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VERIFIED SETTLEMENT TESTIMONY OF CURT A. WESTERHAUSEN

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1 Q1. Please state your name, business address and title.

2 A1. My name is Curt A. Westerhausen. My business address is 801 E. 86th  
3 Avenue, Merrillville, Indiana 46410. I am currently the Director of  
4 Regulatory for NiSource Corporate Services Company.

5 Q2. On whose behalf are you submitting this settlement testimony?

6 A2. I am submitting this testimony on behalf of Northern Indiana Public Service  
7 Company LLC ("NIPSCO").

8 Q3. Are you the same Curt A. Westerhausen who prefiled direct and rebuttal  
9 testimony in this Cause?

10 A3. Yes.

11 Q4. What is the purpose of your settlement testimony?

12 A4. The purpose of my settlement testimony is to support the Stipulation and  
13 Settlement Agreement on Rate 831 entered into as of the 17<sup>th</sup> day of May,

OFFICIAL  
EXHIBITS

1           2019, by and between NIPSCO, Industrial Group; NLMK;<sup>1</sup> and US Steel  
2           (collectively the "Rate 831 Settling Parties") (the "Rate 831 Implementation  
3           Agreement"). Specifically, I provide a brief summary of the Rate 831  
4           Implementation Agreement and address the public interest.

5   **Q5. Are you sponsoring any attachments to your settlement testimony?**

6   A5. Yes. I am sponsoring Attachments 19-S2-A, which was prepared under my  
7           direction and supervision. Together with the other Rate 831 Settling  
8           Parties, I am sponsoring Joint Exhibit 2 which is a copy of the Rate 831  
9           Implementation Agreement in this Cause.

10   **Q6. Have you reviewed the Rate 831 Implementation Agreement?**

11   A6. Yes.

12   **Q7. What specific objectives were addressed in the Rate 831 Implementation**  
13           **Agreement?**

14   A7. The Rate 831 Implementation Agreement reflects the Rate 831 Settling  
15           Parties agreement on issues related to Rate 831 between and among

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<sup>1</sup> NLMK joins in and supports this Rate 831 Implementation Agreement except as to paragraph C.4.

1 themselves, including implementation.

2 The specific objectives addressed in the Rate 831 Implementation  
3 Agreement include resolution of: (1) the allocation of costs to Rate 831,  
4 eliminating the risk for a Phase 2 proceeding provided the settlement  
5 revenue requirement, and revenue allocation and rate design of Rate 831 as  
6 proposed by NIPSCO is accepted; (2) allocation of trackers, and (3) Rate 831  
7 implementation.

8 **Q8. Please summarize the resolution of the allocation of costs to Rate 831.**

9 A8. For purposes of settlement, the Rate 831 Settling Parties<sup>2</sup> agree that  
10 NIPSCO's cost of service study should be used to allocate costs to Rate 831  
11 based on a Tier 1 subscription of 194.556 megawatts. The Rate 831 Settling  
12 Parties agree that this allocates approximately \$149.438 Million (exclusive  
13 of approximately \$2.827 Million in "other revenues") to Rate 831.

14 **Q9. Please summarize the resolution of the allocation of trackers.**

15 A9. For purposes of settlement, the Rate 831 Settling Parties agree (a) that Rate

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<sup>2</sup> US Steel submitted testimony in this Cause only related to Rate 831, and thus supports the settlement cost of service study as it relates to the rates, charges and trackers related to Rate 831, and takes no position on the remaining rate design.

1        831 Implementation Agreement Exhibit A, which is Attachment 19-R-F to  
2        my rebuttal testimony (updated for the settlement revenue requirement  
3        and the adjustment for Rate 844), shall be used for purposes of establishing  
4        the allocation factors for NIPSCO's surviving tracker mechanisms, (b) that  
5        Rate 831 Implementation Agreement Exhibit B, which is Attachment 19-R-  
6        E to my rebuttal testimony (with no changes), sets out the applicable  
7        portions of Rate 831 that are subject to each surviving tracking mechanism,  
8        and (c) for the purposes of recovery of any approved capital transmission,  
9        distribution, and storage system improvement charge ("TDSIC")  
10       expenditures and costs, only Rate 831 customers' Tier 1 load constitutes  
11       "firm load" and the TDSIC revenue allocation shall only be applied to  
12       revenue associated with Rate 831 customers' Tier 1 load. The Rate 831  
13       Settling Parties agree that Pages 5 and 6 of Rate 831 Implementation  
14       Agreement Exhibit A reflect the allocation factors for TDSIC purposes.

15    **Q10. Please summarize the resolution of Rate 831 rate design and**  
16       **implementation.**

17    A10. For purposes of settlement, the Rate 831 Settling Parties agree that (a), except  
18       as otherwise provided in the Rate 831 Implementation Agreement, Rate 831

1 shall be adopted as proposed in NIPSCO's case-in-chief as modified in  
2 NIPSCO's rebuttal, and based on the settlement revenue requirement for  
3 Rate 831 described in the Rate 831 Implementation Agreement, (b) the  
4 design of Rate 831 should be based on the cost of service study presented  
5 by NIPSCO as modified on rebuttal, and applying the settlement revenue  
6 requirement for Rate 831 described in the Rate 831 Implementation  
7 Agreement, (c) the "Adjacent Affiliate Qualified Facility Premise  
8 Transmission Charge" provision shall be amended to be clear that if the  
9 Customer's premises were served under NIPSCO's prior Rate 732, the gross  
10 Energy transferred between premises will be determined by the aggregate  
11 amount of self-generated Energy in excess of metered consumption in the  
12 applicable monthly billing period, (d) the amount of Tier 1 demand  
13 subscribed to by each of the Rate 831 customers and their corresponding  
14 Tier 1 energy in the initial 5-year contract is as set forth in Rate 831  
15 Implementation Agreement Confidential Exhibit C and agree that the Tier  
16 1 subscriptions reflected in Rate 831 Implementation Agreement  
17 Confidential Exhibit C shall be binding upon each customer in the event of  
18 the approval of the Rate 831 Implementation Agreement without  
19 modification, and (e) a transition period (lasting from the date on which

1 Phase I rates become effective until June 1, 2020) shall provide Rate 831  
2 customers time to make arrangements for their Tier 2 and Tier 3 energy and  
3 capacity needs and agree that applicable terms and conditions set forth in  
4 Rate 831 Implementation Agreement Exhibit D shall be applicable to that  
5 transition period.

6 **Q11. Please summarize Rate 831 Implementation Agreement Exhibit D.**

7 A11. Rate 831 Implementation Agreement Exhibit D sets forth the (1) Tier 2 and  
8 / or Tier 3 contract terms, (2) rate implementation dates, (3) firm capacity  
9 transactions under Tier 2 and Tier 3, and (4) dispute resolution provisions,  
10 applicable to the transition period.

11 **Q12. Please summarize the Tier 2 and / or Tier 3 contract terms set forth in Rate**  
12 **831 Implementation Agreement Exhibit D.**

13 A12. The Rate 831 Settling Parties agree that any contract for energy under Tier  
14 3 and/or capacity under Tier 2 and / or Tier 3 shall include, at a minimum,  
15 the following provisions: (a) identify NIPSCO as the Market Participant for  
16 the retail customer at Midcontinent Independent System Operation, Inc.  
17 ("MISO"); (b) reference NIPSCO's market-based rate authority with the  
18 Federal Energy Regulatory Commission ("FERC"); (c) clearly state the Rate

1           831 customer remains a retail customer of NIPSCO; (d) indemnify NIPSCO  
2           from any financial or performance obligations under any physical energy  
3           or capacity agreement (the terms of any such agreement will link to the end  
4           use customer, who will wholly bear the risk associated with its contractual  
5           obligations); (e) incorporate relevant provisions of the Rate 831 tariff; (f) all  
6           pricing provisions in any agreement may be redacted by the customer;  
7           however NIPSCO reserves the right to request and be provided redacted  
8           information if determined necessary; and (g) any information shared with  
9           NIPSCO shall be subject to a confidentiality agreement applicable to all  
10          terms of said agreements.

11   **Q13. Please summarize the rate implementation dates set forth in Rate 831**  
12    **Implementation Agreement Exhibit D.**

13    A13. The Rate 831 Settling Parties agree that the customer's elections under Rate  
14    831 Tiers 2 and/or Tier 3 shall occur in a window between the day after  
15    NIPSCO's compliance filing in this Cause to thirty (30) days thereafter. In  
16    discussions with NIPSCO, customers recognize that in order to implement  
17    Tier 3, customers may need to install software including a security  
18    certificate to be provided by NIPSCO. The parties agree to work together

1 during the 30-day period to achieve implementation.

2 **Q14. Please summarize the firm capacity transactions set forth in Rate 831**  
3 **Implementation Agreement Exhibit D.**

4 A14. NIPSCO agrees that under either Tier 2 or Tier 3, a customer may procure  
5 capacity outside of MISO Zone 6, provided that any charges related to that  
6 capacity including delivery into NIPSCO's zone are directly assigned to the  
7 responsible customer and that the customer accepts responsibility for such  
8 charges.

9 **Q15. Please summarize the dispute resolution provisions set forth in Rate 831**  
10 **Implementation Agreement Exhibit D.**

11 A15. NIPSCO agrees that the third party energy and capacity supplier may  
12 represent the industrial customer's interests in the event of a dispute with  
13 MISO, FERC, or the Indiana Utility Regulatory Commission. At a  
14 minimum, NIPSCO should be kept informed of the dispute process and  
15 may need to be a party to the process.

16 **Q16. Have changes been made to the previously provided tariff to incorporate**  
17 **the changes proposed by NIPSCO in rebuttal and in response to the**  
18 **settlements?**



1 A16. Yes. Attachment 19-S2-A is a redlined tariff that incorporates changes  
2 necessary to implement the Rate 831 Implementation Agreement.

3 **Q17. Do you believe the Rate 831 Implementation Agreement is in the public**  
4 **interest?**

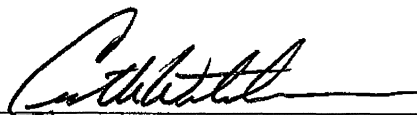
5 A17. Yes. If approved, the Rate 831 Implementation Agreement assures that if  
6 the agreed upon revenue requirement (as reflected in the Revenue  
7 Settlement) and NIPSCO's proposed Rate 831 and cost allocation are  
8 approved, there will be no need for a phase II proceeding to establish  
9 revised rates. In addition, Rate 831 Implementation Agreement Exhibit D  
10 specifically addresses implementation concerns previously raised by some  
11 industrial customers.

12 **Q18. Does this conclude your prefiled settlement testimony?**

13 A18. Yes.

## VERIFICATION

I, Curt A. Westerhausen, Director of Regulatory of Northern Indiana Public Service Company LLC, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read "Curt A. Westerhausen", written over a horizontal line.

Curt A. Westerhausen

Date: May 17, 2019

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RATE 831  
RATE FOR ELECTRIC SERVICE  
INDUSTRIAL POWER SERVICE - LARGE

Sheet No. 1 of 13

**TO WHOM AVAILABLE**

Available to Industrial Customers taking service at Transmission or Subtransmission voltage whose Premises are located adjacent to existing electric facilities having Transmission or Subtransmission capacity sufficient to meet the Customer's requirements. Customer shall contract for a definite amount of electrical demand which shall not be less than 10,000 kW. The Company shall not be obligated to supply electrical Energy in excess of the definite amount specified in the contract.

For multiple Premises held under common ownership or by affiliates (as defined in Indiana Code § 23-1-43-1) and having the same qualifying service voltage, Interval Data Recorder (IDR) meters with 5-minute interval telemetry capability at those Premises can be aggregated for billing purposes if at least one of those meters has a load of 10,000 kW or more for the last 12 months. Transmission charges will be applied to the gross energy consumption (not netted with potential outputs from other qualifying meters) of each individual IDR meter. Netting for Transmission Charges will be allowed for multiple meters at each Customer Premise. The specific IDR meters that will be applied for aggregation will be specified in the contract.

Customer's elections under Rate 831 Tiers 2 and/or Tier 3 shall occur in a window between the day after NIPSCO's compliance filing in this Cause to thirty (30) days thereafter. Customer recognizes that in order to implement Tier 3, customer may need to install software including a security certificate to be provided by NIPSCO. The Customer and Company agree to work together during the 30 day period to achieve implementation.

For any qualifying customer that is unable to take service under Rate 831 on its effective date, the customer will be able to take service under the transition service in either Rate 832 or 833 through May 31, 2020. The customer will be required to maintain their current 2019/2020 MISO Planning Year LMR registration and be required to subscribe to their portion of the Tier 1 service in the Phase 2 true up once the rates take effect.

**CHARACTER OF SERVICE**

The Company will supply metered Transmission or Subtransmission service to the extent of the Transmission capacity available from its electric supply lines, at such frequency, phase, regulation and voltage as it has available at the location where service is requested.

The Customer, at its own expense, shall furnish, supply, install and maintain, beginning at the point of delivery, all necessary equipment for transmitting, protecting, switching, transforming, converting, regulating, and utilizing said electric Energy on the Premise of the Customer.

