NORTHERN INDIANA PUBLIC SERVICE COMPANY
GAS RATE CASE
Forward Looking Test Year: Twelve months ending December 31, 2018
Base Year: Twelve months ending December 31, 2016

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170 IAC	**Description**	**Part**

1-5-12	**Working Papers and data; rate base, working capital**	9
1-5-12(1)	If the utility is requesting an allowance for cash working capital, a copy of all studies, including working papers, supporting the request.	9
1-5-12(2)	For an electric utility, the following:	9
1-5-12(2)(A)	(A) a complete description of the fuel inventory level policies used for planning purposes by the utility	9
1-5-12(2)(B)	(B) Copies of all analyses completed within the last three (3) years by or for the utility establishing the optimal fuel inventory level for each generating station	9
1-5-12(2)(C)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following:**	9
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MINIMUM STANDARD FILING REQUIREMENTS (MSFR) TABLE OF CONTENTS		
170 IAC	**Description**	**Part**
1-5-12(2)(D)	**Any request for an adjustment to the utility's proposed fuel inventory level intended to meet normal operations must include the following:**	9
1-5-12(2)(D)(i)	(i) a narrative discussion of the factors considered in determining that an adjustment is warranted, and	9
1-5-12(2)(D)(ii)	(ii) a detailed exhibit demonstrating the development of the proposed adjustment	9
1-5-12(3)	**For a gas utility the following:**	9
1-5-12(3)(A)	(A) the leased and contract storage balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of relevant circumstances	9
1-5-12(3)(B)	(B) A complete description of the gas storage and supply policies used for planning purposes by the utility	9
1-5-12(3)(C)	(C) Copies of all analyses conducted by or for the utility establishing the optimal storage and supply level for the utility's system.	9
1-5-12(4)	The materials and supplies balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of relevant circumstances	9

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170 IAC	**Description**
1-5-12(1)	**If the utility is requesting an allowance for cash working capital, a copy of all studies, including working papers, supporting the request.**
	NIPSCO is not requesting an allowance for cash working capital.

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170 IAC	Description
1-5-12(2)(A)	**For an electric utility, the following: (A) a complete description of the fuel inventory level policies used for planning purposes by the utility**

This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(B)	**For an electric utility, the following: (B) Copies of all analyses completed within the last three (3) years by or for the utility establishing the optimal fuel inventory level for each generating station**

This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(i)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (i) Tons of fuel consumed for the test year or applicable adjusted period** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(ii)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (ii) The daily burn in (AA) tons, (BB) gallons, or (CC) cubic feet** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(iii)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (iii) The pro forma optimal number of days supply required for each plant or unit** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(iv)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (iv) The pro forma inventory of tons or gallons burned by the generating unit or plant** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(v)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (v) The fuel cost per ton or gallon** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(C)(vi)	**When determining the pro forma fuel inventory level to be used for regulatory purposes based on a daily burn concept, for each generating unit or plant, or both, provide the following: (vi) The per books fuel inventory** This requirement is not applicable to a gas utility.

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170 IAC	Description
1-5-12(2)(D)	**Any request for an adjustment to the utility's proposed fuel inventory level intended to meet normal operations must include the following: (i) a narrative discussion of the factors considered in determining that an adjustment is warranted, and (ii) a detailed exhibit demonstrating the development of the proposed adjustment**
	These requirements are not applicable to a gas utility.

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170 IAC	Description
1-5-12(3)(A)	**For a gas utility the following: (A) the leased and contract storage balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of relevant circumstances**

Actual

Storage balances in contracted and company owned storage facilities

		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	13 month avg
FOM	Dth	31,707,958	22,135,305	14,210,687	10,881,803	13,553,673	16,995,233	19,759,051	21,707,412	26,130,313	29,620,648	25,404,951	36,222,140	28,896,626	22,863,523
EOM	Dth	22,135,305	14,210,687	10,881,803	13,553,673	16,995,233	19,759,051	21,707,412	26,130,313	29,620,648	25,404,951	36,222,140	28,896,626	20,749,821	22,020,589

