

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, 8-1-2.5-6 FOR (1))
AUTHORITY TO MODIFY ITS RETAIL 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 REGULATIONS, AND)
RIDERS (BOTH EXISTING AND NEW); (3))
APPROVAL OF A NEW RIDER FOR VARIABLE NON-)
LABOR O&M EXPENSES ASSOCIATED WITH COAL-)
FIRED GENERATION; (4) MODIFICATION OF THE)
FUEL COST ADJUSTMENT TO PASS BACK 100% OF)
OFF-SYSTEM SALES REVENUES NET OF EXPENSES;)
(5) APPROVAL OF REVISED COMMON AND)
ELECTRIC DEPRECIATION RATES APPLICABLE TO)
ITS ELECTRIC PLANT IN SERVICE; (6) APPROVAL)
OF NECESSARY AND APPROPRIATE ACCOUNTING)
RELIEF, INCLUDING BUT NOT LIMITED TO)
APPROVAL OF (A) CERTAIN DEFERRAL)
MECHANISMS FOR PENSION AND OTHER POST-)
RETIREMENT BENEFITS EXPENSES; (B) APPROVAL)
OF REGULATORY ACCOUNTING FOR ACTUAL)
COSTS OF REMOVAL ASSOCIATED WITH COAL)
UNITS FOLLOWING THE RETIREMENT OF)
MICHIGAN CITY UNIT 12, AND (C) A)
MODIFICATION OF JOINT VENTURE)
ACCOUNTING AUTHORITY TO COMBINE)
RESERVE ACCOUNTS FOR PURPOSES OF PASSING)
BACK JOINT VENTURE CASH, (7) APPROVAL OF)
ALTERNATIVE REGULATORY PLANS FOR THE (A))
MODIFICATION OF ITS INDUSTRIAL SERVICE)
STRUCTURE, AND (B) IMPLEMENTATION OF A)
LOW INCOME PROGRAM; AND (8) REVIEW AND)
DETERMINATION OF NIPSCO'S EARNINGS BANK)
FOR PURPOSES OF IND. CODE § 8-1-2-42.3.)

CAUSE NO. 45772

**VERIFIED PETITION FOR GENERAL RATE INCREASE AND ASSOCIATED
RELIEF UNDER INDIANA CODE §§ 8-1-2-61 AND 8-1-2-42.7 AND NOTICE
OF PROVISION OF INFORMATION IN ACCORDANCE WITH THE
COMMISSION’S MINIMUM STANDARD FILING REQUIREMENTS**

Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) respectfully requests that the Indiana Utility Regulatory Commission (“Commission”) issue an order (1) authorizing NIPSCO to modify its retail rates and charges for electric utility service through a phase-in of rates; (2) approving new schedules of rates and charges, general rules and regulations, and riders (both existing and new); (3) approval of a new rider for variable non-labor O&M expenses associated with coal-fired generation (“Variable Cost Tracker”); (4) modification of the fuel cost adjustment to pass back 100% of off-system sales revenues net of expenses; (5) approving revised common and electric depreciation rates applicable to its electric plant in service; (6) approving necessary and appropriate accounting relief, including but not limited to approval of (a) certain deferral mechanisms for pension and other post-retirement benefits (“OPEB”) expenses, (b) regulatory accounting for actual costs of removal associated with coal units following the retirement of the last coal unit (Michigan City Unit 12), and (c) a modification of Joint Venture accounting authority to consolidate the reserves for purposes of passing back Joint Venture cash; (7) approving alternative

regulatory plans for the (a) modification of NIPSCO's industrial rate service structure, and (b) implementation of a new low income program; (8) reviewing and determining the correct amount to include in NIPSCO's "earnings bank" for purposes of Ind. Code § 8-1-2-42.3; (9) authorizing NIPSCO to implement temporary rates; and (10) approving other requests as described herein. This filing is made pursuant to Ind. Code §§ 8-1-2-61, 8-1-2-42.7 ("Section 42.7"), and 8-1-2-5-6.

In accordance with the Commission's General Administrative Order 2013-5 (Rate Case Standard Procedural Schedule and Recommended Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7) ("GAO 2013-5"), NIPSCO hereby provides its Notice of Intent to File Information required under the Minimum Standard Filing Requirements ("MSFRs"), 170 IAC 1-5-1 *et seq.*, as applicable, to provide support for this Petition and to reduce or avoid disputes. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, NIPSCO submits the following information in support of this Petition.

Petitioner's Corporate Status

1. NIPSCO is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of

business at 801 East 86th Avenue, Merrillville, Indiana. NIPSCO is a wholly-owned subsidiary of NiSource Inc., an energy holding company whose stock is listed on the New York Stock Exchange.

Petitioner's Regulated Status

2. NIPSCO is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana. NIPSCO is also an "energy utility" within the meaning of Ind. Code § 8-1-2.5-2 and provides "retail energy service" as that term is defined by Ind. Code § 8-1-2.5-3. NIPSCO is also a "utility" within the meaning of Ind. Code § 8-1-2-42.7(c). NIPSCO is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

Petitioner's Operations

3. NIPSCO is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren, and White Counties in northern Indiana. NIPSCO owns, operates, manages, and controls electric generating, transmission and distribution plant and equipment and related facilities ("Utility Property"), which are used and useful for the convenience of the public in the

production, transmission, distribution and furnishing of electric energy, heat, light, and power to the public. The NIPSCO generating facilities have a total installed capacity of 2,299 net megawatts (“MW”) and consist of seven (7) separate generation sites, including the R.M. Schahfer Generating Station (“Schahfer”), Michigan City Generating Station (“Michigan City”), Sugar Creek Generating Station (“Sugar Creek”), Rosewater Wind Farm (“Rosewater”), Indiana Crossroads I Wind Farm (“Crossroads Wind I”), and two (2) hydroelectric generating sites (Oakdale and Norway). NIPSCO’s transmission system consists of approximately 21 circuit miles of 765 kV, 453 circuit miles of 345 kV, 810 circuit miles of 138 kV and 1,682 circuit miles of 69 kV transmission lines. NIPSCO is interconnected with seven (7) neighboring electric utilities. Pursuant to the Commission’s Order dated September 24, 2003, in Cause No. 42349, NIPSCO has transferred functional control of its transmission facilities to the Midcontinent Independent System Operator, Inc. (“MISO”), a regional transmission organization (“RTO”) operated under the authority of FERC, which controls the use of NIPSCO’s transmission system and the dispatching of NIPSCO’s generating units. NIPSCO also engages in power purchase transactions through MISO as necessary to meet the demands of its customers.

4. During the 12 months ended December 31, 2021, NIPSCO delivered nearly 15.6 billion kilowatt hours (“kWh”) of electricity to more than 483,000

residential, commercial, industrial, wholesale and other customers in accordance with its tariffs, rules and regulations. Nearly 53% of that electricity was provided to NIPSCO's industrial customers, making its proportion of industrial load among the highest in the industry.

Petitioner's Existing Rates and Rate Structure

5. NIPSCO's current electric basic rates and charges were approved in the Commission's December 4, 2019 Order in Cause No. 45159 (the "45159 Rate Case Order"), wherein the Commission approved a Stipulation and Settlement Agreement on Less Than all the Issues resolving revenue requirement and other miscellaneous issues ("45159 Revenue Settlement") between NIPSCO and the majority of the intervenors.¹ The Commission also approved a Stipulation and Settlement Agreement on Rate 831 Implementation (the "Rate 831 Settlement").² Those new basic rates and charges went into effect on January 2, 2020 (the first billing cycle for January 2020). The 45159 Order approved, among other items, an increase in NIPSCO's basic rates and charges. The 45159 Order also approved an

¹ The 45159 Revenue Settlement was entered into on April 25, 2019, by and between NIPSCO, NIPSCO Industrial Group ("Industrial Group"), NLMK Indiana ("NLMK"), United States Steel Corporation ("US Steel"), Citizens Action Coalition of Indiana, Inc., Walmart Inc., Northern Indiana Commuter Transportation District, Sierra Club, and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively the "Revenue Settling Parties"). On May 15, 2019, Indiana Municipal Utility Group joined the 45159 Revenue Settlement.

