



For Immediate Release
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NIPSCO Gas Rate Case: OUCC Invites Consumer Comments

IURC Hearing Dec. 11 in Fort Wayne; Lake County & South Bend Hearings TBA

If you are a Northern Indiana Public Service Company (NIPSCO) customer and would like to comment on the utility's pending natural gas rate request, you have several opportunities.

The Indiana Office of Utility Consumer Counselor (OUCC), the state agency representing consumer interests in cases before the Indiana Utility Regulatory Commission (IURC), is reviewing NIPSCO's request and is scheduled to file testimony on January 24, 2018.

Along with its legal and technical review, the OUCC is inviting written comments from NIPSCO's residential, commercial, and industrial gas customers through January 17, 2018.

In addition, the IURC will hold a series of public field hearings throughout NIPSCO's service territory.

- The first field hearing is scheduled for Monday, December 11, 2017 in Fort Wayne. It will start at 6:00 p.m. local time at the Grand Wayne Convention Center, Calhoun Ballroom A, 120 W. Jefferson Blvd. Consumers are encouraged to arrive no later than 5:45 p.m. for an overview of field hearing procedures and the rate case process.
Additional field hearings will be scheduled in Lake County and South Bend with dates, times, and locations to be determined.

At each IURC field hearing:

- Consumers will be able to speak directly to the Commission, under oath and on the record, regarding the rate case.
Consumers will also be able to submit written comments for the case record.
Comments will carry equal weight whether they are oral or written.
Commissioners are not allowed to answer questions during the field hearing. However, OUCC staff will be available before, during, and after the hearing to address questions about the process.

NIPSCO provides natural gas service to approximately 820,000 customers in 32 Indiana counties. Its pending request would raise rates in two phases, with increases taking effect in 2018 and 2019.

According to its testimony and exhibits, NIPSCO's request would raise an average monthly natural gas bill for 69 therms by \$10.35 if and when the proposed increase is fully implemented. The impact on specific bills will vary based on usage.

Table with 4 columns: Category, January, July, Monthly Average. Rows include Typical Monthly Usage, Current Bill, Proposed Bill, and Difference.

- NIPSCO's request would increase the flat, monthly residential customer charge from \$11.00 to \$19.50.
The volumetric part of the base rate would rise from 11.1 cents per therm to 17.7 cents per therm.
The request would give NIPSCO's gas utility a \$143.5 million increase in overall annual operating revenues, which is a raise of approximately 22.7 percent over current natural gas revenues.

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- In its testimony and exhibits, NIPSCO states that it is seeking the new rates due to increases in operating and maintenance costs, and to pay for numerous system upgrades. The utility’s request includes more than \$9.5 million in new program expenses. It includes a significant increase in depreciation expenses in addition to cost recovery for infrastructure projects in its Transmission, Distribution, and Storage System Improvement Charge (TDSIC) plan, which received IURC approval in 2014. By law, NIPSCO has been allowed to recover 80 percent of the plan’s capital projects and expenses through its TDSIC tracker. The law required the utility to defer the remaining costs to its next base rate case.
- The proposed increase in this case would only apply to NIPSCO’s base distribution rates, which currently comprise approximately 49 percent of a typical residential natural gas customer’s monthly heating bill. Base distribution rates cover “non-gas” expenses such as capital improvements and the costs of operations and maintenance.
  - Wholesale natural gas supply costs, which currently make up 51 percent of a typical customer’s bill, are recovered on a dollar-for-dollar basis through the state’s Gas Cost Adjustment (GCA) process. NIPSCO files its GCA requests, which require OUCC review and IURC approval, every three months. The pending rate case will not affect the GCA process.

NIPSCO’s current natural gas base rates received IURC approval in 2010, though amounts on customer bills have changed due to the utility’s TDSIC tracker and fluctuations in wholesale natural gas costs.

Electric rates are not at issue in this case.

Consumers who wish to submit written comments for the case record may do so via the OUCC’s Website at [www.in.gov/oucc/2361.htm](http://www.in.gov/oucc/2361.htm), or by mail, email, or fax:

- Mail: Consumer Services Staff  
Indiana Office of Utility Consumer Counselor  
115 W. Washington St., Suite 1500 South  
Indianapolis, IN 46204
- email: [uccinfo@oucc.IN.gov](mailto:uccinfo@oucc.IN.gov)
- Fax: (317) 232-5923

The OUCC needs to receive all written consumer comments no later than January 17, 2018 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case’s formal evidentiary record. Comments should include the consumer’s **name**, **mailing address**, and a reference to “**IURC Cause No. 44988**.” Consumers with questions about submitting written comments can contact the OUCC’s consumer services staff toll-free at 1-888-441-2494.

Several additional parties have intervened in this case and are also scheduled to file testimony on January 24, 2018. They include the Citizens Action Coalition of Indiana, Direct Energy Business Marketing, LLC, and the following industrial customers: Arcelor Mittal USA, Arconic, Inc., BP Products North America, Inc., Cargill, Inc., Fiat Chrysler Automobiles, General Motors LLC, NLMK Indiana, Praxair, Inc., United States Steel Corporation, and USG Corporation.

A final order is expected next summer. The OUCC is posting case updates online at [www.in.gov/oucc/2621.htm](http://www.in.gov/oucc/2621.htm).

(IURC Cause No. 44988)

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.

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