STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY FOR (1) APPROVAL OF AN ADJUSTMENT TO ITS GAS SERVICE RATES THROUGH ITS TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM IMPROVEMENT CHARGE ("TDSIC") RATE SCHEDULE; (2) AUTHORITY TO DEFER 20% OF THE APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN PETITIONER'S NEXT GENERAL RATE CASE; AND (3) APPROVAL OF PETITIONER'S UPDATED 7-YEAR GAS PLAN, INCLUDING ACTUAL AND PROPOSED ESTIMATED CAPITAL EXPENDITURES AND TDSIC COSTS THAT EXCEED THE APPROVED AMOUNTS, ALL PURSUANT TO IND. CODE CH. 8-1-39 AND THE COMMISSION'S ORDERS IN CAUSE NOS. 44403 AND 44403-TDSIC-1.	)	**CAUSE NO. 44403-TDSIC-4**
VERIFIED PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC FOR (1) APPROVAL OF AN ADJUSTMENT TO ITS GAS SERVICE RATES THROUGH ITS TRANSMISSION, DISTRIBUTION, AND STORAGE SYSTEM IMPROVEMENT CHARGE ("TDSIC") RATE SCHEDULE; (2) AUTHORITY TO DEFER 20% OF THE APPROVED CAPITAL EXPENDITURES AND TDSIC COSTS FOR RECOVERY IN PETITIONER'S NEXT GENERAL RATE CASE; (3) APPROVAL OF PETITIONER'S UPDATED 7-YEAR GAS PLAN, INCLUDING ACTUAL AND PROPOSED ESTIMATED CAPITAL EXPENDITURES AND TDSIC COSTS THAT EXCEED THE APPROVED AMOUNTS IN CAUSE NO. 44403-TDSIC-8, ALL PURSUANT TO IND. CODE CH. 8-1-39-9, AND (4) APPROVAL OF PETITIONER'S RETURN OF EXCESS INCOME TAX REVENUE RECOVERED THROUGH ITS BASE RATES BETWEEN JANUARY 1 AND APRIL 30, 2018 THROUGH ITS TDSIC FACTOR.	)	**CAUSE NO. 44403-TDSIC-9**

SUBMISSION OF STIPULATION AND SETTLEMENT AGREEMENT

Northern Indiana Public Service Company LLC, by counsel, on behalf of itself, the Indiana Office of Utility Consumer Counselor, and NIPSCO Industrial Group (collectively, the "Settling Parties"), respectfully submits the attached Stipulation and Settlement Agreement.

Respectfully submitted on behalf of Settling Parties:

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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 5th day of November, 2018.

Claudia J. Earls

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (the "Agreement") is entered into as of the 5th day of November, 2018, by and between Northern Indiana Public Service Company LLC ("NIPSCO" or "Company), the Indiana Office of Utility Consumer Counselor ("OUCC"), and the NIPSCO Industrial Group ("Industrial Group"), (collectively, the "Settling Parties") (the OUCC and Industrial Group are collectively referred to as "the Consumer Parties"), who stipulate and agree for purposes of settling the issues in Cause Nos. 44403 TDSIC 4 through 44403 TDSIC 9 (individually "TDSIC 4", "TDSIC 5", etc.) that the terms and conditions set forth below represent a fair and reasonable resolution of all issues subject to incorporation into a Final Order of the Indiana Utility Regulatory Commission ("Commission") without any modification or condition that is not acceptable to the Settling Parties.

