

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY LLC FOR (1) AUTHORITY)
TO MODIFY ITS RATES AND CHARGES FOR)
GAS UTILITY SERVICE THROUGH A PHASE IN)
OF RATES; (2) APPROVAL OF NEW SCHEDULES)
OF RATES AND CHARGES, GENERAL RULES)
AND REGULATIONS, AND RIDERS; (3))
APPROVAL OF REVISED DEPRECIATION)
RATES APPLICABLE TO ITS GAS PLANT IN)
SERVICE; (4) APPROVAL OF MECHANISM TO)
MODIFY RATES PROSPECTIVELY FOR)
CHANGES IN FEDERAL OR STATE INCOME)
TAX RATES, UTILITY RECEIPTS TAX RATES,)
AND PUBLIC UTILITY FEE RATES; (5))
APPROVAL OF NECESSARY AND)
APPROPRIATE ACCOUNTING RELIEF; AND (6))
AUTHORITY TO IMPLEMENT TEMPORARY)
RATES CONSISTENT WITH THE PROVISIONS)
OF IND. CODE § 8-1-2-42.7.)

CAUSE NO. 45621

JOINT SUBMISSION OF STIPULATION AND SETTLEMENT AGREEMENT

Northern Indiana Public Service Company LLC (“NIPSCO”), by counsel, on behalf of itself, the NIPSCO Industrial Group, Steel Dynamics, Inc., and the Indiana Office of Utility Consumer Counselor (the “Settling Parties”), respectfully submits the attached Stipulation and Settlement Agreement resolving all disputes, claims, and issues in this Cause.

Respectfully submitted for Settling Parties:

/s/ Robert E. Heidorn

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

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Dated this 2nd day of March, 2022.

/s/ Robert E. Heidorn

Robert E. Heidorn

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OF RATES; (2) APPROVAL OF NEW)
SCHEDULES OF RATES AND CHARGES,)
GENERAL RULES AND REGULATIONS, AND) CAUSE NO. 45621
RIDERS; (3) APPROVAL OF REVISED)
DEPRECIATION RATES APPLICABLE TO ITS)
GAS PLANT IN SERVICE; (4) APPROVAL OF)
MECHANISM TO MODIFY RATES)
PROSPECTIVELY FOR CHANGES IN FEDERAL)
OR STATE INCOME TAX RATES, UTILITY)
RECEIPTS TAX RATES, AND PUBLIC UTILITY)
FEE RATES; (5) APPROVAL OF NECESSARY)
AND APPROPRIATE ACCOUNTING RELIEF;)
AND (6) AUTHORITY TO IMPLEMENT)
TEMPORARY RATES CONSISTENT WITH THE)
PROVISIONS OF IND. CODE § 8-1-2-42.7.)

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (“Agreement”) is entered into as of this 2nd day of March, 2022, by and between Northern Indiana Public Service Company LLC (“NIPSCO”), the NIPSCO Industrial Group (“Industrial Group”),¹ Steel Dynamics, Inc. (“SDI”), and the Indiana Office of Utility Consumer Counselor (the “OUCC”) (collectively the “Settling Parties”). The Settling Parties, solely for purposes of

¹ The Industrial Group is comprised of BP Products North America, Inc., Cargill, Inc., Cleveland-Cliffs Inc., General Motors LLC, Linde, NLMK Indiana, United States Steel Corporation, and USG Corporation.

compromise and settlement, stipulate and agree that the terms and conditions set forth below represent a fair and reasonable resolution of the issues in this Cause subject to incorporation into a Final Order of the Indiana Utility Regulatory Commission (“Commission”) without any modification or condition that is not acceptable to each of the Settling Parties regarding the issues resolved herein. The Settling Parties agree that this Agreement resolves all disputes, claims and issues arising from the general gas rate case proceeding currently pending in Cause No. 45621 as among the Settling Parties. The Settling Parties agree that NIPSCO’s requested relief in this Cause should be granted in its entirety except as expressly modified herein.

A. Background

1. NIPSCO’s Current Basic Rates and Charges. The Commission’s September 19, 2018 Order in Cause No. 44988 (the “44988 Rate Case Order”) approved a Stipulation and Settlement Agreement among NIPSCO, the Indiana Office of Utility Consumer Counselor (“OUCC”), and the majority of intervenors in that proceeding. The 44988 Rate Case Order approved a three step change in basic rates and charges. Step 1 rates took effect on October 1, 2018 based upon rate base as of June 30, 2018. Step 2 rates took effect March 1, 2019, based upon rate base as of December 31, 2018. Step 3 rates took effect January 1, 2020 to reduce rates so as to pass back unprotected excess Accumulated Deferred Income Taxes resulting from the Tax Cuts and Jobs Act of 2017 over a 12-year period.

2. NIPSCO's Alternative Regulatory Plan. NIPSCO has operated under the terms of an approved alternative regulatory plan ("ARP") under Ind. Code § 8-1-2.5 since the Commission's Order dated October 8, 1997 in Cause No. 40342. The ARP was renewed and modified in Cause No. 41338, consolidated Cause Nos. 42800 and 42884, and Cause No. 43837. The ARP was most recently extended and modified and became a permanent part of NIPSCO's tariff on March 15, 2012 in Cause No. 44081.

3. NIPSCO's Gas Cost Adjustment ("GCA") Proceedings. Pursuant to Ind. Code § 8-1-2-42(g), NIPSCO files a quarterly Gas Cost Adjustment ("GCA") proceeding in Cause No. 43629-GCA-XXX to adjust its rates to account for fluctuation in its gas costs. The cost of bad debt expense associated with the cost of gas is reflected in NIPSCO's GCA. Pursuant to the Commission's November 4, 2010 Order in Cause No. 43894 and through an annual update to Appendix E – Unaccounted for Gas Percentage ("UAFG"), NIPSCO also recovers through its GCA the actual cost of UAFG up to a maximum percentage of 1.04%. NIPSCO proposes to continue both of these recoveries through the GCA as modified by the terms of this Agreement.

4. NIPSCO's Other Tracking Mechanisms.

(a) Pursuant to the Commission's December 7, 2011 Order in Cause No. 44094, NIPSCO files an annual update to Appendix D – Universal Service Program

(USP) Factors in a compliance filing in Cause No. 44094 to be applicable for the billing month of October.

