

FILED
October 25, 2023
**INDIANA UTILITY
REGULATORY COMMISSION**

Northern Indiana Public Service Company LLC

Cause No. 45967

VERIFIED DIRECT TESTIMONY OF GUNNAR J. GODE

1 **Introduction**

2 **Q1. Please state your name, business address and title.**

3 A1. My name is Gunnar J. Gode. My business address is 290 W Nationwide
4 Blvd, Columbus, Ohio 43215. I am Vice President and Chief Accounting
5 Officer for NiSource Corporate Services Company ("NCSC"), a wholly
6 owned subsidiary of NiSource Inc. ("NiSource").

7 **Q2. On whose behalf are you submitting this direct testimony?**

8 A2. I am submitting this testimony on behalf of Northern Indiana Public Service
9 Company LLC ("NIPSCO" or the "Company").

10 **Q3. Please describe your educational and employment background.**

11 A3. I earned a B.S. degree in managerial economics from Cornell University and
12 completed my M.B.A. from Babson College. I am a Certified Public
13 Accountant, licensed in the state of Maryland. I joined NiSource in my
14 current role in August 2020. Prior to that, I was the Vice President and
15 Controller for AltaGas Services US, including its wholly owned subsidiary
16 Washington Gas Light Company. I was employed by Washington Gas for

1 16 years, serving in increasing roles of responsibility within the Finance and
2 Accounting functions. Prior to joining Washington Gas, I worked as a
3 business recovery consultant for FTI Consulting and also as a senior
4 accountant at PricewaterhouseCoopers and Grant Thornton, serving the
5 technology and utility sectors, respectively.

6 **Q4. What are your responsibilities as Vice President and Chief Accounting**
7 **Officer?**

8 A4. As Vice President and Chief Accounting Officer my principal
9 responsibilities include overseeing the Company's financial statement
10 preparation, accounting, and control processes. As a part of these
11 responsibilities, I am responsible for maintaining the processes and controls
12 to identify and record transactions related to NCSC and the corresponding
13 allocations to the NiSource operating companies, including NIPSCO.

14 **Q5. Have you previously testified before the Indiana Utility Regulatory**
15 **Commission ("Commission") or any other regulatory commission?**

16 A5. Yes. I previously testified before the Commission in NIPSCO's last electric
17 and gas rate cases in Cause No. 45772 and Cause No. 45621, respectively. I
18 also testified before the Commission supporting NIPSCO's proposed cost

1 recovery associated with its request for a Certificate of Public Convenience
2 and Necessity for federally mandated projects associated with NIPSCO's
3 proposed Ash Pond Compliance Project to comply with federally
4 mandated requirements under Ind. Code 8-1-8.4-5 currently pending in
5 Cause No. 45700. I have also previously testified in proceedings in Virginia
6 and the District of Columbia.

7 **Q6. Are you sponsoring any attachments to your direct testimony in this**
8 **Cause?**

9 A6. Yes. I am sponsoring Attachments 6-A through 6-D, all of which were
10 prepared or assembled by me or under my direction and supervision. I also
11 sponsor a portion of the workpapers included in Petitioner's Confidential
12 Exhibit No. 19-S2.

13 **Q7. What is the purpose of your direct testimony?**

14 A7. The purpose of my direct testimony is to provide background on the
15 relationship between NCSC and NIPSCO. I also support the actual
16 operation and maintenance ("O&M") expenses associated with services
17 provided by NCSC to NIPSCO for the period beginning January 1, 2022 and
18 ending December 31, 2022 (the "Historic Base Period"), as well as certain

1 normalization adjustments to those expenses (which when taken together,
2 comprise the “Normalized Historic Base Period”). The same underlying
3 allocation methodologies applied during the Historic Base Period are used
4 for the expected NCSC services provided to NIPSCO for the period
5 beginning January 1, 2023 and ending December 31, 2023 (the “2023
6 Forecast Period”), and the period beginning January 1, 2024 and ending
7 December 31, 2024 (the “Forward Test Year”).

8 **Relationship between NCSC and NIPSCO**

9 **Q8. Please explain the structure and role of NCSC.**

10 A8. NCSC was established to provide centralized services to the individual
11 operating companies within NiSource and coordinates the allocation and
12 billing of charges to the NiSource operating companies for services
13 provided by both NCSC directly and by third-party vendors. The
14 rendering of services on a centralized basis enables the affiliates to realize
15 benefits from economies of scale, by leveraging the use and specialized
16 expertise of personnel and equipment across the whole enterprise. Thus,
17 NCSC offers NIPSCO, as well as the other individual NiSource distribution
18 companies, access to the depth and breadth of professional experience that

1 may not otherwise be available, or available from consultants at much
2 higher costs. NIPSCO Witness Baryenbruch evaluates the reasonableness
3 of and necessity for the costs of services provided by NCSC to NIPSCO Gas
4 and compares the cost of services provided to NIPSCO to market-based
5 costs. A list of the NCSC associate billing companies is shown in
6 Attachment 6-A.

