

FILED
March 2, 2018
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY FOR (1) AUTHORITY TO)
MODIFY ITS RATES AND CHARGES FOR GAS)
UTILITY SERVICE THROUGH A PHASE IN OF)
RATES; (2) MODIFICATION OF THE SETTLEMENT)
AGREEMENTS APPROVED IN CAUSE NO. 43894; (3))
APPROVAL OF NEW SCHEDULES OF RATES AND)
CHARGES, GENERAL RULES AND REGULATIONS,)
AND RIDERS; (4) APPROVAL OF REVISED)
DEPRECIATION RATES APPLICABLE TO ITS GAS)
PLANT IN SERVICE; (5) APPROVAL OF NECESSARY)
AND APPROPRIATE ACCOUNTING RELIEF; AND (6))
AUTHORITY TO IMPLEMENT TEMPORARY RATES)
CONSISTENT WITH THE PROVISIONS OF IND.)
CODE CH. 8-1-2-42.73)

CAUSE NO. 44988

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

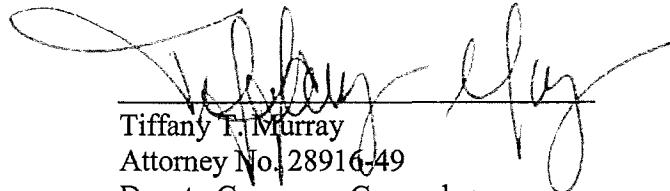
PUBLIC'S EXHIBIT NO. 2

PUBLIC (REDACTED) TESTIMONY OF
OUCC WITNESS ISABELLE L. GORDON

MARCH 2, 2018

OFFICIAL
EXHIBIT

Respectfully submitted,



Tiffany T. Murray
Attorney No. 28916-49
Deputy Consumer Counselor

IURC
PUBLIC'S
EXHIBIT NO. 2
DATE 5-29-18 REPORTER tl

Scott Franson, Atty. No. 27839-49
Deputy Consumer Counselor

**PUBLIC (REDACTED) TESTIMONY OF
OUCC WITNESS ISABELLE L. GORDON
CAUSE NO. 44988
NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC**

I. INTRODUCTION

1 **Q:** Please state your name and business address.

2 A: My name is Isabelle L. Gordon and my business address is 115 West Washington
3 Street, Suite 1500 South, Indianapolis, IN 46204.

4 **Q:** By whom are you employed and in what capacity?

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as
6 a Utility Analyst I. I have worked as a member of the OUCC's Natural Gas
7 Division since July 2017. My educational and professional experience, as well as
8 my preparation for this case, are detailed in Appendix ILG-1.

9 **Q:** What is the purpose of your testimony?

10 A: I will address certain elements for a rate increase request filed by Northern Indiana
11 Public Service Company LLC ("Petitioner" or "NIPSCO"), including adjustments
12 to Petitioner's pro forma operating revenue and expenses. More specifically, I
13 examine and recommend adjustments to Petitioner's operating revenues and certain
14 disallowed expenses.

II. OPERATING REVENUE

A. Retail Revenue

15 **Q:** What retail revenue adjustments did Petitioner propose?

16 A: Petitioner made adjustments to the twelve month period ended December 31, 2016
17 ("historic base period") to increase revenue for weather normalization and to

1 decrease revenue for the elimination of guaranteed minimum contracts, arriving at
2 Petitioner's 2016 normalized retail revenue. Petitioner made a pro forma
3 adjustment to decrease its 2017 revenue based upon its budget. Petitioner's pro
4 forma adjustment for 2018 decreased revenue. Finally, Petitioner made pro forma
5 ratemaking adjustments to decrease revenue for weather normalization, to increase
6 revenue for rate migration and small industrials, and to increase revenue due to a
7 correction to the allocation of the cost of gas sold ("COGS").

8 **Q: Do you agree with Petitioner's retail revenue adjustments?**

9 A: No, I do not agree with Petitioner's pro forma adjustments to 2017 and 2018
10 interruptible sales revenue.

11 **Q: Why do you disagree with Petitioner's adjustment to interruptible sales**
12 **revenue?**

13 A: Although Petitioner provided supporting documentation in the workpapers
14 accompanying its filing indicating it anticipates that customers will use or are using
15 Rate 434 Interruptible Service in both 2017 and 2018, Petitioner did not include
16 revenue from this rate class in its budget for 2017 or 2018. Instead, Petitioner
17 asserts interruptible sales are included in the transportation budgets for commercial
18 and small industrial customers. (Attachment ILG-1, page 1.)

19 **Q: Did Petitioner indicate transportation revenues would be relatively the same**
20 **as the historic base period?**

21 A: Yes. Petitioner's witness Scott states in his direct testimony that transportation
22 revenues are flat. (Petitioner's Exhibit No. 4, page 19, Table 3 at line 4.)
23 Additionally, Petitioner makes a ratemaking adjustment to set transportation
24 customers' revenues to historic base period levels as shown in Petitioner's
25 Workpaper Rev 4B-18R, page [.2]. Included in Petitioner's transportation revenue

1 budget are CHOICE¹ revenues, which Petitioner expects to remain relatively flat
2 as well. Petitioner demonstrates that expectation by recognizing the necessity of
3 reclassifying COGS that was incorrectly attributed to CHOICE customers in
4 Petitioner's ratemaking adjustment REV 4A-18R. The expectations discussed
5 above result in a \$608,213 increase over the historic base period for a forward test
6 year transportation revenue of \$64,214,042.

7 **Q: Do you agree with Petitioner's adjusted transportation revenues?**

8 A: No. While Petitioner's forward test year transportation revenue budget is
9 reasonable in light of its historic base period actuals; the transportation revenue
10 budget does not include interruptible sales revenue, as Petitioner asserts in response
11 to OUCC Data Request ("DR") 14-009. (Attachment ILG-1, page 1.) Historic base
12 period commercial interruptible sales and small industrial interruptible sales sum
13 to \$4,012,115 (Attachment ILG-1, page 2), and Petitioner includes that amount in
14 the broad category of historic base period retail revenue rather than the broad
15 category of transportation revenue.

16 Petitioner's response to OUCC DR 14-014 (Attachment ILG-1, page 3)
17 indicates historic base period Rate 434 interruptible sales customer count is
18 materially equal to pro forma 2017 and 2018 customer counts as shown on
19 Petitioner's Workpaper REV 1, page [.5A]. Petitioner's forward test year

¹ The CHOICE program is a voluntary program that gives NIPSCO customers the option of choosing their natural gas supplier. In the program, NIPSCO provides transportation of natural gas from the pipeline to the customer. This program is available to all customers being supplied by NIPSCO with accounts in good credit standing.

1 interruptible sales revenue is therefore reasonably calculated to be equal to its
2 historic base period interruptible sales revenue.

3 Based upon the historic amounts of interruptible sales revenue shown in
4 Attachment ILG-1, page 4, it would be reasonable for the 2017 and 2018 pro forma
5 budget to match 2016 actuals. Because Petitioner has not increased its forward test
6 year transportation revenue budget to adequately account for interruptible sales
7 revenue, I adjusted retail revenue for 2017 and 2018.

8 **Q: What is your adjustment to retail revenue?**

9 A: I made pro forma adjustments increasing Petitioner's forward test year retail
10 revenue by \$4,012,115 to reflect the corrected interruptible sales budget.
11 (Attachment ILG-1, page 5.)

B. Miscellaneous Service Revenue

12 **Q: What miscellaneous service revenue adjustments did Petitioner propose?**

13 A: Petitioner made a pro forma adjustment, based on Petitioner's 2017 budget, to the
14 historic base period to arrive at its 2017 forecasted miscellaneous service revenue.
15 Petitioner made no adjustment to the 2017 forecast to arrive at the 2018 forward
16 test year forecasted revenue.

17 **Q: Do you agree with Petitioner's miscellaneous service revenue adjustments?**

18 A: Although I agree with Petitioner's budget calculations of Non-Sufficient Funds
19 ("NSF") revenue and reconnect fees, I disagree with Petitioner's budget calculation
20 of CHOICE fees.

1 **Q: Why do you disagree with Petitioner's budget for CHOICE fees?**

2 A: Petitioner's NSF revenues and reconnect fee 2017 and 2018 budgets are based on
3 a four-year average, but the CHOICE fees budget is based only on 2016 data. When
4 asked to provide an explanation of its budgeting methodologies in OUCC DR 10-
5 044, Petitioner stated, "In some cases . . . a longer period is chosen to calculate an
6 average because these are susceptible to fluctuations in customer usage. The longer
7 period evens out those fluctuations." (Attachment ILG-2, page 1.) In response to
8 OUCC DR 10-042, Petitioner provided data showing its 2012 through 2015
9 CHOICE fees, which demonstrate this revenue category is susceptible to
10 fluctuations, rendering one year an insufficient budgeting basis (Attachment ILG-
11 2, page 2). I have therefore increased Petitioner's pro forma CHOICE fees to reflect
12 the four-year average as shown on Attachment ILG-2, page 3.

13 **Q: What is your adjustment to miscellaneous service revenue?**

14 A: I have increased Petitioner's pro forma CHOICE fees by \$194,944 to arrive at a
15 new pro forma miscellaneous service revenue of \$1,930,545, as shown on
16 Attachment ILG-2, page 4. Comparing this amount to the historic base period
17 miscellaneous service revenue amount of \$1,648,954 results in a total increase to
18 miscellaneous service revenue of \$281,591. (Attachment ILG-2, page 4.)

III. OPERATING EXPENSES

A. Disallowed Expenses

19 **Q: What payments did Petitioner propose to remove from the revenue**
20 **requirements?**

1 A: Petitioner removed items generally consisting of payments for sponsorships, golf
2 outings, and charitable contributions allocated to NIPSCO Gas from the historic
3 base period. Petitioner then made pro forma adjustments for 2017 and 2018 to
4 account for inflation, decreasing operations and maintenance ("O&M") expense in
5 the forward test year by \$141,633.