(b) Pursuant to the Commission's December 28, 2011 Order in Cause No. 44001, NIPSCO files an annual proceeding in Cause No. 44001-GDSM-XX for recovery of program costs associated with approved demand side management and energy efficiency programs through its Rider 172 – Gas Demand Side Management (GDSM) Rider and Appendix C - GDSM Factors (the "GDSM Mechanism").²

(c) Pursuant to the Commission's January 28, 2015 Order in Cause No. 44403-TDSIC-1, NIPSCO filed a semi-annual proceeding in Cause No. 44403-TDSIC-XX to recover 80% of approved capital expenditures and TDSIC costs incurred in connection with NIPSCO's eligible transmission, distribution, and storage system improvements ("TDSIC Projects") through its Rider 188 – Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge and Appendix F – Transmission, Distribution and Storage System Improvement Charge Adjustment Factor ("TDSIC Mechanism"). Pursuant to the Commission's July 22, 2020 Order in Cause No. 45330, NIPSCO now files the TDSIC Mechanism in Cause No. 45330-TDSIC-XX.

² The Commission's May 9, 2007 Order in Cause No. 43051 initially approved the GDSM Mechanism. The Commission's December 28, 2011 Order in Cause No. 44001 approved NIPSCO's request to change to a semi-annual reconciliation. The Commission's February 22, 2017 Order in Cause No. 44001-GDSM-10 approved NIPSCO's request to change from a semi-annual to annual filing. The Commission's November 21, 2018 Order in Cause No. 45012 approved NIPSCO's request for recovery of lost revenues through the GDSM Mechanism.

(d) Pursuant to the Commission's September 19, 2018 Order in Cause No. 45007, NIPSCO filed a semi-annual proceeding in Cause No. 45007-FMCA-XX to recover 80% of approved federally mandated costs through its Rider 190 – Federally Mandated Cost Adjustment Rider and Appendix G – FMCA Factors ("FMCA Mechanism"). Pursuant to the Commission's December 1, 2021 Order in Cause No. 45560, NIPSCO now files the FMCA Mechanism in Cause No. 45560-FMCA-XX.

5. This Proceeding. On September 29, 2021, NIPSCO filed its Verified Petition with the Commission requesting the Commission issue an order: (1) authorizing NIPSCO to increase its retail rates and charges for gas utility service through the phase-in of rates; (2) approving new schedules of rates and charges, general rules and regulations, and riders; (3) approving revised depreciation rates applicable to its gas plant in service; (4) approving a mechanism to modify rates prospectively for changes in federal or state income tax rates, utility receipts tax ("URT") rates, and public utility fee ("PUF") rates; (5) approving accounting relief; (6) authorizing NIPSCO to implement temporary rates; and (6) other requests as described in the Verified Petition. NIPSCO filed its case-in-chief testimony and exhibits on September 29, 2021. On January 20, 2022, the OUCC and intervenors filed their respective cases-in-chief.

As discussed within NIPSCO's Verified Petition, and the testimony of various parties including NIPSCO, this rate case filing was driven by several developments subsequent to the 44988 Rate Case Order. Since the 44988 Rate Case Order, NIPSCO's

cost of providing service has increased. NIPSCO has and must continue to make significant capital expenditures for additions, replacements, and improvements to its Utility Property, in compliance with various applicable state and federal pipeline safety requirements and to maintain safe and reliable service. In addition, changes in NIPSCO's Utility Property warrant the implementation of revised depreciation rates. Further, NIPSCO has and must continue to incur increasing operations and maintenance expenses in order to maintain safe and reliable service.

6. NIPSCO's Current Depreciation and Accrual Rates. NIPSCO's current gas depreciation rates are based on the depreciation study approved in the 44988 Rate Case Order. NIPSCO's current common and electric depreciation rates and last common and electric depreciation study were approved in the Commission's December 4, 2019 Order in Cause No. 45159.

B. Settlement Terms

1. Revenue Requirement and Net Operating Income.

(a) Revenue Requirement: The Settling Parties agree that NIPSCO's base rates will be designed to produce revenue at proposed rates of \$886,319,992, as adjusted for the Rate Base Update Mechanism set forth in Paragraph B.7. This Revenue Requirement represents an increase of \$71,800,282, which is a decrease of \$37,891,687 (35%) from the amount requested by NIPSCO in its Case-in-chief (\$109,691,969). Joint

Exhibit A attached hereto represents the schedules supporting the calculation of NIPSCO's revenue requirement based on the 12-month period ending December 31, 2022.

(b) Net Operating Income: Subject to the Rate Base Update Mechanism set forth in Paragraph B.7., the Settling Parties agree that NIPSCO's Revenue Requirement in Paragraph B.1(a) above results in a proposed authorized net operating income ("NOI") of \$158,422,828.

2. Original Cost Rate Base, Capital Structure, and Fair Return.

(a) Original Cost Rate Base. NIPSCO has agreed that its weighted cost of capital times its original cost rate base yields a fair return for purposes of this case. Based upon this agreement and the Rate Base Update Mechanism set forth in Paragraph B.7., the Settling Parties agree that NIPSCO should be authorized a fair return of \$158,422,828 yielding an overall return for earnings test purposes of 6.55%, based upon: (a) a Net Original Cost Rate Base of \$2,418,669,134; and (b) NIPSCO's forecasted capital structure, including an authorized return on equity ("ROE") of 9.85%.

(b) Capital Structure and Fair Return: Based on the following capital structure, the 9.85% ROE, and the cost of debt/zero cost capital as filed, the overall weighted average cost of capital is computed as follows:

	% of Total	Cost %	WACC %
Common Equity	49.47%	9.85%	4.87%
Long-Term Debt	36.30%	4.52%	1.64%
Customer Deposits	0.84%	4.64%	0.04%
Deferred Income Taxes	18.66%	0.00%	0.00%
Post-Retirement Liability	0.34%	0.00%	0.00%
Prepaid Pension Asset	-5.64%	0.00%	0.00%
Post-1970 ITC	0.01%	7.59%	0.00%
Totals	100.0%		6.55%

The Settling Parties agree that fair return will be calculated based upon the actual capital structure and rate base as described in the Rate Base Update Mechanism set forth in Paragraph B.7.

3. Depreciation and Amortization Expense.

(a) Depreciation Expense. The Settling Parties agree that the depreciation accrual rates will use the Average Life Group procedure for the calculation of depreciation rates with an average service life of 68 years for its gas distribution services (Account 380), resulting in a pro forma adjustment of \$20.9 Million. The resulting depreciation accrual rates are shown in Joint Exhibit B. NIPSCO will continue to use the depreciation rates applicable to its common plant as approved by the Commission in NIPSCO's last electric general rate proceeding in Cause No. 45159.