7 **Q9. How are costs billed to affiliates?**

8 A9. There are two types of billings made to affiliates, including NIPSCO: (1)
9 contract billing; and (2) convenience billing.

10 **Q10. Can you please explain the difference between contract and convenience**
11 **billings?**

12 A10. Contract billings represent NCSC services, including both labor, related
13 benefits and non-labor costs, billed to the respective affiliates and are
14 charged through billing pools. Contract billings may be direct-billed (billed
15 directly to a single affiliate or function, including NIPSCO Electric, NIPSCO
16 Gas or NIPSCO Common), or allocated (split between or among several
17 affiliates), depending upon the affiliate or function benefitting from or
18 driving the expense. Of note, the total amount of costs reflected in the

1 Historic Base Period and the Normalized Historic Base Period (as shown in
2 Attachment 6-D) are all contract billings.

3 Convenience billings reflects payments that are routinely made on behalf
4 of affiliates on an ongoing basis, including employee benefits, corporate
5 insurance, leasing, and external audit fees. Each affiliate is directly billed
6 for its proportional share of the payments made in that respective month.
7 As the name implies, convenience billings are processed as a convenience
8 to vendors, eliminating the need for a separate invoice to be generated for
9 each affiliate entity receiving the same services. NCSC makes the payment
10 to the vendor and the charges for the services are recorded directly on the
11 books of the affiliate.

12 **Q11. Are contract billings rendered pursuant to an executed contract?**

13 A11. Yes. NCSC has executed an individual Service Agreement with each
14 affiliate, which designates the types of services that are allowed to be
15 performed and the method of calculating the charges for those services.
16 The Service Agreement is updated from time to time so all affiliates that
17 receive service from NCSC are subject to the same Service Agreement. A
18 copy of the current Service Agreement, effective January 1, 2015 between

1 NCSC and NIPSCO, was submitted to this Commission as an affiliate
2 agreement on January 15, 2015 (the "Service Agreement"). A copy of the
3 Service Agreement is attached hereto as Attachment 6-B. The services
4 provided to NIPSCO are described in the Service Agreement in Article 1
5 and in Appendix A (Article 2) and further described below.

6 **Q12. Is NCSC responsible for appropriately assessing the split between costs**
7 **attributable to NIPSCO's Electric and Gas operations?**

8 A12. No, not unless the costs are directly billed to NIPSCO Electric or NIPSCO
9 Gas. NCSC direct bills expenses where possible to NIPSCO Electric and
10 NIPSCO Gas. As NIPSCO Witness Weatherford explains, allocations
11 between NIPSCO Electric and NIPSCO Gas are done using a similar
12 methodology as the NCSC allocation bases, which is described in the next
13 section.

14 **NCSC Cost Allocation to NIPSCO**

15 **Q13. How does NCSC determine charges applicable to NIPSCO?**

16 A13. NCSC is regulated by the Federal Energy Regulatory Commission
17 ("FERC"). Pursuant to FERC Order No. 684 issued October 19, 2006,
18 centralized service companies (like NCSC) must use a cost accumulation

1 system, provided such system supports the allocation of expenses to the
2 services performed and readily identifies the source of the expense and the
3 basis for the allocation. In compliance with FERC, NCSC uses a billing pool
4 system to collect costs that are applicable and billable to affiliates, including
5 NIPSCO. The cost allocation policy requires all expenses (labor related or
6 otherwise) to be charged directly to an affiliate whenever possible and
7 practicable. Some projects or services necessarily involve more than one
8 affiliate, and in that case, the billing pool system details how expenses are
9 allocated among the participating affiliates.

10 **Q14. Are charges for services rendered to NIPSCO billed at cost?**

11 A14. Yes. In accordance with the Service Agreement (Section 2.2) all services are
12 provided at cost, including compensation for use of capital.