6 **Q: Do you agree with Petitioner's adjustment for disallowed expenses?**

7 A: No. My review shows Petitioner omitted from its adjustment several charitable
8 contributions as listed in Petitioner's MSFR 170 IAC 1-5-8(a)(21), pages 10
9 through 12.

10 **Q: Why should these omitted charitable contributions be excluded from**
11 **Petitioner's base rates?**

12 A: As shown in Attachment ILG-3, page 1, Petitioner omitted eleven items listed as
13 charitable contributions in Accounts 90300000 and 92100000. The ten items in
14 account 92100000 are the only items in that account listed in Petitioner's MSFR
15 170 IAC 1-5-8(a)(21), pages 10 through 12 that are not included in Petitioner's
16 Workpaper OM 6C-18R, page [.3]. The remaining item is a payment of similar
17 description to many other charitable contributions that Petitioner has already
18 excluded from base rates. These payments include sponsorships, commemorative
19 gifts and programs, and equipment replacement. These payments and contributions
20 are not necessary to the provision of natural gas utility service and do not benefit
21 ratepayers at large. As such, it would be inappropriate for Petitioner to recover these
22 expenses from ratepayers. In calculating the OUCC's proposed revenue
23 requirement in this Cause, I removed these expenses from Petitioner's O&M
24 expense.

1 **Q: What is your adjustment to disallowed expenses?**

2 A: In Attachment ILG-3, pages 2-6, I included the omitted charitable contributions as
3 they should appear in Petitioner's Workpaper OM 6C-18R, page [.3]. Attachment
4 ILG-3, page 7 applies Petitioner's allocation percentages for NIPSCO Gas and
5 NIPSCO Electric to the account totals from Attachment ILG-3, pages 2-6, resulting
6 in an increase in the NIPSCO Gas portion of these selected payments of \$7,208. I
7 have therefore increased Petitioner's disallowed expense by \$7,208 from \$136,133
8 as shown on Petitioner's Exhibit No. 3, Attachment 3-D, OM 6C-18R to \$143,341
9 for the historic base period. After making pro forma adjustments to 2017 and 2018
10 for inflation, the total decrease to O&M Expense is \$149,132 as shown on
11 Attachment ILG-3, page 8.

B. Reduction to Advertising Expense

12 **Q: What reduction to advertising expense did Petitioner propose?**

13 A: Petitioner compiled advertising expenses from the historic base period, removing
14 allowed advertising expenses from this calculation to arrive at a historic base period
15 reduction to advertising expense of \$35,267. Petitioner then made a pro forma
16 ratemaking adjustment based on historic base period actuals adjusted for the
17 expected inflation in 2017 and 2018, ultimately decreasing O&M Expense by
18 \$37,732 in the forward test year.

19 **Q: Do you agree with Petitioner's calculation of the reduction to advertising**
20 **expense?**

21 A: No. Petitioner has still included advertising expenses that are not appropriate for
22 recovery.

1 **Q: Why do you disagree with Petitioner's reduction to advertising expense**
2 **adjustment?**

3 A: Petitioner included items as allowable advertisements that neither benefit
4 ratepayers nor promote the public safety of ratepayers, as outlined in 170 IAC 1-3-
5 4 - "Material benefit defined." According to Petitioner's response to OUCC DR 12-
6 005 and 12-006 (Attachment ILG-4, pages 1 and 2), some of these advertising
7 expenses include the cost of vehicle wraps and promotional items "given to
8 customers at various customer events." (Confidential Attachment ILG-4, pages 3-
9 5 and Attachment ILG-4, page 6.) I have removed an additional \$73,829 of
10 disallowed advertising expense from the historic base period (Attachment ILG-4,
11 page 7). After adjusting for inflation in 2017 and 2018, my adjustment to disallowed
12 advertising expense is a decrease of \$76,812.

13 **Q: What is your adjustment to disallowed advertising expense?**

14 A: My adjustment results in a decrease to O&M Expenses of \$76,812 for total
15 reduction to advertising expense of \$114,544 (Attachment ILG-4, page 8).

C. Eliminated Lobbying Expenses

16 **Q: What lobbying expenses did Petitioner propose to eliminate from the revenue**
17 **requirements?**

18 A: Petitioner made a pro forma ratemaking adjustment to remove employee salaries
19 related to lobbying activities. Beginning with historic base period salaries,
20 Petitioner made pro forma adjustments for merit increases to arrive at forward test
21 year labor dollars related to lobbying activities. Petitioner also removed other
22 expenses related to lobbying activities, specifically 2017 dues to the American Gas

1 Association and the Indiana Energy Association, Inc. Finally, Petitioner made a pro
2 forma adjustment to account for inflation in the forward test year.

3 **Q: Do you agree with Petitioner's adjustment to eliminate lobbying expenses?**

4 A: I agree with the changes Petitioner has proposed, but as evidenced by Attachment
5 ILG-5, page 1, Petitioner has incurred additional lobbying expenses that must be
6 eliminated from base rates. The lobbying expenses allocated to NIPSCO Gas are
7 part of the membership paid to Northwest Indiana Forum, provided in Petitioner's
8 response to OUCC DR 14-016, and total \$659 as calculated on Attachment ILG-5,
9 page 2. Additionally, due to incorrectly allocated membership fees, Petitioner
10 overstated NIPSCO Gas allowable expenses by a total of \$34,440 (Attachment
11 ILG-5, page 3). These expenses should have been allocated to NIPSCO Electric.
12 My adjustment for these disallowed expenses results in 2017 expenses of \$401,128.
13 Adjusting for inflation in 2018, the total expenses to be disallowed from the revenue
14 requirements is \$444,127 (Attachment ILG-5, page 4), which is a \$35,801 increase
15 for disallowed expenses. Petitioner stated in response to OUCC DR 14-016 it
16 intends to address in its rebuttal testimony the error relating to lobbying expenses
17 as well as the membership allocation errors noted on Attachment ILG-5, page 1.

IV. OUCC RECOMMENDATIONS

18 **Q: Please summarize your recommendations in this Cause.**

19 A: I recommend forward test year retail revenue be increased by \$4,012,115 and
20 miscellaneous service revenue be increased by \$281,591 to account for
21 interruptible sales and CHOICE fees respectively. I also recommend O&M
22 Expenses be adjusted to remove lobbying expenses of \$444,127, disallowed

1 expenses of \$149,132, and non-recoverable advertisements of \$114,544 from base
2 rates resulting in a total O&M Expense reduction of \$1,112,089 (Attachment ILG-
3 6).

4 **Q: Does this conclude your testimony?**

5 **A:** Yes.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

Isabelle Gordon

Isabelle L. Gordon

Utility Analyst I

Indiana Office of Utility Consumer Counsel

Cause No. 44988

NIPSCO

3/2/2018

Date

APPENDIX ILG-1 TO TESTIMONY OF
OUCC WITNESS ISABELLE L. GORDON

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from the School of Business at Bob Jones University in Greenville,
3 South Carolina in May 2017 with a Bachelor of Science Degree in Accounting. In
4 July 2017, I began working at the OUCC as a Utility Analyst I in the Natural Gas
5 Division.

6 **Q: Have you previously testified before the Indiana Utility Regulatory**
7 **Commission?**

8 A: Yes, I have testified in Gas Cost Adjustment (“GCA”) cases and Gas Demand Side
9 Management (“GDSM”) cases.

10 **Q: Please describe the review and analysis you conducted in order to prepare**
11 **your testimony.**

12 A: I reviewed Petitioner’s prefiled testimony, exhibits, and supporting documentation.
13 I analyzed Petitioner’s responses to OUCC discovery requests. I attended several
14 prefiling and post filing meetings with Petitioner. I participated in an on-site review
15 with Petitioner’s representatives to gain further insight into the relief requested in
16 Petitioner’s testimony, exhibits, and supporting documentation.

Cause No. 44988
Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 14

OUCS Request 14-009:

Referring to Workpaper REV 1, Page [.2B], please explain the reason Gas Commercial Revenue – Interruptible Sales (line 35) and Gas Small Industrial Revenue – Interruptible Sales (line 50) are not included in the 2017 or 2018 budgets.

Objections:**Response:**

In the pricing model (referenced REV 1, Page [.6]), Interruptible sales are allocated a portion of total forecasted Transportation volume and customers (as seen in REV 1, Page [.6A]). However, the revenue, COGS, volume, and customer counts are included in the total Transportation lines for commercial and industrial when entered into the budget system (Longview), which is the data presented in Rev 1, Page [.2B]. The Interruptible sales detail for 2016 is available in the budget system only because 2016 is referencing actual data, not budget data.