² The Rate 831 Settlement was entered into on May 17, 2019, by and between NIPSCO, Industrial Group, NLMK Indiana, and US Steel.

alternative regulatory plan which implemented a new service structure for certain industrial customer through NIPSCO's new Rate 831.

6. NIPSCO's petition initiating Cause No. 45159 was filed with the Commission on October 31, 2018. Therefore, in accordance with Ind. Code § 8-1-2-42(a), more than fifteen months have passed since the filing date of NIPSCO's most recent request for a general increase in its basic rates and charges. NIPSCO's current common and electric depreciation rates and last common and electric depreciation study were approved in the Commission's 45159 Rate Case Order.

7. NIPSCO files a quarterly Fuel Adjustment Clause ("FAC") proceeding in accordance with Ind. Code § 8-1-2-42(d) in Cause No. 38706-FAC-XXX to adjust its rates to account for fluctuation in its fuel and purchased energy costs.

8. In coordination with its FAC proceedings, NIPSCO files semi-annual proceedings in: (a) Cause No. 44156-RTO-XX to recover costs associated with MISO non-fuel costs and revenues and to provide for off-system sales sharing through its Rider 871 – Adjustment of Charges for Regional Transmission Organization and Appendix C – Regional Transmission Organization Adjustment Factor ("RTO Tracker") approved by the Commission in its 45159 Rate Case

Order,³ and (b) Cause No. 44155-RA-XX to recover prudently incurred capacity costs through its Rider 874 – Adjustment of Charges for Resource Adequacy and Appendix F – Resource Adequacy Adjustment Factor (“RA Tracker”) approved by the Commission in its 45159 Rate Case Order.⁴

9. NIPSCO files an annual proceeding in Cause No. 43618-DSM-XX to recover program costs, lost revenues, and financial incentives associated with approved demand side management and energy efficiency programs through its Rider 883 – Adjustment of Charges for Demand Side Management Adjustment

³ In its August 25, 2010, Order in Cause No. 43526, the Commission found that NIPSCO’s MISO non-fuel costs and revenues and off system sales sharing should be included in one mechanism designated as the RTO Adjustment. In its December 21, 2011, Order in Cause No. 43969, the Commission approved the implementation of the RTO Adjustment approved in Cause No. 43526 by approving Rider 671 and Appendix C. In its July 18, 2016, Order in Cause No. 44688, the Commission approved NIPSCO’s request for authority to defer, as a regulatory asset or liability, an amount equal to 50% of annual off system sales margins above or below the level of off-system sales margins included in the test year for recovery through the RTO tracker. In its 45159 Rate Case Order, the Commission approved NIPSCO’s request to: (1) remove MISO charges and credits and collect 100% of MISO charges that are not included in the FAC through the RTO; (2) remove positive or negative OSS margins currently included in base rates and flow back 100% of any margins net of expenses through the RTO; (3) remove all back-up and maintenance margins currently included in base rates and pass back 100% of such margins net of expenses through the RTO Tracker; and (4) change the allocation methodology. In its April 27, 2022 Order in Cause No. 44156-RTO-21, the Commission approved, among other things, a modification of Rider 871 – Adjustment of Charges for Regional Transmission Organization to include recovery of net non-fuel PJM Interconnect LLC costs and revenues.

⁴ In its August 25, 2010 Order in Cause No. 43526, the Commission found that NIPSCO’s prudently incurred capacity should be recovered through the Resource Adequacy or RA Adjustment. In its December 21, 2011 Order in Cause No. 43969, the Commission approved the implementation of the RA Adjustment approved in Cause No. 43526 by approving Rider 674 and Appendix F. The 45159 Rate Case Order approved, among other items the removal of all embedded capacity costs and/or credits from base rates and tracking of 100% of all capacity costs and/or credits as a charge/credit to customers through the RA Adjustment; and demand allocators for the RA Adjustment.

Mechanism (DSMA) and Appendix G - Demand Side Management Adjustment Mechanism (DSMA) Factor.⁵

10. NIPSCO files an annual proceeding in Cause No. 44198-GPR-XX to revise the Green Power Rider rate set forth in its Rider 886 – Green Power Rider and Appendix H – Green Power Rider Rate.⁶

11. NIPSCO has a semi-annual tracking mechanism to recover federally mandated costs through its Rider 787 – Adjustment of Charges for Federally Mandated Costs and Appendix I – Federally Mandated Cost Adjustment Factor.⁷ NIPSCO has a request for a Certificate of Public Convenience and Necessity for federally mandated projects pending in Cause No. 45700 for recovery through NIPSCO's FMCA tracking mechanism.

⁵ The initial tracking mechanism was approved in the Commission's May 25, 2011 Order in Cause No. 43618. In its February 27, 2017 Order in Cause No. 43618-DSM-11, the Commission approved a modification to NIPSCO's Rider 783 – Adjustment of Charges for Demand Side Management Adjustment Mechanism (DSMA) to move from a semi-annual timeline to an annual filing. In its 45159 Rate Case Order, the Commission approved Rider 883 – Demand Side Management Adjustment Mechanism and Appendix G – DSMA Factor, to become effective January 1, 2020.

⁶ The initial tracking mechanism was approved in the Commission's December 19, 2012 Order in Cause No. 44198. In its December 28, 2016 Order in Cause No. 44198-GPR-8, the Commission approved a modification to NIPSCO's Rider 786 – Green Power Rider to move from a semi-annual timeline to an annual filing. In its June 24, 2020 Order in Cause No. 44198 GPR 12, the Commission approved modifying the GPR to separate NIPSCO's recovery of certification costs from marketing costs.

⁷ The initial tracking mechanism was approved in the Commission's January 29, 2014 Order in Cause No. 44340.

12. NIPSCO files a semi-annual proceeding in Cause No. 45557-TDSIC-XX to recover 80% of eligible and approved capital expenditures and transmission, distribution, and storage system improvement charge (“TDSIC”) costs through Rider 888 - Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge and Appendix J - Transmission, Distribution and Storage System Improvement Charge.⁸

Petitioner’s Operating Results Under Existing Rates

13. Since the 45159 Rate Case Order, there are a few compounding drivers causing NIPSCO to request a change in rates at this time. NIPSCO is in the midst of substantial generation transition, whereby its generation fleet will be converted from one dominated by coal-fired steam generation to a modern fleet consisting predominantly of renewables, storage and natural gas. By the close of the test year, NIPSCO will have placed in service substantial investments in new utility plant, including several new renewable generating assets. NIPSCO has experienced delays, which are driven by factors outside of NIPSCO’s control, in bringing all of its Commission-approved renewable energy projects online. This in turn has caused NIPSCO to continue operations of Schahfer Units 17 and 18 longer than anticipated. The delays associated with these renewable energy

⁸ The initial tracking mechanism was approved in the Commission’s February 17, 2014 Order in Cause No. 44371.

projects have also required NIPSCO to take additional actions to ensure it continues to provide safe, reliable, and adequate service to its customers. Rates need to be changed to properly reflect the effects of these drivers as soon as possible.

