

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC)
SERVICE COMPANY FOR (1) AUTHORITY)
TO MODIFY ITS RATES AND CHARGES FOR)
GAS UTILITY SERVICE THROUGH A PHASE)
IN OF RATES; (2) MODIFICATION OF THE)
SETTLEMENT AGREEMENTS APPROVED IN)
CAUSE NO. 43894; (3) APPROVAL OF NEW) CAUSE NO. 44988
SCHEDULES OF RATES AND CHARGES,)
GENERAL RULES AND REGULATIONS,)
AND RIDERS; (4) APPROVAL OF REVISED)
DEPRECIATION RATES APPLICABLE TO ITS)
GAS PLANT IN SERVICE; (5) APPROVAL OF)
NECESSARY AND APPROPRIATE)
ACCOUNTING RELIEF; AND (6))
AUTHORITY TO IMPLEMENT TEMPORARY)
RATES CONSISTENT WITH THE)
PROVISIONS OF IND. CODE CH. 8-1-2-42.73)

**MOTION FOR CONFIDENTIAL TREATMENT OF CERTAIN WORKPAPERS
SUPPORTING THE TESTIMONY OF MICHAEL P. GORMAN ON BEHALF OF THE
NIPSCO INDUSTRIAL GROUP**

The NIPSCO Industrial Group (“Industrial Group”), by counsel, pursuant to 170 I.A.C. 1-1.1-4, and Indiana Code §§ 5-14-3 *et seq.*, 8-1-2-29 & 24-2-3 *et seq.* respectfully requests that the Indiana Utility Regulatory Commission (“Commission”) issue an order finding that the information identified on Exhibit A to this Motion be deemed confidential and that safeguards be adopted for its handling and treatment, including protecting it from disclosure outside the Commission. In support of this motion, the Industrial Group states as follows:

1. The Confidential Workpapers identified on Exhibit A are materials from third-parties, including subscription based services and authors who limit dissemination of their works, or compiled from such third-parties.

2. As described in the Affidavit of Michael P. Gorman attached herewith as Exhibit B, the Confidential Workpapers contain information independently compiled and developed by those third parties.
3. The Confidential Workpapers are not available to the general public and their dissemination is controlled either through paid subscription based services or special permission of the author.
4. The third parties responsible for the creation of the Confidential Workpapers treat the information, data, and/or formulas within the Confidential Workpapers, or the unique compilation of such information, data, and/or formulas, as propriety and not for general distribution.
5. The Confidential Workpapers, therefore, have independent economic value which is derived from not being generally available to the public through proper means, and which is subject to the reasonable efforts of those responsible for their creation to protect the dissemination of the proprietary work product and which is not otherwise available in the public domain.
6. Based upon the above description of the material for which the Industrial Group seeks protection, the Industrial Group requests the Commission enter a preliminary determination that the Confidential Workpapers are “Confidential Information” and are confidential, proprietary, competitively sensitive and/or trade secret within the meaning of Ind. Code § 5-14-3-4(a) as defined by Ind. Code § 24-2-3-2, for the limited purpose of allowing the Industrial Group to safely submit or otherwise make available the Confidential Information under seal for an *in camera* inspection by the presiding

Administrative Law Judge and the Commission for a final determination of the appropriateness of the Industrial Group's request for protection.

7. Once a preliminary determination of confidentiality has been made, the Industrial Group will submit the Confidential Workpapers on CD-ROM in a sealed envelope and designating that the contents are confidential and proprietary material submitted under a preliminary order of confidentiality. The submission of the Confidential Information is subject to and contingent upon the Industrial Group's right to retrieve the Confidential Information before it can be disclosed to any members of the public should the Commission make a final determination finding that the material submitted under seal should not be protected.
8. The Industrial Group will make copies of the Confidential Workpapers available to all parties who have entered into a Confidentiality/Non-Disclosure Agreement with the Industrial Group.

WHEREFORE, the Industrial Group respectfully requests that the Commission find the Confidential Workpapers listed on Exhibit A to be confidential, proprietary and a trade secret, and to treat the information as confidential, and exempt from public disclosure and to adopt procedures as necessary to ensure they are adequately protected from public disclosure.