A. Background.

1. <u>NIPSCO's Gas TDSIC Proceedings.</u>

On April 30, 2014, the Commission issued an Order in Cause No. 44403 concerning NIPSCO's request for approval of a 7-year plan for eligible transmission, distribution and storage system improvements ("7-Year Gas Plan" or "Plan"), pursuant to Ind. Code §§ 8-1-39-10 and 11. The Commission found: (1) the projects contained in Year 1 of NIPSCO's 7-Year Gas Plan are eligible transmission, distribution, and storage system improvements within the meaning of Indiana Code § 8-1-39-2; (2) the project categories contained in Years 2 through 7 of NIPSCO's 7-Year Gas Plan are presumed eligible improvements within the meaning of Indiana Code § 8-1-39-2, subject to further definition and specifics being provided through the plan update proceedings; (3) the 7-Year Gas Plan is reasonable and approved subject to certain modifications; (4) NIPSCO's proposed definitions of key terms for purposes of interpreting and applying those terms to NIPSCO's 7-Year Gas Plan are approved; and (5) NIPSCO's proposed process for updating the 7-Year Gas Plan in future semi-annual adjustment proceedings is approved.

On January 28, 2015, the Commission issued an Order in TDSIC-1 approving, among other things, NIPSCO's updated Plan, with the exception of certain cost estimates for the 112th Street project and bare steel replacement projects, and designating the projects included in Year 2 as eligible improvements under Ind. Code § 8-1-39-2. The Commission approved NIPSCO's proposed methodology for calculating its TDSIC adjustment and authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through June 30, 2014. NIPSCO was authorized to defer the remaining 20% until such costs are recovered in NIPSCO's base rates as a result of its general rate case.

On February 27, 2015, NIPSCO filed its petition and case-in-chief in TDSIC-2. Subsequently, on April 8, 2015, the Court of Appeals of Indiana issued a decision in the appeal of a Commission Order in Cause Nos. 44370 and 44371 (NIPSCO's Electric

TDSIC cases), reversing in part, affirming in part, and remanding the case to the Commission. *NIPSCO Indus. Grp. v. Northern Ind. Pub. Serv. Co.*, 31 N.E.3d 1 (Ind. Ct. App. 2015). After discussion with the parties, NIPSCO ultimately moved to dismiss TDSIC-2 with the understanding that it would request recovery of approved capital expenditures and TDSIC costs for the applicable period in TDSIC-3. On June 2, 2015, the Commission dismissed TDSIC-2 without prejudice.

On March 30, 2016, the Commission issued an Order in TDSIC-3, approving NIPSCO's updated Plan with the exception of certain new and emergent projects that were not identified or approved in NIPSCO's 7-Year Gas Plan or the Plan update approved in TDSIC-1. The TDSIC-3 Order designated the projects included in the approved Plan Update-3 as eligible improvements within the meaning of Ind. Code § 8-1-39-2, approved an allocation of NIPSCO's approved capital expenditures and TDSIC costs consistent with the appellate ruling in the Electric TDSIC case, and authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through June 30, 2015. NIPSCO was authorized to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case.

On June 22, 2016, the Commission issued an Order in TDSIC-4, approving NIPSCO's updated Plan, with the exception of four projects, and designating the projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2. The Commission authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through December 31, 2015. NIPSCO was authorized to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case. The TDSIC-4 Order was appealed by the Industrial Group in Case No. 93A02-1607-EX-1644, challenging the treatment of "multiple unit project" portions of the updated Plan and specifically a $20 million increase in one of those categories. The disposition of that appeal is described below.

On December 28, 2016, the Commission issued an Order in TDSIC-5, approving NIPSCO's updated Plan and designating the projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2. The Commission authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through June 30, 2016. NIPSCO was authorized to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case. The TDSIC-5 Order was appealed by the Industrial Group, challenging the approval of certain cost increases, and that appeal is currently pending in Case No. 93A02-1701-EX-177.

On June 28, 2017, the Commission issued an Order in TDSIC-6, approving NIPSCO's updated Plan and designating the projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2. The Commission authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through December 31, 2016. NIPSCO was authorized to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case. The TDSIC-6 Order was appealed by the Industrial Group, challenging the approval of certain cost increases, and that appeal is currently pending in Case No. 93A02-1701-EX-1632.

