

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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Agreement Reached in NIPSCO Electric Infrastructure Case

The Indiana Office of Utility Consumer Counselor (OUCC), industrial customers, the LaPorte County Board of Commissioners, the Indiana Municipal Utility Group, and Northern Indiana Public Service Company (NIPSCO) have reached a settlement agreement on the utility's proposed seven-year infrastructure improvement plan.

If approved by the Indiana Utility Regulatory Commission (IURC), the agreement will reduce the capital costs for infrastructure investments by \$80 million, which are subject to recovery from customers through periodic rate tracker increases.

Ratepayer benefits in the agreement include:

- Reduction of the plan's capital costs eligible for periodic rate recovery from \$1.33 billion to \$1.25 billion, including annual caps on such rate recovery.
- A mass retrofit project for the replacement of utility-owned streetlights with energy efficient LED lighting throughout NIPSCO's electric service territory. Costs will be divided evenly between municipalities and customers.
- A 9.975 percent return on equity (ROE) for eligible plan investments made during the seven-year term.
- Up to \$3.5 million for an economic development project at the Kingsbury Industrial Park in LaPorte County.

This is the second time NIPSCO's electric utility has sought IURC approval of a seven-year infrastructure plan under Indiana's 2013 Transmission, Distribution, and Storage System Improvement Charge (TDSIC) statute, which allows for expedited cost recovery of capital improvement projects under an approved plan. Projects that are eligible for TDSIC rate recovery include line and pole replacements, the installation of new transformers and substations, and other capital expenditures to replace aging transmission and distribution system infrastructure. NIPSCO's original electric plan received IURC approval in 2014 but was set aside by the Indiana Court of Appeals in 2015 and remanded to the IURC for further proceedings.

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“The Court’s opinion and subsequent IURC orders in similar cases have provided additional guidance with regard to the disposition of proceedings under the 2013 law. With that guidance in place, the OUCC and additional parties have negotiated an agreement that balances consumer concerns with NIPSCO’s need to upgrade the safety and reliability of its transmission and distribution systems,” said Indiana Utility Consumer Counselor David Stippler. “The agreement will ensure that the plan’s projects will proceed in the most cost-effective manner possible, while allowing the utility to make the infrastructure investments that will strengthen its grid for many years to come.”

“There is a critical need to modernize and upgrade the energy infrastructure,” said NIPSCO executive vice president Violet Sistovaris. “Through smart investments and proactively replacing aging parts of our electric system, this plan is about ensuring that our customers have the safe, reliable, and affordable source of energy they depend on today and into the future.”

Natural gas rates and infrastructure are not at issue in this case.

The settling parties will file testimony in support of the infrastructure agreement in the near future. Any agreement filed with the IURC may be accepted, modified, or rejected.

(IURC Cause No. 44733)

About NIPSCO

Northern Indiana Public Service Company (NIPSCO), with headquarters in Merrillville, Ind., has proudly served the energy needs of northern Indiana for more than 100 years. As Indiana’s largest natural gas distribution company, and the second largest electric distribution company, NIPSCO serves approximately 810,000 natural gas and 460,000 electric customers across 32 counties. NIPSCO is part of NiSource’s (NYSE: NI) seven regulated utility companies. NiSource is one of the largest fully regulated utility companies in the United States, serving approximately 4 million natural gas and electric customers through its local Columbia Gas and NIPSCO brands. More information about NIPSCO and NiSource is available at NIPSCO.com and www.nisource.com.

About the OUCC

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. For more information, please visit www.IN.gov/OUCC.