13 **Q15. What controls are in place to ensure that an affiliate is consistently and**
14 **appropriately billed?**

15 A15. NCSC allocates costs for a particular billing pool in accordance with the
16 bases of allocation filed annually with FERC. A description of the basis of
17 each allocation is included within the Service Agreement. NCSC updates
18 the statistical data used in the approved allocation bases, at minimum, on a

1 semi-annual basis. Prior to publishing the updated allocation percentages,
2 NCSC provides NIPSCO's leadership team the opportunity to review,
3 discuss, and provide feedback on the changes from the previous allocation
4 percentages. There are system controls in place that restrict certain
5 departments, or groups of departments, to only use billing pools that
6 allocate to companies benefitting from the services those departments
7 provide. Essentially, a department that supports only the operating
8 affiliates would only be allowed to use billing pools that include the
9 operating affiliates. If an individual would attempt to use a different billing
10 pool, the related accounting systems would prompt an immediate error and
11 not allow data to be input. NCSC continues to use the same allocation
12 methods reviewed and tested during its last FERC Audit.¹

13 **Q16. What are the Bases of Allocation?**

14 A16. NCSC allocates costs for a particular billing pool in accordance with the
15 following Bases of Allocation that are filed annually with the FERC:

16 BASIS 1 Gross Fixed Assets and Total Operating Expenses

¹ NiSource Inc., including NCSC, underwent a FERC audit, Docket No. FA11-5-000 covering the period January 1, 2009 through December 31, 2010. The Final Audit Report was issued by the FERC on October 24, 2012, which is provided in response to 170 IAC 1-5-7(5).

1	BASIS 2	Gross Fixed Assets
2	BASIS 3	Number of Meters Serviced (Not used for NIPSCO)
3	BASIS 4	Number of Accounts Payable Invoices Processed
4	BASIS 7	Gross Depreciable Property & Total Operating Expense
5	BASIS 8	Gross Depreciable Property (Not used for NIPSCO)
6	BASIS 9	Automotive Units
7	BASIS 10	Number of Retail Customers
8	BASIS 11	Number of Regular Employees
9	BASIS 13	Fixed Allocation
10	BASIS 14	Number of Transportation Customers (not used for NIPSCO)
11	BASIS 15	Number of Commercial Customers (not used for NIPSCO)
12	BASIS 16	Number of Residential Customers (not used for NIPSCO)
13	BASIS 17	Number of High Pressure Customers (not used for NIPSCO)
14	BASIS 20	Direct Costs (direct and allocated corporate contract bill costs)

15 A description of each Basis of Allocation is included in Attachment 6-B
16 (Exhibit A of Appendix A to the Service Agreement). Each basis of
17 allocation has one or more allocation codes under it that include different
18 groupings of the benefitting operating companies. Allocation bases along
19 with their respective allocation codes included in the Historic Base Period
20 for NIPSCO are shown in Attachment 6-C. As NIPSCO Witness

1 Weatherford discusses, a similar methodology is used to allocate NIPSCO
2 Common costs between NIPSCO Electric and Gas and these allocation
3 percentages are included in NIPSCO Witness Weatherford's Attachment 3-
4 F.

5 **Q17. Please explain each affiliate's rights regarding bills issued by NCSC.**

6 A17. In accordance with the Service Agreement (Section 4.1), NIPSCO has the
7 right to meet with NCSC to review and assess the quality, costs, and/or
8 allocations of the services being provided pursuant to the Service
9 Agreement. The NCSC accounting team performs a review of the bill and
10 makes selections to test individual charge details for reasonableness and
11 accuracy. A monthly report summarizing the contract billings is sent out
12 to the utility planning group for review and informational purposes.

13 **Historic Base Period NCSC Allocation to NIPSCO**

14 **Q18. What is the actual amount of NCSC O&M expenses billed to NIPSCO**
15 **Gas in the Historic Base Period?**

16 A18. The actual amount of NCSC O&M expenses in the Historic Base Period for
17 NIPSCO Gas is \$66,970,678 as shown on Attachment 6-D, Page 1, Line 1.²

² Petitioner's Exhibit No. 3, Attachment 3-C-S2, Adjustment OM 7 (line 1).

1 To arrive at a comparable, ongoing level of allocated expenses, certain
2 adjustments are made to the Historic Base Period, resulting in a Normalized
3 Historic Base Period total expense of \$67,474,711, as shown on Attachment
4 6-D, Page 1, Line 6.

5 **Q19. Please explain the adjustments to the Historic Base Period to arrive at the**
6 **Normalized Historic Base Period?**

7 A19. As shown on Attachment 6-D, and as further discussed below, adjustments
8 were made to the Historic Base Period for (1) Long Term Incentive Plan
9 ("LTIP") Normalization Adjustment, (2) Short Term Incentive ("STI") Plan
10 Normalization Adjustment, and (3) Outside Services Accrual Adjustment.

