (the “45850 Order”) approving a Stipulation and Settlement Agreement among NIPSCO, the OUCC, and Citizens Action Coalition of Indiana, Inc. The 45850 Order included: (1) approval of NIPSCO’s proposed EE programs for January 1, 2024, through December 31, 2026, (the “2024-2026 EE Plan”) for gas service; (2) authority to defer and recover program costs associated with the 2024-2026 EE Plan, along with recovery of certain lost revenues associated with measures installed as part of any gas EE program NIPSCO offers beginning in January 2024; and (3) authority to defer certain costs for future recovery in Petitioner’s retail gas rates.

4. **Requested Relief.** In this proceeding, NIPSCO requests Commission approval of GDSM Factors to be effective for gas service rendered during the January through December 2026 billing cycles, to remain in effect until replaced by different GDSM Factors approved in a subsequent filing. The proposed GDSM Factors include: (1) projected program costs for January through December 2026 (“Billing Period”); (2) actual EM&V costs incurred during January through December 2024 (the “Reconciliation Period”); and (3) projected lost revenues for January

through December 2026. This filing also includes the following: (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.

NIPSCO also requests continued authority to recover as a regulatory asset or regulatory liability the over- and under-recoveries of projected program costs and lost revenues incurred while implementing the GDSM programs until the Commission issues an order authorizing Petitioner to recover these costs through the rates. 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 NIPSCO’s 2024-2026 Gas EE Plan. Ms. Staciwa described the status of NIPSCO’s implementation of its 2024-2026 EE Plan for 2025 (as approved in the 45850 Order) and the administration of these programs, and she provided an overview of the performance of NIPSCO’s 2024-2026 EE Plan for gas service for Program Year 2025 as of May 31, 2025.

Ms. Staciwa described the role NIPSCO’s Oversight Board (“OSB”) plays in gas EE program design and budget modifications. She testified NIPSCO’s OSB for its gas EE programs was established in the Final Order in Cause No. 43051 approved May 9, 2007. Ms. Staciwa described the OSB approved program changes to the 2024-2026 EE Plan, including updated savings to reflect 2023 EM&V recommendations, Illinois Technical Resource Manual version 13, adjusted equipment baselines and material costs, updated new construction measures to align with ENERGY STAR minimums instead of HERS score, the addition of new measures, and rebalanced funding and goals.

6. Recovery and Reconciliation of Program Costs and Revenues. Ms. Staciwa sponsored a breakdown of projected and reconciled program costs for the Billing Period. The proposed GDSM Factors reconciled projected to actual program costs incurred for the Reconciliation Period and included projected costs for the Billing Period.

Ms. Staciwa testified that adding the projected program costs for the Billing Period of \$9,265,914 (Petitioner’s Exhibit 2, Attachment 2-A, Schedule 1, Column (d)) to the over-recovery of projected costs from the Reconciliation Period of \$693,878 from the Reconciliation Period (Petitioner’s Exhibit 2, Attachment 2-A, Schedule 1, Column (c)) results in total program costs of \$8,572,036 (Petitioner’s Exhibit 2, Attachment 2-A, Schedule 1, Column (e)) to be collected in this filing.

Petitioner’s Exhibit 2, Attachment 2-A, Schedule 6 reconciles the forecasted revenue requirement to actual GDSM Factor revenue collected for the Reconciliation Period, which totals an under-recovery of \$1,120,423 to be collected via the GDSM Factors.

Mr. Harmon testified that NIPSCO requests authority to recover the GDSM Mechanism projected program costs, lost revenues, and over- and under-recoveries associated with the GDSM programs. Mr. Harmon stated NIPSCO also requests ongoing authority to defer these amounts 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.

7. Calculation and Reconciliation of Lost Revenues. NIPSCO requests projected lost revenues for the Billing Period and NIPSCO’s annual reconciliation of lost revenues for the Reconciliation Period to be recovered through this proceeding.