The Customer will also supply in accordance with plans and specifications furnished by the Company and at a mutually agreed upon location on the Customer's property, suitable buildings, structures, and foundations to house and support the metering and any protecting, switching, and

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relaying equipment that may be supplied by the Company.

~~Customers electing Tier 2 and Tier 3 service shall contract for and specify a Tier 2 and Tier 3 Contract Demand for each affected Premise or aggregated Premises under this Rate Schedule. Tier 2 and Tier 3 service shall by default be curtailable. Customers electing service under Tier 2 and Tier 3 of this Rate Schedule shall specify the firm portion of their Tier 2 and Tier 3 Contract Demand for each affected Premise or aggregated Premises that the Customer intends to exclude from MISO Curtailment. Customers shall also meet the applicable Load Modifying Resource (LMR) requirements pursuant to MISO's Tariff Module E-1 or any successor if firm capacity is~~

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RATE FOR ELECTRIC SERVICE  
INDUSTRIAL POWER SERVICE - LARGE**

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**CHARACTER OF SERVICE (Continued)**

Customers electing Tier 2 and Tier 3 service shall contract for and specify a Tier 2 and Tier 3 Contract Demand for each affected Premise or aggregated Premises under this Rate Schedule. Tier 2 and Tier 3 service shall by default be curtailable. Customers electing service under Tier 2 and Tier 3 of this Rate Schedule shall specify the firm portion of their Tier 2 and Tier 3 Contract Demand for each affected Premise or aggregated Premises that the Customer intends to exclude from MISO Curtailment. Customers shall also meet the applicable Load Modifying Resource (LMR) requirements pursuant to MISO's Tariff Module E-1 or any successor if firm capacity is not purchased or otherwise procured as allowed under Tier 2 and Tier 3. If a Customer's elected service under this Rate Schedule results in curtailable demand under Tier 2 and Tier 3, the Customer shall provide information necessary to satisfy these requirements, including information demonstrating to Company's satisfaction that the Customer has the ability to reduce load to any firm capacity within Tier 1, Tier 2, and Tier 3.

Any Applicant requiring service differing from that to be supplied by the Company as herein provided shall provide proper converting, transforming, regulating or other equipment upon Applicant's Premise and at Applicant's expense. (See Company Rule 3 for the Company's standard voltages.)

**SERVICE TIERS**

Tier 1: Firm Service

The default Tier 1 Contract Demand election is 30,000 kW with an option to elect above or below that amount down to 10,000 kW. The firm Energy is calculated on an hourly basis. This service is subject to applicable Riders as identified in Appendix A.

Tier 2: Non-Firm Market Price Service

The Customer's Tier 2 Contract Demand is the Customer's Planning Reserve Margin Requirement using the Company's forecasted Coincident Peak demand for the Customer less the Customer's Tier 1 Contract Demand election and any Tier 3 Contract Demand election by the Customer. This service is subject to applicable non-production Riders as identified in Appendix A. Customer will take all Energy under this Tier 2 service at Day-Ahead LMP at the applicable Company Load Zone (NIPS.NIPS) plus Transmission Charges contained within this Rate Schedule. By September 30 of each year, the Company will share with the Customer its Planning Reserve Margin Requirement, forecasted Coincident Peak demand and the supporting documentation for the values. Customer shall have 30 calendar days to dispute these values. The Company will make all reasonable efforts to resolve any such disputes; however, as the Market Participant, the Company is responsible for all forecasted needs and its subsequent forecast methodology, which is subject to audit by MISO. Company will submit the Customer's Planning Reserve Margin Requirements and Coincident Peak demand on November 1 of each year to comply with MISO's Resource Adequacy Requirements.

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RATE FOR ELECTRIC SERVICE  
INDUSTRIAL POWER SERVICE - LARGE

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**SERVICE TIERS (Continued)**

Tier 2 Contract Demand is firm only to the extent that it is supported by Customer-procured capacity. A customer may procure capacity outside of MISO Zone 6, provided that any charges related to that capacity including delivery into NIPSCO's zone are directly assigned to the responsible customer and that the customer accepts responsibility for such charges. NIPSCO, as the Market Participant, will register as an LMR at MISO that portion of a Customer's Tier 2 Contract Demand for which capacity is not procured through MISO's PRA or contracted through a third party. Such portion of a Customer's Tier 2 Contract Demand is non-firm, subject to MISO Curtailment. Customers must meet all applicable LMR requirements pursuant to MISO's Tariff Module E-1 or any successor for this portion of their Tier 2 Contract Demand.

**Tier 3: Non-Firm Third Party Generation Service**

Customer may elect a Tier 3 Contract Demand up to Customer's Planning Reserve Margin Requirement using the Company's forecasted Coincident Peak demand for the Customer less the Customer's Tier 1 firm Contract Demand election. To the extent a Customer declines to elect the Tier 3 Contract Demand to which it is entitled under this Rate Schedule, it must elect to take Tier 2 Contract Demand. If the Customer elects to take any Tier 3 Contract Demand, NIPSCO, as the Market Participant, will register that Customer as an Asset Owner at MISO. Tier 3 service is subject to applicable non-production Riders as identified in Appendix A. If, under the MISO Asset Owner framework, a Customer has not arranged for any third party Energy with NIPSCO as the contracting Market Participant, Customer will take all Energy under this Tier 3 service at market price (LMP at the applicable Company Load Zone (NIPS.NIPS) plus all applicable MISO market settlement charges plus the Transmission Charge contained within this Rate Schedule. Customer will be responsible for all market settlement charges incurred by either NIPSCO as the Market Participant or the Customer as Asset Owner for any third party Energy or Capacity arrangements including, but not limited to, transmission charges to deliver energy. MISO Market Portal access will be provided as required to carry out MISO Asset Owner functions. All settlements associated with energy offers and demand bids will be passed through to the Customer. By September 30 of each year, the Company will share with the Customer its Planning Reserve Margin Requirement, forecasted Coincident Peak demand and the supporting documentation for the values. Customer shall have 30 calendar days to dispute these values. The Company will make all reasonable efforts to resolve any such disputes; however, as the Market Participant, the Company is responsible for all forecasted needs and its subsequent forecast methodology, which is subject to audit by MISO. Company will submit the Customer's Planning Reserve Margin Requirements and Coincident Peak demand on November 1 of each year to comply with MISO's Resource Adequacy Requirements.

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**SERVICE TIERS (Continued)**

Tier 3 Contract Demand is firm only to the extent that it is supported by Customer-procured capacity. A customer may procure capacity outside of MISO Zone 6, provided that any charges related to that capacity including delivery into NIPSCO's zone are directly assigned to the responsible customer and that the customer accepts responsibility for such charges. NIPSCO, as the Market Participant, will register as an LMR at MISO that portion of a Customer's Tier 3 Contract Demand for which capacity is not procured through MISO's PRA or contracted through a third party. Such portion of a Customer's Tier 3 Contract Demand is non-firm, subject to MISO Curtailment. Customers must meet all applicable LMR requirements pursuant to MISO Tariff Module E-1 or any successor for this portion of their Tier 3 Contract Demand.

**METER FLOW AND CURTAILMENT ORDER**

Definition of meter flow shall be defined as follows:

| Meter Flow | Service                                  |
|------------|------------------------------------------|
| ↓          | Applicable service taken under Rider 876 |
|            | Tier 1: Firm Service                     |
|            | Tier 2: Market Price Service             |
|            | Tier 3: Third Party Generation Service   |

The above meter flow is for Energy only. For MISO Curtailments, the meter flow shall be defined as follows:

| Meter Flow | Service                                  |
|------------|------------------------------------------|
| ↓          | Tier 2 and Tier 3: Non-Firm              |
|            | Applicable service taken under Rider 876 |

**MISO CURTAILMENT AND FIRM CAPACITY OPTIONS**

The Company shall dispatch Customers for MISO Curtailments at its own discretion in accordance with the limitations specified under this Rate Schedule and the Company Rules.

The Company shall register the portion of all Customer Contract Demand above its Tier 1 level as an LMR with MISO and shall be subject to MISO Curtailments under this Rate Schedule. Customer shall meet the applicable LMR requirements pursuant to MISO's Tariff Module E-1 or any successor. A Customer may elect to reduce all or part of its LMR obligation by procuring capacity in the MISO PRA or capacity through third party arrangements, at the Company's applicable zone defined within MISO's PRA. If Customer elects to reduce all or a portion of its LMR obligation through MISO's PRA, NIPSCO will self-schedule (price-taker) such capacity on the Customers behalf. Customers that fail to meet the requirements of a LMR or do not otherwise procure capacity will be subject to any capacity replacement/deficiency charges, and any penalties incurred as a result

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of maintaining Customer's Resource Adequacy needs.

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**MISO CURTAILMENT AND FIRM CAPACITY OPTIONS (Continued)**

Notwithstanding anything to the contrary in this rate schedule, Tier 2 and Tier 3 Customers will be provided at least ~~two (2)~~ ~~four (4)~~ hours advanced notice of MISO Curtailments ~~or if Customer has elected for both Tier 2 and Tier 3 service only a single LMR will be registered with MISO and aligned to Customer's Tier 3 notification.~~ Tier 3 Customers will be able to determine the a curtailment notification time and other parameters associated with registration as a LMR, other than curtailment notice time, pursuant to the MISO Tariff and BPM. NIPSCO may add additional time to the LMR notification time to allow for the communication of any MISO curtailment event consistent with MISO LMR requirements.

In the event of a material change in circumstances due to a force majeure, or otherwise, that effects the ability of a Customer to comply with part or all of its LMR obligations with MISO, the Customer shall immediately notify the Company. The Company will in turn notify MISO of a need to change the Customer's LMR registration. Modifications to LMR intra to the MISO Planning Year may trigger replacement capacity provisions within the MISO Tariff and may require the Customer to procure replacement capacity or pay MISO capacity deficiency charges / penalties.

**MISO ASSET OWNER REGISTRATION**

For a Customer electing Tier 3 service, registration will follow MISO's quarterly network model update cycle. During quarterly network model updates, the Company will request registration of a CP Node which is required for participation as an Asset Owner under this Rate Schedule. The CP Node will be mapped to MISO EP Nodes in the same manner as the NIPS.NIPS CP Node to the extent model modifications are allowed under MISO Rules. Refer to the market registration section of the MISO BPM for details on the data required to register.

**COMMUNICATIONS, METERING, TELEMETRY, HARDWARE, AND SOFTWARE REQUIREMENTS**

The Company shall specify a communications plan, which includes a revenue quality meter and all implementation and operational software required under this Rate Schedule. It is the Customer's responsibility to comply with that plan. The Customer will pay for the installed cost of additional metering, telemetry, hardware and software development, certificates, and licensing fees that may be required to facilitate service under this Rate Schedule. All such metering shall be compliant with any applicable current and future MISO and/or IURC requirements, including the potential of meter capture on a 5 minute basis. The Customer shall provide the Company with next day remote interrogation of the meter on an hourly level. The Customer may elect to install its own metering, with the Company reserving the right to inspect the equipment and own the equipment once it is installed. At the Customer's request, metering may be installed by the Company and invoiced at the installed cost to the Customer. Estimated costs of metering and equipment shall be provided prior to installation by the Company, but the Customer shall be responsible for the actual costs of the

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equipment and installation.

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RATE FOR ELECTRIC SERVICE  
INDUSTRIAL POWER SERVICE - LARGE**

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**DEMAND BIDS**

For a Customer electing Tier 3 service, the Customer will have the ability to submit Day-Ahead Demand Bids for a portion or all of their Tier 3 daily demand through the MISO Market Portal. Day-Ahead Demand Bids not received by MISO in accordance with the MISO BPM will be settled at Real Time LMPs and assessed any applicable additional MISO charges. Refer to the Demand Bid section of the MISO BPM for details on the requirements of the Demand Bid.

**MISO COMMUNICATIONS**

For a Customer electing Tier 3 service, all clearing, pricing and settlement activity will be available on the MISO Market Portal. Revenue quality meter data will be interrogated by the Company on a daily basis and submitted by the Company to MISO on behalf of the Customer.

**MISO SETTLEMENTS**

For a Customer electing Tier 3 service, MISO Settlement Statements are posted daily by MISO to the MISO Market Portal. The Customer shall obtain the MISO Settlement Statements from the MISO Market Portal. The Customer shall be responsible for the review of the Customer's MISO Settlement Statements. All charges reflected on the Customer's MISO Settlement Statements will be the Customer's responsibility and are payable to the Company on a weekly basis. MISO Settlement Statement charges will be determined by the Customer's Day-Ahead Demand Bid (at Day-Ahead LMP) and the imbalance between the Customer's Day-Ahead Demand Bid and the Customer's actual metered Demand (at Real-Time LMP). Any imbalance between the Customer's Day-Ahead Demand Bid and the Customer's actual metered Demand will also be assessed any applicable MISO charges including a Revenue Sufficiency Guarantee charge. MISO Settlement Statements will also include the Customer's share of Market Uplift charges and an administrative fee that is charged by MISO to support the operation of the market. The Customer's MISO Settlement Statements will follow the settlement timeline that is outlined in the MISO BPM, which may also include special resettlements that are deemed necessary by MISO. Refer to the MISO BPM for details on the MISO Settlement Timeline and Settlement Charge calculations.