11 **Q20. Please explain the LTIP Adjustment on Attachment 6-D, Page 1, Line 3.**

12 A20. The LTIP Adjustment normalizes the Historic Base Period by increasing
13 NCSC expenses allocated to NIPSCO Gas in the amount of \$490,310 to
14 reflect an expected payout consistent with target levels included in the
15 Forecast Period and Forward Test Year. LTIP is a form of stock
16 compensation granted to employees for two reasons: first, to align
17 employee interests with those of NiSource, and second, to ensure NiSource
18 is competitive in the marketplace to attract and retain highly qualified and

1 capable employees. LTIP represents restricted and contingent stock
2 compensation that was granted to leaders at the Director level and higher
3 prior to and during the Normalized Historic Base Period that vests over
4 multiple years.³ If this adjustment is not included, the Normalized Historic
5 Base Period O&M expenses would be understated.⁴

6 **Q21. Please explain the Short Term Incentive ("STI") Plan Adjustment on**
7 **Attachment 6-D, Page 1, Line 4.**

8 A21. The STI adjustment normalizes the Historic Base Period by decreasing
9 NCSC expenses allocated to NIPSCO Gas in the amount of \$497,344 to
10 reflect an expected payout consistent with target levels included in the 2023
11 Forecast Period and Forward Test Year. The STI normalized expense
12 represents on-target compensation (i.e., expected compensation) for
13 employees, incorporating both non-financial and financial components. If
14 this adjustment is not included, the Normalized Historic Base Year O&M
15 expenses would be overstated.⁵

³ LTIP awards were first issued to Director level employees in Fiscal Year 2022.

⁴ Petitioner's Exhibit No. 3, Attachment 3-C-S2, Adjustment OM 7 (line 3).

⁵ Petitioner's Exhibit No. 3, Attachment 3-C-S2, Adjustment OM 7 (line 2).

1 **Q22. Please explain the Outside Services Accrual Adjustment on Attachment**
2 **6-D, Page 1, Line 5.**

3 A22. The Outside Services Accrual Adjustment normalizes the Historic Base
4 Period by increasing NCSC expenses in the amount of \$511,068 to reflect
5 the reversal of an Outside Services Accrual that was inadvertently charged
6 to NIPSCO in December 2021 and was automatically reversed in January
7 2022 and paid directly, without allocation, by NiSource Inc. If this
8 adjustment is not included, the Normalized Historic Base Period O&M
9 expenses would be understated.⁶

10 **Q23. Is the updated allocation of service costs to NIPSCO reasonable?**

11 A23. Yes. The cost allocation to NIPSCO is reasonable, both in the percentage
12 and the amount. The methodology to calculate the allocation percentages
13 has been consistently applied. As a public utility, the Company's
14 responsibility is to provide safe, reliable electric service to its customers at
15 reasonable and prudent costs. The amount of NCSC costs allocated to
16 NIPSCO Gas is prudent and reasonable when comparing to what similar
17 service costs would be if provided by an outside third party – or provided

⁶ Petitioner's Exhibit No. 3, Attachment 3-C-S2, Adjustment OM 7 (line 5).

1 solely to NIPSCO. NIPSCO Witness Baryenbruch provides a detailed
2 analysis that supports the reasonableness and prudence of the NCSC
3 service costs.

4 **Q24. Does this conclude your prefiled direct testimony?**

5 A24. Yes.

VERIFICATION

I, Gunnar J. Gode, Vice President and Chief Accounting Officer of NiSource Corporate Services Company, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.



Gunnar J. Gode

Date: October 25, 2023

**NiSource Corporate Services Company
List of Associate Billing Companies**

Company Name	Billing Company No.	
Columbia Gas of Kentucky, Inc.	32	
Columbia Gas of Maryland, Inc.	35	
Columbia Gas of Massachusetts	80	(a)
Columbia Gas of Ohio, Inc.	34	
Columbia Gas of Pennsylvania, Inc.	37	
Columbia Gas of Virginia, Inc.	38	
Columbia Gas of Ohio Receivables Corporation	93	
Columbia Gas of Pennsylvania Receivables Corporation	94	
NiSource Development Company, Inc.	60	
NiSource Energy Technologies, Inc.	78	
NiSource Inc.	58	
NiSource Insurance Corporation, Inc.	22	
Northern Indiana Public Service Company	59	
RoseWater WindFarm	550	
Indiana CrossRoads WindFarm	551	
Dunn's Bridge I Solar Center LLC	552	
Meadow Lake Solar Park LLC	553	

(a) Bay State Gas d/b/a Columbia Gas of Massachusetts ("CMA").