On December 28, 2017, the Commission issued an Order in TDSIC-7, approving NIPSCO's updated Plan and designating the projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2. The Commission authorized NIPSCO's recovery of 80% of its approved capital expenditures and TDSIC costs incurred through June 30, 2017. NIPSCO was authorized to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case. The TDSIC-7 Order was appealed by the Industrial Group, challenging the approval of certain cost increases, and that appeal is currently pending in Case No. 18A-EX-146.

In TDSIC-8, NIPSCO requested approval for an updated Plan, designation of projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2, authorization to recover 80% of approved capital expenditures and TDSIC costs incurred through December 31, 2017, and authorization to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case. Prior to the issuance of an order in TDSIC-8, the Indiana Supreme Court issued a decision in the TDSIC-4 appeal. NIPSCO then sought leave to reopen the record to submit additional evidence in order to comply with the decision in the TDSIC-4 appeal.

On August 22, 2018, the Commission approved NIPSCO's revised request for relief on an interim basis, subject to refund. The Industrial Group appealed the TDSIC-8 Order, and that appeal is currently pending as Case No. 18A-EX-02281 but has been stayed by the Court of Appeals pending resolution of the TDSIC-4 remand.

NIPSCO filed its petition in TDSIC-9 on August 28, 2018, seeking approval for an updated Plan, designation of projects included in the updated Plan as eligible improvements within the meaning of Ind. Code § 8-1-39-2, authorization to recover 80% of approved capital expenditures and TDSIC costs incurred through June 31, 2018, and authorization to defer the remaining 20% for recovery in NIPSCO's base rates as a result of its next general rate case.

On September 19, 2018, the Commission issued an Order in Cause No. 44988, approving a settlement agreement resolving NIPSCO's petition to modify its base rates and charges for retail gas service and related relief. The approved rate case settlement provided for implementation of the rate changes in two steps, with Step One reflecting rate base, capital structure and depreciation expense as of June 30, 2018, and Step Two reflecting changes through December 31, 2018. The rate case order also authorized recovery in base rates of amounts deferred in prior TDSIC proceedings.

2. <u>Supreme Court Decision in TDSIC-4.</u>

On June 20, 2018, the Supreme Court issued its opinion in Case No. 18S-EX-334 involving the appeal of TDSIC-4. *NIPSCO Indus. Grp. v. Northern Ind. Pub. Serv. Co.*, 100 N.E.3d 234 (Ind. 2018). On September 25, 2018, the Court issued its Order on Rehearing, revising the June 20, 2018 Opinion. On October 15, 2018, the Supreme Court's opinion as modified on rehearing was certified.

The Supreme Court reversed the Commission's Order in TDSIC-4, holding that periodic rate increases are available only for specific projects a utility designates in the threshold TDSIC proceeding and not for multiple-unit-project categories it describes using ascertainable planning criteria. The Court remanded the case to the Commission "to identify such project categories that were not identified with specificity in TDSIC-3. The costs for all multiple-unit projects as to which particular improvements were identified for the first time in TDSIC-4 are disallowed for TDSIC recovery to the extent those projects were not properly designated in the previously approved seven-year plan." *Id.* at 245.

B. Settlement Terms.

1. <u>Refunds related to multiple unit projects</u>: Refunds will be processed as a credit against revenue requirements in the pending TDSIC-9 proceeding. Based on multiple unit projects already removed by NIPSCO, the amount of the refunds inclusive of interest shall be $2,668,629.

2. <u>Bare steel replacement</u>: The bare steel replacement portion of the 7-year plan will be removed from the updated Plan from TDSIC-4 forward. On a going

forward basis, in any NIPSCO petition seeking a certificate of public convenience and necessity pursuant to Ind. Code ch. 8-1-8.4, the Consumer Parties will not oppose the eligibility of bare steel replacement as a federally mandated compliance project within the meaning of Ind. Code § 8-1-8.4-2. The total affected TDSIC revenue requirements associated with bare steel replacement, including amounts collected through the TDSIC rider, amounts deferred for rate case treatment and amounts included in the TDSIC-9 filing as revised on September 25, 2018, are $2,328,354. NIPSCO will credit amounts collected through the TDSIC rider for bare steel replacement from TDSIC-4 through TDSIC-8, plus interest in the amount of $101,735, consistent with the refunds for multiple unit projects in the pending TDSIC-9 proceeding.