**DISPUTES**

For a Customer electing Tier 3 service, the Customer has the right to dispute any MISO charges. The Customer, through the MISO Market Portal, will provide all required data to MISO to support the dispute. The Customer shall notify the Company of any filed disputes and disposition by MISO within 24 hours of such notification. Notification of disputes shall include a copy of the dispute submitted by the Customer along with any correspondence between the Customer and MISO including, but not limited to, the final resolution of the dispute. Notification shall be remitted to the Manager, Market Settlements of the Company. Third party energy and capacity suppliers may also represent the industrial customer's interests in the event of a dispute with MISO, FERC, or the

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IURC. At a minimum, NIPSCO should be kept informed of the dispute process and may need to be a party to the process

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**DISPUTES (Continued)**

Disputes that have been denied by MISO may be disputed through the MISO Alternative Dispute Resolution (ADR) process in accordance with MISO Rules. The Company as the Market Participant must file ADR disputes on the Customer's behalf as currently Asset Owners cannot file an ADR. The Customer must provide written notification in compliance with the timelines established by Attachment HH of the MISO Tariff to the Company requesting the Company to proceed with the mechanism available to resolve these disputes outside of the judicial or administrative agency proceedings. This would include informal dispute resolution, or formal mediation or arbitration. The Company will make a good faith effort to prosecute the dispute. The Company will provide the Customer an initial preliminary estimate for costs associated with the ADR. Customer must submit payment in accordance with the estimate established if the Customer wishes to pursue the ADR at MISO. The written notification shall be remitted to the Manager, Market Settlements of the Company.

The hierarchy as it stands allows an Asset Owner to file the dispute with MISO. If the dispute is denied and the Customer wants to pursue it further, the Customer needs to request NIPSCO to file an ADR on its behalf with MISO. If the Customer is unsatisfied with MISO's decision, it can pursue a complaint with FERC on its own.

It is the responsibility of the Customer to pay all assessed MISO Settlement Statement charges to the Company when due at the time of assessment. Any necessary adjustments to the settlement amounts will be made by MISO after dispute resolution. Refer to the MISO BPM for details on the requirements of the Dispute and ADR process.

**REGISTRATION**

Customers electing non-firm service and or registration as an LMR will provide all required data to the Company per MISO's Resource Adequacy BPM. The Company may request additional data as requested by MISO to support any and all Resource Adequacy compliance requests. MISO's capacity Planning Year is June 1 through May 31. All required information must be entered prior to due dates to ensure capacity positions are established. Once the PRA has cleared, modifications can be made per limitations and penalties as outlined in MISO's Tariff Module E-1.

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**REGISTRATION (Continued)**

The following table provides an overview of Tier requirements. All requirements and dates are pursuant to MISO's Tariff Module E-1 or any successor and may be modified by MISO. Customer shall provide required information to the Company ten (10) business days prior to MISO Planning Resource Timeline in accordance with MISO BPM-011, Appendix K:

| <b>Requirement</b>                                                                                                                        | <b>Tier 2</b> | <b>Tier 3</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Coincident Peak Demand forecast, Non-Coincident Peak, and energy forecast                                                                 |               | X             |
| Existing Load Modifying Resource/Energy Efficiency Resource must be submitted for approval                                                | X             | X             |
| New Load Modifying Resource/Energy Efficiency Resource registration to be considered for inclusion in FRAP must be submitted for approval |               | X             |
| New Load Modifying Resource/Energy Efficiency Resource must be submitted for approval                                                     | X             | X             |
| Planning Resource Auction offer window is open                                                                                            |               | X             |
| Planning Resource Auction offer window is closed                                                                                          |               | X             |
| Planning Resource Auction results posted                                                                                                  |               | X             |

**DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED**

The electric service to be supplied under this Rate Schedule shall be measured as to Maximum Demand, Energy Consumption and kVAR by an IDR to be installed by the Company.

**RATE**

Rates charged for service rendered under this Rate Schedule are based upon the measurement of electric Energy at the voltage supplied to the Customer.

After aggregation of Customer's Premises, Customer Energy delivered onto the Company's Transmission or Subtransmission system at an integrated hourly level shall be paid to the Customer at the Real Time LMP at the Company's Load Zone.

The electric service and Energy supplied hereunder shall be billed under a three-part rate consisting of a Demand Charge, Energy Charge, and Transmission Charge, and applicable Riders as identified in Appendix A. The Demand Charge, Energy Charge, and Transmission Charge are as follows:

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**RATE (Continued)**

**Demand Charge**

**Tier 1**

~~\$24.532437~~ per kW per month

**Energy Charge**

**Tier 1**

~~\$0.029680029618~~ per kWh for all kWhs used per the month.

**Tier 2**

All kWhs used above the specified Tier 1 Firm Contract Demand shall be subject to an Energy Charge equal to the Day Ahead LMP for the Company's Load Zone, if Customer does not have a Tier 3 Contract Demand. If Customer has a Tier 3 Contract Demand, all kWhs used above the specified Tier 1 Firm Contract Demand not in excess of Tier 2 Contract Demand shall be subject to an Energy Charge equal to the Day Ahead LMP for the Company's Load Zone.

**Energy Charge (Continued)**

**Tier 3**

All kWhs used above the specified Tier 1 and Tier 2 Contract Demand shall be subject to MISO Settlement Charges related to a Customer's Asset Owner activity.

**Transmission Charge**

~~\$0.008952009155~~ per kWh for the gross Energy consumed at each IDR, netted by Premise (Tier 1, Tier 2, and Tier 3).

**Adjacent Affiliate Qualifying Facility Premise Transmission Charge**

~~\$0.002686002747~~ per kWh for the gross Energy transferred from a premise with behind the meter generation to an adjacent premise held under common ownership or by affiliates (as defined in Indiana Code § 23-1-43-1). If the Customer's premises were served under NIPSCO's prior Rate 732, the gross Energy transferred from a premise will be determined by netting in the

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applicable monthly billing period the amount of self-generated Energy and metered consumption.

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**DETERMINATION OF DEMAND**

The Customer's Demand of electric Energy supplied shall be determined for each half-hour interval of the month and said demand in kW for each half-hour interval shall be two (2) times the number of kWh recorded during each half-hour interval. The phrase "half-hour interval" shall mean the thirty (30) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

The Customer's current integrated Demand shall be determined for each MISO settlement period for load as the total kWh recorded during that MISO settlement period multiplied by the ratio of 60 minutes to the total number of minutes in that MISO settlement period.

**DETERMINATION OF LAGGING KVAR**

The Customer's requirements in Lagging kVAR shall be determined for each half-hour interval of the month and shall be two (2) times the number of Lagging kVAR Hours recorded during each half-hour interval. No effect whatsoever shall be given hereunder to Customer's leading kVAR, if any.

**ADJUSTMENT FOR CUSTOMER'S PEAK HOURS LAGGING KVAR**

The number of kVAR shall be computed each month for a Power Factor of eighty-five percent (85%) Lagging using as the basis of said computation, the Customer's Maximum Demand for the month during the Peak Period hours thereof.

If the Customer's Maximum Peak Period Requirement in Lagging kVAR for the month is greater than the number of kVAR at a Power Factor of eighty-five percent (85%) Lagging, as determined above, an amount equal to the product of \$0.34 times said difference shall be added to the Customer's Bill.

If the Customer's Maximum Peak Period Requirement in Lagging kVAR for the month is less than the number of kVAR at a Power Factor of eighty-five percent (85%) Lagging, as determined above, an amount equal to the product of \$0.34 times said difference shall be deducted from the Customer's Bill.

The Customer agrees to control and limit Maximum Off-Peak (weekdays 22:00 – 06:00 CST, all weekend hours, and all hours during NERC holidays) Period Requirement in Lagging kVAR so that, as related to the Maximum Off-Peak Period kW Demand, it shall not exceed in ratio or numerical proportion the ratio of the Maximum Peak Period Requirement in Lagging kVAR and the Maximum Peak Period kW Demand; except that if such Maximum Off-Peak Period kW Demand is less than the Maximum Peak Period kW Demand, the Customer's Maximum Off-Peak Period Requirement in Lagging kVAR may equal the Customer's Maximum Peak Period Requirement in Lagging kVAR.

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**CUSTOMER LOAD INFORMATION**

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of July each year a statement of the Customer's estimates of the Customer's future load on the Company by months for a subsequent period of thirty (30) months.

The Customer shall also make a good faith effort to provide the Company in writing with an accurate hourly load forecast on a daily basis.

The Customer shall notify the Company in writing of any material increase in load no less than sixty (60) days prior to the addition of that load.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

The accuracy of the information herein called for is not guaranteed by the Customer and reliance thereon shall be at the sole risk of the Company.

Failure by the Customer to provide requested information on an ongoing basis may result in Customer being moved to another Rate Schedule upon ninety (90) days' notice from the Company to Customer.

**CUSTOMER'S FAILURE TO COMPLY WITH REQUESTED MISO CURTAILMENT**

A Customer is deemed to have failed to comply with a MISO Curtailment when the Customer's current integrated Demand, as measured by the meters installed by the Company (netted across aggregated Customer Premises, if applicable), has not decreased to a level of the sum of the Customer's specified Tier 1, firm Tier 2 and firm Tier 3 Contract Demands.

If a Customer fails to comply with a MISO Curtailment, the Customer shall be liable for any charges and/or penalties from any governmental agency(ies) having jurisdiction or duly applicable organization including MISO, FERC, NERC and ReliabilityFirst for failure to comply with a MISO Curtailment. Penalties and charges may be, but are not limited to, penalties associated with disqualification as a LMR to the extent such penalties are specifically invoked on the Company due to the failure of the Customer to comply with the Curtailment.

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**GENERAL TERMS AND CONDITIONS OF SERVICE**

**1. Contract**

Any Customer requesting service under this Rate Schedule shall enter into a written contract for an initial period of not less than five (5) Contract Years. The Customer maintains the ability to cancel the contract if the entire Premise is closing. For customers who are aggregating Premises, if one Premise closes, the Customer may modify its Tier 1 Contract Demand with 12 months' notice, but it may not go below 10,000 kW. For a Customer partially closing a Premise, the Customer may modify its Tier 1 Contract Demand with 12 months' notice, but it may not go below 10,000 kW. The Customer may increase the Tier 1 firm Contract Demand election with five (5) years' notice and a period of not less than five (5) Contract Years. On a quarterly basis, consistent with the MISO Commercial Model timing, a Customer may elect to move all, or a portion, of its election(s) under Tier 2 and Tier 3 between such.

Notwithstanding the foregoing, contracts under this Rate Schedule shall terminate in accordance with Rule 5.8 of the Company Rules.

**2. Third Party Contracts**

Any Third Party Contracts for energy under Tier 3 and/or capacity under Tier 2 and/or Tier 3 shall include, at a minimum, the following provisions:

- i. identify NIPSCO as the Market Participant for the retail customer at MISO;
- ii. reference NIPSCO's market-based rate authority with FERC;
- iii. clearly state the Rate 831 customer remains a retail customer of NIPSCO;
- iv. indemnify NIPSCO from any financial or performance obligations under any physical energy or capacity agreement (the terms of any such agreement will link to the end use customer, who will wholly bear the risk associated with its contractual obligations);
- v. incorporate relevant provisions of the Rate 831 tariff;
- vi. all pricing provisions in any agreement may be redacted by the customer; however NIPSCO reserves the right to request and be provided redacted information if determined necessary; and
- vii. any information shared with NIPSCO shall be subject to a confidentiality agreement.

a.

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**2.3. Default Schedule**

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Notwithstanding the foregoing conditions of service under this Rate Schedule, service shall be subject to the provisions of Rule 5.9 of the Company Rules.

3.4. Customer Disqualification

Under this Rate Schedule and / or applicable Riders to this Rate Schedule, any Customer that is found to be engaging in activity that is determined to be a violation of market manipulation or antitrust rules / laws may be subject to disqualification from eligibility for Tier 3 of this Rate Schedule if any such activity disqualifies the Customer from meeting obligations set forth under this Rate Schedule. Penalties and charges may be, but are not limited to, penalties associated with disqualification as a LMR, any market damages, or private party damages. By taking service under this Rate Schedule, the Customer agrees to fully participate in any investigation into possible violation(s).

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**GENERAL TERMS AND CONDITIONS OF SERVICE (Continued)**

**3. Customer Disqualification (Continued)**

Any Customer that is disqualified from eligibility for service under Tier 3 service shall have all of its Tier 3 Contract Demand moved to Tier 2 with all of the Customer's Tier 2 Contract Demand, including any pre-existing Tier 2 Contract Demand of the Customer, covered with capacity through MISO's PRA and replacement capacity provisions within the MISO Tariff and may require Customer to procure replacement capacity or pay MISO capacity deficiency charges / penalties. The Customer will not be eligible for Tier 3 service and LMR registration for a period of five (5) years. After the five (5) year period, the Customer may be allowed to return to Tier 3 under this Rate Schedule or successor.

**RULES AND REGULATIONS**

Service hereunder shall be subject to the Company Rules, IURC Rules, and MISO Rules.