(b) Amortization Expense. The Settling Parties agree to a projected Cause No. 45621 Gas Rate Case Expense regulatory asset balance of \$1,352,043

reflecting (i) a \$63,055 reduction to the Billing System New Rate Implementation component (from \$200,000 to \$136,945); and (ii) a \$200,000 reduction to reflect reduced costs due to settlement. The Settling Parties agree to Petitioner's proposed 33-month amortization period for the remaining Cause No. 44988 regulatory asset (rate case expense and then-deferred TDSIC balance) (the "44988 Regulatory Asset"). The Settling Parties also agree to a 4-year amortization period for TDSIC, FMCA, COVID, and Cause No. 45621 Gas Rate Case Expense regulatory assets, resulting in a reduction of \$1,153,883 in Amortization Expense. If not already addressed by an intervening base rate order, after the completion of the 33-month period, NIPSCO agrees to make a compliance filing that will reflect the reduction in amortization expense for the 44988 Regulatory Asset. After the completion of the four (4) year period, NIPSCO agrees to make a compliance filing that will reflect the reduction in amortization expense for TDSIC, FMCA and COVID regulatory assets, as well as Cause No. 45621 Rate Case Expense. If NIPSCO files a general rate case before the expiration of the amortization period of four (4) years, any unamortized TDSIC, FMCA, COVID or Cause No. 45621 Gas Rate Case Expense regulatory asset balances will be rolled into NIPSCO's next rate case.

4. Taxes.

(a) The Settling Parties agree to a 4-year amortization period for Indiana excess accumulated deferred income taxes ("EADIT") (protected and

unprotected), resulting in an increase of \$1,744,143 in the annual state tax passback from \$305,737 to \$2,049,880. Upon completion of the passback of Indiana (protected and unprotected) EADIT and unprotected federal EADIT approved in Cause No. 44988 (\$6,120,309), NIPSCO will make compliance filings in this Cause to increase rates to reflect the cessation of amortization upon the passback of all Indiana EADIT and unprotected federal EADIT, as the case may be.

(b) The Settling Parties agree to the following with respect to NIPSCO's proposal for future modifications to State or Federal income tax, Public Utility Fee, and Indiana Utility Receipts Tax rates:

(i) NIPSCO is authorized to seek approval of a new Tax Rate Modification Mechanism ("TRMM") in a separately docketed proceeding to implement rate changes upon the adoption of new statutory state and/or federal income tax rates, if and when they occur;

(ii) As a part of the proposed Tax Rate Modification Mechanism, NIPSCO may seek authority to implement a rate adjustment to reflect the difference between: (1) the amount of federal or state taxes that the given rate or charge was designed to recover based on the tax rate in effect at the time the rate or charge was approved; and (2) the amount of federal or state taxes that would have been embedded in the given rate or charge had the new tax rate applicable

to NIPSCO as a result of the new legislation been in effect at the time of approval;

(iii) To the extent new statutory state and federal income tax rates affect its EADIT, NIPSCO may also seek authority to evaluate any related ratemaking effects;

(iv) NIPSCO may also seek authority to use regulatory accounting, such as regulatory assets or liabilities, for all calculated differences resulting from adoption of new statutory state and federal income tax rates until such time as such new tax rates are reflected in NIPSCO's rates; and

(v) A filing made by NIPSCO pursuant to this Paragraph B.4.b. may be made outside of a general rate case. Otherwise, the OUCC, Industrial Group, and SDI reserve all rights to take any position as to the merits of NIPSCO's request.

(vi) Other than as provided in this Paragraph B.4.b., NIPSCO is withdrawing its request for approval of a mechanism to modify rates prospectively for changes in federal or state income tax, utility receipts tax, and public utility fees.

5. Operating Revenues. The Settling Parties stipulate that Gas Rent Revenue should be increased by \$24,578 from \$133,857 to \$158,435 as proposed by the OUCC.

6. O&M Expenses: The Settling Parties stipulate that NIPSCO's forecasted pro forma O&M Expenses should be decreased by \$2,958,602, as follows:

(a) Gas Operations (Adjustment OM 2): Reduction of \$1,275,000 from \$45,092,165 to \$43,817,165, to address the OUCC's proposal to decrease Adjustment OM 2A (Line Locates / Mitigate Damages) and Adjustment OM 2B (Gas Measurement & Transmission).

(b) Uncollectible Expense (Adjustment OM 11): Reduction of \$60,116 from \$2,374,129 to \$2,314,013, as proposed by the OUCC.

(c) Fee Free Transaction (Adjustment OM 21): Reduction of \$1,623,486 representing the entire adjustment.

7. Rate Base Update Mechanism. The Settling Parties agree that NIPSCO should be authorized to modify its base rates and charges for natural gas utility service in two steps as described herein. The Settling Parties agree to the following process for the implementation of rates in two steps:

(a) Step 1 Rates. The first change in rates will be based on the agreed revenue requirement as adjusted to reflect the actual original cost of NIPSCO's rate base, actual capital structure, and associated annualized depreciation and amortization expense as of June 30, 2022 ("Phase 1"). Following issuance of a Final Order in this Cause approving this Agreement, Phase 1 rates will go into effect upon submission on

an interim subject to refund basis pending the 60-day review process as described herein. NIPSCO will certify its actual total rate base, capital structure, and associated annualized depreciation and amortization expenses as of June 30, 2022 and implement base rates using the forecasted results of operation for the test year as found in the Order. If needed to resolve any objections, the Commission will conduct a hearing and rates would be trued up, retroactive to the date such rates were put into place.

(b) Step 2 Rates. NIPSCO will certify its actual total rate base, capital structure, and associated annualized depreciation and amortization expenses at test-year end (December 31, 2022). Step 2 rates will be based on the agreed revenue requirement as of December 31, 2022, as adjusted for this certification and reflecting the lesser of (a) NIPSCO's forecasted test-year-end Total Utility Plant as updated in its direct evidence (\$4,004,668,454 – Pet. Ex. No. 3, Attachment 3-B-S2 RB Module), or (b) NIPSCO's certified test-year-end Total Utility Plant as of December 31, 2022. Step 2 rates would take effect immediately upon filing on an interim-subject-to-refund basis, with other parties being offered a period of 60 days to review and present any objections. If needed to resolve any objections, the Commission will conduct a hearing and rates would be trued up, retroactive to the date such rates were put into place. To the extent any additions to Utility Plant are excluded from net original cost rate base because NIPSCO's total Utility Plant exceeds \$4,004,668,454, NIPSCO shall include with its submission a list of the work orders which have been placed in service but which are

not being included in rate base in this Cause. For purposes of this Paragraph B.7., "certify" means NIPSCO has determined that it has completed the amount of plant indicated in its certification and the corresponding plant additions have been placed in service and are used and useful in providing utility service as of the date of certification. NIPSCO will serve all Settling Parties with its certification.