14. NIPSCO's existing rates and service structure must be revised to address the changing energy marketplace to provide revenues adequate to cover its necessary and reasonable operating expenses and permit NIPSCO to earn a fair return upon the fair value of its property to which NIPSCO is lawfully entitled. Consequently, revisions to its rates and service structure are necessary and appropriate to provide NIPSCO an opportunity to recover its operating expenses and earn a fair return on the fair value of its property used and useful in providing service to its customers. The proposed changes are also necessary and appropriate to provide revenues that will enable NIPSCO to continue to attract capital required for additions, replacements, and improvements to its Utility Property and to comply with regulatory mandates and otherwise provide safe, reliable and adequate service at a reasonable cost.

15. As of the date of this Verified Petition, NIPSCO estimates that the proposed increase to its total revenues from basic rates and charges, the riders as reset upon effectiveness of new base rates, will represent an increase of 19.09%

over NIPSCO's current pro forma retail revenues.⁹ The increase from the rates effective September 2022 is lower as shown in the bill comparison in Attachment A and explained by NIPSCO Witness Whitehead. Rates for individual customers and different customer classes may change by amounts less than or greater than the average increase for all customers. The increase from base rates shall take effect in two steps, with Step 1 to become effective by September 1, 2023 (depending upon Order issuance date) and Step 2 rates to become effective March 1, 2024. If NIPSCO's requested new Variable Cost Tracker is approved, there will be another increase after the future test year to recover (through the new Variable Cost Tracker) the variable non-labor O&M expenses deferred from Step 1 through the end of the test year. The pro forma net operating income statement in the form required by the Commission's GAO 2020-5 is attached hereto as Attachment A and is sponsored by Witness Jennifer L. Shikany.

16. Upon the issuance of an Order in this Cause, NIPSCO proposes to implement Step 1 rates based upon the actual rate base, annualized depreciation, and capital structure as of June 30, 2023 and forecasted results of operations for the test year as found in the Order. For Step 2 rates, NIPSCO proposes to update

⁹ As discussed below, NIPSCO is proposing a new semi-annual mechanism to recover variable non-labor expenses associated with its coal-fired generation assets. With the implementation of that tracker in July 2024, the increase over NIPSCO's current pro forma retail revenues would be 25.7%.

to the actual rate base, capital structure, and annualized depreciation expense as of December 31, 2023. Consistent with the Commission's prior orders in future test year rate cases, NIPSCO proposes that the Step 1 and Step 2 rates would take effect immediately upon filing on an interim-subject-to-refund basis, with other parties being offered a period of sixty (60) days to review and present any objections. If needed to resolve any objections, NIPSCO would propose the Commission conduct a hearing and rates would be trued up, retroactive to the date such rates were put into place. Under NIPSCO's proposal, all coal-fired generation variable non-labor O&M expenses would be removed from base rates and recovered through its proposed new rider to be filed semiannually commencing in March 2024.

Alternative Regulatory Relief

17. NIPSCO requests that the Commission approve alternative regulatory plans ("ARP") pursuant to Ind. Code § 8-1-2.5-6. In connection with one of these ARPs, NIPSCO requests that its existing ARP which implemented a new service structure for certain large industrial customers through Rate 831 (approved in Cause No. 45159) be modified pursuant to the terms of a Stipulation and Settlement Agreement on Rate 831/531 Modification negotiated with NIPSCO's existing Rate 831 customers (the "Rate 531 Settlement"). The Rate 531 Settlement is described in detail in NIPSCO's evidence filed herewith and is the

basis of NIPSCO's proposed ARP modifications. Under the Rate 531 Settlement, costs are proposed to be allocated to the Rate 531 class based upon an allocated cost of service study using a 4 coincident peak ("CP") for production related demand costs, a 12 CP for transmission related demand costs, and a Tier 1 demand subscription of 180 MW. NIPSCO's allocated cost of service study and proposed rate design are based on the Rate 531 Settlement. The Rate 531 Settlement is contingent upon Commission approval of the structure without material modification. If such approval is not obtained, NIPSCO will resubmit its allocated cost of service study and rate design post order as a compliance filing, using the actual Tier 1 subscriptions following issuance of such an Order so that Step 1 rates can be implemented, all as described in Petitioner's evidence submitted herewith.

18. NIPSCO is also proposing an ARP to implement a low income program as described in its evidence presented herein.

19. To the extent any other proposals of NIPSCO herein may require alternative regulation, NIPSCO requests that they be approved as an alternative regulatory plan. NIPSCO elects to become subject to the provisions of Ind. Code § 8-1-2.5-6 for purposes of any such proposals herein. NIPSCO requests its ARP as proposed herein be found to be in the public interest pursuant to Ind. Code § 8-1-2.5-6.

Earnings Bank

20. For purposes of the FAC, NIPSCO quarterly submits a calculation of the amount that is contained within NIPSCO's "earnings bank" for purposes of Ind. Code § 8-1-2-42.3. NIPSCO has recently discovered that it has made an error in that calculation throughout the entirety of the 59-month period ending with FAC 135, wherein NIPSCO has not correctly calculated the income tax expense on revenues allocated to non-jurisdictional assets. As a result, NIPSCO's "earnings bank" has been presented at a level that presents NIPSCO's jurisdictional net operating income as too high for purposes of every quarter. NIPSCO seeks to correct this error in this proceeding.

Statutory Authority for Requested Relief

21. This Petition is filed pursuant to Ind. Code §§ 8-1-2-42, 8-1-2-42.7, 8-1-2-61, and 8-1-2.5-6. Other provisions of the Public Service Commission Act, as amended, Ind. Code § 8-1-2-1, *et seq.* that may be applicable to the subject matter of this proceeding include, but are not limited to, Ind. Code §§ 8-1-2-4, 6, 6.8, 10, 19, 20, 21, 24, 25, 29, 42.3, 68 and 71, Ind. Code ch. 8-1-8.4, Ind. Code ch. 8-1-8.5, Ind. Code ch. 8-1-8.7, Ind. Code ch. 8-1-8.8, Ind. Code ch. 8-1-39 and Ind. Code § 5-14-3-4.

22. In accordance with GAO 2013-5, on August 15, 2022, NIPSCO provided its Notice of Intent to File Rate Case to the Commission. A copy thereof

was provided to stakeholders who attended pre-filing meetings regarding NIPSCO's filing of this rate case.

Test Year and Rate Base Cutoff Date

23. In accordance with Ind. Code § 8-1-2-42.7(d)(1), NIPSCO proposes and requests that a forward looking test period be used in this proceeding on the basis of projected data for the twelve (12) month period ending December 31, 2023. The historic base period utilized by NIPSCO in this proceeding is the twelve (12) month period ending December 31, 2021. In addition, NIPSCO is utilizing its capital structure and cost of capital based on NIPSCO's forecasted test-year-end regulatory capital structure as of December 31, 2023, for purposes of calculating a fair return on the fair value of its property.