Service Agreement
BETWEEN
NISOURCE CORPORATE SERVICES COMPANY
AND
NORTHERN INDIANA PUBLIC SERVICE COMPANY

Dated January 1, 2015
(To Take Effect Pursuant to Article 3 Hereof)

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into effective the 1st day of January, 2015 by and between Northern Indiana Public Service Company, its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company ("Company").

WITNESSETH:

WHEREAS, each Company and Client is a direct or indirect wholly owned subsidiary of NiSource Inc., a Delaware corporation and a "holding company" as defined in the Public Utility Holding Company Act of 2005 ("Act") that is subject to regulations adopted by the Federal Energy Regulatory Commission ("FERC") pursuant to the Act;

WHEREAS, the Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost; and

WHEREAS, the rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

1.1 The Company shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth, such of the services described in Section 2 of Appendix A hereto (the "Services"), at such times, for such periods and in such manner as Client may from time to time request and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services").

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with Exhibit A, which is filed annually with the FERC. Client shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

1.5 The Company routinely makes payments on behalf of affiliates on an ongoing basis, including payroll, employee benefits, corporate insurance, leasing, and external audit fees. Each affiliate receives on a monthly basis a Convenience Bill for its proportional share of the payments made in that respective month. As the name implies, convenience billing is intended as a convenience to vendors because it eliminates the need for a separate invoice to be generated for each affiliate entity receiving the same services. Therefore, the Company makes the payment to the vendor and the charges for the services are recorded directly on the books of the affiliate and not by the Company.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent reasonably possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost and include compensation for use of capital thereof, fairly and equitably allocated. The Company shall review with the

Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall make available monthly billing information to the Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake a review of the charges and identify all questions or concerns regarding the charges reflected within a reasonable period of time. Client shall remit to the Company all charges billed to it within a period of time not exceeding 30 days of receipt of the monthly billing information.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, taxes, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and reasonable compensation for use of capital.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and federal agencies as needed, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the FERC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 Upon request of the Client, the Company shall meet with the Client to review and assess the quality, costs, and/or allocations of the services being provided pursuant to this

Service Agreement. The Client shall also have the right to amend the scope of services as it determines to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the FERC's Uniform System of Accounts ("USofA") for centralized service companies .

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: Susanne M. Taylor
Name: Susanne M. Taylor
Its: Controller

NORTHERN INDIANA PUBLIC SERVICE
COMPANY

By: Kathleen O'Leary
Name: Kathleen O'Leary
Its: President

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

1 The term "Company" shall mean NiSource Corporate Services Company and its successors.

2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.

3 The term "Client" shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 *Accounting and Statistical Services.* The Company will advise and assist the Clients in all aspects of accounting, including financial accounting, asset accounting, regulatory accounting, tax accounting, maintenance of books and records, safeguarding of assets, accounts payable, accounts receivable, reconciliations, accounting research, reporting, operations and maintenance analysis, payroll services, business applications support, and other related accounting functions. The Company will also provide services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company will ensure compliance with generally accepted accounting principles and provide guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company will advise and assist the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants

in the annual examination of their accounts. The Company will ensure compliance, monitor business risk, and coordinate internal control structure.

3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of forecasts, budgets and budgetary controls, and other financial planning activities.

4 *Business Services.* The Company will advise and assist the Clients in the preparation and use of educational and advertising materials; in the development of processes to increase residential, commercial and industrial customers, as well as maintenance of business in those areas; and providing information to customers regarding Clients' products and services.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters including corporate secretary services, business continuity planning, shareholder services, corporate records management, proceedings involving regulatory bodies, and other corporate matters.

6 *Customer Billing, Collection, and Contact Services.* The Company will render calculating, bill exception processing, back office processing, posting, printing, inserting, mailing and related services to Client associated with the preparation and issuance of customer bills, notices, inserts and similar mailings. The Company will provide cash processing, revenue recovery, account reconciliations and adjustments, and related services to Client associated with the collection of revenue and management of accounts receivable. The Company will provide customer contact and related services to Client, including alternative pricing services, customer contact center management, operation and administration; management of key customer relationships; communications associated with the commencement, transfer, maintenance and disconnection of service; sales of optional products and services; the receipt and processing of emergency calls; the handling of customer complaints; and responses to customer billing, credit, collection, order take and inquiry, outage, meter reading, retail choice and other inquiries.