3. <u>Kokomo low pressure system</u>: The Kokomo low pressure system portion of the 7-year plan will be removed from the updated Plan. On a going forward basis, in any NIPSCO petition seeking a certificate of public convenience and necessity pursuant to Ind. Code ch. 8-1-8.4, the Consumer Parties will not oppose the eligibility of the Kokomo low pressure system work as a federally mandated compliance project within the meaning of Ind. Code § 8-1-8.4-2. To date, no revenue requirements associated with the Kokomo low pressure system have been reflected in the TDSIC rider or deferred for rate case treatment. This change, accordingly, will be prospective only and will not involve any additional refunds, credits, or adjustments.

4. Cost increases at issue in pending appeals: The portion of the capital costs associated with increases approved in TDSIC-5, -6, -7 and -8 and the effect on TDSIC-9 that relate to multiple unit projects are being addressed in the resolution specific to multiple unit projects. The total revenue requirements associated with the increases that remain in dispute in those pending appeals, inclusive of amounts collected through the TDSIC rider, amounts deferred for rate case treatment and amounts included in the TDSIC-9 filing as revised on September 25, 2018, are $5,963,432. One half of that amount, $2,981,716, will be removed from the revenue requirements. For the removed portion, NIPSCO will credit amounts collected through the TDSIC rider consistent with the refunds for multiple unit projects in the pending TDSIC-9 proceeding and write off amounts that have not yet been collected. For this component, there will not be additional interest included.

5. Adjustment to the deferral account: NIPSCO has already adjusted the 20% deferral account for purposes of the Step One compliance filing in Cause No. 44988 in the amount of $1,149,851, to reflect the removal of multiple unit projects. NIPSCO will make further adjustments to the deferral account to remove amounts associated with bare steel replacement from TDSIC-4 forward and amounts associated with one half of the increases that remain in dispute in the pending appeals, and will reflect that adjustment in the Step 2 compliance filing made in Cause No. 44988.

6. Adjustment to schedules in TDSIC-9: Consistent with ¶¶1, 2, 4 and 5 above, NIPSCO will revise its schedules and rate computations as filed in TDSIC-9 to reflect the removal of the multiple unit projects and bare steel replacement project; the inclusion of interest relating to the amounts of the multiple unit projects and the bare steel replacement project; and the removal of one half of the cost increases at issue in the pending appeals. Corresponding TDSIC-9 changes will be included to reflect the removal of bare steel replacement and one half of disputed cost increases, with the adjustments being made to the amounts resulting from the TDSIC-9 revision filed on September 25, 2018. In the aggregate, the foregoing revisions result in a decrease to the 80% revenue requirements to be collected through the TDSIC rider in the amount of $6,975,808 and a decrease in the 20% deferral account in the amount of $2,254,478.

7. Revised plan update: A revised plan update reflecting the agreed terms will be submitted by agreement for approval in the pending TDSIC-9 proceeding. The first two summary pages of that update are attached hereto as Exhibit A.

8. Establishment of caps: For purposes of future proceedings on the remainder of NIPSCO's existing 7-Year Gas Plan (Years 2019 and 2020), the Total Capital set forth in Exhibit A will be subject to annual and 7-year caps in the respective amounts shown for 2019, 2020 and 7-Year Total, subject to a 5% flexibility factor for each annual cap. The 7-Year Total cap will not be subject to the 5% flexibility factor. In each future proceeding on the existing 7-Year Gas Plan, NIPSCO will retain the burden

to support recovery of actual or projected costs in excess of approved amounts and the Consumer Parties shall retain the ability to challenge any such costs, pursuant to Ind. Code § 8-1-39-9(f).