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**RIDER 881**  
**DEMAND RESPONSE RESOURCE TYPE 1 (DRR 1) – ENERGY ONLY**

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**TO WHOM AVAILABLE**

Available to a Customer on Rates 823, 824, 825, 826, ~~830~~831, 832, or 833~~4~~ or their successor Rate who has sustained ability to reduce its Energy requirements through indirect participation in the MISO wholesale energy market by managing its electric usage as described in MISO's Tariff Module E-1. This Rider is available to any load that is participating in Rate 831 and registered as a LMR; unless MISO rules change and do not permit load used by the Company as a Load Modifying Resource to also participate as a Demand Response Resource (DRR); provided, however, load may not participate as a DRR if such participation would be inconsistent with the provisions of either of the Company's Industrial Power Service Rates. The Customer shall enter into a written contract with the Company to reduce a portion of its electric load for single or multiple Interval Data Recorder (IDR) meters through participation with the Company acting as the Market Participant for the Customer. Customer shall be one and only one type of Customer for this Rider; an Asset Owner (AO), Non-Asset Owner (NAO), or Aggregator of Retail Customers (ARC).

**DEFINITIONS**

Aggregator of Retail Customers (ARC): A third party that consolidates the applicable load of NIPSCO customers to NIPSCO in order to meet the minimum requirements under this Rider. A Customer either aggregating its load from different meters or serving as an ARC for other Customers is considered a third party ARC for purposes of this Rider. An ARC may only aggregate for purposes of Load Reduction on this Rider. Although a Customer may serve as an ARC, for purposes of this Rider, an ARC is not a NIPSCO Customer.

Consumption Baseline (CBL): The default calculation of the Consumption Baseline (CBL) shall be calculated pursuant to the relevant BPM or MISO tariff currently in effect. In cases where the default calculation does not provide a reasonable representation of normal load conditions, the Company and the Customer may develop an alternative CBL calculation that more accurately reflects the Customer's normal consumption pattern subject to MISO approval.

Customer: A Customer refers to all three types of Customers on Rider 881; Asset Owner, Non-Asset Owner, and Aggregator of Retail Customers.

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**DEFINITIONS (Continued)**

|                                         |                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DRR 1-Energy Only:                      | Demand Response Resource Type 1 - Energy Only, an Energy only resource that is capable of supplying a specific quantity of Energy, through the Company as Market Participant, to MISO through physical Load Reduction. This product shall not be considered eligible for MISO capacity in any form. |
| Load Reduction:                         | The amount of load the Customer reduces from its CBL.                                                                                                                                                                                                                                               |
| MFRR:                                   | <u>Marginal Foregone Retail Rate, exclusive of any Demand component effects, which is further defined as the full marginal retail rate inclusive of trackers (excluding the Fuel Cost Adjustment) and approved by the Commission.</u>                                                               |
| Non-Asset Owner (NAO):                  | A Customer on Rates 823, 824, 825, 826, 8320, 833, 831 Tier 1 or 831 Tier 2 whom is not an ARC.                                                                                                                                                                                                     |
| Targeted Demand Reduction Level (TDRL): | This value is initially set through asset registration and may be overridden by the Customer (for AOs) or the Company (for NAOs and ARCs) via the schedule offer submittal through the MISO Market Portal. Service is limited to Tier 1 plus Tier 2 level.                                          |

**MINIMUM LOAD REDUCTION AMOUNT**

The Customer shall register TDRL of at least 1,000 kW of sustainable Load Reduction. ARCs may aggregate to meet the 1,000 kW minimum Load Reduction.

**MAXIMUM LOAD REDUCTION AMOUNT**

Customers taking service under Rate 831 shall have their Load Reduction limited to the sum of its Tier 1 and Tier 2 level. Customer shall be responsible for the compliance of their Load Reduction obligations in accordance with this Rider. All Load Reduction will be reconstituted for settlement purposes to the applicable Company Load Zone with MISO.

**REGISTRATION**

Registration will follow MISO's quarterly network model update cycle. During quarterly model

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updates, the Company will request registration of a CP Node which is required for participation under this Rider. Refer to market registration within MISO's BPM for details on the data required to register. The Customer must assist the Company in completing any MISO registration requirements.

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**LOAD REDUCTION AMOUNT**

The Customer participating in this Rider shall reduce its demand by the MISO-cleared offer amount relative to the CBL amount, or pay applicable MISO settlement charges/credits. The Customer and the Company shall enter into a contract which will specify the terms and conditions under which the Customer agrees to reduce usage. The Company and the Customer shall agree to the baseline methodology specified in the contract between the Company and the Customer. The MISO default baseline will be available as a choice for the Customer.

**COMMUNICATIONS, METERING, TELEMETRY, HARDWARE, AND SOFTWARE REQUIREMENTS**

The Company shall specify a communications plan, which includes a revenue quality meter and all implementation and operational software required under this Rider. It is the Customer's responsibility to comply with that plan. Customer will pay for the installed cost of additional metering, telemetry, hardware and software development, certificates, and licensing fees that may be required to facilitate service under this Rider. All such metering and software shall be compliant with any applicable current and future MISO and/or Commission requirements, including the potential of meter capture on a 5 minute basis. The Customer shall provide the Company with next day remote interrogation of the meter on an hourly level. Customer may elect to install its own metering, with the Company reserving the right to inspect the equipment and own the equipment once it is installed. At the Customer's request, metering may be installed by the Company and invoiced at the installed cost to the Customer. Estimated costs of metering and equipment shall be provided prior to installation by the Company, but the Customer shall be responsible for the actual costs of the equipment and installation.

**APPLICATION AND CONTRACT**

Customer participation in this Rider shall be subject to the approval of an application by the Company on a non-discriminatory basis. For ARCs, this process may include a review of the ARC's creditworthiness and an evaluation for need for appropriate financial assurance prior to participation. This financial assurance may include full collateral in the form of cash or other security instrument deemed appropriate by the Company.

Once approved for participation, the Company and Customer must enter into a contract, which shall be no more than one (1) Contract Year in duration. The contract shall be renewed for up to two (2) additional one (1) Contract Year terms subject to the right of either party to provide notice of termination sixty (60) days prior to the expiration of the initial or any subsequent term.

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**THIRD-PARTY AGGREGATORS**

Aggregation will be permitted under this Rider subject to (a) measurement and verification of Customer response in a manner satisfactory to the Company sufficient to allow the Company to comply with any and all MISO requirements, and (b) satisfaction of reasonable and appropriate qualifications for any participating Aggregator.

An ARC shall be subject to the terms of the contract between the Company and ARC and pursuant to the terms of this Rider. An ARC shall provide a list of all individual Customers who are participating with the ARC. A Customer may serve as an ARC for other Customers in the service territory, but shall be subject to the requirements set forth in this Rider for ARCs. The Company shall have final approval over final integration of business processes of all participating ARCs.

**OFFERS**

**Asset Owner**

Rate 831 Tier 3 Customers shall be registered as an Asset Owner within MISO and will be required to submit all offer requirements, through the MISO Market Portal, consistent with the timeline outlined in the MISO BPM. When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the AO. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO. The NIPSCO annual registration fee must be paid to the Company with submittal of the registration information.

**Non-Asset Owner / Aggregator of Retail Customers**

The NAO/ARC shall have the option of participating or not on any particular day, as applicable, as long as it notifies the Company prior to 8:00 a.m. C.P.T. on the day before it does not wish to provide an Energy offer. If the total Load Reduction amount available within a given hour is less than 1,000 kW, an offer of "Not Participating" will be made for that hour.

When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the NAO/ARC. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO. The NIPSCO annual registration fee must be paid to the Company with submittal of the registration information.

The NAO/ARC shall submit the required offer information in the prescribed electronic format to the Company's designee no later than 8:00 a.m. C.P.T. for submittal to MISO by the Company. Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC.

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**MISO PERFORMANCE REQUIREMENTS**

Performance requirements are stated in the MISO BPM and the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff. It shall be the Customer's responsibility to comply with all of the minimum performance criteria specified by MISO in effect and may be amended from time to time.

**NIPSCO ADMINISTRATIVE FEES**

The Company shall bill the Customer for NIPSCO administrative fees which may be amended from time to time with approval by the Commission utilizing the thirty (30) day Administrative Filing Procedures to the extent such amendment would otherwise qualify under said provisions.

Annual Registration with NIPSCO \$1,000

For offers cleared by MISO: 5% of the absolute value of the daily net MISO settlements which in no event shall Company portion be less than zero.

Change Fees for NAOs/ARCs: Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC. NAO/ARC shall pay \$100 for each additional change, which shall be included in the monthly Bill and will first be netted against any settlement due to a result of a DRR Type 1 Event.

MFRR:                                                  The Marginal Foregone Retail Rate will not apply.

**PENALTY FOR FAILURE TO PERFORM**

If the Customer does not perform to its offer cleared by MISO in accordance with the contract, MISO may debit, credit or penalize the Customer (for AOs) or the Company (for NAOs and ARCs). Such financial settlements will be imposed on the Customer. The Company shall take its fee for offers cleared and subtract the MISO penalty or fee from the net of that amount. If MISO terminates the Customer's participation, the Company shall immediately terminate the Customer's participation.

In addition, in the event that a Customer has a debit on its Bill or invoice due to failure to perform, if the Customer does not pay the undisputed portion of that debit by the due date indicated on the Customer's Bill or invoice, the Customer shall be suspended from further participation until such time that the debit is paid. An ARC is accountable for all its Customers and all penalties incurred by its Customers for failure to perform will be issued to the ARC, not its Customers.

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**SETTLEMENTS**

The Company shall establish a weekly net Bill credit/charge to be given to the AO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the AO and MISO through a week of market settlement statements, along with any applicable NIPSCO administrative fees.

The Company shall establish a monthly net Bill credit/charge to be given to the NAO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the Company and MISO for the NAO through a calendar month of market settlement statements prior to the regular Bill, along with any applicable NIPSCO administrative fees.

The payment to ARCs shall take place ten (10) calendar days following the end of a calendar month and shall include a net credit/charge, including prior period adjustments, that reflect settlements between the Company and MISO for the ARC through a calendar month of market settlement statements, along with any applicable NIPSCO administrative fees.

**GENERAL TERMS AND CONDITIONS**

Except as provided in this Rider, all terms, conditions, rates, and charges outlined in the applicable Rate Schedule will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities and, therefore, not compensated by MISO, will not be compensated under this Rider. Agreements under this Rider will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable Rate Schedules. It will be the Customer's responsibility to monitor and control its Demand and Energy usage before, during, and after a notice period under this Rider.

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**EMERGENCY DEMAND RESPONSE RESOURCE (EDR) – ENERGY ONLY**

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**TO WHOM AVAILABLE**

Available to a Customer on Rates 823, 824, 825, 826, 831~~0~~, 832~~.~~ – or 833~~4~~ or their successor Rate who has sustained ability to reduce its Energy requirements through indirect participation in the MISO wholesale energy market by managing its electric usage as described in MISO's Tariff Module E-1. This Rider is available to any load that is participating in Rate 831 and registered as a LMR; unless MISO rules change and do not permit load used by the Company as a Load Modifying Resource to also participate as an Emergency Demand Response Resource (EDR); provided, however, load may not participate as a DRR if such participation would be inconsistent with the provisions of either of the Company's Industrial Power Service Rates. The Customer shall enter into a written contract with the Company to reduce a portion of its electric load for single or multiple Interval Data Recorder (IDR) meters through participation with the Company acting as the Market Participant for the Customer. Customer who does not qualify as an LMR may, however, participate as an EDR with any load. Customer taking service under this Rider shall not take power under the temporary, surplus power, back-up and maintenance services during an event under this Rider. Customer shall be one and only one type of Customer for this Rider; an Asset Owner (AO), Non-Asset Owner (NAO), or Aggregator of Retail Customers (ARC).

**DEFINITIONS**

Aggregator of Retail Customers (ARC): A third party that consolidates the applicable load of NIPSCO customers to NIPSCO in order to meet the minimum requirements under this Rider. A Customer either aggregating its load from different meters or serving as an ARC for other Customers is considered a third party ARC for purposes of this Rider. An ARC may only aggregate for purposes of Load Reduction on this Rider. Although a Customer may serve as an ARC, for purposes of this Rider, an ARC is not a NIPSCO Customer.

Consumption Baseline (CBL): The default calculation of the Consumption Baseline (CBL) shall be calculated pursuant to the relevant BPM or MISO tariff currently in effect. In cases where the default calculation does not provide a reasonable representation of normal load conditions, the Company and the Customer may develop an alternative CBL calculation that more accurately reflects the Customer's normal consumption pattern subject to MISO approval.