Respectfully submitted,

LEWIS & KAPPES, P.C.

/s/ Aaron Schmoll

Todd A. Richardson, Atty No. 16620-49

Aaron A. Schmoll, Atty No. 20359-49

One American Square, Suite 2500
Indianapolis, Indiana 46282
Telephone: (317) 639-1210
Facsimile: (317) 639-4882
Email: TRichardson@lewis-kappes.com
ASchmoll@lewis-kappes.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been served upon the following via electronic mail, this 6th day of March, 2018:

Claudia J. Earls
Christopher C. Earle
NISOURCE CORPORATE SERVICES – LEGAL
150 West Market Street, Suite 600
Indianapolis, IN 46204
cjearls@nisource.com
cearle@nisource.com

Kay E. Pashos
Steven W. Krohne
ICE MILLER, LLP
One American Square, Suite 2900
Indianapolis, IN 46282-0200
Kay.pashos@icemiller.com
Steven.krohne@icemiller.com

Nicholas K. Kile
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, IN 46204
Nicholas.kile@btlaw.com

Courtesy copy to:
Timothy R. Caister
Erin E. Whitehead
NORTHERN INDIANA PUBLIC SERVICE
COMPANY
150 West Market Street, Suite 600
Indianapolis, IN 46204
tcaister@nisource.com
ewhitehead@nisource.com

Robert K. Johnson, Esq.
2454 Waldon Drive
Greenwood, IN 46143
rjohnson@utilitylaw.us

Abby R. Gray
Randall C. Helmen
Tiffany Murray
OFFICE OF THE UTILITY CONSUMER
COUNSELOR
115 W. Washington St., Suite 1500 South
Indianapolis, Indiana 46204
agray@oucc.in.gov
rhelmen@oucc.in.gov
timurray@oucc.in.gov
infomgt@oucc.in.gov

Joseph P. Rompala
Tabitha L. Balzer
LEWIS & KAPPES, P.C.
One American Square, Suite 2500
Indianapolis, IN 46282-0003
jrompala@lewis-kappes.com
tbalzer@lewis-kappes.com

Jennifer A. Washburn
Margo L. Tucker
CITIZENS ACTION COALITION OF INDIANA, INC.
1915 West 18th Street, Suite C
Indianapolis, IN 46202
jwashburn@citact.org
mtucker@citact.org

Nikki G. Shoultz
Kristina Kern Wheeler
BOSE MCKINNEY & EVANS LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
nshoultz@boselaw.com
kwheeler@boselaw.com

Antonia Domingo
UNITED STEELWORKERS
60 Boulevard of the Allies, 8th Floor
Pittsburgh, PA 15208
adomingo@usw.org

Anthony Alfano
UNITED STEELWORKERS
1301 Texas Street, 2nd Floor
Gary, IN 46402
aalfano@usw.org

/s/ Aaron A. Schmoll

Aaron A. Schmoll

LEWIS & KAPPES, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0003
Telephone: (317) 639-1210
Facsimile: (317) 639-4882

Northern Indiana Public Service Company

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Confidential Workpaper Index

(Supporting the direct testimony and attachments of Michael P. Gorman on behalf of The NIPSCO Industrial Group.)