9. Attorney fees: By separate agreement, contingent on approval of this Settlement, the Industrial Group and the OUCC will determine a mutually acceptable award for recoverable fees and expenses consistent with common fund principles and established Commission practice. The agreed amount of the fee award will be netted against the reduction in revenue requirement to be implemented in TDSIC-9.

10. Pending appeals: Upon execution of this Settlement, the Settling Parties will jointly move for a stay of the pending appeals in TDSIC-5, -6, -7 and -8 and notify the Court of Appeals that a settlement has been reached. Upon approval of the settlement by the Commission in a Final Order, the Settling Parties will jointly move for dismissal of the pending appeals in TDSIC-5, -6, -7 and -8.

C. Procedural Aspects and Presentation of the Agreement.

1. The Settling Parties acknowledge that a significant motivation to enter into this Agreement is the expectation that, if the Commission finds this Agreement is reasonable and in the public interest, the pending appeals in TDSIC-5, TDSIC-6, TDSIC-7, and TDSIC-8 will be dismissed. The Settling Parties have spent valuable time reviewing data and negotiating this Agreement in an effort to eliminate time consuming and costly litigation.

2. The Settling Parties agree to jointly present this Agreement to the Commission for its approval in the consolidated Cause Nos. 44403 TDSIC-4 and 44403 TDSIC-9, 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 discussed 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 any material modification or any material condition deemed unacceptable by any 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 any modifications made by the Commission are unacceptable to it. In the event the Agreement is withdrawn, the Settling Parties will request that an Attorneys' Conference 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 future proceedings. As set forth in the Order in *Re Petition of Richmond Power & Light*, Cause No. 40434, p. 10, the Settling Parties agree and ask the Commission to incorporate as part of its Final Order that this Agreement, or the 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 hereto has entered into this Agreement solely to avoid further disputes and litigation with the attendant inconvenience and expenses.

5. The Settling Parties stipulate that the evidence of record presented in Cause Nos. 44403 TDSIC-4 and 44403 TDSIC-9 constitutes substantial evidence sufficient to support this Agreement and provide an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions 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.

6. The issuance of a Final Order by the Commission approving this Agreement without any material modification or further condition shall terminate all proceedings in this Cause.

7. 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.

8. 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 the portion of such order by a person not a party to this Agreement. All Settling Parties shall support the Final Order if appealed by any party not a signatory to this Agreement.

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

10. 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 and confidential.

ACCEPTED AND AGREED this 5 day of November, 2018.

Northern Indiana Public Service Company LLC

Violet Sistovaris
____
Violet Sistovaris, Executive Vice President
And President of Northern Indiana Public
Service Company LLC

Indiana Office of Utility Consumer Counselor

Jeffrey M. Reed
Deputy Consumer Counselor
Indiana Office of Utility Consumer Counselor