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**DEFINITIONS (Continued)**

|                                           |                                                                                                                                                                                                                                                            |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer:                                 | A Customer refers to all three types of Customers on Rider 881; Asset Owner, Non-Asset Owner, and Aggregator of Retail Customers.                                                                                                                          |
| Emergency Demand Response Resource (EDR): | Emergency Demand Response, an Energy-only type of Demand Response Resource as defined by MISO.                                                                                                                                                             |
| Load Reduction:                           | The amount of load the Customer reduces from its CBL.                                                                                                                                                                                                      |
| Non-Asset Owner (NAO):                    | A Customer on Rates 823, 824, 825, 826, 832, <del>8330</del> , 831 Tier 1 or 831 Tier 2 whom is not an ARC.                                                                                                                                                |
| MFRR:                                     | <u>Marginal Foregone Retail Rate, exclusive of any Demand component effects, which is further defined as the full marginal retail rate inclusive of trackers (excluding the Fuel Cost Adjustment) and approved by the Commission.</u>                      |
| Targeted Demand Reduction Level (TDRL):   | This value is initially set through asset registration and may be overridden by the Customer (for AOs) or the Company (for NAOs and ARCs) via the schedule offer submittal through the MISO Market Portal. Service is limited to Tier 1 plus Tier 2 level. |

**MINIMUM LOAD REDUCTION AMOUNT**

The Customer shall register TDRL of at least 1,000 kW of sustainable Load Reduction. ARCs may aggregate to meet the 1,000 kW minimum Load Reduction.

**MAXIMUM LOAD REDUCTION AMOUNT**

Customers taking service under Rate 831 shall have their Load Reduction limited to the sum of its Tier 1 and Tier 2 level. Customer shall be responsible for the compliance of their Load Reduction obligations in accordance with this Rider. All Load Reduction will be reconstituted for settlement purposes to the applicable Company load zone with MISO.

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**REGISTRATION**

Registration will follow MISO's quarterly network model update cycle. During quarterly model updates, the Company will request registration of a CP Node which is required for participation under this Rider. Refer to market registration within MISO's BPM for details on the data required to register. The Customer must assist the Company in completing any MISO registration requirements.

**LOAD REDUCTION AMOUNT**

The Customer participating in this Rider shall reduce its demand by the MISO-cleared offer amount relative to the CBL amount, or pay applicable MISO settlement charges/credits. The Customer and the Company shall enter into a contract which will specify the terms and conditions under which the Customer agrees to reduce usage. The Company and the Customer shall agree to the baseline methodology specified in the contract between the Company and the Customer. The MISO default baseline will be available as a choice for the Customer.

**Firm Demand Level (FDL)**

Customer electing this option agree, upon notification by Company, to limit their Demand to a firm load level. The method to compute the amount of the Load Reduction will be specified in the in the contract between the Customer and the Company. All usage above the Firm Demand Level will be charged to the Customer, as applicable, consistent with the non-compliance provisions in the applicable MISO BPMs and the Company's tariff. MISO will request implementation of this program at applicable times through its dispatch process. On such a MISO request, as relayed by the Company, Customer electing this option agree to reduce to the FDL as specified in the contract. If an offer is accepted, no buy-through Energy will be available.

**Fixed Reduction Amount**

Customer electing this option agree, upon notification by Company, to reduce Energy usage below their CBL level by the Customer specified amount. The method to compute the amount of the Load Reduction will be specified in the contract between the Customer and the Company.

MISO will request implementation of this program at applicable times through its dispatch process. On such a MISO request, as relayed by the Company, Customer electing this option agree to reduce Energy usage by the fixed reduction amount as specified in the contract. If an offer is accepted, no buy-through energy will be available.

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**COMMUNICATIONS, METERING, TELEMETRY, HARDWARE, AND SOFTWARE REQUIREMENTS**

The Company shall specify a communications plan, which includes a revenue quality meter and all implementation and operational software required under this Rider. It is the Customer's responsibility to comply with that plan. Customer will pay for the installed cost of additional metering, telemetry, hardware and software development, certificates, and licensing fees that may be required to facilitate service under this Rider. All such metering and software shall be compliant with any applicable current and future MISO and/or Commission requirements, including the potential of meter capture on a 5 minute basis. The Customer shall provide the Company with next day remote interrogation of the meter on an hourly level. Customer may elect to install its own metering, with the Company reserving the right to inspect the equipment and own the equipment once it is installed. At the Customer's request, metering may be installed by the Company and invoiced at the installed cost to the Customer. Estimated costs of metering and equipment shall be provided prior to installation by the Company, but the Customer shall be responsible for the actual costs of the equipment and installation.

**APPLICATION AND CONTRACT**

Customer participation in this Rider shall be subject to the approval of an application by the Company on a non-discriminatory basis. For ARCs, this process may include a review of the ARC's creditworthiness and an evaluation for need for appropriate financial assurance prior to participation. This financial assurance may include full collateral in the form of cash or other security instrument deemed appropriate by the Company.

Once approved for participation, the Company and Customer must enter into a contract, which shall be no more than one (1) Contract Year in duration. The contract shall be renewed for up to two (2) additional one (1) Contract Year terms subject to the right of either party to provide notice of termination sixty (60) days prior to the expiration of the initial or any subsequent term.

**THIRD-PARTY AGGREGATORS**

Aggregation will be permitted under this Rider subject to (a) measurement and verification of Customer response in a manner satisfactory to the Company sufficient to allow the Company to comply with any and all MISO requirements, and (b) satisfaction of reasonable and appropriate qualifications for any participating Aggregator.

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**THIRD-PARTY AGGREGATORS (Continued)**

An ARC shall be subject to the terms of the contract between the Company and ARC and pursuant to the terms of this Rider. An ARC shall provide a list of all individual Customers who are participating with the ARC. A Customer may serve as an ARC for other Customers in the service territory, but shall be subject to the requirements set forth in this Rider for ARCs. The Company shall have final approval over final integration of business processes of all participating ARCs.

**OFFERS**

**Asset Owner**

Rate 831 Tier 3 Customers shall be registered as an Asset Owner within MISO and will be required to submit all offer requirements, through the MISO Market Portal, consistent with the timeline outlined in the MISO BPM. When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the AO. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO.

If the resource is a Behind the Meter Generator (“BTMG”), the AO must affirm in writing that: (1) it holds all necessary permits; (2) it possesses the necessary rights to operate the unit; and (3) the BTMG is not a Network Resource as defined by MISO. If the generation resource designated under this Rider is historically not operated during non-Emergency conditions, the Energy that can be offered is the increase in output from a BTMG resource to enable a net Demand reduction in response to receiving an EDR dispatch instruction from the Company.

**Non-Asset Owner / Aggregator of Retail Customers**

The NAO/ARC shall have the option of participating or not on any particular day, as applicable, as long as it notifies the Company prior to 8:00 a.m. C.P.T. on the day before it does not wish to provide an Energy offer. If the total Load Reduction amount available within a given hour is less than 1,000 kW, an offer of “Not Participating” will be made for that hour.

If the resource is a Behind the Meter Generator (“BTMG”), the NAO/ARC must affirm in writing that: (1) it holds all necessary permits; (2) it possesses the necessary rights to operate the unit; and (3) the BTMG is not a Network Resource as defined by MISO. If the generation resource designated under this Rider is historically not operated during non-Emergency conditions, the Energy that can be offered is the increase in output from a BTMG resource to enable a net Demand reduction in response to receiving an EDR dispatch instruction from the Company.

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**EMERGENCY DEMAND RESPONSE RESOURCE (EDR) – ENERGY ONLY**

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**Non-Asset Owner / Aggregator of Retail Customers (Continued)**

When first registered, a default offer will be established which will remain valid until updated or declared unavailable by the NAO/ARC. All offers are applicable to every day noted in the offer. Default offers can only be made after the resource has been certified by MISO. The NIPSCO annual registration fee must be paid to the Company with submittal of the registration information.

The NAO/ARC shall submit the required offer information in the prescribed electronic format to the Company's designee no later than 8:00 a.m. C.P.T. for submittal to MISO by the Company. Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC.

**MISO PERFORMANCE REQUIREMENTS**

Performance requirements are stated in the MISO BPM and the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff. It shall be the Customer's responsibility to comply with all of the minimum performance criteria specified by MISO in effect and may be amended from time to time.

**NIPSCO ADMINISTRATIVE FEES**

The Company shall bill the Customer for NIPSCO administrative fees which may be amended from time to time with approval by the Commission utilizing the thirty (30) day Administrative Filing Procedures to the extent such amendment would otherwise qualify under said provisions.

Annual Registration with NIPSCO \$1,000

For offers cleared by MISO: 5% of the absolute value of the daily net MISO settlements which in no event shall Company portion be less than zero.

Change Fees for NAOs/ARCs: Up to fifteen (15) offer changes per month shall be entered at no charge to the NAO/ARC. NAO/ARC shall pay \$100 for each additional change, which shall be included in the monthly Bill and will first be netted against any settlement due to a result of a DRR Type 1 Event.

~~MFRR:~~ The Marginal Foregone Retail Rate will not apply.

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**EMERGENCY DEMAND RESPONSE RESOURCE (EDR) – ENERGY ONLY**

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**PENALTY FOR FAILURE TO PERFORM**

If the Customer does not perform to its offer cleared by MISO in accordance with the Contract, MISO may debit, credit or penalize the Customer (for AOs) or the Company (for NAOs and ARCs). Such financial settlements will be imposed on the Customer. The Company shall take its fee for offers cleared and subtract the MISO penalty or fee from the net of that amount.

If MISO terminates the Customer's participation, the Company shall immediately terminate the Customer's participation. If there are system reliability issues created by the Customer's failure to perform the Company reserves the right to suspend participation of the Customer under this Rider for ninety (90) days or to terminate the Customer's participation. The Customer has the right to ask the Commission to review any decision made by the Company.

In addition, in the event that a Customer has a debit on its Bill or invoice due to failure to perform, if the Customer does not pay the undisputed portion of that debit by the due date indicated on the Customer's Bill or invoice, the Customer shall be suspended from further participation until such time that the debit is paid. An ARC is accountable for all its Customers and all penalties incurred by its Customers for failure to perform will be issued to the ARC, not its Customers.

**SETTLEMENTS**

The Company shall establish a weekly net Bill credit/charge to be given to the AO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the AO and MISO through a week of market settlement statements, along with any applicable NIPSCO administrative fees.

The Company shall establish a monthly net Bill credit/charge to be given to the NAO. The net Bill credit/charge, including prior period adjustments, will reflect settlements between the Company and MISO for the NAO through a calendar month of market settlement statements prior to the regular Bill, along with any applicable NIPSCO administrative fees.

The payment to ARCs shall take place ten (10) calendar days following the end of a calendar month and shall include a net credit/charge, including prior period adjustments that reflect settlements between the Company and MISO for the ARC through a calendar month of market settlement statements, along with any applicable NIPSCO administrative fees.

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**EMERGENCY DEMAND RESPONSE RESOURCE (EDR) – ENERGY ONLY**

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**GENERAL TERMS AND CONDITIONS**

Except as provided in this Rider, all terms, conditions, rates, and charges outlined in the applicable Rate Schedule will apply.

Any interruptions or reductions in electric service caused by outages of Company's facilities and, therefore, not compensated by MISO, will not be compensated under this Rider. Agreements under this Rider will in no way affect Customer's or Company's respective obligations regarding the rendering of and payment for electric service under the applicable Rate Schedules. It will be the Customer's responsibility to monitor and control its Demand and Energy usage before, during, and after a notice period under this Rider.

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**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY LLC PURSUANT TO IND. )  
CODE §§ 8-1-2-42.7, 8-1-2-61 AND, IND. CODE § 8-1- )  
2.5-6 FOR (1) AUTHORITY TO MODIFY ITS )  
RATES AND CHARGES FOR ELECTRIC UTILITY )  
SERVICE THROUGH A PHASE IN OF RATES; (2) )  
APPROVAL OF NEW SCHEDULES OF RATES )  
AND CHARGES, GENERAL RULES AND ) CAUSE NO. 45159  
REGULATIONS, AND RIDERS; (3) APPROVAL OF )  
REVISED COMMON AND ELECTRIC )  
DEPRECIATION RATES APPLICABLE TO ITS )  
ELECTRIC PLANT IN SERVICE; (4) APPROVAL )  
OF NECESSARY AND APPROPRIATE )  
ACCOUNTING RELIEF; AND (5) APPROVAL OF )  
A NEW SERVICE STRUCTURE FOR )  
INDUSTRIAL RATES. )**

**STIPULATION AND SETTLEMENT AGREEMENT ON  
RATE 831 IMPLEMENTATION**

This Stipulation and Settlement Agreement on Rate 831 Implementation (“Rate 831 Implementation Agreement”) is entered into this 17<sup>th</sup> day of May, 2019, by and between Northern Indiana Public Service Company LLC (“NIPSCO”); the NIPSCO Industrial Group<sup>1</sup> (“Industrial Group”); NLMK Indiana (“NLMK”);<sup>2</sup> and United States Steel Corporation (“US. Steel”) (collectively the “Rate 831 Settling Parties”), who stipulate and agree for purposes of settling issues related to Rate 831, presented in this Cause, that the terms and conditions set forth below represent a fair and reasonable resolution subject to incorporation into a Final Order of the Indiana Utility Regulatory

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<sup>1</sup> The Industrial Group is comprised of Accurate Castings, Inc., ArcelorMittal USA, BP Products North America, Inc., Cargill, Inc, Enbridge Energy, Praxair, Inc., and USG Corporation.

<sup>2</sup> NLMK joins in and supports this Rate 831 Implementation Agreement except as to paragraph C.4.

Commission (“Commission”) without any modification or condition that is not acceptable to the Rate 831 Settling Parties.