Northern Indiana Public Service Company
Commerical Interruptible Sales and Small Industrial interruptible Sales

Line No.	NIGAS DIM3SET	NIPSCO Gas Distribution Controls Default	Longview AYR16 2016	Bad Debt Allocation	Reconciling Items URT Adjustments	Other Adjustments	Longview w/adjustments	Longview BYR17 2017 Budget	Longview BYR18 2018 Budget
35	RGASCOMIS	GAS COMMERCIAL REVENUE-INTERRUPTIBLE SALES	3,338,426	0	8,371		3,346,797	0	0
50	RGASINDIS	Gas Small Industrial Revenue - Interruptible Sales	660,662	0	4,655		<u>665,317</u>	0	0
							4,012,115		

Note: Amounts taken from Petitioner's Workpaper REV1 [.2B]

**Northern Indiana Public Service Company
Gas Customer Count by Rate Class
For Twelve Months Ended December 31, 2016**

Rate Class	2016											
	January	February	March	April	May	June	July	August	September	October	November	December
411	737,155	738,113	737,820	737,216	736,515	735,311	735,121	735,034	735,451	737,905	740,992	744,057
415	5,026	5,027	5,009	4,995	4,984	4,969	4,963	4,990	4,990	4,989	4,999	5,015
421	65,879	65,979	65,890	65,817	65,677	65,540	65,439	65,362	65,449	65,660	65,933	66,287
425	670	669	670	671	668	668	668	666	666	665	666	665
428	356	358	360	360	360	362	354	354	354	350	352	352
434					1	2	2	2	6	8	7	3
438	178	176	174	170	176	176	180	182	182	182	182	182
Subtotal	809,264	810,322	809,923	809,229	808,381	807,028	806,727	806,590	807,098	809,759	813,131	816,561
451	4,220	4,209	4,186	4,169	4,133	4,078	3,846	3,700	3,630	3,510	3,433	3,347
Total *	813,484	814,531	814,109	813,398	812,514	811,106	810,573	810,290	810,728	813,269	816,564	819,908

* Ties to MSFR 1-5-8(a)(3)(C)

**Northern Indiana Public Service Company
Historic Amounts of Interruptible Sales Revenue**

	2012	2013	2014	2015	2016	
Commercial						
Class 21	1,188,192.88	1,021,108.94	1,342,486.82	646,245.47	696,957.26	
Class 27	6,021,420.67	8,730,801.14	8,740,210.76	2,171,625.21	2,649,840.03	
	<u>\$ 7,209,613.55</u>	<u>\$ 9,751,910.08</u>	<u>\$ 10,082,697.58</u>	<u>\$ 2,817,870.68</u>	<u>\$ 3,346,797.29</u>	A
Industrial						
Class 22	660,694.45	271,657.22	217,279.87	353,635.56	342,397.47	
Class 28	429,230.49	530,791.38	506,251.86	377,191.61	322,919.87	
	<u>\$ 1,089,924.94</u>	<u>\$ 802,448.60</u>	<u>\$ 723,531.73</u>	<u>\$ 730,827.17</u>	<u>\$ 665,317.34</u>	B

A Workpaper REV 1, Page [.2B], line 35

B Workpaper REV 1, Page [.2B], line 50

Northern Indiana Public Service Company
Twelve Months Ended December 31, 2018
Retail Sales Revenue Adjustment

This pro forma adjusts the twelve months ended December 31, 2016 operating revenue to reflect budgeted changes for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Attachment MHG-1 Reference	Amount
	A	B	C
1	2016 Retail Sales Revenue		\$ 476,881,745
2	<u>Normalization Adjustments</u>		
3	Weather Normalization		\$ 23,947,799
4	Guaranteed Minimum		(580,469)
5	Total Normalization Adjustments		\$ 23,367,330
6	2016 Normalized Retail Sales Revenue		<u>\$ 500,249,075</u>
7	2017 Forecasted Retail Sales Revenue		
8	Increase/(Decrease) to Interruptible Sales Budget		4,012,115
9	Increase/(Decrease) in Normalized Historical Base Period 2016 to Forward 2017 Period		(2,555,535)
10	Total 2017 Forecasted Retail Sales Revenue Adjustments	Schedule 3a, Page 1	<u>1,456,580</u>
11	Retail Sales Revenue - Forecasted Jan-Dec 2017		<u>\$ 501,705,655</u>
12	2018 Forecasted Retail Sales Revenue		
13	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year		(5,357,908)
14	Retail Sales Revenue - Forecasted Jan-Dec 2018		<u>\$ 496,347,747</u>
15	2018 Ratemaking Retail Sales Revenue		
16	<u>Ratemaking Adjustments</u>		
17	Weather Normalization		(3,242,296)
18	Rate Migration		981,137
19	Small Industrials		2,802,906
20	Choice COGS Reclass		19,325,845
21	2018 Ratemaking Increase/(Decrease)		\$ 19,867,592
22	2018 Ratemaking Retail Sales Revenue		<u>\$ 516,215,339</u>

Cause No. 44988
Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 10

OUCS Request 10-044:

Please explain the differing methodologies used to produce 2017 and 2018 revenue budgets. (For example, Other Gas Revenues uses a three-year average and a five-year average, Forfeited Discounts uses a five-year average, and Miscellaneous Service Revenue uses a four-year average.)

Objections:**Response:**

For each miscellaneous revenue piece, historical actuals are reviewed going back to 2011. The analyst reviews any trends or outliers in the monthly historical data.

In some cases, such as Bad Debt, URT, and Forfeited Discount revenues, a longer period is chosen to calculate an average because these are susceptible to fluctuations in customer usage. The longer period evens out those fluctuations (such as the extremely cold winter of 2014).

In other cases, such as Rent revenue, a more recent history is used because the last three years of rent revenue have been similar as compared to earlier years.

Northern Indiana Public Service Company
Misc. Revenue - Choice Fees

Line No.	Month	2012 TOTAL	2013 TOTAL	2014 TOTAL	2015 TOTAL
4	January	\$ 160,664	\$ 149,185	\$ 184,000	205,173
5	February	145,322	149,170	194,782	200,379
6	March	138,471	143,241	189,494	193,647
7	April	62,797	108,566	139,097	107,135
8	May	47,462	60,682	73,657	54,262
9	June	25,999	35,229	35,748	34,049
10	July	22,034	26,510	27,430	27,145
11	August	21,423	23,371	24,499	25,048
12	September	23,409	27,106	25,238	25,805
13	October	35,893	32,339	37,431	33,476
14	November	73,235	69,025	71,601	56,328
15	December	100,867	131,583	128,077	91,243
16	Total	<u>\$ 857,575</u>	<u>\$ 956,007</u>	<u>\$ 1,131,054</u>	<u>\$ 1,053,689</u>

Northern Indiana Public Service Company
Misc. Revenue - Choice Fees
Budget Calculation for 2017, 2018

Line No.	Year	Choice Fee
1	2013	\$ 956,007
2	2014	1,131,054
3	2015	1,053,689
4	2016	833,987
	4 yr Average	\$ 993,684

Northern Indiana Public Service Company
Pro forma Adjustment to Operating Revenue
Twelve Months Ending December 31, 2018

This pro forma adjusts the twelve months ended December 31, 2016 operating revenue to reflect budgeted changes for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Attachment MHG-1 Reference	Amount
	A	B	C
1	2016 Miscellaneous Service Revenue		\$ 1,648,954
2	2017 Forecasted Miscellaneous Service Revenue		
3	Increase/(Decrease) in Historical Base Period 2016 to Forward 2017 Period	Schedule 3a Page 1	281,591
4	Miscellaneous Service Revenue - Forecasted Jan-Dec 2017		<u>\$ 1,930,545</u>
5	2018 Forecasted Miscellaneous Service Revenue		
6	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year		-
7	Miscellaneous Service Revenue - Forecasted Jan-Dec 2018		<u>\$ 1,930,545</u>

Cause No. 44988

**Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 15**

OUCS Request 15-001:

For each item below (taken from MSFR 170 IAC 1-5-8(a)(21), Pages 10 through 12), please explain why each contribution is not included on Workpaper OM 6C-18R, Page [3].

- a. Lake Area United Way Inc. for \$3,595 (Account 90300000)
- b. Access LaPorte County for \$50 (Account 92100000)
- c. American Legislative Exchange for \$10,000 (Account 92100000)
- d. Acera Care Hospice for \$100 (Account 92100000)
- e. Builders Association of LaPorte for \$2,813 (Account 92100000)
- f. Fort Wayne Urban League for \$750 (Account 92100000)
- g. Home Builders Association of Howard for \$100 (Account 92100000)
- h. Partners for Clean Air for \$2,000 (Account 92100000)
- i. The Times for \$2,500 (Account 92100000)
- j. University of Notre Dame for \$2,500 (Account 92100000)
- k. USW District 7 Joint Union Man for \$250 (Account 92100000)

Objections:**Response:**

Please note that the dollar amounts listed for a – k represent the total NIPSCO amount, not the amount that was allocated to NIPSCO Gas.

- a. Lake Area United Way Inc. – furnace replacement for customer
- b. Access LaPorte County – Commemorative program related to MLK Day
- c. American Legislative Exchange – 2016 annual meeting sponsorship
- d. Ascera Care Hospice – In lieu of flowers gift for employee's family
- e. Builders Association of LaPorte – 2016 Home & Life silver sponsor plus booth
- f. Fort Wayne Urban League – Membership dues renewal plus table at 2016 Gala
- g. Home Builders Assoc of Howard – Parade of Homes Sponsor-New Business
- h. Partners for Clean Air – Membership
- i. The Times – Legislative dinner
- j. University of Notre Dame – MBA confirmation deposit for an employee
- k. USW District 7 Joint Union Man – Joint union & management Health and Safety Conference – 4 registrants plus door prize contribution