(c) To the extent the actual revenue requirement resulting from either paragraph (a) or (b) of this section is different from \$886,319,992 as provided in Paragraph B.1(a) herein, the difference shall be reflected by changing the rates set forth in NIPSCO Witness Whitehead's Attachment 2-S-A in an across-the-board fashion.

8. Revenue Allocation. The Settling Parties stipulate to the allocation of the agreed \$71.8 Million revenue increase between classes as shown below.³ The TDSIC allocators are as shown on Joint Exhibit C attached hereto.

	Current Distribution Margin	Revenue Increase	Percentage Increase on Margin
Rate 111	\$295,326,125	\$52,960,388	17.9%
Rate 115	\$2,404,167	\$399,321	16.6%
Rate 121	\$99,061,233	\$9,729,065	9.8%
Rate 125	\$12,859,523	\$1,242,227	9.7%
Rate 128 DP	\$9,191,556	\$3,676,622	15.7%
Rate 128 HP	\$35,286,309	\$3,294,500	
Rate 134	\$194,747	\$0	0.0%
Rate 138	\$5,154,021	\$497,877	9.7%
		\$71,800,000	

³ Rounds the actual agreed revenue increase of \$71,800,282.

The Settling Parties agree that the Rate 128 – Distribution Pressure subclass will be capped at a 40% increase, resulting in an allocation for Rate 128 – Distribution Pressure of \$3,676,622 and Rate 128 – High Pressure of \$3,294,500.

The Settling Parties stipulate that no cost-of-service methodology is being adopted or endorsed by virtue of the Settlement.

With respect to the DP subclass in Rate 128, the Settling Parties agree that the second tier threshold for the transportation charge will be changed from 300,000 to 100,000 therms (with no change to the HP tiers), with the second tier rate remaining the same as the second tier rate for HP, per NIPSCO's filed position.

9. Rate Design. In addition to the customer charge increases already agreed to in testimony, the Settling Parties agree to the following customer charge increases:

Residential:	\$14.00 to \$16.50
Multi Family:	\$17.50 to \$20.75
General Service Small:	\$53.00 to \$67.00
General Service Large:	\$400.00 to \$500.00

Otherwise, the allocation of the revenue increase by class in Paragraph 8 shall be as set forth in by NIPSCO Witness Whitehead in Attachment 2-S-A. .

10. Tariff Changes.

(a) Bank Account Capacity Charge: The Settling Parties agree to a Bank Account Capacity Charge of \$0.0406 per Therm of capacity per month, representing a 25% increase from the current charge of \$0.0325.

(b) Unaccounted for Gas (UAFG) Percentage: For purposes of recovery of actual UAFG through the GCA, the Settling Parties agree to decrease the UAFG Percentage cap to 0.90%, representing a decrease from the current UAFG Percentage of 1.04%.

(c) Universal Service Program (USP) Rider: The Settling Parties agree that NIPSCO will fund 30% of the USP program expenses after funding 100% of the Hardship portion of the program. NIPSCO's contribution to USP expenses will not exceed \$500,000, but the Company's administrative expenses are not included in the \$500,000 contribution.

C. Procedural Aspects and Presentation of the Agreement

1. The Settling Parties acknowledge that a significant motivation to enter into this Agreement is the simplification and minimization of issues to be presented in the proceeding.

2. The Settling Parties agree to jointly present this Agreement to the Commission for approval in this proceeding, and agree to assist and cooperate in the

preparation and presentation of supplemental testimony as necessary to provide an appropriate factual basis for such approval.

3. If the Agreement is not approved in its entirety by the Commission, the Settling Parties agree that the terms herein shall not be admissible in evidence or cited by any party in a subsequent proceeding. Moreover, the concurrence of the Settling Parties with the terms of this Agreement is expressly predicated upon the Commission's approval of the Agreement in its entirety without modification of material condition deemed unacceptable to any Settling Party. If the Commission does not approve the Agreement in its entirety, the Agreement shall be null and void and deemed withdrawn upon notice in writing by any Settling Party within fifteen (15) business days after the date of the Final Order that contains any unacceptable modifications. In the event the Agreement is withdrawn, the Settling Parties will request an Attorney's Conference to be convened to establish a procedural schedule for the continued litigation of this proceeding.

4. The Settling Parties agree that this Agreement and each term, condition, amount, methodology, and exclusion contained herein reflects a fair, just, and reasonable resolution and compromise for the purpose of settlement, and is agreed upon without prejudice to the ability of any party to propose a different term, condition, amount, methodology, or exclusion in any future proceeding. As set forth in the Order in *Re Petition of Richmond Power & Light*, Cause No. 40434, the Settling Parties

agree and ask the Commission to incorporate as part of its Final Order that this Agreement, and the Final Order approving it, not be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction on these particular issues. This Agreement is solely the result of compromise in the settlement process. Each of the Settling Parties has entered into this Agreement solely to avoid future disputes and litigation with attendant inconvenience and expense.

5. The Settling Parties stipulate that the evidence of record presented in this Cause constitutes substantial evidence sufficient to support this Agreement and provides an adequate evidentiary basis upon which the Commission can make any finding of fact and conclusion of law necessary for the approval of this Agreement as filed. The Settling Parties agree to the admission into the evidentiary record of this Agreement, along with testimony supporting it, without objection. The Settling Parties further agree that the respective cases-in-chief of NIPSCO, the OUCC, the Industrial Group, and SDI may be admitted into the evidentiary record and each of the Settling Parties waives cross examination with respect thereto.

6. The undersigned represent and agree that they are fully authorized to execute this Agreement on behalf of their designated clients who will be bound thereby; and further represent and agree that each Settling Party has had the opportunity to

review all evidence in this proceeding, consult with attorneys and experts, and is otherwise fully advised of the terms.

7. The Settling Parties shall not appeal the agreed Final Order or any subsequent Commission order as to any portion of such order that is specifically implementing, without modification, the provisions of this Agreement and the Settling Parties shall not support any appeal of any portion of the of Final Order by any person not a party to this Agreement.

8. The provisions of this Agreement shall be enforceable by any Settling Party before the Commission or in any court of competent jurisdiction.