FOM = First of Month
EOM = End of Month

Based on Gas Source and EASy Reports

		Storage										Total
FOM	EOM	Moss Bluff 5.0 (w	NGPL NSS #142:	Egan #310535	ANR 8.4 124610	ANR 2.2 125044	PEPL 6.9 #1735	Washington 10 #	NGPL DSS #14220	On System		
Jan-16	Dec-15	3,359,739	1,590,539	2,757,840	4,571,988	1,633,575	4,787,786	687,392	5,439,330	6,879,769		31,707,958
Feb-16	Jan-16	2,278,934	1,057,254	1,675,038	3,326,378	962,958	3,118,688	395,507	3,804,639	5,515,909		22,135,305
Mar-16	Feb-16	1,460,862	677,806	1,190,453	1,866,964	828,349	1,946,827	182,553	1,978,811	4,078,062		14,210,687
Apr-16	Mar-16	1,310,667	590,591	782,831	1,181,768	403,016	1,686,878	176,529	1,154,615	3,594,908		10,881,803
May-16	Apr-16	3,154,701	604,578	2,143,015	1,260,313	397,399	1,067,679	192,261	1,176,036	3,557,691		13,553,673
Jun-16	May-16	3,073,852	893,847	2,557,169	2,526,169	810,485	1,282,910	432,787	1,866,505	3,551,509		16,995,233
Jul-16	Jun-16	3,057,314	1,191,027	2,306,292	3,888,673	1,086,250	1,419,993	432,787	2,513,415	3,863,300		19,759,051
Aug-16	Jul-16	3,287,024	1,380,828	1,984,792	3,421,815	1,440,479	2,187,811	608,797	3,199,516	4,196,350		21,707,412
Sep-16	Aug-16	3,814,414	1,523,477	1,517,773	5,382,618	1,677,988	2,554,338	688,526	4,163,986	4,807,193		26,130,313
Oct-16	Sep-16	3,620,852	1,669,099	1,223,794	6,157,754	1,709,953	3,521,030	770,036	5,134,265	5,813,865		29,620,648
Nov-16	Oct-16	1,950,819	1,123,193	1,494,694	7,323,218	1,502,650	2,597,892	300,312	2,199,798	6,912,375		25,404,951
Dec-16	Nov-16	3,715,487	1,731,678	2,920,231	6,836,387	1,635,516	5,325,980	765,492	5,295,094	7,996,275		36,222,140
Jan-17	Dec-16	2,864,164	1,398,758	2,181,554	5,559,633	1,531,912	3,914,629	547,190	3,821,842	7,076,944		28,896,626
	Jan-17	1,950,819	1,123,193	1,494,694	3,894,571	1,502,650	2,597,892	300,312	2,199,798	5,685,892		20,749,821

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170 IAC	Description
1-5-12(3)(B)	**For a gas utility the following: (B) A complete description of the gas storage and supply policies used for planning purposes by the utility**

NIPSCO does not have a formal approved policy for gas storage and supply planning; however, NIPSCO does have guidelines, which are listed below. These guidelines are subject to change due to the fluctuating nature of all the potential variables.

Supply Plan: NIPSCO's gas supply practice has been and continues to be to secure reliable firm gas supply at the lowest cost reasonably possible, with the objective of meeting the Company's current and anticipated customer requirements. NIPSCO meets this objective by managing a balanced and fully diversified gas supply portfolio comprised of a variety of commodity, transportation and storage resources. The commodity portfolio is balanced with a combination of fixed-price (physical and financial) and market based purchases. The commodity portfolio diversification is achieved by acquiring gas from a number of suppliers through a competitive bidding process and utilizing a variety of pricing structures sourced from multiple locations. These gas supplies are delivered to NIPSCO through multiple long-term firm transportation arrangements with several different interstate gas pipelines, providing access to multiple supply basins. NIPSCO also has several long term firm contractual storage services as well as on-system storage capability to meet its gas customers' requirements. The storage portfolio is further diversified through a variety of storage service types in multiple locations in the market area, as well as in producing regions.

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170 IAC **Description**

Optimal Storage and Supply Level: The optimal storage and supply plan is determined by examining the expected demand needs for the gas year, the level of existing storage capacity available within the portfolio, and the amount of gas that will need to be purchased in the year to supplement the storage supplies. The goal of the plan is to ratably fill the existing storage capacity within the defined parameters of each of the storage facilities so as to create a dollar cost averaging methodology throughout the period filling season. Ratably filling storage takes market timing out of the decision making process and ensures that the inventory price is reflective of the average cost of gas through the summer fill period. In terms of the storage/supply mix, storage is expected to fulfill roughly 50% of the customer needs through the winter. This storage/supply mix provides a sufficient amount of price risk mitigation while preserving some ability to capture any movements in market pricing through the winter period.

Storage Injection Plan: Every February, NIPSCO updates its storage fill plan for the upcoming April through October period. This plan will reflect both the expected level of inventory that will exist at the start of the summer injection season as well as the expected amount of gas that will need to be purchased each month to meet inventory targets. NIPSCO's plan is to fill approximately 92% of its off-system storage capacity by the end of October.

Storage Withdrawal Plan: During the winter period, NIPSCO continuously monitors its actual storage inventory and compares it to its current withdrawal plan to determine any intra-month adjustments that may be necessary. NIPSCO's plan is to withdrawal approximately 90% of its off-system storage inventory by the end of the winter season.

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170 IAC	Description
1-5-12(3)(C)	**For a gas utility the following: (C) Copies of all analyses conducted by or for the utility establishing the optimal storage and supply level for the utility's system.** Not applicable as NIPSCO does not conduct, or have anyone conduct, analyses establishing the optimal storage and supply level for the utility's system. As stated in 170 IAC 1-5-12(3)(B) NIPSCO does have guidelines for determining the supply and storage plan.

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170 IAC	Description
1-5-12(4)	**The materials and supplies balances at the beginning of the first month and end of each month of the test year with the average of thirteen (13) monthly balances shown separately. If any of the balances are not representative of the utility's current operating plan, the utility shall include an explanation of relevant circumstances**

NIPSCO Gas Rate Case

Test Year January 2016-December 2016
Materials & Supplies

Date	Balance	
12/31/2015	$	84,605,764
1/31/2016	$	85,765,135
2/29/2016	$	88,981,357
3/31/2016	$	92,475,837
4/30/2016	$	92,571,287
5/31/2016	$	94,680,534
6/30/2016	$	96,577,550
7/31/2016	$	98,492,661
8/31/2016	$	95,397,033
9/30/2016	$	94,061,382
10/31/2016	$	95,920,647
11/30/2016	$	96,459,508
12/31/2016	$	96,685,344
Grand Total	**$**	**1,212,674,039**
13 Month Average	**$**	**93,282,618**