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Account A	Segment B	VENDOR_NAME C	Descr D	Amount E
1	88000000	G	DUTCH MAID BAKERY	REFRESHMENTS FOR CHARITY OF CH	\$ 83
2	88000000	G	KABELIN HARDWARE CO INC	TOTE, ALUMINUM SCOOP, POWER IN	63
3	88000000 Total				\$ 146
4	90300000	C	SOUTH SHORE LEADERSHIP CENTER	HEROES DINNER 2016	\$ 2,500
	90300000	C	LAKE AREA UNITED WAY INC		3,595
5	90300000 Total				\$ 6,095
6	91000000	C	ACS GRAPHICS INC	6 GOLF HOLE OUTING CUST APPREC	\$ 275
7	91000000	C	ASM INTERNATIONAL - CALUMET CHAPTER	S FOURSOMES CAL CH OF ASM INTL	2,000
8	91000000	C	BUILDERS ASSOCIATION OF LAPORTE COUNTY	SPONSOR DINNER GOLF OUTING	1,375
9	91000000	C	CHARITY GOLF OUTING	CHARITY GOLF OUTING	1,200
10	91000000	C	CROSSROADS REGIONAL CHAMBER	ANNUAL CROSSROADS CHAMBER OUTI	600
11	91000000	C	CROWN POINT BULLDOGS HOCKEY	GOLF OUTING	500
12	91000000	C	CROWN POINT LIONS CLUB	4SOME FOR THE CP LIONS CLUB GO	360
13	91000000	C	DOVER CHEMICAL	FOURSOME DOVER CHEM HAM GOLF	300
14	91000000	C	FBO RELAY FOR LIFE FOR NANCY VALENKAMPH TO BERT VALENKAMPH	4 FOURSOMES MAJ ACCTS 5TH ANNL	2,400
15	91000000	C	GREATER FORT WAYNE AVIATION MUSEUM INC	GOLF OUTING	200
16	91000000	C	HOME BUILDERS ASSOCIATION OF FOR	SPONSOR GOLF OUTING	500
17	91000000	C	NORTHWEST INDIANA SYMPHONY ORCHESTRA	180 GOLD TICKETS	6,253
18	91000000	C	NORTHWEST INDIANA SYMPHONY ORCHESTRA	GOLD LEVEL SPONSOR	5,000
19	91000000	C	RAYS COLLISION & DETAIL INC	CHGO BLACKHAWKS STE,RND1 GAME	2,700
20	91000000	C	RAYS COLLISION & DETAIL INC	SUITE TIX	18,000
21	91000000	C	SWAN LAKE RESORT	2016 CUST APPRECIATION GOLF OU	10,349
22	91000000	C	SWAN LAKE RESORT	MAJOR ACCTS GOLF OUTING DEPOSI	1,000
23	91000000	C	UNIVERSITY OF NOTRE DAME	SUITE RENTAL FOR BBALL AND HOC	5,400
24	91000000 Total				\$ 58,411
25	92100000	C	100 BLACK MEN OF GREATER SOUTH BEND	2016 GALA	\$ 300
26	92100000	C	100 BLACK MEN OF GREATER SOUTH BEND	2016 GALA TABLES	1,200
	92100000	C	ACCESS LAPORTE COUNTY		50
	92100000	C	AMERICAN LEGISLATIVE EXCHANGE COUNCIL		10,000
27	92100000	C	ALL IN ONE PARTY RENTALS & SALES	CHARITY CHOICE PICNIC	48
28	92100000	C	AMERICAN LEGISLATIVE EXCHANGE COUNCIL	2016 ANNL MEETING SPONSORSHIP	10,000
29	92100000	C	ANCILLA COLLEGE	2016 EAGLE SPONSORSHIP/GOLF CL	400
30	92100000	C	ANCILLA SYSTEMS	2016 DONATION	280
31	92100000	C	ANGOLA AREA CHAMBER OF COMMERCE	2016 ANNUAL GOLF OUTING	395
32	92100000	C	ARGOS AMERICAN LEGION POST 68	2016 FL SCRAMBLE GOLF FUNDRAIS	200
	92100000	C	ASCERA CARE HOSPICE		100
33	92100000	C	ASM INTERNATIONAL - CALUMET CHAPTER	CHARITY GOLF OUTING	360
34	92100000	C	BELLABOOS PLAY & DISCOVERY CENTE	BLACK CAT MEOW EVENT SPONSOR	1,500
35	92100000	C	BETHANY CHURCH	SPONSOR	500
36	92100000	C	BILLCO PRODUCTIONS	2016 LOVE IS IN THE HAIR FUNDR	400
37	92100000	C	BLACK WOMEN PHYSICIANS INSTITUTE	REGNL HEALTH FAIR	350
38	92100000	C	BLACK WOMEN PHYSICIANS INSTITUTE	TABLE OF TEN 2016 NWI REG HEAL	350
39	92100000	C	BLIND SOCIAL CENTER	2016 ANNL DINNER	1,500
40	92100000	C	BOYS & GIRLS CLUB OF MARSHALL CO	TABLE OF TEN 2016 SYNC IT 4 TH	500
41	92100000	C	BOYS & GIRLS CLUB OF MICHIGAN CI	10 TIX TO 2016 WINT E TASTING F	500
42	92100000	C	BOYS & GIRLS CLUB OF MICHIGAN CI	2016 GOLF OUTING	800
43	92100000	C	BROTHERS BROADCASTING CORPORATIO	GOODSTOCK SPONSORSHIP	500
	92100000	C	BUILDERS ASSOCIATION OF LAPORTE COUNTY		2,813
44	92100000	C	CAMPAGNA ACADEMY	2016 CRUISE FOR CHARITY	500
45	92100000	C	CENTER FOR THE HOMELESS	(8) TICKETS 2016 LIPSYNC WITH	480
46	92100000	C	CHASING DREAMS INC	2016 DREAMS GALA	400
47	92100000	C	CHUCKS HOUSE OF MAGIC INC DBA GARRETT DESIGN GROUP	BALLOON BOUQUETS	434
48	92100000	C	CHUCKS HOUSE OF MAGIC INC DBA GARRETT DESIGN GROUP	CUSTOM BALOONS	527
49	92100000	C	CHUCKS HOUSE OF MAGIC INC DBA GARRETT DESIGN GROUP	DECOR FOR 2016 LUMINARY AWARDS	4,604
50	92100000	C	CITY OF GARY MAYORS ORGANIZATION ON DISABILITIES	10 TKTS FOR 2016 DISABILITY AW	250
51	92100000	C	CITY OF MONTICELLO ADA	BANNER SPONSORSHIP	80
52	92100000	C	CMC SPECIAL EVENTS	2016 GOLF OUTING	400
53	92100000	C	COLUMBIA CLUB INC	16 MEMBERSHIP DUES JIM NEWLAND	286
54	92100000	C	COLUMBIA CLUB INC	AUG 2016 MEMBERSHIP DUES J NEW	225
55	92100000	C	COLUMBIA CLUB INC	B.SIETZ DUES	225
56	92100000	C	COLUMBIA CLUB INC	DEC 2015 MEMBERSHIP DUES J.NEW	273
57	92100000	C	COLUMBIA CLUB INC	DEC MEMBERSHIP DUES B.SIETZ	273

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Account A	Segment B	VENDOR_NAME C	Descr D	Amount E
58	92100000	C	COLUMBIA CLUB INC	FEB 2016 MEMBERSHIP DUES B.SEI	225
59	92100000	C	COLUMBIA CLUB INC	FEB2016 MEMBERSHIP DUES J.NEWL	225
60	92100000	C	COLUMBIA CLUB INC	J NEWLAND 2016 DUES	225
61	92100000	C	COLUMBIA CLUB INC	J NEWLAND MEMBER DUES	225
62	92100000	C	COLUMBIA CLUB INC	J.GREGG DUES	378
63	92100000	C	COLUMBIA CLUB INC	JAN MEMBERSHIP B.SEITZ LUNCHEO	860
64	92100000	C	COLUMBIA CLUB INC	JAN2016 MEMBERSHIP DUES J.NEWL	225
65	92100000	C	COLUMBIA CLUB INC	JIM NEWLAND DUES	225
66	92100000	C	COLUMBIA CLUB INC	MAR2016 MEMBERSHIP DUES B.SEIT	225
67	92100000	C	COLUMBIA CLUB INC	MAR2016 MEMBERSHIP DUES M.NEWL	225
68	92100000	C	COLUMBIA CLUB INC	MAY MEMBERSIP	405
69	92100000	C	COLUMBIA CLUB INC	MAY2016 MEMBERSHIP DUES J NEWL	225
70	92100000	C	COLUMBIA CLUB INC	MEMBER DUES	263
71	92100000	C	COLUMBIA CLUB INC	MEMBERSHIP DUES AUG16 B SEITZ	266
72	92100000	C	COLUMBIA CLUB INC	NOV MEMBERSHIP DUES FOR BRANDO	265
73	92100000	C	COLUMBIA CLUB INC	OCT 2016 MEMBERSHIP J.NEWLAND	225
74	92100000	C	COLUMBIA CLUB INC	OCT MEMBERSHIPS	225
75	92100000	C	COMPASS GROUP USA INC DBA EUREST DINING SERVICES	BEVERAGES FOR MISO MTG	49
76	92100000	C	COMPASS GROUP USA INC DBA EUREST DINING SERVICES	CATERING RENTALS LUMINARY AWAR	15,581
77	92100000	C	COMPASS GROUP USA INC DBA EUREST DINING SERVICES	CHARITY LUNCH	7
78	92100000	C	CROSSROADS REGIONAL CHAMBER	2016 ANNL GOLF SPONSOR OUTING	500
79	92100000	C	CROSSROADS REGIONAL CHAMBER	PAR 3 SPONSOR +4SOME 2016 CHAR	500
80	92100000	C	CROWN POINT QUARTERBACK CLUB	2016 GOLF OUTING	400
81	92100000	C	CROWN POINT YOUTH BASEBALL	GOLF TICKETS	1,200
82	92100000	C	DEMOTTE CHAMBER OF COMMERCE	2016 GOLF OUTING HOLE SPONSOR	400
83	92100000	C	DIVERSIFIED MARKETING STRATEGIES	GOLD SPONSORSHIP	900
	92100000	C	EARS TO YOU		50
84	92100000	C	ELKHART COUNTY BRANCH NAACP	2016 FREEDOM FUND BANQUET	400
85	92100000	C	ESSENCE RARE	SPONSORSHIP 2016 17TH DEBUTANT	500
86	92100000	C	ETA MU OMEGA CHAPTER	2016 JAZZIN N PINK DINNER	360
87	92100000	C	FOOD BANK OF NORTHERN INDIANA	2016 HOLE SPONSORSHIP HUNGER S	400
88	92100000	C	FORT WAYNE TIN CAPS	2016 SEASON SPONSORSHIP SPLIT	8,000
	92100000	C	FORT WAYNE URBAN LEAGUE		750
89	92100000	C	FRIENDS OF EMERSON SCHOOL	2016 FISH JUBILEE CONCERT CRES	1,000
90	92100000	C	FRIENDSHIP BOTANIC GARDENS	10TKTS + EVENT SPONSORSHIP 201	1,000
91	92100000	C	GARY BRANCH NAACP	2016 CENTENNIAL GOLD LIFE MIKE	1,500
92	92100000	C	GARY BRANCH NAACP	YOUTH LIFE MEMBERSHIP DUES	300
93	92100000	C	GARY TEACHERS UNION LOCAL #4	2016 TEACHER RETIREMENT DINNER	200
94	92100000	C	GIRL SCOUTS	1/2 FOR BRONZE SPERSHP 4/25/16	2,500
95	92100000	C	GIRL SCOUTS	ANNL BRD CONTRB FOR V.SISTOVAR	2,500
96	92100000	C	GIRL SCOUTS	BRONZE LVL SPONSORSHIP 4-25-16	5,000
97	92100000	C	GIRL SCOUTS	GIRL SCOUT BREAKFAST	2,500
98	92100000	C	GIRL SCOUTS	NIPSCO ANNL CORP CONTRIBUTION	10,000
99	92100000	C	GIRL SCOUTS	SPONSORSHIP FOR 3/16/17 ACHIEV	10,000
100	92100000	C	GOODWILL INDUSTRIES OF MICHIANA INC	CONTRIB102816	270
101	92100000	C	GOODWILL INDUSTRIES OF MICHIANA INC	RED DRESS SPONSORSHIP+6TKTS SB	600
102	92100000	C	GOSPEL SUNRISE PRODUCTIONS	10 TKTS 2016 GOSPEL WINGS EVEN	200
103	92100000	C	GOSPEL SUNRISE PRODUCTIONS	TEN TKTS FOR 2016 GOSPEL WINGS	200
104	92100000	C	GREATER LAPORTE CHAMBER	PLAY DAY GOLF TEAM	530
105	92100000	C	GRISSOM AIR BASE	FOURSOME AT 2016 WARBLD GOLF	320
	92100000	C	HOME BUILDERS ASSOC OF HOWARD		100
106	92100000	C	HOOSIER HOST COMMITTEE INC	REPUBLICAN NATIONAL CONV SPONS	3,500
107	92100000	C	HOSPICE FOUNDATION	TABLE FOR 10 SPONSOR	1,500
108	92100000	C	INDIAN AMERICAN CULTURAL CENTER	2 TABLES OF 10 2016 ANNL GALA	1,500
109	92100000	C	INDIANA AUDUBON SOCIETY	RED HEADED WOODPECKER SPONSOR	1,000
110	92100000	C	INDIANA BLACK EXPO	5 TKTS BLACK HISTORY MTH DINNE	100
111	92100000	C	INDIANA DUNES BIRDING FESTIVAL	DON/SPSRSH 2016 IN DUNES BIRD	500
112	92100000	C	INDIANA FISCAL POLICY INSTITUTE INC	2016 SPONSORSHIP FOR GRIDIRON	5,000
113	92100000	C	INDIANA PARENTING INSTITUTE	2016 TABLE WOMEN,MENTAL HEALTH	1,500
114	92100000	C	INDIANA PARENTING INSTITUTE	WORKSHOP TABLE OF 10	1,500
115	92100000	C	INDIANA STATE FAIR FOUNDATION	2016 HARVEST DINNER	1,000
116	92100000	C	INDIANA STATE MUSEUM FOUNDATION	SPONSORSHIP FOR 2016 TRIBUTE L	2,500