9. The terms set forth in this Agreement are the complete and final agreement among the Settling Parties. The communications and discussions during the negotiations and conferences which produced this Agreement have been conducted on the explicit understanding that they are or relate to offers of settlement and shall therefore be privileged.

ACCEPTED AND AGREED this 2nd day of March, 2022.

[SIGNATURE PAGES FOLLOW]

Northern Indiana Public Service Company LLC

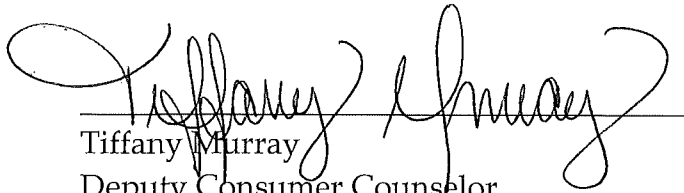


Erin A. Whitehead

Vice President

Regulatory and Major Accounts

Indiana Office of Utility Consumer Counselor

A handwritten signature in black ink, appearing to read "Tiffany Murray". The signature is written in a cursive style with large, flowing loops. A horizontal line is drawn across the signature, positioned just above the printed name below.

Tiffany Murray

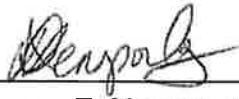
Deputy Consumer Counselor

Indiana Office of Utility Consumer Counselor

NIPSCO Industrial Group

Gard Richardson

Steel Dynamics, Inc.

A handwritten signature in cursive script, appearing to read "Damon E. Xenopoulos", written in black ink.

Damon E. Xenopoulos

Principal

Stone Mattheis Xenopoulos & Brew, PC

Northern Indiana Public Service Company LLC
Statement of Operating Income
Actual, Pro forma, and Proposed
For the Twelve Month Period Ending December 31, 2022

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B-S2 Reference ¹	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C-S2-S Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
1	Operating Revenue							
2	Revenue (Actual / Pro Forma)	\$ 711,775,365		REV, Col A	\$ 814,519,710	71,800,282	PF-1-S2-S	\$ 886,319,992
3	Pro forma Adjustments December 31, 2020		21,042,617	REV, Col B				
4	Budget Adjustments December 31, 2021		39,127,033	REV, Col D				
5	Budget Adjustments December 31, 2022		5,535,979	REV, Col F				
6	Ratemaking Adjustments December 31, 2022		37,014,138	REV, Col H				
7	Settlement Ratemaking Adjustments December 31, 2022		24,578	REV, Col J ²				
8	Total Operating Revenue	\$ 711,775,365	\$ 102,744,345		\$ 814,519,710	\$ 71,800,282		\$ 886,319,992
9	Gas Costs (Trackable)							
10	Gas Cost (Actual / Pro Forma)	\$ 272,995,605		COGS, Col A	\$ 348,721,758	-		\$ 348,721,758
11	Pro forma Adjustments December 31, 2020		13,038,036	COGS, Col B				
12	Budget Adjustments December 31, 2021		28,170,131	COGS, Col D				
13	Budget Adjustments December 31, 2022		(11,826,877)	COGS, Col F				
14	Ratemaking Adjustments December 31, 2022		46,344,863	COGS, Col H				
15	Total Gas Costs	\$ 272,995,605	\$ 75,726,153		\$ 348,721,758	\$ -		\$ 348,721,758
16	Gross Margin	\$ 438,779,760	\$ 27,018,192		\$ 465,797,952	\$ 71,800,282		\$ 537,598,234
17	Operations and Maintenance Expenses							
18	Operations and Maintenance Expenses (Actual / Pro Forma)	\$ 226,187,401		O&M, Col A	\$ 220,463,202	203,981	PF-2-S2-S	\$ 220,667,183
19	Pro forma Adjustments December 31, 2020		3,840,998	O&M, Col B				
20	Budget Adjustments December 31, 2021		(3,522,408)	O&M, Col D				
21	Budget Adjustments December 31, 2022		(4,040,584)	O&M, Col F				
22	Ratemaking Adjustments December 31, 2022		956,397	O&M, Col H				
23	Settlement Ratemaking Adjustments December 31, 2022		(2,958,602)	O&M, Col J ²				
24	Total Operations and Maintenance Expense	\$ 226,187,401	\$ (5,724,199)		\$ 220,463,202	\$ 203,981		\$ 220,667,183
25	Depreciation Expense							
26	Depreciation Expense (Actual / Pro Forma)	\$ 67,838,244		DEPR, Col A	\$ 76,632,613			\$ 76,632,613
27	Pro forma Adjustments December 31, 2020		(314,778)	DEPR, Col B				
28	Budget Adjustments December 31, 2021		10,012,814	DEPR, Col D				
29	Budget Adjustments December 31, 2022		6,229,000	DEPR, Col F				
30	Ratemaking Adjustments December 31, 2022		13,741,136	DEPR, Col H				
31	Settlement Ratemaking Adjustments December 31, 2022		(20,873,803)	DEPR, Col J ²				
32	Total Depreciation Expense	\$ 67,838,244	\$ 8,794,369		\$ 76,632,613	\$ -		\$ 76,632,613

Northern Indiana Public Service Company LLC
Statement of Operating Income
Actual, Pro forma, and Proposed
For the Twelve Month Period Ending December 31, 2022