Petitioner's Requested Relief

24. NIPSCO seeks approval of changes to its basic rates and charges for electric utility service and associated accounting relief as proposed in its evidence to be presented in this proceeding that will provide NIPSCO with the opportunity to recover its ongoing costs of providing electric utility service and earn a fair return on the fair value of its property. NIPSCO's proposal is detailed in its case-in-chief filed contemporaneous herewith and includes, but is not limited to, the following:

- (a) Electric Service Tariff and Standard Contract. NIPSCO seeks approval of changes to its basic rates and charges for electric utility service that will provide NIPSCO with the opportunity to earn a fair return on the fair value of its property. NIPSCO seeks approval of changes to its Electric Service Tariff, including changing the series number of its rate schedules to Series 500, and miscellaneous changes to its General Rules and Regulations and Standard Contracts, as proposed in its evidence to be presented in this proceeding. The overall structure of NIPSCO's tariffs remains the same for residential and commercial customers (except for a proposed increase in fixed recovery by increasing customer charges). Changes to NIPSCO's Electric Service Tariff relating to its industrial service structure are included in its evidence to be presented in this proceeding.
- (b) FAC Tracker. NIPSCO proposes to flow back 100% of all off-system sales net of expenses, through the FAC (instead of a portion of these also flowing back through the RTO Adjustment). NIPSCO is also proposing to eliminate the purchased power procedures established in Cause No. 41363 from the FAC.
- (c) RTO Tracker. NIPSCO proposes to remove off-system sales margins from the RTO Tracker and instead flow back 100% of all off-system sales net of expenses through the FAC.
- (d) RA Tracker. NIPSCO proposes to include \$22.4 million of capacity charges in base rates with any additional capacity costs or credits to flow through the RA Tracker.
- (e) Variable Cost Tracker. NIPSCO proposes a new semi-annual mechanism to recover variable non-labor expenses associated with its coal-fired generation assets.
- (f) New Station Power Rate. NIPSCO proposes a new rate for station power for renewable wholesale generation facilities.
- (g) New Electric Vehicle Fast Charging Rate. NIPSCO proposes a new rate for fast charging service at NIPSCO-owned public electric vehicle charging stations.
- (h) Authority to File a Tax Mechanism. NIPSCO seeks authority to

request approval of a new Tax Rate Modification Mechanism outside of a general rate case to capture future federal and state tax rate changes. This proposal would function like the authority that was granted for NIPSCO's gas utility in Cause No. 45621. NIPSCO seeks authority in this proceeding to use regulatory accounting authority, such as regulatory assets or liabilities, for all calculated differences resulting from such changes until such time as the new rates are reflected in NIPSCO's rates.

- (i) Depreciation Rates. NIPSCO seeks approval to revise its depreciation accrual rates.

- (j) Accounting Relief. NIPSCO seeks accounting authority to implement the relief sought in this proceeding including accounting authority to defer, as a regulatory asset, discounts offered to certain customers under its Economic Development Rider for recovery in a future rate case; and accounting authority to defer, as a regulatory liability, an amount equal to 100% of (1) annual off-system sales net of expenses for pass back through the FAC Tracker; (2) back up and maintenance demand margins for pass back through the RTO Tracker; and (3) variable non-labor expenses associated with its coal-fired generation assets from the date of implementation of Step 1 rates until recovery through NIPSCO's proposed Variable Cost Tracker. NIPSCO also seeks accounting authority to implement a pension and postretirement benefits other than pensions expenses balancing account, through which future differences between the actual amount that would be recorded to expense differs from the amount included in the revenue requirement approved herein would be deferred into a regulatory asset or liability, as the case may be, for recovery/pass-back in the ensuing general rate case. NIPSCO further seeks approval to implement regulatory accounting for the actual costs of removal incurred for coal fired generation following the retirement of the last coal unit (Michigan City Unit 12). Additionally, NIPSCO seeks a modification to the accounting authority related to its joint ventures to allow reserve amounts currently held at each individual joint venture to be consolidated into one reserve account at the NIPSCO level to expedite the pass back to customers of Joint Venture cash.

- (k) Regulatory Assets. NIPSCO proposes to recover through its revenue requirement certain costs NIPSCO has deferred in accordance with Commission Orders.
- (l) Earnings Bank. NIPSCO proposes to correct for an error in allocation of non-jurisdictional income tax throughout the entire period of the earnings bank for purposes of Ind. Code § 8-1-2-42.3.

Petitioner's Supporting Information and Evidence

25. NIPSCO's case-in-chief, workpapers and information required by GAO-2020-05, GAO 2013-5, the MSFRs, and Ind. Code § 8-1-2-42.7, are being filed contemporaneous with this Petition to aid the Commission in processing this Petition. The supporting workpapers for pro-forma adjustments are also being provided in Excel format on electronic media with formulas intact pursuant to the best practices set forth in GAO 2013-5 and GAO-2020-05. As required by, and to facilitate review of the filing, NIPSCO has attached to this Petition, as Attachment B, an index of issues, requests, and supporting witnesses. A summary of the witness testimony is attached hereto as Attachment C.

Confidential Information

26. In accordance with 170 IAC 1-5-15(e)(2), the electronic copy of the allocated cost of service study is to be treated as confidential and protected from disclosure to the public under Ind. Code §§ 5-14-3-4 and 8-1-2-29. In addition, NIPSCO will be submitting other information as part of its MSFRs and case-in-chief that is confidential and trade secret information. NIPSCO is filing a motion

for protective order in accordance with 170 IAC 1-1.1-4 and to otherwise comply with 170 IAC 1-5-3 contemporaneous with this Petition. NIPSCO has entered into a Standard Form Nondisclosure Agreement with the OUCC and will work with any intervenors to negotiate an acceptable nondisclosure agreement to facilitate the production of the confidential information as appropriate.

Procedural Matters

27. In accordance with 170 IAC 1-1.1-9(a)(8), NIPSCO has worked with the OUCC and other stakeholders to develop an agreed procedural schedule, which is being separately filed as directed in GAO-2013-5. To the extent necessary or appropriate and in accordance with 170 IAC 1-1.1-15(b) and GAO-2013-5, NIPSCO requests that a prehearing conference and preliminary hearing be promptly set by the Commission as soon as practical for the purpose of addressing procedural matters including setting a procedural schedule in this proceeding that will allow completion of this proceeding in accordance with GAO 2013-5 and Ind. Code § 8-1-2-42.7.

Petitioner's Counsel

28. The names and addresses of persons authorized to accept service of papers in this proceeding are:

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Customer Notification

29. In accordance with Ind. Code § 8-1-2-61(a), NIPSCO will publish notice of the filing of this Petition in a newspaper of general circulation published in each Indiana county in which NIPSCO renders electric service. In accordance with 170 IAC 4-1-18(C), NIPSCO will furnish to each residential customer (via bill messaging, bill inserts, or similar mailing) within forty-five (45) days of this

Petition, a notice which fairly summarizes the nature and extent of the proposed changes.

WHEREFORE, Petitioner Northern Indiana Public Service Company LLC respectfully requests that the Indiana Utility Regulatory Commission approve the agreed procedural schedule being filed contemporaneous with this Verified Petition or otherwise promptly conduct a prehearing conference and preliminary hearing for purposes of establishing the procedural parameters of this proceeding, make such other investigation and hold such hearings as are necessary or advisable and thereafter, make and enter an order in this Cause by July 16, 2023:

- (a) Finding that NIPSCO's existing rates and charges for electric utility service should be increased; determining, and by order fixing, modified rates and charges to be observed in the future by NIPSCO; and authorizing and approving the filing by NIPSCO of new schedules of rates and charges applicable to its electric utility service on a phased-in basis that will provide just, reasonable, sufficient and non-confiscatory rates;
- (b) Approving various changes in the terms, conditions and provisions of NIPSCO's Electric Service Tariff (including rates, charges, rules and riders), and Standard Contracts as proposed in NIPSCO's evidence herein;
- (c) Authorizing NIPSCO to revise its depreciation rates as proposed in NIPSCO's evidence herein;
- (d) Granting accounting authority necessary to implement the relief authorized in a Final Order in this Cause;
- (e) Approving NIPSCO's proposed variable O&M tracker as proposed in NIPSCO's evidence herein;

- (f) Approving the requested modifications to the FAC to pass back 100% of OSS revenues, net of expenses as proposed in NIPSCO's evidence herein;
- (g) Approving the Rate 531 Settlement modifying NIPSCO's industrial service structure ARP as proposed in NIPSCO's evidence herein;
- (h) Approving NIPSCO's proposed ARP to implement its low income program as proposed in NIPSCO's evidence herein;
- (i) Approving the correction to NIPSCO's earnings bank calculation for purposes of the FAC;
- (j) Approving the other requests set forth in this Petition and in NIPSCO's evidence herein; and
- (k) Granting to NIPSCO such additional and further relief as may be deemed necessary or appropriate.