7 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

8 *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

9 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

10 *Employee Services.* The Company will advise and assist the Clients in connection with organizational, leadership, and strategic development, employee relations matters, including recruitment, employee placement and retention, training, compensation, safety, labor relations

and health, welfare and employee benefits. The Company will also advise and assist the Clients in connection with temporary labor matters, including assessment, selection, contract negotiation, administration, service provider relationships, compliance, review and reporting.

11 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, engineering and supervision of the fabrication of natural gas facilities, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

12 *Facility Services.* The Company will manage and effectively execute facility operations, facility maintenance, provide suitable space in its offices for the use of the Clients and their officers and employees, provide delivery services, security services, print services, and other facility services.

13 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

14 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

15 *Information Technology Services.* The Company will advise and assist Clients in matters involving information technology, including management, operations, control, monitoring, testing, evaluation, data access security, disaster recovery planning, technical research, and support services. The Company will also provide and assist the Client with application development, maintenance, modifications, upgrades and ongoing production support for a portfolio of systems and software that are used by the Clients. In addition, the Company will identify and resolve problems, ensure efficient use of software and hardware, and ensure that timely upgrades are made to meet the demands of the Clients. The Company will also maintain information concerning the disposition and location of Information Technology assets.

16 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

17 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

18 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice, including, without limitation, interpretation and advice concerning the regulations or orders of the Securities and Exchange Commission, the Federal Energy Regulatory Commission, the Environmental Protection Agency, and the Pipeline and Hazardous Materials Safety Administration, bankruptcy and collection matters, employment and labor relations investigations, union contracting, Equal Employment Opportunity Commission issues, compliance with state and federal legislative requirements, and all other matters for which Clients require legal services.

19 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

20 *Operations Support and Planning Services.* The Company will advise and assist the Clients in connection with operations support and planning, including logistics, scheduling & dispatching; workforce planning; corrosion and leakage programs; estimates of gas requirements and gas availability; gas transmission, measurement, storage and distribution; construction requirements; construction management; operating standards and practices; regulatory and environmental compliance; pipeline safety and compliance; employee and system safety programs; sustainability; training; management of transportation and sales programs; negotiation of gas purchase and sale contracts; energy marketing and trading, including off-system sales and capacity release activities contemplated in a Client's revenue sharing mechanism; security services; measurement, regulation and conditioning equipment; meter testing, calibration and repair; hydraulic gas network modeling, facility mapping and GIS technologies; and other operating matters.

21 *Purchasing, Storage and Disposition Services.* The Company will render advice and assistance to the Clients in connection with supply chain activities, including the standardization, purchase, lease, license and acquisition of equipment, materials, supplies, services, software, intellectual property and other assets, as well as shipping, storage and disposition of same. The Company will also render advice and assistance to the Client in connection with the negotiation of the purchase, sale, acquisition or disposition of assets and services and the placing of purchase orders for the account of the Client.

22 *Regulatory Services.* The Company will advise and assist the Clients in all regulatory and rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings, the preparation and presentation of testimony and exhibits to regulatory authorities, and other regulatory activities.

23 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

24 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

25 *Treasury Services.* The Company provides services such as risk management, cash management, long and short term financing for all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, and special economic studies as requested.

26 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, , as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses that are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall be apportioned among the Clients, as applicable, in the proportions that the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the

Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

*Exhibit A****DIRECT BILLING AND BASES OF ALLOCATION***

The Company will bill charges directly to a Client to the extent possible while any remaining costs are then allocated. When it is impractical or inappropriate to charge a Client directly, the Company allocates costs in accordance with the following Bases of Allocation which are filed annually with the FERC. The Company works cooperatively with department sponsors or project leaders through meetings and discussions to ensure costs are properly allocated to the Clients that will benefit from the service provided. Provided below are the Bases of Allocation for the Company, including a description of each basis and its numerator and denominator.

BASIS 1**GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES**

- Fifty percent of the total charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates. All companies may be included in this allocation.

BASIS 2**GROSS FIXED ASSETS**

- Charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates. All companies may be included in this allocation.

BASIS 3**NUMBER OF METERS SERVICED**

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of meters serviced to the total number of all meters serviced of the benefited affiliates. This allocation may only be used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 4

NUMBER OF ACCOUNTS PAYABLE INVOICES PROCESSED

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of accounts payable invoices processed (interface invoices excluded) to the total number of all accounts payable invoices processed of the benefited affiliates. All companies may be included in this allocation.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Charges will be allocated to each benefited affiliate on the basis of the relation of its total depreciable property to the sum of the total depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 9

AUTOMOBILE UNITS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of automobile units to the total number of all automobile units of the benefited affiliates. All companies may be included in this allocation.