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B-S2 Reference ¹	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C-S2-S Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
33	Amortization Expense							
34	Amortization Expense (Actual / Pro Forma)	\$ 5,832,272		AMTZ, Col A	\$ 23,408,115			\$ 23,408,115
35	Pro forma Adjustments December 31, 2020		2,420,052	AMTZ, Col B				
36	Budget Adjustments December 31, 2021		1,606,828	AMTZ, Col D				
37	Budget Adjustments December 31, 2022		2,713,535	AMTZ, Col F				
38	Ratemaking Adjustments December 31, 2022		11,989,311	AMTZ, Col H				
39	Settlement Ratemaking Adjustments December 31, 2022		(1,153,883)	AMTZ, Col J ²				
40	Total Amortization Expense	\$ 5,832,272	\$ 17,575,843		\$ 23,408,115	\$ -		\$ 23,408,115
41	Taxes							
42	Taxes Other than Income							
43	Taxes Other than Income (Actual / Pro Forma)	\$ 31,241,852		OTX, Col A	\$ 29,754,919			\$ 29,754,919
44	Pro forma Adjustments December 31, 2020		120,001	OTX, Col B				
45	Budget Adjustments December 31, 2021		(285,860)	OTX, Col D				
46	Budget Adjustments December 31, 2022		2,209,933	OTX, Col F		\$ 1,048,284	PF-3-S2-S	\$ 1,048,284
47	Ratemaking Adjustments December 31, 2022		(3,531,961)	OTX, Col H		\$ 91,623	PF-4-S2-S	\$ 91,623
48	Settlement Ratemaking Adjustments December 31, 2022		954	OTX, Col J ²				
49	Total Taxes Other Than Income	\$ 31,241,852	\$ (1,486,933)		\$ 29,754,919	\$ 1,139,907		\$ 30,894,826
50	Operating Income Before Income Taxes	107,679,991	\$ 7,859,112		115,539,103	\$ 70,456,394		\$ 185,995,497
51	Income Taxes							
52	Federal and State Taxes (Actual / Pro Forma)	\$ (6,245,304)	16,254,183	Attachment 3-C-S2-S, ITX 1	\$ 10,008,879	17,563,790	PF-5-S2-S	\$ 27,572,669
53	Total Taxes	\$ 24,996,548	14,767,250		\$ 39,763,798	\$ 18,703,697		\$ 58,467,495
54	Total Operating Expenses including Income Taxes	\$ 324,854,465	\$ 35,413,263		\$ 360,267,728	\$ 18,907,678		\$ 379,175,406
55	Required Net Operating Income	\$ 113,925,295	\$ (8,395,071)		\$ 105,530,224	\$ 52,892,604		\$ 158,422,828

Footnote 1 - Unless otherwise noted

Footnote 2 - Attachment 3-B-S2-S Reference

Northern Indiana Public Service Company LLC
Calculation of Proposed Revenue Increase
Based on Pro forma Operating Results
Original Cost Rate Base Estimated at December 31, 2022

Line No.	Description			<u>Revenue Deficiency</u>
1	Net Original Cost Rate Base			\$ 2,418,669,134
2	Rate of Return			6.55%
3	Net Operating Income			<u>158,422,828</u>
4	Pro forma Net Operating Income			<u>105,530,224</u>
5	Increase in Net Operating Income (NOI Shortfall)			52,892,604
6	Effective Incremental Revenue / NOI Conversion Factor			<u>73.666%</u>
7	Increase in Revenue Requirement (Based on Net Original Cost Rate Base) (Line 5 / Line 6)			<u>\$ 71,800,281</u>
8	One	1.000000		
9	Less: Public Utility Fee	0.001276		
10	Less: Bad Debt	<u>0.002841</u>		
11	State Taxable Income		0.995883	
12	One	1.000000		
13	Less: IN Utilities Receipts Tax	<u>0.014600</u>		
14	Taxable Adjusted Gross Income Tax	0.995883		
15	Adjusted Gross Income Tax Rate	<u>0.049000</u>		
16	Adjusted Gross Income Tax		<u>0.048798</u>	
17	Line 11 less line 13 less line 16			0.932485
18	One		1.000000	
19	Less: Federal Income Tax Rate		<u>0.210000</u>	
20	One Less Federal Income Tax Rate			<u>0.790000</u>
21	Effective Incremental Revenue / NOI Conversion Factor			<u>73.666%</u>

Northern Indiana Public Service Company LLC
Summary of Rate Base
As Of December 31, 2022

Line No.	Description	Pro forma As Of December 31, 2022	Attachment 3-B-S2 Reference
	<u>Rate Base</u>		
1	Utility Plant	\$ 3,815,305,221	RB, Col I
2	Common Allocated	189,363,233	RB, Col I
	Total Utility Plant	\$ 4,004,668,454	RB, Col I
3	Accumulated Depreciation and Amortization	\$ (1,578,834,102)	RB, Col I
4	Common Allocated	(124,923,724)	RB, Col I
	Total Accumulated Depreciation and Amortization	\$ (1,703,757,826)	RB, Col I
	Net Utility Plant	\$ 2,300,910,628	RB, Col I
5	Cause No. 44988 Regulatory Assets	\$ 6,195,174	RB, Col I
6	TDSIC Regulatory Asset	11,652,922	RB, Col I
7	FMCA Regulatory Asset	14,584,863	RB, Col I
8	Materials & Supplies	13,684,877	RB, Col I
9	Gas Stored Underground - Current A/C 164 (13-mo avg)	66,691,249	RB, Col I
10	Gas Stored Underground - Non-Current A/C 117	4,949,422	RB, Col I
	Total Rate Base	\$ 2,418,669,134	RB, Col I

**Northern Indiana Public Service Company LLC
Capital Structure
As Of December 31, 2022**

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 3,807,197,234	49.47%	9.85%	4.87%
2	Long-Term Debt	2,793,901,786	36.30%	4.52%	1.64%
3	Customer Deposits	64,944,910	0.84%	4.64%	0.04%
4	Deferred Income Taxes	1,436,388,185	18.66%	0.00%	0.00%
5	Post-Retirement Liability	26,333,943	0.34%	0.00%	0.00%
6	Prepaid Pension Asset	(433,959,232)	-5.64%	0.00%	0.00%
7	Post-1970 ITC	909,368	<u>0.01%</u>	7.59%	<u>0.00%</u>
8	Totals	<u>\$ 7,695,716,194</u>	<u>100.00%</u>		<u>6.55%</u>

Cost of Investor Supplied Capital

	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
9	Common Equity	\$ 3,807,197,234	57.68%	9.85%	5.68%
10	Long-Term Debt	2,793,901,786	<u>42.32%</u>	4.52%	<u>1.91%</u>
11	Totals	<u>\$ 6,601,099,020</u>	<u>100.00%</u>		<u>7.59%</u>

NORTHERN INDIANA PUBLIC SERVICE COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2022