NIPSCO Industrial Group

Joseph P. Rompala

Exhibit A
Stipulation and Settlement Agreement

NORTHERN INDIANA PUBLIC SERVICE COMPANY
UPDATED 7-YEAR GAS PLAN BY PROJECT CATEGORY

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line No.	**Project Category**	**2014 Updated**	**2015 Updated**	**2016 Updated**	**2017 Updated**	**2018 Updated**	**2019 Updated**	**2020 Updated**	**7-Year Total**
	Direct Capital								
	Transmission Project Category								
1	Transmission Pipeline Replacement	$127,445	$20,615,573	$51,541,774	$66,175,075	$70,604,801	$65,850,288	$58,301,356	$333,216,312
2	Prepare Lines for In-Line Inspection - Transmission	$237,195	$4,633,300	$6,404,793	$8,002,286	$8,536,275	$6,883,696	$7,164,314	$41,861,859
3	Shallow Pipe Replacement - Transmission	$1,782,944	$0	$0	$0	$0	$0	$0	$1,782,944
4	Inspect & Mitigate - Transmission	$3,671,153	$6,526,054	$12,238,036	$5,025,879	$3,295,805	$904,559	$1,635,744	$33,297,230
5	System Deliverability - Transmission	$3,850,024	$2,131,217	$8,264,198	$2,686,356	$9,518,925	$0	$0	$26,450,720
6	Total Transmission	$9,668,761	$33,906,144	$78,448,801	$81,889,596	$91,955,806	$73,638,543	$67,101,414	$436,609,065
	Distribution Project Category								
7	Kokomo Low Pressure System - Distribution	$0	$0	$0	$0	$0	$0	$0	$0
8	Bare Steel Replacement - Distribution	$1,644,539	$13,375,532	$2,495,961	$0	$0	$0	$0	$17,516,032
9	System Deliverability - Distribution	$36,796	$3,437,955	$100,561	$14,799	$0	$0	$0	$3,590,111
10	Master Meter System Upgrades - Distribution	$0	$426,701	$223,751	$0	$0	$0	$490,740	$1,141,192
11	Inspect & Mitigate - Distribution	$2,651,050	$2,772,596	$2,251,724	$1,620,738	$2,100,955	$1,646,748	$2,201,387	$15,245,198
12	Rural Extensions - Distribution	$17,049,310	$28,647,224	$16,819,538	$20,781,764	$16,645,785	$17,256,058	$18,070,578	$135,270,257
13	Total Distribution	$21,381,695	$48,660,008	$21,891,535	$22,417,301	$18,746,740	$18,902,806	$20,762,705	$172,762,790
	Storage Project Category								
14	Storage Projects	$564,822	$2,838,792	$1,307,443	$323,517	$0	$0	$0	$5,034,574
15	Total Storage	$564,822	$2,838,792	$1,307,443	$323,517	$0	$0	$0	$5,034,574
16	Cost Overruns	$0	($7,270,148)	($7,128,057)	($12,734,237)	$0	$0	$0	($27,132,442)
17	Prior Year Reconciliation	$0	($187,761)	$273,136	($116,342)	($317,549)	$0	$0	($348,516)
18	**Total Direct Capital**	**$31,615,278**	**$77,947,035**	**$94,792,858**	**$91,779,835**	**$110,384,997**	**$92,541,349**	**$87,864,119**	**$586,925,471**
19	**Indirect Capital - Other**	**$7,127,482**	**$8,638,301**	**$11,193,997**	**$9,632,611**	**$13,431,821**	**$14,961,157**	**$13,187,526**	**$78,172,895**