Dated this 19th day of September, 2022.

Northern Indiana Public Service Company LLC

A handwritten signature in cursive script, reading "Erin E. Whitehead", written over a horizontal line.

Erin E. Whitehead
Vice President
Regulatory Policy and Major Accounts

Verification

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated: September 19, 2022.

A handwritten signature in cursive script, reading "Erin E. Whitehead", written over a horizontal line.

Erin E. Whitehead
Vice President
Regulatory Policy and Major Accounts

CERTIFICATE OF SERVICE

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

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A courtesy copy has also been provided by email transmission upon the following:

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Dated this 19th day of September, 2022.



Bryan M. Likins

Cause No. XXXXX
Northern Indiana Public Service Company LLC

Revenue Requirement

Sch. 1

Line	Petitioner	Sch./WP Ref.
1	Original Cost Rate Base \$ 5,945,681,889	Petitioner's Exhibit No. 3, Attachment 3-A-S2, Page 4
2	Times: Weighted Average Cost of Capital 7.10%	Petitioner's Exhibit No. 3, Attachment 3-A-S2, Page 5
3	Net Operating Income Required for Return on Original Cost Rate Base 422,143,414	
4	Less: Net Operating Income at Pro forma Rates With No Rate Case 203,765,349	Linked to Sch. 4 NOI
5	Net Revenue Increase Required 218,378,065	
6	Times: Gross Revenue Conversion Factor 133.6124%	Linked to GRFC Sch.
7	Recommended Gross Revenue Increase Required \$ 291,780,191	Linked from GRFC Sch.
8	Operating Revenues Subject to Increase at Present Rates \$ 1,528,339,678	Linked to Sch. 4 NOI
9	Recommended Percentage Increase over Revenues Subject to Increase at Present Rates: (Line 7/Line 8) *	19.09%

Current Average Monthly Electric Bill for Residential Customer using 668 kWh (Includes all monthly charges normally (or proposed to be) applicable to Rate Class 811/511 residential customers) **	Volumes	September 2022 at current rates		December 2023 No Rate Case		March 2024*** at proposed rates		July 2024 at proposed rates	
		Factor	Bill	Factor	Bill	Factor	Bill	Factor	Bill
Customer charge			\$13.50		\$13.50		\$17.00		\$17.00
Energy charge	668	0.122116	\$81.57	0.122116	\$81.57	0.165070	\$110.27	0.165070	\$110.27
FAC	668	0.023033	\$15.39	0.009839	\$6.57	0.000000	\$0.00	0.000000	\$0.00
DSMA	668	0.005295	\$3.54	0.003612	\$2.41	0.002434	\$1.63	0.002434	\$1.63
TDSIC	668	0.005286	\$3.53	0.006510	\$4.35	0.002049	\$1.37	0.002049	\$1.37
RA	668	0.000136	\$0.09	0.000011	\$0.01	0.000000	\$0.00	0.000000	\$0.00
FMCA	668	N/A	N/A	0.000283	\$0.19	0.000283	\$0.19	0.000283	\$0.19
RTO	668	0.002835	\$1.89	0.003784	\$2.53	0.003784	\$2.53	0.003784	\$2.53
Proposed Variable Cost Tracker	668	N/A	N/A	N/A	N/A	N/A	N/A	0.009320	\$6.23
Total			\$119.51		\$111.13		\$132.98		\$139.20
Rate Increase Compared to September 2022 at current rates					-7.01%		11.27%		16.5%
Rate Increase Compared to December 2023 With No Rate Case							19.66%		25.3%

*Note: Recommended Percentage Increase over Revenues Subject to Increase at Present Rates is inclusive of all rate classes.

**Note: Current Average Monthly Electric Bill presented for Rate 811 (Proposed 511) residential customer class. Attachment 19-F shows bill impact for all other Rates With No Rate Case and proposed rates at all consumption levels.

*** Note: Anticipated Step 2 implementation month for Forward Test Year ended December 2023.

Cause No. XXXXX
Northern Indiana Public Service Company LLC

Sch. GRCF Gross Revenue Conversion Factor

Petitioner					
Line	Gross Revenue Conversion Factor	Input Rate	GRCF Calculation Factor	Sch. 4 NOI's Pro forma Proposed Rate Adjustments	References (Links to Sch. 4)
1	Gross Revenue Increase Required		100%	\$291,780,191	Linked from Sch. 4 NOI's Pro forma Proposed Total Operating Revenues Adjustment. (Note: Sch.1's Recommended Revenue Increase is also linked from this "GRCF's Gross Revenue Increase Inquired" amount.)
2	Less: Bad Debt Rate	0.2526%	0.2526%	\$737,057	
3	Sub-total		99.7474%	\$291,043,134	Linked from Sch. 4
4	Less: Current IURC Fee effective July 1 of each year	0.1276080%	0.1276%	\$372,335	
5	Income Before State Income Taxes		99.6198%	\$290,670,799	Linked from Sch. 4 (State Income Tax rate used is a blended rate. See WP Taxes.)
6	Less: State Income Tax (Current State Income Tax Rate * Line 5)	4.9000%	4.8814%	\$14,242,869	
7	IN Utility Receipts Tax (URT rate * Line 1) ^a	0.00%	0.0000%	\$0	Linked from Sch. 4
8	Income Before Federal Income Taxes		94.7384%	\$276,427,930	Linked from Sch. 4
9	Less: Federal Income Tax (Current Federal Income Tax Rate* Line 8)	21%	19.8951%	\$58,049,865	
10	Change in Operating Income		74.8433%	\$ 218,378,065	Ties to Sch. 4 NOI's Proforma Proposed NOI Adj.
11	Gross Revenue Conversion Factor (Line 1/ Line 10)		133.6124%		Linked from Sch. 1 Line 8

Utility Receipts Tax Tips:

a Utility Receipts Tax Calculation for utilities with Sales-for-Resale customers:			
Sales-for-Resale revenues are not subject to Utility Receipts Tax, and must be deducted from total Operating Revenues.			
Pro forma Present Sales for Resale Revenues as a % of Total Revenues Subject to Increase:			
Line			Ref.
12	Total Pro forma Present Sales for Resale Revenues	\$0	N/A
13	Divided by: Total Operating Revenues Subject to Increase	\$1,528,339,678	Sch. 4
14	% Operating Revenues That are Exempt from Utility Receipts Tax	0.0000%	
15	% Operating Revenues Subject to Utility Receipts Tax (1 -Line 14)	100.0000%	
Revised Line 7: Utility Receipts Tax (URT rate of 1.46% * Line 15 * Line 1)			

The IN Utility Receipts Tax is included in State Taxable Income.