BASIS 10

NUMBER OF RETAIL CUSTOMERS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of retail customers to the total number of all retail customers of the benefited affiliates. All companies may be included in this allocation.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All companies may be included in this allocation.

BASIS 13

FIXED ALLOCATION

- Charges will be allocated to each benefited affiliate on the basis of fixed percentages on an individual project basis. All companies may be included in this allocation.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania, Columbia Gas of Maryland, and Bay State Gas Company.

BASIS 20

SERVICE COMPANY BILLING (DIRECT AND ALLOCATED) COSTS

- Charges will be allocated to each benefited affiliate on the basis of the relation of its Service Corporation billing costs, in total or by functional group (e.g. IT, Legal, HR, Finance, Audit), to the corresponding total of all Service Company billing costs, (i.e. in total or by functional group). The calculation of Basis 20 will include only those billings for services provided to all NiSource affiliates, excluding Business Unit specific shared service functions (i.e. functions that serve only one particular Business Unit). All companies may be included in this allocation.

NiSource Corporate Service Company Allocation Percentages which impact NIPSCO
Test Year - Twelve Months Ended 12/31/2022

Allocation Basis ¹	Allocation Code ²	January 2022 - January 2022		February 2022 - July 2022		August 2022 - December 2022	
		NCSC	Total NIPSCO	NCSC	Total NIPSCO	NCSC	Total NIPSCO
Basis 1	AG	0.00%	54.88%	0.00%	51.92%	0.00%	50.93%
	AN	15.49%	46.46%	15.62%	43.75%	15.58%	43.30%
	AR	0.00%	26.39%	0.00%	26.23%	0.00%	26.39%
	AV	0.00%	55.69%	0.00%	53.35%	0.00%	52.72%
	ZG	0.00%	84.76%	0.00%	84.64%	0.00%	84.53%
	ZI	0.00%	97.77%	0.00%	97.29%	0.00%	97.29%
	ZK	0.00%	55.69%	0.00%	53.35%	0.00%	52.72%
Basis 2	BN	0.94%	53.06%	0.93%	48.98%	0.94%	48.87%
Basis 4	DB	19.35%	0.00%	20.67%	0.00%	21.72%	0.00%
	DE	8.51%	56.02%	9.11%	55.95%	9.45%	56.49%
Basis 7	GG	0.00%	54.74%	0.00%	51.29%	0.00%	50.59%
Basis 9	IG	0.00%	37.17%	0.00%	37.22%	0.00%	35.99%
Basis 10	JE	0.00%	36.04%	0.00%	36.01%	0.00%	36.13%
	JL	0.00%	28.54%	0.00%	28.52%	0.00%	28.63%
	JN	0.00%	26.45%	0.00%	26.43%	0.00%	26.52%
Basis 11	KF	25.94%	38.88%	26.36%	37.85%	27.41%	37.04%
	KG	0.00%	52.49%	0.00%	51.39%	0.00%	51.04%
	KS	42.44%	0.00%	42.41%	0.00%	43.55%	0.00%
	KU	0.00%	38.73%	0.00%	36.75%	0.00%	35.87%
Basis 13	MA	0.00%	42.82%	0.00%	42.59%	0.00%	43.74%
	MD	0.00%	43.97%	0.00%	43.93%	0.00%	43.93%
	MK	0.00%	56.01%	0.00%	56.01%	0.00%	56.01%
	MM	0.00%	49.95%	0.00%	49.96%	0.00%	49.96%
	MR	2.40%	43.56%	1.52%	39.09%	1.32%	38.58%
	MZ	0.00%	25.34%	0.00%	25.83%	0.00%	26.71%
Basis 20	TA	0.00%	42.76%	0.00%	42.38%	0.00%	42.31%
	TI	0.00%	45.98%	0.00%	44.71%	0.00%	45.23%
	TL	0.00%	38.66%	0.00%	39.03%	0.00%	41.21%

* Please note that some allocations bill a portion of a percentage to NCSC, thus all companies are billed a portion of NCSC costs in these allocation factors.

In order to calculate the NIPSCO portion of the NCSC, Petitioner's Exhibit Attachment C is multiplied by the NCSC allocation percentage.