**A. Background**

WHEREAS, NIPSCO filed a Verified Petition initiating this Cause on October 31, 2018 requesting, among other relief, approval of an Alternative Regulatory Plan pursuant to Indiana Code §8-1-2.5-6 that would facilitate a new service structure for industrial rates (“Rate 831”) to address a changing energy landscape;

WHEREAS, the Rate 831 Settling Parties filed testimony explaining the operation of Rate 831 and supporting the need for Rate 831 to preserve NIPSCO’s large industrial load, to retain the contribution of such load to fixed production costs, and support NIPSCO’s resource planning;

WHEREAS, the Rate 831 Settling Parties filed testimony supporting the allocation methodology proposed by NIPSCO which would have produced cost-of-service rates for customers on Rate 831 while preserving a sizable subsidy for customers on Rate 811;

WHEREAS, the Rate 831 Settling Parties and other parties, including the Indiana Office of Utility Consumer Counselor, entered into and filed a Stipulation and Settlement Agreement On Less than All the Issues (“Revenue Settlement”) with the Commission on April 26, 2019 which, among other matters, decreased NIPSCO’s proposed revenue requirement by approximately \$63.648 Million from the amount originally requested by NIPSCO;

WHEREAS, the Revenue Settlement indicated that parties would continue discussions in an effort to resolve revenue allocation and issues related to Rate 831;

WHEREAS, after negotiations conducted prior to and after the filing of the Revenue Settlement, the parties have been unable to resolve their differences on revenue allocation and issues related to Rate 831;

WHEREAS, the Rate 831 Settling Parties have been able to reach mutual agreement on issues related to Rate 831 implementation between and among themselves including rate design which will obviate the need for additional proceedings on such issues, including the Step 2 True Up, and wish to present the other parties and the Commission with an agreement to be considered as in the public interest for approval without modification;

NOW, THEREFORE, the Rate 831 Settling Parties agree to the following:

**B. Settlement Terms**

1. Allocation: The Rate 831 Settling Parties<sup>3</sup> agree that NIPSCO's cost of service study should be used to allocate costs to Rate 831 based on a Tier 1 subscription of 194.556 megawatts. The Rate 831 Settling Parties agree that \$149.438 Million (exclusive of approximately \$2.827 Million in "other revenues") shall be allocated to Rate 831.

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<sup>3</sup> US Steel submitted testimony in this Cause only related to Rate 831, and thus supports the settlement cost of service study as it relates to the rates, charges and trackers related to Rate 831, and takes no position on the remaining rate design.



2. Tracker Allocations:

- a. The Rate 831 Settling Parties agree that Rate 831 Implementation Agreement Exhibit A, which is Attachment 19-R-F to NIPSCO Witness Westerhausen's Verified Rebuttal Testimony (updated for the settlement revenue requirement and the adjustment for Rate 844), shall be used for purposes of establishing the allocation factors for NIPSCO's surviving tracker mechanisms.
- b. The Rate 831 Settling Parties agree that Rate 831 Implementation Agreement Exhibit B, which is Attachment 19-R-E to NIPSCO Witness Westerhausen's Verified Rebuttal Testimony (with no changes), sets out the applicable portions of Rate 831 that are subject to each surviving tracking mechanism.
- c. For the purposes of recovery of any approved capital transmission, distribution, and storage system improvement charge ("TDSIC") expenditures and costs, only Rate 831 customers' Tier 1 load constitutes "firm load" and the TDSIC revenue allocation shall only be applied to revenue associated with Rate 831 customers' Tier 1 load. The Rate 831 Settling Parties agree that Pages 5 and 6 of Rate 831 Implementation Agreement Exhibit A, which is Attachment 19-R-F to NIPSCO Witness Westerhausen's Verified Rebuttal Testimony (updated with the settlement revenue requirement) reflect the allocation factors for TDSIC purposes.

3. Rate 831 Rate Design:

- a. Except as otherwise provided herein, the Rate 831 Settling Parties agree that Rate 831 shall be adopted as proposed in NIPSCO's case-in-chief as modified in NIPSCO's rebuttal, and based on the settlement revenue requirement for Rate 831 described in B.1., above.
- b. The Rate 831 Settling Parties agree that the design of Rate 831 should be based on the cost of service study presented by NIPSCO as modified on rebuttal, and applying the settlement revenue requirement for Rate 831 described in B.1., above.
- c. For purposes of the "Adjacent Affiliate Qualified Facility Premise Transmission Charge" the Rate 831 Settling Parties agree that the provision shall be amended by adding the following language: " If the Customer's premises were served under NIPSCO's prior Rate 732, the gross Energy transferred between premises will be determined by the aggregate amount of self-generated Energy in excess of metered consumption in the applicable monthly billing period."
- d. The Rate 831 Settling Parties agree that the amount of Tier 1 demand subscribed to by each of the Rate 831 customers and their corresponding Tier 1 energy in the initial 5-year contract is set forth in Rate 831 Implementation Agreement Confidential Exhibit C. The Rate 831 Settling Parties agree that the Tier 1 subscriptions

reflected in Rate 831 Implementation Agreement Confidential Exhibit C shall be binding upon each customer in the event of the approval of this Agreement without modification.

- e. The Rate 831 Settling Parties agree that a transition period, lasting from the date on which Phase I rates become effective until June 1, 2020, shall provide Rate 831 customers time to make arrangements for their Tier 2 and Tier 3 energy and capacity needs. The Rate 831 Settling Parties agree that the terms and conditions set forth in Rate 831 Implementation Agreement Exhibit D shall be applicable to that transition period.

**C. Procedural Aspects and Presentation of the Agreement**

1. The Rate 831 Settling Parties acknowledge that a significant motivation to enter into this Rate 831 Implementation Agreement is the expectation that, if the Commission finds this Agreement to be reasonable and in the public interest, a Final Order approving the Agreement and authorizing the implementation of the Rate 831 service structure will be effective immediately, without the need for a Stage 2 True Up proceeding. The Rate 831 Settling Parties have spent considerable and valuable time reviewing data and negotiating the Agreement in an effort to eliminate time consuming and costly litigation. The Rate 831 Settling Parties agree to request that the Commission review this Agreement within the existing procedural schedule, and that if the Commission finds the Agreement to be reasonable and in the public interest, to approve the Agreement without any material modification in sufficient time to allow the Rate 831

service structure to be implemented contemporaneously with the all other changes in rates and charges.

2. The Rate 831 Settling Parties agree to jointly present this Agreement to the Commission for approval in this proceeding, and agree to assist and cooperate in the preparation and presentation of supplemental testimony as necessary to provide an appropriate factual basis for such approval.

3. If the Agreement is not approved in its entirety by the Commission, the Rate 831 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 Rate 831 Settling Parties with the terms of this Agreement is expressly predicated upon the Commission's approval of the Agreement in its entirety without modification of material condition deemed unacceptable to any Settling Party. If the Commission does not approve the Agreement in its entirety, the Agreement shall be null and void and deemed withdrawn upon notice in writing by any Settling Party within fifteen (15) business days after the date of the Final Order that contains any unacceptable modifications.

4. In the event the Commission rejects this Settlement Agreement or the Alternative Regulatory Plan for Rate 831, or makes modifications in the Rate 831 allocation or design (collectively "831 Rejection"), which results in the six largest industrial customers being unable or unwilling to subscribe to the total megawatts included on Rate 831 Implementation Agreement Confidential Exhibit C under the proposed design, the Settling Parties agree that further proceedings in this Cause are

appropriate. In the event of 831 Rejection, the Settling Parties propose to notify the Commission so that a procedural schedule may be established to determine the proper rate structure for NIPSCO's largest industrial customers. The Rate 831 Settling Parties agree that the revenue requirement in the Revenue Settlement is calculated based upon NIPSCO's proposed change in its industrial service structure (i.e., establishing Rate 831). 831 Rejection would directly affect the stipulated revenue requirement, specifically the fuel and related expenses such that the revenue requirement will need to be revised and the allocated cost of service study will need to be revised, and that NIPSCO cannot implement new rates for any customer class until the additional proceeding is concluded.

5. The Rate 831 Settling Parties agree that this Agreement and each term, condition, amount, methodology, and exclusion contained herein reflects a fair, just, and reasonable resolution and compromise for the purpose of settlement, and is agreed upon without prejudice to the ability of any party to propose a different term, condition, amount, methodology, or exclusion in any future proceeding. As set forth in the Order in *Re Petition of Richmond Power & Light*, Cause No. 40434, the Rate 831 Settling Parties agree and ask the Commission to incorporate as part of its Final Order that this Agreement, and the Final Order approving it, not be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission or any court of competent jurisdiction on these particular issues. This Agreement is solely the result of compromise in the settlement process. Each of the Rate 831 Settling Parties has entered into this Agreement solely to avoid future disputes and litigation with attendant inconvenience and expense.

6. The Rate 831 Settling Parties stipulate that the evidence of record presented in this Cause constitutes substantial evidence sufficient to support this Agreement and provides an adequate evidentiary basis upon which the Commission can make any finding of fact and conclusion of law necessary for the approval of this Agreement as filed. The Rate 831 Settling Parties agree to the admission into the evidentiary record of this Agreement, along with testimony supporting it without objection.

7. 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.

8. The undersigned represent and agree that they are fully authorized to execute this Agreement on behalf of their designated clients who will be bound thereby; and further represent and agree that each Settling Party has had the opportunity to review all evidence in this proceeding, consult with attorneys and experts, and is otherwise fully advised of the terms.

9. The Rate 831 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 Rate 831 Settling Parties shall oppose any appeal of any portion of the Final Order approving this Agreement.

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

11. The communications and discussions during the negotiations and conferences which produced this Agreement have been conducted on the explicit understanding that they are or relate to offers of settlement and shall therefore be privileged.

ACCEPTED AND AGREED this 17<sup>th</sup> day of May, 2019.

**[SIGNATURE PAGES FOLLOW]**

**Northern Indiana Public Service Company LLC**

A handwritten signature in black ink, appearing to read 'M Hooper', is written over a horizontal line.

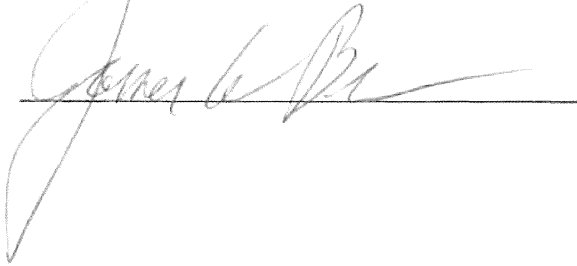
Michael Hooper  
Senior Vice President  
Regulatory, Legislative Affairs and Strategy



**NIPSCO Industrial Group**

  
\_\_\_\_\_

**NLMK Indiana**



James A. De...

United States Steel Corporation

*Mikki Shultz*  
\_\_\_\_\_

Tracker Allocators  
2018 Electric Rate Case  
Demand Allocation

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| <u>Line</u> | <u>Description</u>               | <u>Rate Class</u> | <u>Demand Allocators -<br/>Total Revenue</u> | <u>Rate 831 Tier 1<br/>Adjustment</u> | <u>Revised Revenue</u> | <u>Resulting %<br/>Allocation on<br/>Revenue"</u> |
|-------------|----------------------------------|-------------------|----------------------------------------------|---------------------------------------|------------------------|---------------------------------------------------|
| 1           | Residential                      | Rate 811          | \$ 508,397,289                               |                                       | \$ 508,397,289         | 35.05%                                            |
| 2           | C&GS Heat Pump                   | Rate 820          | \$ 914,117                                   |                                       | \$ 914,117             | 0.06%                                             |
| 3           | GS Small                         | Rate 821          | \$ 253,812,406                               |                                       | \$ 253,812,406         | 17.50%                                            |
| 4           | Comm SH                          | Rate 822          | \$ 1,211,193                                 |                                       | \$ 1,211,193           | 0.08%                                             |
| 5           | GS Medium                        | Rate 823          | \$ 165,705,139                               |                                       | \$ 165,705,139         | 11.42%                                            |
| 6           | GS Large                         | Rate 824          | \$ 207,833,587                               |                                       | \$ 207,833,587         | 14.33%                                            |
| 7           | Metal Melting                    | Rate 825          | \$ 7,273,007                                 |                                       | \$ 7,273,007           | 0.50%                                             |
| 8           | Off-Peak Serv.                   | Rate 826          | \$ 121,033,845                               |                                       | \$ 121,033,845         | 8.34%                                             |
| 9           | Industrial Power Service - Large | Rate 831          | \$ -                                         |                                       |                        |                                                   |
| 10          | Tier 1                           | Tier 1            | \$ 152,266,583                               | \$ (31,546,292)                       | \$ 120,720,291         | 8.32%                                             |
| 11          | Small Industrial Service - LLF   | Rate 832          | \$ 12,790,750                                |                                       | \$ 12,790,750          | 0.88%                                             |
| 12          | Small Industrial Service - HLF   | Rate 833          | \$ 28,801,612                                |                                       | \$ 28,801,612          | 1.99%                                             |
| 13          | Muni. Power                      | Rate 841          | \$ 3,500,918                                 |                                       | \$ 3,500,918           | 0.24%                                             |
| 14          | Int WW Pumping                   | Rate 842          | \$ 111,123                                   |                                       | \$ 111,123             | 0.01%                                             |
| 15          | Railroad                         | Rate 844          | \$ 2,146,284                                 |                                       | \$ 2,146,284           | 0.15%                                             |
| 16          | Street Lighting                  | Rate 850          | \$ 7,896,064                                 |                                       | \$ 7,896,064           | 0.54%                                             |
| 17          | Traffic Lighting                 | Rate 855          | \$ 910,582                                   |                                       | \$ 910,582             | 0.06%                                             |
| 18          | Dusk to Dawn Lighting            | Rate 860          | \$ 2,615,562                                 |                                       | \$ 2,615,562           | 0.18%                                             |
| 19          |                                  | Interdepartmental | \$ 4,946,681                                 |                                       | \$ 4,946,681           | 0.34%                                             |
| 20          | System Total                     |                   | \$ 1,482,166,742                             |                                       | \$ 1,450,620,450       | 100.00%                                           |