Cause No. XXXXX
Northern Indiana Public Service Company LLC

Sch. 4 Net Operating Income (NOI)

Pro Forma Net Operating Income Statement

	Base Period Ended 12/31/2021	Pro forma Present Adjustments	Sch./WP References	Pro forma No Rate Case Rates	Pro forma Proposed Adjustments	Sch./WP References	Pro forma Proposed Rates
Operating Revenues:							
Electric Operating Revenues	\$ 1,700,765,620		Petitioner's Exhibit No. 3, Attachment 3-B-S2, REV Module	\$ 1,528,339,678	\$ 291,780,191		\$ 1,820,119,868
Retail Revenue		\$ (82,769,836)	REV 1				
Generation Credit		(82,861)	REV 2				
FMCA Tracker		(54,759)	REV 3				
ECRM Tracker		(1,630)	REV 4				
TDSIC Tracker		37,156,113	REV 5				
RTO Tracker		(39,247,162)	REV 6				
DSM Revenue		(8,090,975)	REV 7				
Interdepartment Sales		(252,588)	REV 8				-
Off-System Sales		(3,471,617)	REV 9				-
Non-jurisdictional Tracker		(69,446,257)	REV 10				-
Transmission		(601,909)	REV 11				-
Forfeited Discounts		(1,839,087)	REV 12				
Miscellaneous Service Revenue		(147,887)	REV 13				
Rent Revenue		301,742	REV 14				
Other Electric Revenue		(2,929,319)	REV 15				
DRR - Other Revenue		(947,909)	REV 16				-
Operating Revenues Subject to Increase Total	<u>1,700,765,620</u>	<u>(172,425,942)</u>		<u>1,528,339,678</u>	<u>291,780,191</u>	Linked to GRCF	<u>1,820,119,868</u>
Other Revenues:							
N/A	-	-		-			-
Other Revenues Total	<u>-</u>	<u>-</u>		<u>-</u>			<u>-</u>
Operating Revenues Total	<u>1,700,765,620</u>	<u>(172,425,942)</u>		<u>1,528,339,678</u>			<u>1,820,119,868</u>
Operations & Maintenance Expense:							
Fuel and Purchase Power Costs (Trackable)			Petitioner's Exhibit No. 3, Attachment 3-B-S2, FPP Module				
Retail Sales	415,475,519	(23,933,175)	FPP 1	391,542,345			391,542,345
Interdepartment Sales	922,819	44,470	FPP 2	967,290			967,290
Operations & Maintenance Expense (Non-Fuel and Purchase Power Costs)			Petitioner's Exhibit No. 3, Attachment 3-B-S2, O&M Module				
Labor	123,584,358	8,483,180	OM 1	132,067,537			132,067,537
Electric Operations	132,638,684	(56,070,139)	OM 2	76,568,545			76,568,545
Other Departments	40,443,669	(878,150)	OM 3	39,565,519			39,565,519
TDSIC	-	-	OM 4	-			-
Non-Recoverable	-	(935,014)	OM 5	(935,014)			(935,014)
Corporate Service Bill	105,657,320	9,176,862	OM 6	114,834,181			114,834,181
Corporate Insurance	17,858,619	3,122,762	OM 7	20,981,382			20,981,382
Rents & Leases	3,394,100	(423,426)	OM 8	2,970,674			2,970,674
Environmental Reserve	(5,550,358)	5,550,358	OM 9	-			-
Uncollectible	5,168,607	(1,307,915)	OM 10	3,860,692			3,860,692
STI	12,376,645	(2,637,994)	OM 11	9,738,651	\$737,057	Linked to GRCF	10,475,708
Pension	(16,072,388)	20,274,601	OM 12	4,202,213			4,202,213
OPEB	4,524,806	1,769,562	OM 13	6,294,368			6,294,368
Medical Benefits	8,724,698	2,532,273	OM 14	11,256,971			11,256,971
Other Benefits	6,795,969	(6,773,822)	OM 15	22,147			22,147
Other Employee Benefits	7,859,785	824,804	OM 16	8,684,589			8,684,589
LTIP	592,053	259,806	OM 17	851,858			851,858
Profit Sharing	758,074	(758,074)	OM 18	-			-
Benefits Administration	1,574,620	(98,106)	OM 19	1,476,515			1,476,515
RTO	40,911,882	(40,911,882)	OM 20	-			-
Cause No. 45159 Amortization	2,363,932	(2,363,932)	OM 21	-			-
Operations & Maintenance Expense Total	<u>910,003,414</u>	<u>(85,052,951)</u>		<u>824,950,462</u>	<u>737,057</u>		<u>825,687,519</u>
Depreciation & Amortization:							
Depreciation Expense			Petitioner's Exhibit No. 3, Attachment 3-B-S2, DEPR Module				
Electric Plant Asset Depreciation	287,006,678	21,472,037	DEPR 1	308,478,715			308,478,715
Electric Common Depreciation Expense	2,626,866	3,359,642	DEPR 2	5,986,509			5,986,509
Cause No. 44688 and 45159 - Tracker Amortization	10,408,351	(10,408,351)	DEPR 3	-			-
Amortization Expense			Petitioner's Exhibit No. 3, Attachment 3-B-S2, AMTZ Module				
Electric Plant Asset Amortization	5,915,929	(2,067,326)	AMTZ 1	3,848,603			3,848,603
Electric Common Amortization	13,008,399	(703,206)	AMTZ 2	12,305,193			12,305,193
Schahfer Units 14 and 15 Retirement Regulatory Asset Amortization	9,006,253	56,548,943	AMTZ 3	65,555,197			65,555,197
Renewable Reg Asset Amortization	119,085	28,229,007	AMTZ 4	28,348,092			28,348,092
TDSIC Regulatory Asset Amortization	-	7,155,773	AMTZ 5	7,155,773			7,155,773
FMCA CCR 20% Regulatory Asset	-	153,661	AMTZ 6	153,661			153,661
Cause No. 44988 and 45159 Amortization	-	20,678,341	AMTZ 7	20,678,341			20,678,341
COVID Regulatory Asset Amortization	-	1,877,852	AMTZ 8	1,877,852			1,877,852
Sugar Creek Purchase Acquisition	-	2,540,516	AMTZ 9	2,540,516			2,540,516
Electric Rate Case Expense Amortization	-	1,287,614	AMTZ 10	1,287,614			1,287,614
Depreciation & Amortization Total	<u>328,091,562</u>	<u>130,124,504</u>		<u>458,216,065</u>			<u>458,216,065</u>

Cause No. XXXXX
Northern Indiana Public Service Company LLC

Sch. 4 Net Operating Income (NOI)

Pro Forma Net Operating Income Statement

	Base Period Ended 12/31/2021	Pro forma Present Adjustments	Sch./WP References	Pro forma No Rate Case Rates	Pro forma Proposed Adjustments	Sch./WP References	Pro forma Proposed Rates
Taxes Other Than Income:							
Property Tax Expense	22,917,459	(625,334)	Petitioner's Exhibit No. 3, Attachment 3-B-S2, OTX Module OTX 1	22,292,125			22,292,125
Payroll Taxes Expense	9,815,756	1,492,771	OTX 2	11,308,527			11,308,527
Sales Tax	96,268	(96,268)	OTX 3	-			-
IN Gross Utility Receipts Tax Expense	22,140,038	(22,140,038)	OTX 4	-	\$0	Linked to GRCF	-
Utility Regulatory Assessment (IURC Fee) Expense	1,924,458	6,799	OTX 5	1,931,258	\$372,335	Linked to GRCF	2,303,593
Taxes Other Than Income Total	56,893,980	(21,362,070)		35,531,910	372,335		35,904,244
Income Taxes:							
Federal and State Income Taxes	55,596,061	(49,720,170)	Petitioner's Exhibit No. 3, Attachment 3-C-S2, ITX	5,875,891	\$72,292,735	Linked to GRCF	78,168,625
Income Taxes Total	55,596,061	(49,720,170)		5,875,891	72,292,735		78,168,625
Total Operating Expenses	1,350,585,016	(26,010,687)		1,324,574,328	73,402,126		1,397,976,455
Net Operating Income	\$ 350,180,604	\$ (146,415,255)		\$ 203,765,349	\$ 218,378,065	Ties to GRCF	\$ 422,143,414

**Northern Indiana Public Service Company LLC (NIPSCO)
2022 Electric Rate Case
Summary of Witness Testimony¹**

<u>Ex. No.</u>	<u>Witness Name</u>	<u>Summary of Testimony</u>
1	Michael Hooper	Provides an overview of NIPSCO and its role in northern Indiana. Describes NIPSCO's electric system and NIPSCO's corporate structure, strategic vision, and its commitments to its stakeholders. Explains how NIPSCO's vision and commitments have been embraced and executed since its last electric base rate proceeding and describes NIPSCO's customer service goals. Explains why NIPSCO is filing this case at this time.
2	Erin E. Whitehead	Discusses statutory requirements and provides a brief background of NIPSCO's existing electric rates. Explains the key drivers and objectives for filing this case. Summarizes NIPSCO's principles and objectives for designing rates in this proceeding, and describes NIPSCO's proposed service Tariff, and proposed Rate Release Form. Explains how the proposed Tariff differs from the Tariff currently on file with the Commission, including newly-proposed riders and rates. Supports revisions to NIPSCO's industrial rate service structure through the modified alternative regulatory plan ("ARP") that will be implemented through proposed Rate 531, as well as a settlement with current customers taking service under Rate 831.