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Account A	Segment B	VENDOR_NAME C	Descr D	Amount E
117	92100000	C	IU HEALTH WHITE MEMORIAL FOUNDATION	2016 GOLF OUTING FNDR EVNT SPO	260
118	92100000	C	IVY TECH FOUNDATION	8 TKTS 2016 SPRING FUNDSR	600
119	92100000	C	IVY TECH STATE COLLEGE	SPONSORSHIP + TABLE 2016 CULIN	1,000
120	92100000	C	JUNIOR ACHIEVEMENT	ELITE TEAM SPONSOR	400
121	92100000	C	JUNIOR ACHIEVEMENT OF GREATER LAFAYETTE	GOLF OUTING 2016	200
122	92100000	C	JUNIOR ACHIEVEMENT OF NORTHERN I	WINE AND BEER FESTIVAL TIX	350
123	92100000	C	JUNIOR ACHIEVEMENT SERVING WAWAS	2016 GOLF OUTING	300
124	92100000	C	KAPPA ALPHA PSI COMMUNITY FOUNDATION	2016 KAPPA KLASSIC	680
125	92100000	C	KAPPA ALPHA PSI COMMUNITY FOUNDATION	INDIVIDUAL STUDENT SCHOLARSHIP	1,000
126	92100000	C	KNIGHTS OF COLUMBUS COUNCIL 7473	DONATION/SPSRSH TWRD 2016 BIK	500
127	92100000	C	LAKE CENTRAL BASKETBALL PROGRAM	GOLD SPONSOR	400
128	92100000	C	LAKE COUNTY FISH AND GAME AD	2016 AD SPONSOR FULL PG WILD G	100
129	92100000	C	LAKESHORE CHAMBER OF COMMERCE	2016 GOLF CLASSIC HOLE SPONSOR	700
130	92100000	C	LASALLE COUNCIL BSA	2016 GOLF SCRAMBLE HOLE SIGN S	600
131	92100000	C	LEADERSHIP LAPORTE COUNTY	2016 TEE SIGN SPONSOR + FOURSO	300
132	92100000	C	LEGACY FOUNDATION	DONATION SHIFTING SANDS	500
133	92100000	C	LINKS INC	SPONSOR	780
134	92100000	C	LIVE MUSIC MATTERS	2016 LIGHHOUSE JAZZ FESTIVAL	1,325
135	92100000	C	LOGANSPOUT MEMORIAL HOSPITAL FOU	GOLF OUTING	350
136	92100000	C	LUBEZNIK ART CENTER	SPONSOR	1,650
137	92100000	C	MACEDONIA MISSIONARY BAPTIST CHU	2016 ANNL COMM CONCERT FUNDR 4	250
138	92100000	C	MARSHALL COUNTY FOP 130	CHIEF SPONSOR	200
139	92100000	C	MARSHALL COUNTY HISTORICAL SOCIE	8 TICKETS SHABBY CHIC PRIME DI	400
140	92100000	C	MAYOR TERRY MCDONALD	2016 THANKSGIVING DINNER	25
141	92100000	C	MAYORS BALL	10 TKTS + EVENT SPONSORSHIP 20	500
142	92100000	C	MAYORS OFFICE	2016 NIMRT	20
143	92100000	C	MAYORS ROUND TABLE	LUNCHEON TKT 2016 MAYORS RND T	16
144	92100000	C	MCUSBCWBA	2 TEAMS 2016 BOWL FOR THE CURE	200
145	92100000	C	MIAMI COUNTY YMCA	2016 GOLF CLASSIC FOURSOME	380
146	92100000	C	MICHIGAN CITY AREA CHAMBER	TABLE OF 10 2016 ANNL GOLF OUT	3,000
147	92100000	C	MICHIGAN CITY CHAMBER	\$25 GIFT CERT	100
148	92100000	C	MICHIGAN CITY HUMAN RIGHTS COMMI	2016 WINE TASTING FUNDRAISER	400
149	92100000	C	MIDDLEBURY CHAMBER OF COMMERCE	HOLE SPONSOR	370
150	92100000	C	MISHAWAKA BUSINESS ASSOCIATION	2016 GOLF OUTING	500
151	92100000	C	NEW HOPE MISSIONARY BAPTIST CHURCH	2016 HOLIDAY GALA TICKETS (4)	140
152	92100000	C	NHBW NWI CHAPTER	2 TKTS 2016 OVER THE MOON OVAT	70
153	92100000	C	NORTHERN INDIANA COMMUNITY FOUNDATION	2016 SPONSOR	250
154	92100000	C	NORTHWEST INDIANA FEDERATION OF	MLK CESAR CHAVEZ JUSTICE AWARD	500
155	92100000	C	NORTHWEST INDIANA PUBLIC BROADCASTING INC	LAKESHORE CONF	12,000
156	92100000	C	NORTHWESTERN INDIANA BUILDING & CONSTRUCTION TRADES COUNCI	2016 CHARITY GOLF OUTING FOURS	600
157	92100000	C	NOVITEX ENTERPRISE SOLUTIONS INC	CHARITY OF CHOICE POSTER	708
158	92100000	C	NWI BUILDING & CONSTRUCTION TRAD	TEE/GRN SPSRSH + FOURSOME 201	600
159	92100000	C	ONE REGION	2016 1ST INSTMNT TWRDS TTL PLE	20,000
160	92100000	C	OPPORTUNITY ENTERPRISES INC	GOLF028	600
161	92100000	C	PARENTS AND FRIENDS INC	2016 GOLF OUTING	1,000
162	92100000	C	PATCH HARBORSIDE HERITAGE ORGANIZATION	SPONSOR GOLF	260
163	92100000	C	PLYMOUTH FIRE DEPARTMENT	GOLF OUTING	440
164	92100000	C	PLYMOUTH PUBLIC LIBRARY	THANK YOU BANNER AD SPONSOR	100
165	92100000	C	PORTER COUNTY COMMUNITY FOUNDATI	(2) TIX TO CHEERS TO 20 YRS EV	250
166	92100000	C	PORTER COUNTY COMMUNITY FOUNDATI	CHEERS TO 20 YRS EVENT	500
167	92100000	C	POTTAWATTOMIE COUNTRY CLUB	DUES/CLUBHOUSE FUND/MIN ANNL S	0
168	92100000	C	REINS OF LIFE	SPONSORS	1,300
169	92100000	C	REMEMBERING OUR VETERANS INC	10 TKTS 2016 WINE TASTING FUND	350
170	92100000	C	RONALD BOND	TURKEY TRACKS PAYING FOR MOUNT	495
171	92100000	C	SHIRLEY HEINZE LAND TRUST	2016 SPRING BENEFIT BENEFACOR	5,000
172	92100000	C	SIGMA GAMMA RHO SORORITY INC	TWELVE TKTS 2016 ALL BLK MASQU	120
173	92100000	C	SOUTH BEND ALUMNI ASSOCIATION	TIX 2016 COMMUNITY HALL OF FAM	1,000
174	92100000	C	SOUTH BEND CHAPTER OF DRIFTERS INC	2016 BLANCHE SCHOLARSHIP	300
175	92100000	C	SOUTH BEND CHAPTER OF LINKS INC	12 TKTS,FULL PG AD + SPONSORSH	780
176	92100000	C	SOUTH BEND CUBS	FOUR 2016 SEASON TICKETS	2,205
177	92100000	C	SOUTH BEND CUBS	HOME PLATE SUITE	2,555
178	92100000	C	SOUTH BEND CUBS	SOUTH BEND CUBS FNDRSR	525