ACCOUNT (1)	PROBABLE RETIREMENT DATE (2)	SURVIVOR CURVE (3)	NET SALVAGE PERCENT (4)	ORIGINAL COST AS OF DECEMBER 31, 2022 (5)	BOOK DEPRECIATION RESERVE (6)	FUTURE ACCRUALS (7)	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE (10)=(7)/(8)	
							AMOUNT (8)	RATE (9)=(8)/(5)		
DEPRECIABLE PLANT										
UNDERGROUND STORAGE PLANT										
350.20	LEASEHOLDS	06-2032	75-R4 *	0	385,804.99	374,165	11,640	1,229	0.32	9.5
350.40	RIGHTS OF WAY	06-2032	75-R4 *	0	191,697.23	91,710	99,987	10,574	5.52	9.5
351.10	WELL STRUCTURES	06-2032	70-R4 *	(5)	19,286.59	17,003	3,248	348	1.80	9.3
351.20	COMPRESSOR STATION STRUCTURES	06-2032	70-R4 *	(5)	412,261.17	305,653	127,221	13,449	3.26	9.5
351.30	MEASURING AND REGULATING STATION STRUCTURES	06-2032	70-R4 *	(5)	111,522.21	112,863	4,236	448	0.40	9.5
351.40	OTHER STRUCTURES	06-2032	70-R4 *	(5)	3,956,496.80	2,956,102	1,198,220	128,235	3.24	9.3
352.00	WELLS	06-2032	65-S4 *	(15)	15,567,286.30	16,336,519	1,565,860	166,076	1.07	9.4
352.30	NONRECOVERABLE NATURAL GAS	06-2032	50-SQ *	0	5,540,824.84	4,854,056	686,769	72,292	1.30	9.5
353.00	LINES	06-2032	50-S1.5 *	(25)	22,698,125.01	21,742,971	6,629,685	715,873	3.15	9.3
354.00	COMPRESSOR STATION EQUIPMENT	06-2032	50-R3 *	(10)	3,758,571.68	3,027,208	1,107,221	118,058	3.14	9.4
355.00	MEASURING AND REGULATING STATION EQUIPMENT	06-2032	60-R2.5 *	(10)	2,858,971.97	2,208,397	936,472	102,400	3.58	9.1
356.00	PURIFICATION EQUIPMENT	06-2032	65-R4 *	(5)	12,374,499.07	9,247,339	3,745,885	395,815	3.20	9.5
357.00	OTHER EQUIPMENT	06-2032	30-S2.5 *	0	1,037,788.69	984,143	53,646	6,726	0.65	8.0
TOTAL UNDERGROUND STORAGE PLANT					68,913,136.55	62,258,127	16,170,090	1,731,523	2.51	
OTHER STORAGE PLANT										
361.00	STRUCTURES AND IMPROVEMENTS	06-2031	65-R4 *	(10)	9,347,116.00	8,636,445	1,645,383	195,063	2.09	8.4
362.10	GAS HOLDERS	06-2031	55-S3 *	(10)	18,419,738.80	19,536,495	725,218	85,329	0.46	8.5
363.00	PURIFICATION EQUIPMENT	06-2031	55-S2.5 *	(5)	1,720,662.88	1,505,828	300,868	38,342	2.23	7.8
363.10	LIQUEFACTION EQUIPMENT	06-2031	50-S2 *	(5)	8,339,875.34	7,709,263	1,047,606	125,348	1.50	8.4
363.20	VAPORIZING EQUIPMENT	06-2031	50-R2 *	(5)	5,130,282.84	5,176,829	209,968	25,146	0.49	8.3
363.30	COMPRESSOR EQUIPMENT	06-2031	40-R2 *	(5)	3,104,734.02	2,033,740	1,226,230	147,348	4.75	8.3
363.40	MEASURING AND REGULATING EQUIPMENT	06-2031	55-R1.5 *	(5)	1,619,393.44	1,248,508	451,855	54,992	3.40	8.2
363.50	OTHER EQUIPMENT	06-2031	35-R2 *	(5)	2,290,882.33	1,668,416	737,010	91,256	3.98	8.1
TOTAL OTHER STORAGE PLANT					49,972,685.65	47,515,524	6,344,138	762,824	1.53	
TRANSMISSION PLANT										
365.20	LAND RIGHTS		75-R4	0	14,820,746.32	2,697,090	12,123,657	248,409	1.68	48.8
366.20	MEASURING AND REGULATING STATION STRUCTURES		60-R3	(5)	7,575,894.52	1,347,685	6,607,005	133,703	1.76	49.4
366.30	OTHER STRUCTURES		55-R4	(5)	1,622,883.58	201,160	1,502,868	32,135	1.98	46.8
367.00	MAINS		95-R3	(30)	727,258,845.16	115,458,035	829,978,463	9,764,160	1.34	85.0
369.00	MEASURING AND REGULATING STATION EQUIPMENT		58-R2	(35)	179,999,363.97	27,806,742	215,192,399	4,128,208	2.29	52.1
371.00	OTHER EQUIPMENT		30-R2.5	0	400,722.01	46,309	354,413	13,427	3.35	26.4
TOTAL TRANSMISSION PLANT					931,678,455.56	147,557,021	1,065,758,805	14,320,042	1.54	
DISTRIBUTION PLANT										
374.20	LAND RIGHTS		75-R4	0	1,935,421.67	413,344	1,522,078	25,731	1.33	59.2
375.00	STRUCTURES AND IMPROVEMENTS		70-R4	(10)	4,781,999.49	2,128,730	3,131,470	64,017	1.34	48.9
376.10	MAINS - STEEL		85-R2.5	(40)	332,478,778.26	141,970,165	323,500,125	5,119,602	1.54	63.2
376.20	MAINS - PLASTIC		85-R2.5	(40)	853,164,755.14	266,192,416	928,238,241	12,492,652	1.46	74.3

NORTHERN INDIANA PUBLIC SERVICE COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2022