¹ This Summary of the Company's case-in-chief witness testimony is intended facilitate review of this filing but is not an exhaustive list of the requests in this proceeding. A complete account of the requested relief can be found in the case-in-chief, including but not limited to petition, testimony, attachments, exhibits, workpapers, and MSFR responses.

3	Jennifer L. Shikany	Presents the results of NIPSCO's Electric operations for the Historic Base Period, and the projected results for the Forward Test Year, adjusted on a pro forma basis for the normalization and annualization of certain amounts included in these periods. Establishes that retail electric revenues at current rates do not and will not produce a level of net operating income sufficient to provide a fair return on the net original cost of NIPSCO's property, plant, and equipment owned, operated, and serving jurisdictional electric customers. Quantifies the amount by which retail electric revenues should be increased. Presents NIPSCO's Revenue Credit calculation, proposed regulatory accounting for actual cost of removal following retirement of the last coal unit, and proposed pension/OPEB balancing account.
4	Kevin J. Blissmer	Presents schedules that demonstrate NIPSCO's projected rate base as of June 30, 2023 (Step 1) and December 31, 2023 (Step 2). Supports NIPSCO's request to correct the calculation of the earnings bank in its Fuel Adjustment Clause trackers to reflect the correct amount of non-jurisdictional tax expense. Proposes changes to Rider 574 Adjustment of Charges for Resource Adequacy (RA Tracker Mechanism) and new Rider 590 Adjustment of Charges for Variable Costs of Coal-Fired Generation (the Variable Cost Tracker Mechanism).
5	Angela Camp	Explains and supports an overview of the financial planning and budgeting processes used at NIPSCO and NIPSCO electric utility's 2023 annual financial plan (the NIPSCO Electric 2023 Financial Plan), which was finalized in the third quarter of 2022, which is the underlying basis for the rate request in this proceeding. Sponsors the budget amounts for 2022.

6	Nick Bly	Describes the NiSource Corporate Services Company ("NCSC") budgeting process and how that relates to the financial plan for NIPSCO. Supports the O&M expenses associated with services provided by NCSC to NIPSCO, and adjustments to those expenses for the 2022 Budget Period, and the Forward Test Year.
7	Gunnar J. Gode	Provides background on the relationship between NCSC and NIPSCO. Supports actual operation and maintenance (O&M) expenses associated with services provided by NCSC to NIPSCO for the Historic Base Period, as well as certain normalization adjustments to those expenses.
8	Patrick L. Baryenbruch	Presents the results of the study undertaken to determine reasonableness and necessity, of the services provided during the Historic Base Period, by NCSC to NIPSCO's electric utility.
9	Ronald E. Talbot	Describes NIPSCO's generation fleet and NIPSCO's electric transmission and distribution systems. Discusses customer service and electric reliability programs. Describes the significant investments NIPSCO has made to its generation and transmission and distribution systems in recent years. Explains various pro-forma expense adjustments.
10	Kelly R. Carmichael	Discusses current major environmental regulations with which NIPSCO must comply and proposed regulations that NIPSCO anticipates will be implemented in the near term. Addresses how NIPSCO has evaluated the cumulative impact of future environmental requirements on its resource planning. Describes the costs associated with the number of nitrogen oxide (NOx) allowances NIPSCO anticipates will flow through NIPSCO's proposed Rider 590 – Adjustment of Charges for Variable Costs of Coal Fired Generation.

11	Andrew S. Campbell	Describes the Midcontinent Independent System Operator, Inc. (MISO) and the associated markets, NIPSCO's Generation Transition, Purchased Power and Joint Venture Build Transfer Agreements ("BTA"), and NIPSCO's capacity needs, including MISO Requirements, Resources, and Cost. Describes Demand Response Programs, revisions to Rate 831 (being renumbered 531 in this case) – Industrial Power Service – Large, NIPSCO's RA Tracker, NIPSCO's RTO Tracker, revisions to the FAC, and elimination of the Purchased Power Benchmark from the FAC. Also describes NIPSCO's PROMOD forecast, Rate 543, NIPSCO's pro forma adjustment for capacity purchases, NIPSCO's pro forma adjustment for Demand Response Resource, and NIPSCO's pro forma adjustment for liquefied natural gas, which is sponsored by NIPSCO Witness Siegler.
12	Patrick N. Augustine	Provides an overview of NIPSCO's resource planning process, including the overall approach and quantitative analysis methodology. Reviews the conclusions from NIPSCO's resource planning analyses over the last five years, including the 2018 IRP and 2021 IRP. Describes the most recent generation portfolio analysis that NIPSCO has conducted in the context of recent market and portfolio developments.
13	Kimberly Cartella	Supports NiSource total rewards, and sets forth comparative analyses to establish the reasonableness and competitiveness of the wages, salaries, and incentive compensation provided to employees.
14	Jeffrey T. Kopp	Describes the results of the Decommissioning Cost Study, which includes an update to the prior studies that were performed for NIPSCO's 2008 electric rate case in Cause No. 43526, NIPSCO's 2016 electric rate case in Cause No. 44688, and

		NIPSCO's 2018 electric rate case in Cause No. 45159.
15	John J. Spanos	Explains the methods and procedures used in the Depreciation Study and sets forth the annual depreciation rates as of December 31, 2021. Developed depreciation accrual rates for projected electric and common plant in service as of December 31, 2023.
16	Vincent V. Rea	Recommends the appropriate rate of return on common equity and overall rate of return for NIPSCO's jurisdictional electric operations in relation to its revenue requirement calculation.
17	Jennifer A. Harding	Presents and supports NIPSCO's federal and state income tax expense and taxes other than income tax expense adjustments for the Forward Test Year at present and proposed rates as shown in Petitioner's Exhibit No. 3, Attachment 3-A-S2 (Column E). Presents and supports NIPSCO's Accumulated Deferred Income Taxes (ADIT) and Post 1970 Investment Tax Credit (ITC) balances and related pro forma adjustments, which are included as components of NIPSCO's capital structure as shown in Petitioner's Exhibit No. 3, Attachment 3-A-S2. Presents the Company's proposed TRMM mechanism for capturing future federal and state tax law changes.
18	Malissa Bartos	Explains how Historic Base Period kilowatt hours (kWh) are normalized for weather. Explains the methodology used to develop the forecasted number of customers and usage for the Budget Period and the Forward Test Year.
19	John D. Taylor	Describes the Atrium Cost of Service Model (Atrium Model) used for NIPSCO's electric cost of service study and the various cost allocation principles, factors that influence the cost allocation framework, and the underlying methodology and basis used in the Company's electric cost of service

		studies. Describes the “Special Studies” employed to apportion the various categories of plant and operation and maintenance (O&M) expenses to the respective customer classes. Presents the class-by-class rate of return results and corresponding revenue surpluses or deficiencies from NIPSCO’s ACOSS including the resulting unit costs by class for customer, demand, and energy-related costs with the ACOSS. Discusses revenue allocation and rate design principles and the appropriate guidelines for use in evaluating class revenue levels and rate structures. Explains and supports the allocation of the Company’s revenue deficiency to the various rate classes consistent with the class revenue mitigation objectives discussed by NIPSCO Witness Whitehead. Discusses NIPSCO’s rate design proposals.
20	Judith L. Siegler	Supports NIPSCO’s revenue adjustments for weather normalization, large migrations, small migrations, lighting, DSM true-up, DSM lost margin, interdepartmental, and fuel and purchased power (FPP) adjustments.
21	Alison M. Becker	Supports NIPSCO’s proposed Low Income Program including explaining the details relating to and rationale for the proposed program.
22		Accounting adjustments support