Rate 831

| Line No. | Description                                 | Billing Determinants<br>(kWh, kW) | Proposed Rate | Revenue        | Total Revenue  | Tier 1 Revenue |
|----------|---------------------------------------------|-----------------------------------|---------------|----------------|----------------|----------------|
|          | Billed kW                                   |                                   |               |                |                |                |
| 1        | Firm Contract Demand                        | 2,334,672                         | \$ 22.97      | \$ 53,617,496  | \$ 53,617,496  | \$ 53,617,496  |
| 2        |                                             |                                   |               |                |                |                |
| 3        | Total kW                                    | 2,334,672                         |               | \$ 53,617,496  | \$ 53,617,496  |                |
|          | Energy Charge                               |                                   |               |                |                |                |
| 4        | Variable O&M                                | 1,534,532,236                     | \$ 0.003435   | \$ 5,270,461   | \$ 5,270,461   | \$ 5,270,461   |
| 5        | Fuel                                        | 1,684,938,526                     | \$ 0.026446   | \$ 44,559,646  | \$ 44,559,646  | \$ 44,559,646  |
| 6        | Transmission Charge                         | 5,031,239,483                     | \$ 0.008573   | \$ 43,132,596  | \$ 43,132,596  | \$ 14,444,904  |
|          | Adjacent Qualifying Facility Premise        |                                   |               |                |                |                |
| 7        | Transmission Charge                         | 1,222,643,106                     | \$ 0.002572   | \$ 3,144,500   | \$ 3,144,500   | \$ -           |
| 8        | Transmission Charge Subtotal                | 6,253,882,589                     |               | 46,277,096     |                |                |
| 9        | Total Energy Charge                         |                                   | \$            | \$ 96,107,204  | \$ 96,107,204  | \$ 117,892,508 |
| 10       | Other Revenue                               |                                   |               |                | \$             | \$ 2,827,783   |
|          | Discounts - Billed kW                       |                                   |               |                |                |                |
| 11       | Lagging RKVA Discount                       | (893,436)                         | \$ 0.32       | \$ (285,900)   | \$ (285,900)   |                |
| 12       | Total Discount                              | (893,436)                         | \$            | \$ (285,900)   | \$ (285,900)   |                |
| 13       | Industrial Power Service - Large (Rate 831) |                                   | \$            | \$ 149,438,800 | \$ 149,438,800 | \$ 149,438,800 |
| 14       | Other Revenue / Rate 831 Tier 1 Adjustment  |                                   |               | \$             | \$ 2,827,783   | \$ 31,546,292  |
| 15       | Total                                       |                                   |               | \$             | \$ 152,266,583 |                |
|          |                                             |                                   |               |                | %              |                |
|          | Transmission kWh                            |                                   |               | 5,031,239,483  | 100.00%        |                |
|          | Adjacent Qualifying<br>Facility Premise     |                                   | 1,222,643,106 | -              | 0.00%          |                |
|          | Total                                       |                                   |               | 5,031,239,483  |                |                |

Tracker Allocators  
2018 Electric Rate Case  
Demand Allocation Support

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| Description                      | Rates             | Demand Allocators -<br>Total Revenue | Rate 831 Tier 1<br>Adjustment | Revised Revenue  | Resulting %<br>Allocation on<br>Revenue" |
|----------------------------------|-------------------|--------------------------------------|-------------------------------|------------------|------------------------------------------|
| Residential                      | Rate 811          | \$ 508,397,289                       |                               | \$ 508,397,289   | 35.05%                                   |
| C&GS Heat Pump                   | Rate 820          | \$ 914,117                           |                               | \$ 914,117       | 0.06%                                    |
| GS Small                         | Rate 821          | \$ 253,812,406                       |                               | \$ 253,812,406   | 17.50%                                   |
| Comml SH                         | Rate 822          | \$ 1,211,193                         |                               | \$ 1,211,193     | 0.08%                                    |
| GS Medium                        | Rate 823          | \$ 165,705,139                       |                               | \$ 165,705,139   | 11.42%                                   |
| GS Large                         | Rate 824          | \$ 207,833,587                       |                               | \$ 207,833,587   | 14.33%                                   |
| Metal Melting                    | Rate 825          | \$ 7,273,007                         |                               | \$ 7,273,007     | 0.50%                                    |
| Off-Peak Serv.                   | Rate 826          | \$ 121,033,845                       |                               | \$ 121,033,845   | 8.34%                                    |
| Industrial Power Service - Large | Rate 831          |                                      |                               |                  |                                          |
| Tier 1                           | Tier 1            | \$ 152,266,583                       | \$ (31,546,292)               | \$ 120,720,291   | 8.32%                                    |
| Small Industrial Service - LLF   | Rate 832          | \$ 12,790,750                        |                               | \$ 12,790,750    | 0.88%                                    |
| Small Industrial Service - HLF   | Rate 833          | \$ 28,801,612                        |                               | \$ 28,801,612    | 1.99%                                    |
| Muni. Power                      | Rate 841          | \$ 3,500,918                         |                               | \$ 3,500,918     | 0.24%                                    |
| Int WW Pumping                   | Rate 842          | \$ 111,123                           |                               | \$ 111,123       | 0.01%                                    |
| Railroad                         | Rate 844          | \$ 2,146,284                         |                               | \$ 2,146,284     | 0.15%                                    |
| Street Lighting                  | Rate 850          | \$ 7,896,064                         |                               | \$ 7,896,064     | 0.54%                                    |
| Traffic Lighting                 | Rate 855          | \$ 910,582                           |                               | \$ 910,582       | 0.06%                                    |
| Dusk to Dawn Lighting            | Rate 860          | \$ 2,615,562                         |                               | \$ 2,615,562     | 0.18%                                    |
|                                  | Interdepartmental | \$ 4,946,681                         |                               | \$ 4,946,681     | 0.34%                                    |
| System Total                     |                   | \$ 1,482,166,742                     |                               | \$ 1,450,620,450 | 100.00%                                  |

Tracker Allocators  
2018 Electric Rate Case  
Energy Allocation

| <u>Line</u> | <u>Description</u>               | <u>Rate Class</u> | <u>MWH at the Source</u> | <u>% Allocation on Sales</u> |
|-------------|----------------------------------|-------------------|--------------------------|------------------------------|
| 1           | Residential                      | Rate 811          | 3,574,056                | 28.86%                       |
| 2           | C&GS Heat Pump                   | Rate 820          | 10,918                   | 0.09%                        |
| 3           | GS Small                         | Rate 821          | 1,692,423                | 13.67%                       |
| 4           | CommI SH                         | Rate 822          | 12,282                   | 0.10%                        |
| 5           | GS Medium                        | Rate 823          | 1,324,381                | 10.69%                       |
| 6           | GS Large                         | Rate 824          | 1,925,038                | 15.54%                       |
| 7           | Metal Melting                    | Rate 825          | 97,218                   | 0.78%                        |
| 8           | Off-Peak Serv.                   | Rate 826          | 1,327,574                | 10.72%                       |
| 9           | Industrial Power Service - Large | Rate 831          |                          |                              |
|             |                                  | Tier 1            | 1,716,774                | 13.86%                       |
|             |                                  | Tier 2            | 0                        | 0.00%                        |
| 10          | Small Industrial Service - LLF   | Rate 832          | 152,471                  | 1.23%                        |
| 11          | Small Industrial Service - HLF   | Rate 833          | 408,867                  | 3.30%                        |
| 12          | Muni. Power                      | Rate 841          | 29,678                   | 0.24%                        |
| 13          | Int WW Pumping                   | Rate 842          | 355                      | 0.00%                        |
| 14          | Railroad                         | Rate 844          | 21,905                   | 0.18%                        |
| 15          | Street Lighting                  | Rate 850          | 42,843                   | 0.35%                        |
| 16          | Traffic Lighting                 | Rate 855          | 6,532                    | 0.05%                        |
| 17          | Dusk to Dawn Lighting            | Rate 860          | 15,291                   | 0.12%                        |
| 18          |                                  | Interdepartmental | 26,376                   | 0.21%                        |
| 19          | System Total                     |                   | 12,384,981               | 100%                         |

**Transmission and Distribution  
Revenue Requirement Allocation**

\*For purposes of recovering approved capital TDSIC expenditures and costs pursuant to I.C. 8-1-39-9(a), the following class allocation factor percentages shall be applied to the respective distribution- or transmission-related revenue requirement and then the resulting TDSIC charge factors (per kWh) applied to each customer's firm (or non-interruptible) load within that class:

| <u>Line</u> | <u>Description</u>               | <u>Rate Class</u> | Transmission<br>Rev. Req.<br>Allocation Factor<br>% | Distribution Rev.<br>Req. Allocation<br>Factor<br>% |
|-------------|----------------------------------|-------------------|-----------------------------------------------------|-----------------------------------------------------|
| 1           | Residential                      | Rate 811          | 36.65%                                              | 53.48%                                              |
| 2           | C&GS Heat Pump                   | Rate 820          | 0.11%                                               | 0.19%                                               |
| 3           | GS Small                         | Rate 821          | 15.95%                                              | 17.65%                                              |
| 4           | Comml SH                         | Rate 822          | 0.12%                                               | 0.18%                                               |
| 5           | GS Medium                        | Rate 823          | 11.67%                                              | 9.90%                                               |
| 6           | GS Large                         | Rate 824          | 13.82%                                              | 10.77%                                              |
| 7           | Metal Melting                    | Rate 825          | 0.48%                                               | 0.53%                                               |
| 8           | Off-Peak Serv.                   | Rate 826          | 8.49%                                               | 5.98%                                               |
| 9           | Industrial Power Service - Large | Rate 831          | 8.55%                                               | 0.00%                                               |
| 10          | Small Industrial Service - LLF   | Rate 832          | 1.05%                                               | 0.00%                                               |
| 11          | Small Industrial Service - HLF   | Rate 833          | 2.26%                                               | 0.00%                                               |
| 12          | Muni. Power                      | Rate 841          | 0.25%                                               | 0.33%                                               |
| 13          | Int WW Pumping                   | Rate 842          | 0.00%                                               | 0.00%                                               |
| 14          | Railroad                         | Rate 844          | 0.14%                                               | 0.00%                                               |
| 15          | Street Lighting                  | Rate 850          | 0.07%                                               | 0.27%                                               |
| 16          | Traffic Lighting                 | Rate 855          | 0.04%                                               | 0.03%                                               |
| 17          | Dusk to Dawn Lighting            | Rate 860          | 0.04%                                               | 0.20%                                               |
|             |                                  | Interdepartmental | 0.31%                                               | 0.50%                                               |
| 18          | System Total                     |                   | 100.00%                                             | 100.00%                                             |