ACCOUNT	PROBABLE RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2022	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL		COMPOSITE REMAINING LIFE	
							AMOUNT	RATE		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)	
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL		55-R1.5	(35)	58,512,779.32	22,637,588	56,354,664	1,269,232	2.17	44.4
380.10	SERVICES - STEEL ¹		68-R2	(120)	73,604,188.26	55,873,020	106,056,195	3,000,649	4.08	35.3
380.20	SERVICES - PLASTIC ¹		68-R2	(120)	750,598,791.29	465,110,728	1,186,206,613	21,391,440	2.85	55.5
381.00	METERS		36-R2	(5)	186,211,901.40	35,240,229	160,282,267	6,877,267	3.69	23.3
382.00	METER INSTALLATIONS		55-R1	(30)	197,975,095.99	136,396,495	120,971,130	2,362,395	1.19	51.2
383.00	HOUSE REGULATORS		55-R1.5	(30)	128,638,934.98	78,337,956	88,892,660	1,805,905	1.40	49.2
384.00	HOUSE REGULATOR INSTALLATIONS		55-R2.5	(10)	3,836,976.64	3,117,501	1,103,174	25,122	0.65	43.9
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT		60-R2	(10)	66,269,699.43	25,831,110	47,065,560	1,080,582	1.63	43.6
386.00	OTHER PROPERTY ON CUSTOMER PREMISES		15-R3	0	40,468.46	34,000	6,468	723	1.79	8.9
TOTAL DISTRIBUTION PLANT					2,658,049,790.33	1,233,283,280	3,023,330,645	55,515,317	2.09	
GENERAL PLANT										
389.20	LAND RIGHTS		65-R4	0	2,095,915.21	185,279	1,910,636	41,685	1.99	45.8
390.00	STRUCTURES AND IMPROVEMENTS									
	GAS OPERATIONS CENTER	06-2044	50-S0	* (10)	2,969,959.68	1,285,544	1,981,412	113,701	3.83	17.4
	SOUTH BEND OPERATIONS HEADQUARTERS	06-2042	50-S0	* (10)	5,857,657.97	2,484,059	3,959,365	249,228	4.25	15.9
	CENTRAL GAS METER SHOP	06-2029	50-S0	* (10)	2,066,628.28	1,164,371	1,108,920	181,781	8.80	6.1
	PERU OPERATIONS HEADQUARTERS	06-2028	50-S0	* (10)	1,400,816.35	646,971	893,927	169,012	12.07	5.3
	FORT WAYNE OPERATIONS HEADQUARTERS	06-2040	50-S0	* (10)	6,176,475.12	2,495,298	4,298,825	360,047	5.83	11.9
	OTHER MISCELLANEOUS STRUCTURES		50-S0	(10)	7,072,709.56	1,595,437	6,184,544	161,644	2.29	38.3
TOTAL STRUCTURES AND IMPROVEMENTS					25,544,246.96	9,671,680	18,426,993	1,235,413	4.84	
391.10	OFFICE FURNITURE AND EQUIPMENT		20-SQ	0	1,049,130.25	585,150	463,980	52,462	5.00	8.8
391.20	COMPUTER EQUIPMENT		7-SQ	0	18,083.71	14,897	3,187	2,584	14.29	1.2
392.40	TRANSPORTATION EQUIPMENT - TRUCKS > 13,000 #		15-L4	15	229,771.29	195,305	0	0	- ***	-
393.00	STORES EQUIPMENT		30-SQ	0	149,618.01	82,055	67,563	4,987	3.33	13.5
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT		25-SQ	0	16,753,655.56	8,291,500	8,462,156	670,196	4.00	12.6
395.00	LABORATORY EQUIPMENT		20-SQ	0	1,830,715.53	977,250	853,466	91,561	5.00	9.3
396.00	POWER OPERATED EQUIPMENT		13-L2	15	869,209.94	738,828	0	0	- ***	-
397.00	COMMUNICATION EQUIPMENT		15-SQ	0	2,132,140.37	1,077,900	1,054,240	142,148	6.67	7.4
398.00	MISCELLANEOUS EQUIPMENT		20-SQ	0	384,075.77	203,800	180,276	19,209	5.00	9.4
TOTAL GENERAL PLANT					51,056,562.60	22,023,644	31,422,497	2,260,245	4.43	
UNRECOVERED RESERVE ADJUSTMENT FOR AMORTIZATION										
391.10	OFFICE FURNITURE AND EQUIPMENT					(164,541)		54,847	**	
391.20	COMPUTER EQUIPMENT					(1,202,026)		400,675	**	
393.00	STORES EQUIPMENT					(15,264)		5,088	**	
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT					(1,474,536)		491,512	**	
395.00	LABORATORY EQUIPMENT					(227,345)		75,782	**	
397.00	COMMUNICATION EQUIPMENT					(447,057)		149,019	**	
398.00	MISCELLANEOUS EQUIPMENT					48,296		(16,099)	**	
TOTAL UNRECOVERED RESERVE ADJUSTMENT FOR AMORTIZATION						(3,482,473)		1,160,824		

NORTHERN INDIANA PUBLIC SERVICE COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2022

ACCOUNT	PROBABLE RETIREMENT DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2022	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
TOTAL DEPRECIABLE PLANT				3,759,670,630.69	1,509,155,124	4,143,026,175	75,750,775	2.01	
NONDEPRECIABLE PLANT									
301.00	ORGANIZATION			7,147.20	(36,462)				
302.00	FRANCHISES AND CONSENTS			61,624.80	41,281				
303.00	INTANGIBLE PLANT			34,483,737.27	33,713,862				
350.10	LAND			85,274.96					
360.10	LAND			1,274,922.85					
365.10	LAND			11,968,764.03					
374.10	LAND			2,109,568.00					
388.00	ARO			20,706,098.41					
389.10	LAND			619,587.89					
392.10	TRANSPORTATION EQUIPMENT - AUTOS								***
392.20	TRANSPORTATION EQUIPMENT - TRAILERS								***
392.30	TRANSPORTATION EQUIPMENT - TRUCKS < 13,000 #								***
TOTAL NONDEPRECIABLE PLANT				71,316,725.41	33,718,681				
TOTAL GAS PLANT IN SERVICE				3,830,987,356.10	1,542,873,805	4,143,026,175	75,750,775		

* INTERIM SURVIVOR CURVE USED. EACH LOCATION HAS A UNIQUE PROBABLE RETIREMENT DATE.

** 5-YEAR AMORTIZATION OF UNRECOVERED RESERVE RELATED TO IMPLEMENTATION OF AMORTIZATION ACCOUNTING.

*** ACCRUAL RATE TO BE BOOKED TO NEW ADDITIONS AS OF JANUARY 1, 2023 WILL BE:

ACCOUNT	RATE
392.10	9.95
392.20	6.30
392.30	8.88
392.40	5.86
396.00	6.80

Joint Exhibit C to Stipulation and Settlement Agreement
Cause No. 45621

TDSIC Allocators¹

Class	Revenues at Current Rates	Revenue Increase	Total Revenue	Percentage of total per class which will be the TDSIC allocator
Rate 111	\$525,585,924	\$52,960,388	\$578,546,312	65.75%
Rate 115	\$4,877,756	\$399,321	\$5,277,077	0.60%
Rate 121 / 134	\$194,557,312	\$9,729,065	\$204,286,377	23.21%
Rate 125	\$31,776,675	\$1,242,227	\$33,018,902	3.75%
Rate 128 DP	\$9,304,550	\$3,676,622	\$12,981,172	1.48%
Rate 128 HP	\$36,772,091	\$3,294,500	\$40,066,591	4.55%
Rate 138	\$5,325,132	\$497,877	\$5,823,009	0.66%
Total	\$808,199,440	\$71,800,000	\$879,999,440	100.00%

¹ The revenue increase shown here rounds the actual agreed revenue increase of \$71,800,282. Revenue at Current Rates and Total Revenue excludes miscellaneous revenues.