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Account A	Segment B	VENDOR_NAME C	Descr D	Amount E
179	92100000	C	SOUTH SHORE CLEAN CITIES	SSCC GOLF FOURSOME	400
180	92100000	C	SOUTH SHORE LEADERSHIP CENTER	2016 SPONSOR	250
181	92100000	C	SOUTH SHORE LEADERSHIP CENTER	SCHOLARSHIP	3,700
182	92100000	C	SOUTH SHORE LEADERSHIP CENTER	SLYCE GRADUATION LUNCHEON TABL	240
183	92100000	C	SOUTH SHORE RAILCATS	2016 SEASON LUXURY SUITE	5,000
184	92100000	C	SOUTH SHORE RAILCATS	2016 SEASON SPONSORSHIP	2,500
185	92100000	C	SOUTHSHORE BASEBALL LLC	2016 CHARITY OF CHOICE	250
186	92100000	C	SOUTHSHORE BASEBALL LLC	AUG 18 RAILCATS SUITE	752
187	92100000	C	SOUTHSHORE BASEBALL LLC	AUG 19 RAILCATS SUITE CATERING	250
188	92100000	C	SOUTHSHORE BASEBALL LLC	AUG 21 RAILCATS SUITE	497
189	92100000	C	SOUTHSHORE BASEBALL LLC	JULY 22 RAILCATS SUITE	380
190	92100000	C	SOUTHSHORE BASEBALL LLC	JULY 24 RAILCATS SUITE	1,205
191	92100000	C	SOUTHSHORE BASEBALL LLC	NIPSCO SUITE	439
192	92100000	C	ST JOSEPH MINORITY HEALTHY COALI	FULL PG AD PROGRAM 2016 BB GAL	300
193	92100000	C	SVT LLC	GOLF TICKETS	1,200
194	92100000	C	THE LINKS INC	2016 HOLIDAY BRUNCH TABLE 10TI	400
195	92100000	C	TRADEWINDS	2016 PA CHARITY GOLF	1,110
	92100000	C	THE TIMES		2,500
196	92100000	C	TURKEY TRACKS	2016 GOLF OUTING	240
197	92100000	C	UNCF	SPONSOR 2016 MAYORS BREAKFAST	1,500
198	92100000	C	UNCF	TABLE SPONSOR	2,500
199	92100000	C	UNITED WAY OF LAPORTE COUNTY	2016 EVENTS SPONSORSHIPS	2,400
200	92100000	C	UNITED WAY OF LAPORTE COUNTY	2016 LAKEFRONT CAREER NETWORK	200
201	92100000	C	UNITED WAY OF LAPORTE COUNTY	2016 SUPER SOCIAL FUNDRAISER	1,500
	92100000	C	UNIVERSITY OF NOTRE DAME		2,500
	92100000	C	USW DISTRICT 7 JOINT UNION MAN		250
202	92100000	C	VALPARAISO FAMILY YMCA	GOLF SPONSOR	500
203	92100000	C	WASHINGTON PARK ZOOLOGICAL SOCIE	TABLE OF 8 PURCH FOR ZOOBILEE	600
204	92100000	C	WASHINGTON PARK ZOOLOGICAL SOCIE	TIGER SPONSORSHIP 2016 ZOOBILE	750
205	92100000	C	WEST CENTRAL HIGH SCHOOL ATHLETIC DEPARTMENT	2016 GOLF OUTING FOURSOME	240
206	92100000	C	WEST SIDE THEATRE GUILD	100 TICKETS "THE PIANO LESSON"	1,000
207	92100000	C	WHITE HAWK COUNTRY CLUB	GOLF PASSES PLUS CART	1,000
208	92100000	C	WOLF RUN GOLF CLUB INC	2016 RESIDENT ANNL DUES FOR B.	6,395
209	92100000	C	WOLF RUN GOLF CLUB INC	2016 RESIDENT ANNL DUES FOR J.	6,395
210	92100000	C	WOLF RUN GOLF CLUB INC	GOLF OUTING	700
211	92100000	C	WOLF RUN GOLF CLUB INC	GOLF OUTING FRED MILLS	495
212	92100000	C	WOLF RUN GOLF CLUB INC	GOLF OUTTING	352
213	92100000	C	WORTHY WOMEN RECOVERY HOME	2016 BANQUET & AUCTION	320
214	92100000	C	YOUTH SERVICE BUREAU	PARTNER SPONSORSHIP RECIPE FOR	600
215	92100000 Total				\$ 258,048
216	92300000	C	ALL IN ONE PARTY RENTALS & SALES	CHARITY CHOICE PICNIC	1,861
217	92300000	C	AYCO COMPANY LP	FINCL COUNSELING SERV V.SISTOV	4,203
218	92300000	C	BARRY J VEDEN	VOICE OVER RECORDING LUMINARY	120
219	92300000	C	CHUCKS HOUSE OF MAGIC INC DBA GARRETT DESIGN GROUP	BALLOONS DECOR CHAIRS FOR LUMN	0
220	92300000	C	DOHERTY IMAGES LLC	PHOTOGRAPHY FOR CHARITY OF CHO	180
221	92300000	C	DOHERTY IMAGES LLC	PHOTOGRAPHY SERVICES LUMINARY	320
222	92300000	C	DUKE ENERGY	SERV RENDRD MISO VITO/MSAT COS	46,800
223	92300000	C	DUKE ENERGY	SERV RNDRD FOR MISO,VITO,MSAT	56,374
224	92300000	C	FOSTER PRINTING SERVICE INC	FOAM CORE POSTER 2016 CHARITY	689
225	92300000	C	NOVITEX ENTERPRISE SOLUTIONS INC	PRINT OF CHARITY OF CHOICE COO	243
226	92300000	C	NOVITEX ENTERPRISE SOLUTIONS INC	VARIOUS SIGNS POSTERS COOKBOOK	3,765
227	92300000	C	PRESIDIO INFRASTRUCTURE SOLUTION	2016 LUMINARY AWARDS	1,900
228	92300000	C	THE AYCO COMPANY LP	PREPARATION OF 2015 TAX RETURN	2,975
229	92300000	C	THE AYCO COMPANY LP	FIN COUNSELING FOR VSIOTOVARIS	4,272
230	92300000	C	THE AYCO COMPANY LP	TRAVEL EXPENSES INCURRED DURIN	150
231	92300000	C	VISION INTEGRATED GRAPHICS LLC	CHARITY OF CHOICE	647
232	92300000 Total				\$ 124,499
233	93020000	C	AMERICAN CANCER SOCIETY	DISCOVERY BALL	1,275
234	93020000	C	ARTSPACE PROJECTS INC	SPONSORSHIP UPTOWN ARTIST LOFT	1,000
235	93020000	C	BOYS & GIRLS CLUB OF MICHIGAN CI	BOYS AND GIRLS CLUB GOLF OUTTI	600
236	93020000	C	BOYS & GIRLS CLUB OF MICHIGAN CI	CONTRIBUTION BOYS AND GIRL CLU	3,000
237	93020000	C	BOYS & GIRLS CLUB OF MICHIGAN CI	WINE TESTING FUNDRAISER	300

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Account A	Segment B	VENDOR_NAME C	Descr D	Amount E
238	93020000	C	CREW CHICAGO	GOLF OUTING	1,000
239	93020000	C	GREAT LAKES CATERING & SPECIAL	2016 MICHIGAN SUPER BOAT RACE	1,181
240	93020000	C	LAPORTE HOSPITAL FOUNDATION	CO-RECIPIENT CHANUTE PRIZE TEA	500
241	93020000	C	MICHIANA HUMANE SOCIETY & SPCA	FULL TABLE OF 8 SPONSOR MHS 18	1,200
242	93020000	C	MICHIGAN CITY PORT AUTHORITY	SPONSOR WTR BOAT	5,000
243	93020000	C	MUG SHOTS LOUNGE	SPONSOR BOAT RACE	3,248
244	93020000	C	NISOURCE CORPORATE SERVICES	GOLF OUTING	300
245	93020000	C	NORTHWEST INDIANA FORUM INC	AIRE GOLF OUTING	1,750
246	93020000	C	PURDUE UNIVERSITY NORTHWEST	GOLF OUTING	850
247	93020000	C	SCHOOL CITY OF HAMMOND BOT BOOSTERS	2016 BOT BOOSTERS SPONSORSHIP	200
248	93020000	C	UNITED WAY OF PORTER COUNTY	MILITARY LEVEL SPONSOR	1,000
249	93020000 Total				\$ 22,404
250	Grand Total				\$ 469,602

Note: Highlighted items represent the charitable contributions NIPSCO omitted from Workpaper OM 6C-18R, page [.3]

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Allocation of Disallowed Expenses
Twelve Months Ended December 31, 2016

Line No.	Segment	Account	Total	%	Electric	%	Gas
	A	B	C	D	E = C * D	F	G = C * F
1	G	88000000	\$ 146	0%	\$ -	100.00%	\$ 146
2			Common Allocated				
3	C	90300000	6,095	39.15%	2,386	60.85%	3,709
4	C	91000000	58,411	39.22%	22,912	60.78%	35,499
5	C	92100000	258,048	73.73%	190,261	26.27%	67,787
6	C	92300000	124,499	75.60%	94,115	24.40%	30,384
7	C	93020000	22,404	74.04%	16,588	25.96%	5,816
8		Total	\$ 469,602		\$ 326,261		\$ 143,341
Petitioner's Exhibit No. 3, Attachment 3-D, OM 6C-18R							\$ 136,133
Difference							\$ 7,208

**Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018**

This pro forma adjustment decreases the twelve months ended December 31, 2016 O&M expense to exclude certain selected payments that NIPSCO is not seeking to recover in base rates for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Amount
	A	C
1	Twelve Months Ended December 31, 2016 Selected Payments to be Excluded from Base Rates	\$ (136,133)
2	OUCC Adjustment	<u>\$ (7,208)</u>
3	Total	\$ (143,341)
4	2017 Budget Increase - 2%	(2,867)
5	2018 Budget Increase - 2%	<u>(2,924)</u>
6	Decrease in Pro forma Twelve Months Ending December 31, 2018 O&M Expense	<u>\$ (149,132)</u>

To Attachment ILG-6

Cause No. 44988

**Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 12**

OUCC Request 12-005:

Referring to Workpaper OM 6D-18R, Page [.11], please provide the voucher with detail for voucher number 161287440.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks information that is confidential, proprietary and/or trade secret information.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

Please OUCC Request 12-005 Confidential Attachment A for the voucher with detail for voucher number 161287440.