Ms. Staciwa explained Petitioner’s Exhibit 2, Attachment 2-A, Schedule 3, shows the projected cumulative net therm savings for measures installed or to be installed January 2024 through December 2026. These savings projections were used in Petitioner’s Exhibit 2, Attachment 2-A, Schedule 4 in determining the allocation of lost revenues associated with measures installed or to be installed in 2024 through 2026, which totals \$2,734,046. Petitioner’s Exhibit 2, Attachment 2-A, Schedule 5 shows the reconciliation of actual to projected lost revenues for the Reconciliation Period, which results in an over-recovery of \$31,698. Ms. Staciwa explained this over-recovery of lost revenues is attributed to lower than anticipated participation in Custom, Commercial and Industrial New Construction, and Residential Online Marketplace; therefore, as shown on Petitioner’s Exhibit 2, Attachment 2-A, Schedule 7 (Columns (d) and (e)), the total GDSM costs associated with lost revenues in this proceeding equals \$2,702,348.

8. Resulting GDSM Factors. Mr. Harmon explained the calculation of NIPSCO’s proposed GDSM Factors and sponsored Petitioner’s Exhibit 1, Attachment 2-A, Schedules 2, 4, 5, 6, and 7, showing NIPSCO’s calculation of the proposed GDSM Factors. Mr. Harmon testified that the GDSM Factors are developed based on projected program costs and lost revenues, except for EM&V costs, which are recovered based on actual costs. He testified that projected program costs are reconciled to actual program costs in a subsequent filing and that NIPSCO allocates the projected program costs by program to the individual Rate Schedules based on the number of customers in each eligible class. The projected lost revenues are allocated by program to individual Rate Schedules. NIPSCO reconciles the actual and projected lost revenues and the projected revenue requirement to the actual revenue collected during the Billing Period. Once NIPSCO allocates each revenue requirement component to the individual Rate Schedules, NIPSCO then calculates the GDSM Factors by dividing the cost per Rate Schedule by the respective forecasted usage.

Mr. Harmon sponsored Petitioner’s Exhibit 1, Attachment 1-B, which sets forth proposed GDSM Factors, incorporated from Schedule 7, for recovery during the Billing Period as follows:

Rate Schedule (with associated Rate 351, Rider 380, and Rider 381)	GDSM Factor per Therm per Month
Rate 311	A charge of \$0.013188
Rate 315	A charge of \$0.006234
Rate 321	A charge of \$0.009802
Rate 325	A charge of \$0.000686

Mr. Harmon testified the estimated average monthly bill impact for a typical residential customer using 71 therms per month is \$0.94, which is an increase of \$0.29 compared to what a NIPSCO gas customer pays today using the current GDSM Factor.

OUCC witness Noureldin testified that, based on his review of NIPSCO's testimony, exhibits, workpapers, and supporting documentation, NIPSCO's proposed GDSM Factors were calculated correctly. He testified that based on NIPSCO's most recent rate case (Cause No. 45967), an average residential customer uses 847 therms of gas per year and will pay \$11.28 per year, or approximately \$0.94 per month, as a result of NIPSCO's proposed GDSM factors. Mr. Noureldin did not oppose the GDSM factors and recommended the continuance of the accounting authority in accordance with the Commission Orders in Cause Nos. 45455 and 45850.

9. Commission Findings. The GDSM Factors presented for approval include projected costs, lost revenues, and over- and under-recoveries for the Billing Period associated with NIPSCO's approved 2024-2026 EE Plan for gas service. The evidence presented, as discussed above, supports approval of Petitioner's proposed GDSM Factors as reasonable, with the OUCC confirming the accuracy of NIPSCO's calculations for its proposed GDSM 19 factors and not opposing approval of the GDSM factors. Further, the OUCC recommended the continuance of the accounting authority in accordance with the Commission Orders in Cause Nos. 45455 and 45850. Accordingly, the Commission approves the requested GDSM Factors and ongoing authority to defer certain amounts on the balance sheet consistent with current practice. The resulting GDSM Factors will become effective for gas service rendered during January 2026 and shall remain in effect through December 2026 or until replaced by different GDSM Factors approved in a subsequent proceeding.

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

1. NIPSCO's request for approval of its GDSM Factors, as set out in Finding No. 8 above, is approved and will be effective for gas service rendered during January through December 2026 or until replaced by different approved GDSM Factors.

2. NIPSCO is granted authority to recover, through the GDSM Rider, program costs, lost revenues, and over-and under-recoveries associated with its GDSM Programs and to continue to defer amounts on the balance sheet as either a regulatory asset in Account 182.3 – Regulatory Asset or a regulatory liability in Account 254 – Other Regulatory Liabilities until these amounts are recovered through rates.

3. Prior to implementing the GDSM Factors, 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.**

**Dana Kosco
Secretary of the Commission**