20	**AFUDC**	**$384,989**	**$1,564,998**	**$3,390,556**	**$2,950,345**	**$2,012,294**	**$2,703,689**	**$1,663,626**	**$14,670,497**
21	**Total Capital**	**$39,127,749**	**$88,150,334**	**$109,377,411**	**$104,362,791**	**$125,829,112**	**$110,206,195**	**$102,715,271**	**$679,768,863**
22	**Total O&M (Integrity Data Integration Project)**	**$2,126,788**	**$2,985,601**	**$2,440,290**	**$2,332,534**	**$2,314,787**	**$0**	**$0**	**$12,200,000**
	TDSIC8 Approved 7-Year								
23	Total Transmission	$11,509,043	$35,872,682	$79,133,671	$86,930,635	$87,176,343	$64,560,422	$67,101,414	$432,284,210
24	Total Distribution	$22,999,993	$52,499,982	$29,478,892	$32,246,627	$26,612,285	$29,029,806	$38,769,369	$231,636,954
25	Total Storage	$570,890	$2,916,024	$1,307,443	$1,659,139	$0	$0	$0	$6,453,496
26	Cost Overruns	$0	$0	$0	$0	$0	$0	$0	$0
27	Prior Year Reconciliation	$0	($187,761)	$273,136	($133,091)	$0	$0	$0	($47,716)
28	**Total Direct Capital**	$35,079,926	$91,100,927	$110,193,142	$120,703,310	$113,788,628	$93,590,228	$105,870,783	$670,326,944
29	**Indirect Capital - Other**	$7,616,075	$10,330,991	$13,115,079	$12,519,635	$13,845,674	$15,130,730	$15,890,146	$88,448,330
30	**AFUDC**	$420,425	$1,768,555	$3,958,321	$3,734,288	$2,059,018	$2,734,334	$2,012,043	$16,686,984
31	**Total Capital**	$43,116,426	$103,200,473	$127,266,542	$136,957,233	$129,693,320	$111,455,292	$123,772,972	**$775,462,258**
32	**Total O&M (Integrity Data Integration Project)**	$2,126,788	$2,985,601	$2,440,290	$2,332,534	$2,314,787	$0	$0	$12,200,000
	Variance								
33	Total Transmission	($1,840,282)	($1,966,538)	($684,870)	($5,041,039)	$4,779,463	$9,078,121	$0	$4,324,855
34	Total Distribution	($1,618,298)	($3,839,974)	($7,587,357)	($9,829,326)	($7,865,545)	($10,127,000)	($18,006,664)	($58,874,164)
35	Total Storage	($6,068)	($77,232)	$0	($1,335,622)	$0	$0	$0	($1,418,922)
36	Cost Overruns	$0	($7,270,148)	($7,128,057)	($12,734,237)	$0	$0	$0	($27,132,442)
37	Prior Year Reconciliation	$0	$0	$0	$16,749	($317,549)	$0	$0	($300,800)
38	**Total Direct Capital Variance**	($3,464,648)	($13,153,892)	($15,400,284)	($28,923,475)	($3,403,631)	($1,048,879)	($18,006,664)	($83,401,473)
39	**Indirect Capital - Other**	($488,593)	($1,692,690)	($1,921,082)	($2,887,024)	($413,853)	($169,573)	($2,702,620)	($10,275,435)
40	**AFUDC**	($35,436)	($203,557)	($567,765)	($783,943)	($46,724)	($30,645)	($348,417)	($2,016,487)
41	**Total Capital Variance**	**($3,988,677)**	**($15,050,139)**	**($17,889,131)**	**($32,594,442)**	**($3,864,208)**	**($1,249,097)**	**($21,057,701)**	**($95,693,395)**
42	**Total O&M (Integrity Data Integration Project) Variance**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