**Norther Indiana Public Service Company LLC (NIPSCO)
2022 Electric Rate Case
Index of Issues, Requests, and Supporting Witnesses¹**

Subject	GENERAL	Supporting Witness(es) (Petitioner's Exhibit No. Reference)
Test Year	Twelve Months Ended December 31, 2023	<ul style="list-style-type: none"> • Shikany (No. 3)
Historical Base Period	Twelve Months Ended December 31, 2021	<ul style="list-style-type: none"> • Shikany (No. 3)
Minimum Standard Filing Requirements	Organization of workpapers and other information in support of requested relief in accordance with the Commission's GAO 2013-05 and the Minimum Standard Filing Requirements (MSFRs)	<ul style="list-style-type: none"> • Shikany (No. 3)

REVENUE REQUIREMENT		
Subject	Request	Supporting Witness(es) (Petitioner's Exhibit No. Reference)
Overall Revenue Increase	<ul style="list-style-type: none"> • Total annual increase in revenue of approximately \$291,780,191 or 19.09% in two steps 	<ul style="list-style-type: none"> • Hooper (No. 1) (overall policy) • Whitehead (No. 2) (overview and drivers)

¹ This Index of the Company's case-in-chief is intended to highlight issues and is not an exhaustive list of the requests in this proceeding. A complete account of the requested relief can be found in the case-in-chief, including but not limited to petition, testimony, attachments, workpapers, and MSFR responses.

		<ul style="list-style-type: none"> • Exhibit No. 3, Attachments 3-A-S1 and 3-A-S2 • Accounting adjustments support (No. 22)
Financial Forecast	<ul style="list-style-type: none"> • Set rates based on Test Year financial forecast • Reflect forecasted O&M and capital investments in rates based on work plans, as adjusted. 	<ul style="list-style-type: none"> • Camp (No. 5) (overall development of O&M forecast and rate base) • Blissmer (No. 4) (rate base forecast) • Shikany (No. 3) (adjustments to pro forma net operating income, rate base, and capital structure)
Revenue Forecast	<ul style="list-style-type: none"> • Test Year weather normalized revenue forecast. 	<ul style="list-style-type: none"> • Bartos (No. 18) (weather normalization) • Siegler (No. 20) (revenue and cost of fuel/purchased power forecast based upon weather normalization)
Return on Equity (ROE)	<ul style="list-style-type: none"> • Authorize 10.4% ROE 	<ul style="list-style-type: none"> • Whitehead (No. 2) (policy) • Rea (No. 16) (evaluation)
Weighted Average Cost of Capital (WACC)	<ul style="list-style-type: none"> • Authorize forecasted WACC of 7.10% applied to original cost rate base 	<ul style="list-style-type: none"> • Shikany (No. 3)
Compensation Benefits	<ul style="list-style-type: none"> • Compensation and benefit programs 	<ul style="list-style-type: none"> • Cartella (No. 13)

Corporate Allocations	<ul style="list-style-type: none"> • Service Company allocations 	<ul style="list-style-type: none"> • Bly (No. 6) (NSCS budgeting process) • Gode (No. 7) (expenses, adjustments, and allocation) • Baryenburch (No. 8) (overall reasonableness and necessity)
Depreciation	<ul style="list-style-type: none"> • Setting new depreciation rates and reflect the resulting depreciation expense in base rates based on depreciation study 	<ul style="list-style-type: none"> • Spanos (No. 15)
Prepaid Pension Asset	<ul style="list-style-type: none"> • Reflect in capital structure 	<ul style="list-style-type: none"> • Shikany (No. 3)
Taxes	<ul style="list-style-type: none"> • Reflect forecasted Test Year tax expense in base rates • Authority to request approval of a new Tax Rate Modification Mechanism ("TRMM") for capturing future changes in tax rates 	<ul style="list-style-type: none"> • Harding (No. 17)
Revenue Credit	<ul style="list-style-type: none"> • NIPSCO's calculation of the revenue credit resulting from Cause No. 45159 and NIPSCO's proposed treatment 	<ul style="list-style-type: none"> • Shikany (No. 3)

	of actual costs of removal incurred for coal fired generation	
Terms and Conditions of Service and Tariffs	<ul style="list-style-type: none"> • Description of changes 	<ul style="list-style-type: none"> • Whitehead (No. 2)
Forecasted Rate Base	<ul style="list-style-type: none"> • Reflects forecasted capital projects in rate base • Description of forecast technique 	<ul style="list-style-type: none"> • Blissmer (No. 4) (rate base forecast) • Camp (No. 5) (overall forecasting methodology)
Customer Assistance Program	<ul style="list-style-type: none"> • Propose new low income program 	<ul style="list-style-type: none"> • Becker (No. 21)
Cost of Service Study and Overall Rate Design	<ul style="list-style-type: none"> • Description of overall ACOSS • Description of rate design 	<ul style="list-style-type: none"> • Taylor (No. 19)

COST OF SERVICE AND RATE DESIGN		
Subject	Request	Supporting Witness(es) (Petitioner's Exhibit No. Reference)
Class Cost of Service Study (CCOSS)	<ul style="list-style-type: none"> • Propose gradualism to address subsidy and move classes closer to Straight-Fixed-Variable pricing 	<ul style="list-style-type: none"> • Taylor (No. 19)
Revisions to Rate 831	<ul style="list-style-type: none"> • Request approval of settlement agreement regarding Rate 831 reached with the current Rate 831 customers 	<ul style="list-style-type: none"> • Whitehead (No. 2)

Overall Rate Design	<ul style="list-style-type: none"> • Allocation of revenue increase 	<ul style="list-style-type: none"> • Whitehead (No. 2) (overview) • Taylor (No. 19) (rate design)
New Rate Proposals	<ul style="list-style-type: none"> • Propose Rate 543 – Station Power for Renewable Wholesale Generation Equipment • Propose Rate 549 – Electric Vehicle Fast Charging – Company Owned Charging 	<ul style="list-style-type: none"> • Whitehead (No. 2)
New Rider Proposals	<ul style="list-style-type: none"> • Propose Rider 594 – Adjustment of Charges for Variable Costs of Coal-Fired Generation • Propose Rider 597 – Universal Service Program (USP) Rider 	<ul style="list-style-type: none"> • Whitehead (No. 2) (Adjustment of Charges for Variable Costs of Coal Fired Generation) • Blissmer (No. 4) • Becker (No. 21) (USP Rider)
Terms and Conditions of Service – Tariffs	<ul style="list-style-type: none"> • Modifications to tariffs and new tariff offerings 	<ul style="list-style-type: none"> • Whitehead (No. 2)