** At a minimum, allocations are updated on a semi-annual basis in February and August.

1) Allocation Basis are defined in Appendix A of the Service Agreement included as Attachment 7-B

2) Allocation codes are merely subgroupings of companies under an Allocation Basis that benefit from services offered by NCSC. They are alphanumeric in nature and normally the first letter of the allocation code follows the Allocation Basis number (i.e. Basis 1 has "A" allocation codes).

**NiSource Corporate Service Company Allocation Percentages which impact NIPSCO
Test Year - Twelve Months Ended 12/31/2022**

Month	NIPSCO Common
Jan-22	31.90%
Feb-22	31.15%
Mar-22	33.04%
Apr-22	32.73%
May-22	32.43%
Jun-22	32.31%
Jul-22	32.28%
Aug-22	29.81%
Sep-22	31.33%
Oct-22	32.37%
Nov-22	30.17%
Dec-22	31.07%

Please note that some allocation factors bill a percentage to NCSC, thus all companies are billed a portion of NCSC costs in these specific allocation factors.

Northern Indiana Public Service Company - Gas
NiSource Corporate Services Company (NCSC) Test Year Expenses - with Pro-forma Adjustments
Normalized Historic Base Period - Twelve Months Ended 12/31/2022

<u>Line No.</u>	<u>Ref</u>	<u>Description</u>	<u>Amount</u>
1		2022 Historic Base Period	\$ 66,970,678
2		<i>Adjustments:</i>	
3	[.2]	LTIP Normalization Adjustment	490,310
4	[.3]	STI Normalization Adjustment	(497,344)
5	[.4]	Outside Services Accrual Adjustment	511,068
6		2022 Normalized Historic Base Period	<u>\$ 67,474,711</u>

**Northern Indiana Public Service Company - Gas
NiSource Corporate Services Company - Long-Term Incentive Plan Grants (LTIP)
For The Twelve Months Ended December 31, 2022**

<u>Line No.</u>	<u>Description</u>	<u>Dollars</u>
1	NCSC Historic Base Year LTIP Expense	\$ 13,592,615
2	NIPSCO Gas Historic Base Year LTIP Expense	2,083,077
3 = Line 2 / Line 1	NIPSCO Gas Historic Base Year LTIP Allocation %	15.33%
4	NCSC LTIP Expense at Target	16,792,015
5 = Line 4 x Line 3	NIPSCO Gas LTIP Expense at Target	2,573,387
6 = Line 5 - Line 2	Total LTIP Adjustment	<u><u>490,310</u></u>

**Northern Indiana Public Service Company - Gas
NiSource Corporate Services Company - Short-Term Incentive (STI) Compensation
For The Twelve Months Ended December 31, 2022**

<u>Line No.</u>	<u>Description</u>	<u>Dollars</u>	<u>%</u>
1	NIPSCO Gas Historic Base Year STI Expense - Total	\$ 3,681,069	100.0%
2	NIPSCO Gas Historic Base Year STI Expense - Capital	(596,149)	-16.2%
3 = Line 1 + Line 2	NIPSCO Gas Historic Base Year STI Expense - O&M	3,084,920	83.8%
4	NCSC Total STI Expense at Target	25,485,879	
5	NIPSCO Gas Average Percentage of STI	12.271%	
6 = Line 4 x Line 5	NIPSCO Gas STI Expense at Target - Total	3,127,318	
7 = Line 6	NIPSCO Gas STI Expense at Target - Total	3,127,318	
8 = Line 6 x Line 2 %	NIPSCO Gas STI Expense at Target - Capital	(506,469)	
9 = Line 7 + Line 8	NIPSCO Gas STI Expense at Target - O&M	2,620,849	
10 = Line 9 - Line 3	Adjustment to Normalize NIPSCO Gas STI Expense - O&M	(464,070)	
11	Payroll Tax Rate	7.17%	
12 = Line 10 x Line 11	Payroll Tax Adjustment	(33,274)	
13 = Line 10 + Line 12	Total NIPSCO Gas STI Normalization Adjustment	(497,344)	

Northern Indiana Public Service Company - Gas
NiSource Corporate Services Company - Outside Services Accrual
For The Twelve Months Ended December 31, 2022

<u>Line No.</u>	<u>Description</u>		<u>Dollars</u>	
1	Outside Services Accrual		\$ (4,000,000)	
2	Allocation to NIPSCO	42.76%	\$ (1,710,400)	
3	NIPSCO amount allocated to NIPSCO Gas	29.88%	\$ (511,068)	70.12%
4 = - Line 3	Total impact to NIPSCO Gas		<u>511,068</u>	