Cause No. 44988

**Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 12**

OUCS Request 12-006:

Referring to Workpaper OM 6D-18R, Page [.13]:

- a. Please provide vouchers with detail for all items in accounts 91000000 and 92100000.
- b. For each voucher provided in subpart a. above, please identify the intended recipient(s) for each item purchased.

Objections:

NIPSCO objects to this Request on the grounds and to the extent that this Request seeks information that is confidential, proprietary and/or trade secret information.

Response:

Subject to and without waiver of the foregoing general and specific objections, NIPSCO is providing the following response:

- a. Please see OUCS Request 12-006 Confidential Attachment A for vouchers with detail for all items in accounts 91000000 and 92100000.
- b. Please see OUCS Request 12-006 Attachment B for the intended recipient(s) for each item purchased by voucher.

Note: Attachment ILG-4, Page 3 is Confidential.

Note: Attachment ILG-4, Page 4 is Confidential.

Note: Attachment ILG-4, Page 5 is Confidential.

NORTHERN INDIANA PUBLIC SERVICE COMPANY

VOUCHER DETAIL

Line No.	Voucher Number ⁽¹⁾	Account	VENDOR_NAME	Intended Recipient
1	160197058	92100000	MICHIGAN CITY AREA CHAMBER	NIPSCO Membership Dues
2	160197059	92100000	PLYMOUTH AREA CHAMBER OF COMMERCE	NIPSCO Membership Dues
3	160299605	92100000	NORTHERN INDIANA COMMUTER	Indiana Dunes National Lakeshore Wrap - Support from NIPSCO
4	160201543	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
5	160418362	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
6	160634205	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
7	160741866	91000000	GLASSO GROUP INC	Executive Energy Summit Customer Gifts
8	160741672	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
9	160741700	91000000	DIVERSIFIED MARKETING STRATEGIES	Given to customers at various customer events
10	160741943	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
11	160744511	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
12	160744516	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
13	160747307	91000000	THE PAPERS INC	New Business Advertisement
14	160748615	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
15	160748620	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
	160748627	91000000	WHOSUR ASSOCIATES INC	Given to large Commercial & Industrial customers who attended annual golf outing.
16				
17	160748632	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
18	160961931	92100000	MICHIGAN CITY SOUL STEPPERS	Contribution
19	160961979	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
20	160961981	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
21	160963285	92100000	PAXTON MEDIA GROUP	Lead-in line in the News Dispatch
22	161067280	92100000	THE PAPERS INC	New Business Advertisement
23	161068726	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
	161069816	91000000	PORTERS MIDWEST UNIFORM CENTER INC D/B/A CORPORATE THREAD	Given to customers at various customer and community events
24				
	161070205	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
25				
	161074537	91000000	PORTERS MIDWEST UNIFORM CENTER INC D/B/A CORPORATE THREAD	Given to customers at various customer and community events
26				
	161176232	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
27				
28	161288909	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
29	161289870	92100000	DIVERSIFIED MARKETING STRATEGIES	New Business Advertisement
	161289557	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
30				
	161289558	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
31				
	161289559	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
32				
	161289560	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
33				
	161289561	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
34				
	161289562	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
35				
	161289563	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
36				
	161289760	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
37				
	161289769	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
38				
	161289788	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer and community events
39				
40	161290026	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
41	161290027	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events
42	161290028	91000000	WHOSUR ASSOCIATES INC	Given to customers at various customer events

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Reduction to Advertising Expense

Twelve Months Ended December 31, 2016

Line No.	Date	Segment	Invoice No	Voucher Number ⁽¹⁾	Account	Cost Element	Cost Element Descr	Descr	VENDOR_NAME	Sum Amount
4	2/8/2016	C	2435	160299605	92100000	3001	Advertising Services	WRAP FOR NPS CENTENNIAL CAR	NORTHERN INDIANA COMMUTER	400
13	7/7/2016	C	3252	160741866	91000000	3001	Advertising Services	50 CRYSTAL CUBES	GLASSO GROUP INC	3,076
14	7/7/2016	C	100361	160741672	91000000	3001	Advertising Services	150 CLASSIC SWISS ARMY KNIVES	WHOSUR ASSOCIATES INC	2,600
15	7/7/2016	C	28678	160741700	91000000	3001	Advertising Services	72 DOZEN TITLEIST PRO VI	DIVERSIFIED MARKETING STRATEGIES	3,309
16	7/7/2016	C	006206	160741943	91000000	3001	Advertising Services	3M NATURAL EXTRA LONG GOLF TEE	WHOSUR ASSOCIATES INC	250
17	7/18/2016	C	100442	160744511	91000000	3001	Advertising Services	100 STEEL BLUE GLACIER COOLERS	WHOSUR ASSOCIATES INC	2,461
18	7/18/2016	C	100422	160744516	91000000	3001	Advertising Services	100 BLACK NICKLER COMPUTER BAC	WHOSUR ASSOCIATES INC	2,996
21	7/29/2016	C	100359	160748615	91000000	3001	Advertising Services	300 PITCHFIX TOOL SETS	WHOSUR ASSOCIATES INC	6,661
22	7/29/2016	C	100337	160748620	91000000	3001	Advertising Services	100 SELFIE STICKS	WHOSUR ASSOCIATES INC	1,027
23	7/29/2016	C	100497	160748627	91000000	3001	Advertising Services	GOLF SHIRTS FOR 2016 GOLF OUTI	WHOSUR ASSOCIATES INC	4,857
24	7/29/2016	C	100380	160748632	91000000	3001	Advertising Services	150 GOLF UMBRELLA	WHOSUR ASSOCIATES INC	2,782
31	9/15/2016	C	100577	160961979	91000000	3001	Advertising Services	200 BLACK DELUX INSULTED GROCE	WHOSUR ASSOCIATES INC	911
32	9/15/2016	C	100581	160961981	91000000	3001	Advertising Services	3M EXTRA LONG GOLF TEES	WHOSUR ASSOCIATES INC	250
37	10/12/2016	C		161069816	91000000	3001	Advertising Services	BOUTON ANSER GREY GLASSES	PORTERS MIDWEST UNIFORM CENTER INC D/B/A CORPORATE THREAD	1,206
38	10/13/2016	C		161070205	91000000	3001	Advertising Services	LONG SLEEVE TSHIRTS	WHOSUR ASSOCIATES INC	175
40	10/27/2016	C		161074537	91000000	3001	Advertising Services	LADIES COLORBLOCK SHIRT W LOGO	PORTERS MIDWEST UNIFORM CENTER INC D/B/A CORPORATE THREAD	177
41	11/2/2016	C	100733	161176232	91000000	3001	Advertising Services	LARGE CANVAS TOTES	WHOSUR ASSOCIATES INC	759
46	12/16/2016	C	100861	161289557	91000000	3001	Advertising Services	BLACK DELUXE INSULATED GROCERY	WHOSUR ASSOCIATES INC	639
47	12/16/2016	C	100863	161289558	91000000	3001	Advertising Services	UMBRELLAS	WHOSUR ASSOCIATES INC	2,113
48	12/16/2016	C	100862	161289559	91000000	3001	Advertising Services	IGLOO GLACIER COOLER	WHOSUR ASSOCIATES INC	2,284
49	12/16/2016	C	100864	161289560	91000000	3001	Advertising Services	PADFOLIOS	WHOSUR ASSOCIATES INC	2,548
50	12/16/2016	C	100865	161289561	91000000	3001	Advertising Services	PENS	WHOSUR ASSOCIATES INC	1,344
51	12/16/2016	C	100797	161289562	91000000	3001	Advertising Services	FLASHLIGHTS	WHOSUR ASSOCIATES INC	1,826
52	12/16/2016	C	100860	161289563	91000000	3001	Advertising Services	CROSS PENS	WHOSUR ASSOCIATES INC	4,943
53	12/16/2016	C	100887	161289760	91000000	3001	Advertising Services	MENS POLO	WHOSUR ASSOCIATES INC	823
54	12/16/2016	C	100886	161289769	91000000	3001	Advertising Services	WOMENS PULLOVER	WHOSUR ASSOCIATES INC	516
55	12/16/2016	C	100849	161289788	91000000	3001	Advertising Services	PERSONALIZED CALENDERS	WHOSUR ASSOCIATES INC	355
56	12/19/2016	C	100790	161290026	91000000	3001	Advertising Services	250 BURGANDY GLOSS BAGS	WHOSUR ASSOCIATES INC	342
57	12/19/2016	C	100850	161290027	91000000	3001	Advertising Services	474 PERSONALIZED CALENDARS FOR	WHOSUR ASSOCIATES INC	3,753
58	12/19/2016	C	100767	161290028	91000000	3001	Advertising Services	36 STORMTECH EPSILON	WHOSUR ASSOCIATES INC	4,493
16	12/12/2016	G	24803	161287440	92100000	3001	Advertising Services	SEMI WRAP AND 2 VAN WRAPS	DIGITAL GRAPHIC SOLUTIONS LLC	13,951
										<u>\$ 73,829</u>

**Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018**

This pro forma adjustment decreases the twelve months ended December 31, 2016 O&M expense to remove non-recoverable advertising costs for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description A	Amount C
1	Twelve Months Ended December 31, 2016 Advertisements to be Excluded from Base Rates	\$ (36,267)
2	OUCC Adjustment to Advertisements to be Excluded from Base Rates	<u>(73,829)</u>
3	Total 2016 Advertisements to be Excluded from Base Rates	\$ (110,096)
2	2017 Budget Increase - 2%	(2,202)
3	2018 Budget Increase - 2%	<u>(2,246)</u>
4	Decrease in Pro forma Twelve Months Ending December 31, 2018 O&M Expense	<u>\$ (114,544)</u>

To Attachment ILG-6

Cause No. 44988
Northern Indiana Public Service Company's
Objections and Responses to
Indiana Office of Utility Consumer Counselor's Set No. 14

OUC Request 14-016:

According to MSFR 170 IAC 1-5-8(a)(23), NIPSCO holds membership in the following organizations: EPRI, Edison Electric Institute, Indiana Economic Development Foundation, Midwest Energy Association, Northwest Indiana Forum, and Hunton & Williams.