NORTHERN INDIANA PUBLIC SERVICE COMPANY
UPDATED 7-YEAR GAS PLAN BY FERC ACCOUNT

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line No.	Gas FERC Account	2014 Updated	2015 Updated	2016 Updated	2017 Updated	2018 Updated	2019 Updated	2020 Updated	7-Year Total
	Direct Capital								
	Transmission								
1	365 Land & Land Rights - Transmission	$0	$71,865	$236,819	$408,302	$0	$0	$0	$716,986
2	366 Structures and Improvements - Transmission	$0	$8,278	$450,878	$1,474,654	$0	$0	$0	$1,933,810
3	367 Mains - Transmission	$8,036,686	$29,933,251	$75,566,785	$75,420,688	$91,320,829	$71,663,034	$66,582,532	$418,523,805
4	369 Meas. & Reg Station Equipment - Transmission	$78,153	$4,473,577	$2,745,353	$4,395,006	$581,977	$1,317,006	$501,392	$14,092,464
5	370 Communication Equipment - Transmission	$0	$45,397	($45,397)	$0	$53,000	$658,503	$17,490	$728,993
6	Total Transmission	$8,114,839	$34,532,368	$78,954,438	$81,698,650	$91,955,806	$73,638,543	$67,101,414	$435,996,058
	Distribution								
7	374 Land & Land Rights - Distribution	$0	$0	$7,875	$1,217	$0	$0	$0	$9,092
8	375 Structures and Improvements - Distribution	$0	$152,519	$734	($33)	$0	$0	$0	$153,220
9	376 Mains - Distribution	$12,476,639	$31,339,826	$11,352,400	$11,733,500	$12,088,425	$12,000,382	$13,338,177	$104,329,349
10	378 Meas. & Reg Station Equipment - Distribution	$4,745,883	$4,052,648	$635,254	$201,437	$0	$0	$0	$9,635,222
11	380 Services - Distribution	$5,421,848	$8,655,045	$8,650,334	$9,842,067	$4,993,736	$5,176,818	$5,568,396	$48,308,244
12	382 Meter Installations - Distribution	$34,447	$1,375,837	$355,525	$259,135	$0	$0	$0	$2,024,944
13	383 House Regulators - Distribution	$1,600	$1,184,833	$411,631	$238,544	$1,664,579	$1,725,606	$1,856,132	$7,082,925
14	384 House Regulator Installations - Distribution	$0	$1,230	$5	$4	$0	$0	$0	$1,239
15	385 Industrial Measuring and Regulating Station Equip - Distribution	$171,995	$503,867	$244,850	$220,929	$0	$0	$0	$1,141,641
16	397 Communication Equipment - Distribution	$131,633	($478)	$3,683	($3,598)	$0	$0	$0	$131,240
17	Total Distribution	$22,984,045	$47,265,327	$21,662,291	$22,493,202	$18,746,740	$18,902,806	$20,762,705	$172,817,116
	Storage								
18	351 Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
19	353 Lines - Storage	$219,487	$1,324,261	$212,021	($9,970)	$0	$0	$0	$1,745,799
20	354 Compressor Station Equipment - Storage	$0	$60,206	$62,797	$27,945	$0	$0	$0	$150,948
21	355 Meas. & Reg Station Equipment - Storage	$0	$0	$0	$113	$0	$0	$0	$113
22	356 Purification Equipment - Storage	$39,391	$116,060	$341,695	$37,002	$0	$0	$0	$534,148
23	357 Other Equipment - Storage	$52,653	($19,164)	$136	$535	$0	$0	$0	$34,160
24	361 Structures and Improvement - Storage	$21,556	$609,040	$476,350	$28,133	$0	$0	$0	$1,135,079
25	362 Gas Holders - Storage	$0	$144,259	$1,521	($1)	$0	$0	$0	$145,779
26	363 Equipment - Storage	$183,307	$1,184,826	$209,666	$238,463	$0	$0	$0	$1,816,262
27	Total Storage	$516,394	$3,419,488	$1,304,186	$322,220	$0	$0	$0	$5,562,288
28	Cost Overruns	$0	($7,270,148)	($7,128,057)	($12,734,237)	$0	$0	$0	($27,132,442)
29	Prior Year Reconciliation	$0	$0	$0	$0	($317,549)	$0	$0	($317,549)
30	**Total Direct Capital**	**$31,615,278**	**$77,947,035**	**$94,792,858**	**$91,779,835**	**$110,384,997**	**$92,541,349**	**$87,864,119**	**$586,925,471**
31	**Indirect Capital - Other**	**$7,127,482**	**$8,638,301**	**$11,193,997**	**$9,632,611**	**$13,431,821**	**$14,961,157**	**$13,187,526**	**$78,172,895**
32	**AFUDC**	**$384,989**	**$1,564,998**	**$3,390,556**	**$2,950,345**	**$2,012,294**	**$2,703,689**	**$1,663,626**	**$14,670,497**
33	**Total Capital**	**$39,127,749**	**$88,150,334**	**$109,377,411**	**$104,362,791**	**$125,829,112**	**$110,206,195**	**$102,715,271**	**$679,768,863**
34	**Total O&M (Integrity Data Integration Project)**	**$2,126,788**	**$2,985,601**	**$2,440,290**	**$2,332,534**	**$2,314,787**	**$0**	**$0**	**$12,200,000**