Tracker Allocators  
2018 Electric Rate Case  
TDSIC Allocation Support

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TDISC Allocators

| Rate              | Trans          | Sub Trans     | Total          | 831 Tier 1 Adj | Adj. Total     | <u>Transmissio</u> |
|-------------------|----------------|---------------|----------------|----------------|----------------|--------------------|
|                   |                |               |                |                |                | <u>n Rev. Req.</u> |
|                   |                |               |                |                |                | <u>Allocation</u>  |
|                   |                |               |                |                |                | <u>Factor</u>      |
| Rate 811          | \$ 40,202,805  | \$ 9,738,719  | \$ 49,941,524  |                | \$ 49,941,524  | 36.65%             |
| Rate 820          | \$ 106,041     | \$ 45,896     | \$ 151,937     |                | \$ 151,937     | 0.11%              |
| Rate 821          | \$ 17,869,739  | \$ 3,858,926  | \$ 21,728,665  |                | \$ 21,728,665  | 15.95%             |
| Rate 822          | \$ 122,851     | \$ 43,518     | \$ 166,369     |                | \$ 166,369     | 0.12%              |
| Rate 823          | \$ 13,545,126  | \$ 2,362,188  | \$ 15,907,314  |                | \$ 15,907,314  | 11.67%             |
| Rate 824          | \$ 16,052,377  | \$ 2,778,410  | \$ 18,830,787  |                | \$ 18,830,787  | 13.82%             |
| Rate 825          | \$ 471,091     | \$ 176,362    | \$ 647,453     |                | \$ 647,453     | 0.48%              |
| Rate 826          | \$ 9,953,037   | \$ 1,618,947  | \$ 11,571,984  |                | \$ 11,571,984  | 8.49%              |
| Rate 831          | \$ 46,812,162  | \$ 778,690    | \$ 47,590,853  | 24.48%         | \$ 11,651,965  | 8.55%              |
| Rate 832          | \$ 1,295,072   | \$ 141,359    | \$ 1,436,432   |                | \$ 1,436,432   | 1.05%              |
| Rate 833          | \$ 2,954,176   | \$ 119,153    | \$ 3,073,328   |                | \$ 3,073,328   | 2.26%              |
| Rate 841          | \$ 266,805     | \$ 73,950     | \$ 340,755     |                | \$ 340,755     | 0.25%              |
| Rate 842          | \$ 2,535       | \$ 336        | \$ 2,871       |                | \$ 2,871       | 0.00%              |
| Rate 844          | \$ 124,451     | \$ 62,044     | \$ 186,495     |                | \$ 186,495     | 0.14%              |
| Rate 850          | \$ 38,830      | \$ 61,938     | \$ 100,767     |                | \$ 100,767     | 0.07%              |
| Rate 855          | \$ 51,320      | \$ 7,114      | \$ 58,433      |                | \$ 58,433      | 0.04%              |
| Rate 860          | \$ 18,423      | \$ 31,541     | \$ 49,964      |                | \$ 49,964      | 0.04%              |
| Interdepartmental | \$ 300,492     | \$ 123,169    | \$ 423,661     |                | \$ 423,661     | 0.31%              |
| Total             | \$ 150,187,333 | \$ 22,022,260 | \$ 172,209,593 |                | \$ 136,270,706 | 100%               |

|                             |               |        |
|-----------------------------|---------------|--------|
| Tier 1 Transmission Volumes | 1,534,532,236 | 24.48% |
| Total Transmission Volumes' | 6,267,586,326 |        |

| Rate              | Dist Primary   | Dist Secondary | Total          | <u>Distribution</u> |
|-------------------|----------------|----------------|----------------|---------------------|
|                   |                |                |                | <u>Rev. Req.</u>    |
|                   |                |                |                | <u>Allocation</u>   |
|                   |                |                |                | <u>Factor</u>       |
| Rate 811          | \$ 79,507,533  | \$ 32,262,948  | \$ 111,770,481 | 53.48%              |
| Rate 820          | \$ 374,700     | \$ 17,911      | \$ 392,612     | 0.19%               |
| Rate 821          | \$ 31,431,404  | \$ 5,458,155   | \$ 36,889,559  | 17.65%              |
| Rate 822          | \$ 355,284     | \$ 26,207      | \$ 381,491     | 0.18%               |
| Rate 823          | \$ 19,272,477  | \$ 1,419,524   | \$ 20,692,002  | 9.90%               |
| Rate 824          | \$ 21,864,911  | \$ 639,198     | \$ 22,504,109  | 10.77%              |
| Rate 825          | \$ 1,077,024   | \$ 27,080      | \$ 1,104,104   | 0.53%               |
| Rate 826          | \$ 12,110,993  | \$ 394,245     | \$ 12,505,238  | 5.98%               |
| Rate 831          | \$ -           | \$ -           | \$ -           | 0.00%               |
| Rate 832          | \$ 0           | \$ -           | \$ -           | 0.00%               |
| Rate 833          | \$ (0)         | \$ -           | \$ (0)         | 0.00%               |
| Rate 841          | \$ 603,733     | \$ 81,096      | \$ 684,828     | 0.33%               |
| Rate 842          | \$ 2,744       | \$ 763         | \$ 3,507       | 0.00%               |
| Rate 844          | \$ -           | \$ -           | \$ -           | 0.00%               |
| Rate 850          | \$ 505,664     | \$ 53,048      | \$ 558,712     | 0.27%               |
| Rate 855          | \$ 58,075      | \$ 6,859       | \$ 64,934      | 0.03%               |
| Rate 860          | \$ 257,503     | \$ 159,191     | \$ 416,694     | 0.20%               |
| Interdepartmental | \$ 1,005,562   | \$ 31,466      | \$ 1,037,029   | 0.50%               |
| Total             | \$ 168,427,607 | \$ 40,577,693  | \$ 209,005,300 | 100.00%             |

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
**IURC Electric Service Tariff**  
**Original Volume No. 14**  
**Cancelling All Previously Approved Tariffs**

**APPENDIX A**  
**APPLICABLE RIDERS**

Sheet No. 1 of 2

| <b>Rider</b> | <b>Code</b> | <b>Rider Name</b>                                                            | <b>Applicable Tariffs</b>                                                                                        |
|--------------|-------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Rider 870    | FAC         | Adjustment of Charges for Cost of Fuel Rider                                 | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855, 860, Rider 876            |
| Rider 871    | RTO         | Adjustment of Charges for Regional Transmission Organization Adjustment      | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1 and Tier 2, 832, 833, 841, 842, 844, 850, 855, 860, Rider 876 |
| Rider 874    | RA          | Adjustment of Charges for Resource Adequacy                                  | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855, 860, Rider 876            |
| Rider 876    | BMTIS       | Back-Up and Maintenance Industrial Service Rider                             | 831                                                                                                              |
| Rider 877    | EDR         | Economic Development Rider                                                   | 824, 826, 832, 833                                                                                               |
| Rider 878    | COG         | Purchases from Cogeneration Facilities and Small Power Production Facilities | 811, 820, 821, 822, 823, 824, 825, 826, 832, 833, 841, 844,                                                      |
| Rider 879    | IS          | Interconnection Standards                                                    | 811, 820, 821, 822, 823, 824, 825, 826, 831, 832, 833, 841, 844, 865                                             |
| Rider 880    | NM          | Net Metering                                                                 | 811, 820, 821, 822, 823, 824, 825, 826, 832, 833, 841                                                            |

**Issued Date**  
\_\_/\_\_/2019

**Effective Date**  
6/30/2019

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
**IURC Electric Service Tariff**  
**Original Volume No. 14**  
**Cancelling All Previously Approved Tariffs**

**APPENDIX A**  
**APPLICABLE RIDERS**

Sheet No. 2 of 2

| <b>Rider</b> | <b>Code</b> | <b>Rider Name</b>                                                                          | <b>Applicable Tariffs</b>                                                                                 |
|--------------|-------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Rider 881    | DRR 1       | Demand Response Resource Type 1 (DRR 1) – Energy Only                                      | 823, 824, 825, 826, 831, 832, 833                                                                         |
| Rider 882    | EDR-1       | Emergency Demand Response Resource (EDR) – Energy Only                                     | 823, 824, 825, 826, 831, 832, 833                                                                         |
| Rider 883    | DSMA        | Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA)               | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 844, Rider 876                         |
| Rider 886    | GPR         | Green Power Rider                                                                          | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855, 860, and Rider 876 |
| Rider 887    | FMCA        | Adjustment of Charges for Federally Mandated Costs                                         | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855, 860, Rider 876     |
| Rider 888    | TDSIC       | Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge | 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855, 860, Rider 876     |

**Issued Date**  
\_\_/\_\_/2019

**Effective Date**  
6/30/2019

NORTHERN INDIANA PUBLIC SERVICE COMPANY  
IURC Electric Service Tariff  
Original Volume No. 14  
Cancelling All Previously Approved Tariffs

Original Sheet No. ~~201487~~

APPENDIX A  
APPLICABLE RIDERS

Sheet No. 1 of 2

| Rider     | Code  | Rider Name                                                                   | Applicable Tariffs                                                                                                                                       |
|-----------|-------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rider 870 | FAC   | Adjustment of Charges for Cost of Fuel Rider                                 | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> -831 Tier 1, <del>832</del> , <del>833</del> , 841, 842, 844, 850, 855, 860, Rider 876            |
| Rider 871 | RTO   | Adjustment of Charges for Regional Transmission Organization Adjustment      | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> -831 Tier 1 and Tier 2, <del>832</del> , <del>833</del> , 841, 842, 844, 850, 855, 860, Rider 876 |
| Rider 874 | RA    | Adjustment of Charges for Resource Adequacy                                  | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> -831 Tier 1, <del>832</del> , <del>833</del> , 841, 842, 844, 850, 855, 860, Rider 876            |
| Rider 876 | BMTIS | Back-Up and Maintenance Industrial Service Rider                             | 831                                                                                                                                                      |
| Rider 877 | EDR   | Economic Development Rider                                                   | 824, 826, <del>830</del> <del>832</del> , 833                                                                                                            |
| Rider 878 | COG   | Purchases from Cogeneration Facilities and Small Power Production Facilities | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> - <del>832</del> , <del>833</del> , 841, 844,                                                     |
| Rider 879 | IS    | Interconnection Standards                                                    | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> -831, <del>832</del> , <del>833</del> , 841, 844, 865                                             |
| Rider 880 | NM    | Net Metering                                                                 | 811, 820, 821, 822, 823, 824, 825, 826, <del>830</del> - <del>832</del> , <del>833</del> , 841                                                           |

Issued Date  
\_\_/\_\_/2019

Effective Date  
6/30/2019

**NIPSCO**

NORTHERN INDIANA PUBLIC SERVICE COMPANY  
IURC Electric Service Tariff  
Original Volume No. 14  
Cancelling All Previously Approved Tariffs

Original Sheet No. ~~202488~~

APPENDIX A  
APPLICABLE RIDERS

Sheet No. 2 of 2

| Rider     | Code  | Rider Name                                                                                 | Applicable Tariffs                                                                                                                                            |
|-----------|-------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rider 881 | DRR 1 | Demand Response Resource Type 1 (DRR 1) – Energy Only                                      | 823, 824, 825, 826, <del>830</del> ,<br>831, <del>832</del> , <del>833</del>                                                                                  |
| Rider 882 | EDR-1 | Emergency Demand Response Resource (EDR) – Energy Only                                     | 823, 824, 825, 826, <del>830</del> ,<br>831, <del>832</del> , <del>833</del>                                                                                  |
| Rider 883 | DSMA  | Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA)               | 811, 820, 821, 822, 823,<br>824, 825, 826, <del>830</del> -831<br>Tier 1, <del>832</del> , <del>833</del> , 841,<br>844, Rider 876                            |
| Rider 886 | GPR   | Green Power Rider                                                                          | 811, 820, 821, 822, 823,<br>824, 825, 826, <del>830</del> -831<br>Tier 1, <del>832</del> , <del>833</del> , 841,<br>842, 844, 850, 855, 860,<br>and Rider 876 |
| Rider 887 | FMCA  | Adjustment of Charges for Federally Mandated Costs                                         | 811, 820, 821, 822, 823,<br>824, 825, 826, <del>830</del> -831<br>Tier 1, <del>832</del> , <del>833</del> , 841,<br>842, 844, 850, 855, 860,<br>Rider 876     |
| Rider 888 | TDSIC | Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge | 811, 820, 821, 822, 823,<br>824, 825, 826, <del>830</del> -831<br>Tier 1, <del>832</del> , <del>833</del> , 841,<br>842, 844, 850, 855, 860,<br>Rider 876     |

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6/30/2019

**NIPSCO**

Joint Exhibit 2  
Cause No. 45159

**Rate 831 Implementation Agreement Confidential Exhibit C (Redacted)**  
**Cause No. 45159**

**Rate 831 Implementation Agreement Exhibit D**  
**Cause No. 45159**

1. Tier 2 and/or Tier 3 Contract Terms.

The Rate 831 Settling Parties agree that any contract for energy under Tier 3 and/or capacity under Tier 2 and/or Tier 3 shall include, at a minimum, the following provisions:

- (a) identify NIPSCO as the Market Participant for the retail customer at Midcontinent Independent System Operator, Inc. (“MISO”);
- (b) reference NIPSCO’s market-based rate authority with Federal Energy Regulatory Commission (“FERC”);
- (c) clearly state the Rate 831 customer remains a retail customer of NIPSCO;
- (d) indemnify NIPSCO from any financial or performance obligations under any physical energy or capacity agreement (the terms of any such agreement will link to the end use customer, who will wholly bear the risk associated with its contractual obligations);
- (e) incorporate relevant provisions of the Rate 831 tariff;
- (f) all pricing provisions in any agreement may be redacted by the customer; however NIPSCO reserves the right to request and be provided redacted information if determined necessary; and
- (g) any information shared with NIPSCO shall be subject to a confidentiality agreement applicable to all other terms of said agreements.

2. Rate Implementation Dates.

The Rate 831 Settling Parties agree that the customer’s elections under Rate 831 Tiers 2 and/or Tier 3 shall occur in a window between the day after NIPSCO’s compliance filing in this Cause to thirty (30) days thereafter. Customer recognizes that in

order to implement Tier 3, customer may need to install software including a security certificate to be provided by NIPSCO. The parties agree to work together during the 30 day period to achieve implementation.

3. Firm Capacity Transactions.

NIPSCO agrees that under either Tier 2 or Tier 3, a customer may procure capacity outside of MISO Zone 6, provided that any charges related to that capacity including delivery into NIPSCO's zone are directly assigned to the responsible customer and that the customer accepts responsibility for such charges.

4. Dispute Resolution.

NIPSCO agrees that the third party energy and capacity supplier may represent the industrial customer's interests in the event of a dispute with MISO, FERC, or the Indiana Utility Regulatory Commission. At a minimum, NIPSCO should be kept informed of the dispute process and may need to be a party to the process.