- a. Please indicate whether any of the associated costs are allocated to NIPSCO Gas. If so, please provide the amount allocated to NIPSCO Gas in 2016.
- b. Please also indicate whether any of the associated costs allocated to NIPSCO Gas are related to lobbying activities. If so, please provide the percentage related to lobbying for each expense.

Objections:**Response:**

- a. Please see OUC Request 14-016 Attachment A for a list by vendor of the 2016 membership fees paid by NIPSCO and the amounts allocated to gas and electric.
- b. EPRI – Not applicable since all dollars were charged to electric
Edison Electric Institute – Not applicable since all dollars should have been charged to electric. NIPSCO will update the revenue requirement to remove the EEI charges which have been allocated to gas in rebuttal. Indiana Economic Forum – 0% is related to lobbying activities
Midwest Energy Association – 0% is related to lobbying activities
Northwest Indiana Forum – 2.8% is related to lobbying activities; NIPSCO will update the revenue requirement to remove these lobbying activities in rebuttal.
Hunton & Williams - Not applicable since all dollars should have been charged to electric. This will be adjusted in rebuttal.

**Northern Indiana Public Service Company
Northwest Indiana Forum Dues
Twelve Months Ending December 31, 2016**

Line No.	Dues	Total	2017 Lobbying %	Lobbying Portion
	A	B	C	D
1	1st Quarter 2016	\$ 4,995	2.8%	\$ 140
2	2nd Quarter 2016	5,997	2.8%	168
3	3rd Quarter 2016	5,997	2.8%	168
4	4th Quarter 2016	6,075	2.8%	170
5		<u>\$ 23,064</u>		<u>\$ 646</u>
	Inflation		2.0%	13
	Estimated Annual 2017			<u>659</u>

Northern Indiana Public Service Company

OUCC Data Request 14-016 Attachment A

Edison Electric Institute

YYYYMM	Voucher Number	Invoice No	Date	Sum Amount	Electric	Gas
201603	160309615	155837B	3/16/2016	46,054.00	46,054.00	
201604	160309615	155837B	4/4/2016	(46,054.00)	(46,054.00)	
201604	160414369	155837B	4/5/2016	46,054.00	46,054.00	
201606	160635334	155837C	6/14/2016	46,054.00	46,054.00	
201609	160963120	155837D	9/20/2016	46,054.00	34,862.88	11,191.12
201611	161177229	199436A	11/7/2016	46,375.00	35,105.87	11,269.13
				184,537.00	162,076.75	22,460.25 ¹

Hunton & Williams

YYYYMM	Voucher Number	Invoice No	Date	Sum Amount	Electric	Gas
201601	160197464	102099019	1/29/2016	7,504.71	6,005.27	1,499.44
201603	160311463	102101840	3/22/2016	4,675.34	3,741.21	934.13
201603	160304809	102100548	3/1/2016	4,315.08	3,452.93	862.15
201605	160525383		5/11/2016	4,532.78	3,448.99	1,083.79
201606	160634222	102104781	6/9/2016	3,510.81	2,671.38	839.43
201607	160744186	102105908	7/14/2016	4,963.28	3,776.56	1,186.72
201608	160853640		8/17/2016	5,558.97	4,208.14	1,350.83
201609	160957994	102108220	9/1/2016	4,836.86	3,661.50	1,175.36
201610	161069169		10/11/2016	3,837.34	2,904.87	932.47
201611	161178772	102111109	11/10/2016	4,445.65	3,365.36	1,080.29
201612	161287771	102112518	12/13/2016	4,259.37	3,224.35	1,035.02
				52,440.19	40,460.56	11,979.63 ¹

¹ Expenses incorrectly allocated to Gas per NIPSCO response to OUCC DR 14-016. Total = \$34,440.

Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018

This pro forma adjustment decreases the twelve months ended December 31, 2016 O&M expense to eliminate lobbying expenses for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description A	Amount D
1	Labor Dollars Related to Lobbying Activities	
2	Employee salaries related to lobbying activities	\$ (32,968)
3	2017 Merit Increase - 3%	(989)
4	2018 Merit Increase - 3%	<u>(1,019)</u>
5	Decrease in Labor Dollars Related to Lobbying Activities	<u>\$ (34,976)</u>
6	Other Expenses Related to Lobbying Activities	
7	2017 Estimated American Gas Association (AGA) dues related to lobbying activities	\$ (7,691)
8	2017 Estimated Indiana Energy Association, Inc. (IEA) dues related to lobbying activities	(358,338)
9	2017 Estimated Northwest Indiana Forum dues related to lobbying activities	(659)
10	2017 Estimated dues related to NIPSCO Electric	<u>(34,440)</u>
11	Subtotal	<u>\$ (401,128)</u>
12	2018 Budget Increase - 2%	<u>(8,023)</u>
13	Decrease in Other Expenses Related to Lobbying Activities	<u>\$ (409,151)</u>
14	Decrease in Pro forma Twelve Months Ending December 31, 2018 O&M Expense	<u>\$ (444,127)</u>

To Attachment ILG-6

Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018

Line No.	Description	Amount	Attachment Reference
A	B	C	
1	2016 Ratemaking Operations Expenses	\$ -	
2	2017 Forecasted Ratemaking Operations Expenses		
3	Increase/(Decrease) in Historical Base Period 2016 to Forward 2017 Period	-	
4	Ratemaking Operations Expenses - Forecasted Jan-Dec 2017	\$ -	
5	2018 Forecasted Ratemaking Operations Expenses		
6	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year	-	
7	Ratemaking Operations Expenses - Forecasted Jan-Dec 2018	\$ -	
8	2018 Ratemaking Operations Expenses		
9	<u>Ratemaking Adjustments</u>		
10	Removal of Lobbying Expenses	(444,127)	Attachment ILG-5, page 4
11	Removal of ARP Program Expenses	(332,641)	
12	Removal of Select Payments	(149,132)	Attachment ILG-3, page 8
13	Removal of Non-recoverable Advertisements	(114,544)	Attachment ILG-4, page 8
14	Removal of Goodwill Advertisements	(71,645)	
15	2018 Ratemaking Increase/(Decrease)	\$ (1,112,089)	
16	2018 Ratemaking Operations Expenses	<u>\$ (1,112,089)</u>	To Attachment MHG-1, Schedule 3A, Page 2

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Indiana Office of Utility Consumer Counselor Public's Exhibit No. 2, Public (Redacted) Testimony of OUCC Witness Isabelle L. Gordon* has been served upon the following counsel of record in the captioned proceeding by electronic service on March 2, 2018.

Claudia J. Earls
Christopher C. Earle
NI SOURCE CORPORATE SERVICES – LEGAL
cjearls@nisouce.com
cearle@nisouce.com

Todd A. Richardson
Aaron A. Schmoll
LEWIS & KAPPES, P.C.
trichardson@lewis-kappes.com
aschmoll@lewis-kappes.com

Jennifer A. Washburn
Margo L. Tucker
CITIZENS ACTION COALITION
jwashburn@citact.org
mtucker@citact.org

Joseph P. Rompala
Tabitha L. Blazer
LEWIS & KAPPES, P.C.
jrompala@lewis-kappes.com
tbalzer@lewis-kappes.com

Nicholas K. Kile
BARNES & THORNBURG LLP
nicholas.kile@btlaw.com

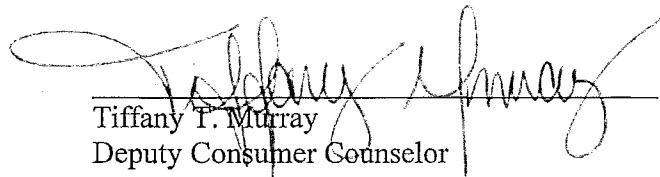
Kay E. Pashos
Steven W. Krohne
ICE MILLER, LLP
kay.pashos@icemiller.com
steven.krohne@icemiller.com

Courtesy copy to:
Timothy R. Caister
Erin E. Whitehead
Debi McCall
**NORTHERN INDIANA PUBLIC SERVICE
COMPANY, LLC**
tcaister@nisource.com
ewhitehead@nisource.com
demccall@nisource.com

Nikki G. Shoultz
Kristina Kern Wheeler
BOSE MCKINNEY & EVANS LLP
nshoultz@boselaw.com
kwheeler@boselaw.com

Robert K. Johnson
rjohnson@utilitylaw.us

Antonia Domingo
Anthony Alfano
UNITED STEELWORKERS
adomingo@usw.org
aalfano@usw.org



Tiffany T. Murray
Deputy Consumer Counselor

Scott Franson
Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

115 West Washington Street

Suite 1500 South

Indianapolis, IN 46204

infomgt@oucc.in.gov

317/232-2494 – Phone

317/232-5923 – Facsimile