

NIPSCO Gas Rate Case: South Bend Public Hearing February 5 *Deadline for written comments extended to February 21*

Northern Indiana Public Service Company (NIPSCO) customers still have the chance to comment on the utility's pending natural gas rate request.

- **An Indiana Utility Regulatory Commission (IURC) public field hearing is scheduled for Monday, February 5, 2018 at the South Bend Century Center** (120 S. Dr. Martin Luther King, Jr. Blvd.). The hearing – in Suites 4-7 – will start at 6:00 p.m. local time. Consumers are encouraged to arrive by 5:45 p.m. for an overview of field hearing procedures and the rate case process.
- The IURC has held previous field hearings in this case in Fort Wayne and Merrillville.
- **The Indiana Office of Utility Consumer Counselor (OUCC), the state agency representing consumer interests in cases before the IURC, is inviting written consumer comments through Wednesday, February 21, 2018.**

The OUCC's testimonial deadline has been extended to February 28, 2018 to allow the parties additional time to consider information related to the federal Tax Cuts & Jobs Act, including potential implications for NIPSCO's proposal. While the OUCC continues to use its legal and technical resources to review NIPSCO's request, the agency has also extended the public comment period.

At the IURC's February 5 hearing:

- Consumers may speak directly to the Commission, under oath and on the record, regarding the rate case.
- Consumers may also 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.

The utility is scheduled to file supplemental testimony on January 24, 2018 and may modify its request at that time. According to testimony and exhibits filed in September 2017, 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.
- Increase the flat, monthly residential customer charge from \$11.00 to \$19.50.
- Raise the volumetric part of the residential base rate from 11.1 cents per therm to 17.7 cents per therm.
- Provide the gas utility with a \$143.5 million increase in overall annual operating revenues, which is a raise of approximately 22.7 percent over current natural gas revenues.

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.

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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, 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
- Fax: (317) 232-5923

The OUCC needs to receive all written consumer comments no later than February 21, 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 February 28, 2018. They include the Citizens Action Coalition of Indiana, Direct Energy Business Marketing, LLC, EDF Energy Services, the NIPSCO Gas Supplier Group, 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., Rea Magnet Wire Company, Inc., United States Steel Corporation, and USG Corporation.

A final order is expected this summer. The OUCC is posting case updates online at 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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