<u>Workpaper</u>	<u>Description</u>
MPG Confidential WP 1.pdf	<i>AUS Utility Reports</i> , various publication dates.
MPG Confidential WP 2.pdf	<i>Blue Chip Financial Forecasts</i> , December 1, 2013 - February 1, 2018.
MPG Confidential WP 3.xlsx	Blue Chip Projected Federal Funds Rate, 30 yr Treasury Bond Yields, and GDP Price Index workpaper.
MPG Confidential WP 4.pdf	<i>Duff & Phelps, 2016 SBBI Yearbook</i> .
MPG Confidential WP 5.pdf	<i>Duff & Phelps, 2017 SBBI Yearbook</i> .
MPG Confidential WP 6.pdf	<i>Duff & Phelps, 2017 Valuation Handbook: Guide to Cost of Capital</i> .
MPG Confidential WP 7.pdf	<i>Morningstar, Inc., Ibbotson SBBI 2013 Valuation Yearbook</i> .
MPG Confidential WP 8.xlsx	GDP Forecast data, multiple sources.
MPG Confidential WP 9.pdf	<i>Mergent Bond Record</i> April 2004, February 2006, September 2010 and <i>Mergent Public Utility Manual</i> , 2003.
MPG Confidential WP 10.pdf	<i>Regulatory Research Associates</i> , Major Rate Case Decisions, multiple publication dates Jan.1997, Jan. 2011, and January 30, 2018.
MPG Confidential WP 11.xlsx	Market Intelligence Index Comparison data.
MPG Confidential WP 12.pdf	Market Intelligence growth rates.
MPG Confidential WP 13.pdf	<i>Moody's Investor Service</i> : "US Regulated Utilities: Lower Authorized Equity Returns will Not Hurt Near-Term Credit Profiles," March 10, 2015.
MPG Confidential WP 14.xlsx	Utility Capital Expenditures.
MPG Confidential WP 15.xlsx	S&P Gas Ratings by Category.
MPG Confidential WP 16.xlsx	S&P Financial Metrics.
MPG Confidential WP 17.xlsx	S&P NiSource Inc. Balance Sheet.
MPG Confidential WP 18.pdf	S&P Global Market intelligence, RRA Financial Focus: "Capital Expenditure Update," October 23, 2017.
MPG Confidential WP 19.pdf	<i>Standard & Poor's Ratings Services</i> : "Corporate Industry Credit Research: Industry Top Trends 2016, Utilities," December 9, 2015.
MPG Confidential WP 20.pdf	<i>Standard & Poor's RatingsDirect</i> : "Summary: Northern Indiana Public Service Co.," March 3, 2017.
MPG Confidential WP 21.pdf	<i>Standard & Poor's Ratings Services</i> : "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded," May 27, 2009.
MPG Confidential WP 22.pdf	<i>The Value Line Investment Survey</i> , November 17, December 1, and December 15, 2017 and January 26, 2018.
MPG Confidential WP 23.pdf	"Choice Among Methods of Estimating Share Yield," David Gordon, Myron Gordon, and Lawrence Gould, <i>The Journal of Portfolio Management</i> , Spring 1989.
MPG Confidential WP 24.pdf	"Fundamentals of Financial Management," Eugene F. Brigham and Joel F. Houston, Eleventh Edition 2007, Thomson South-Western, a Division of Thomson Corporation.

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(Supporting the direct testimony and attachments of Michael P. Gorman on behalf of The NIPSCO Industrial Group.)

Workpaper

MPG Confidential WP 25.pdf

MPG Confidential WP 26.pdf

Description

"The Risk Premium Approach to Measuring a Utility's Cost of Equity," Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *Financial Management*, Spring 1985.

"The Market Risk Premium: Expectational Estimates Using Analysts' Forecasts," Robert S. Harris and Felicia C. Marston, *Journal of Applied Finance*, Volume 11, No. 1, 2001.

Affidavit of Michael P. Gorman

Michael P. Gorman, upon his oath, deposes and states as follows:

1. I am a consultant in the field of public utility regulation and am a principal with the firm of Brubaker and Associates, Inc. ("BAI").
2. I am over the age of eighteen (18) and have personal knowledge of the statements made herein.
3. BAI has a subscription with numerous third-party subscription based services, including Standard and Poor's, AUS, SBBI, and Value Line as well as permission of certain authors to reproduce, for limited purposes, certain financial works.
4. The information in these publications was and/or is developed by the third parties and contains descriptions and explanations of the metrics and analyses used in measuring the financial risk of companies; information independently derived by the third party; or uniquely compiled by the third party.
5. It is my understanding that these third parties consider the information contained in their materials to be proprietary in nature.
6. Further, the third parties control access to the materials contained in the workpapers through paid subscriptions, or other special arrangements, and that they are not made available for use by the general public.
7. In numerous jurisdictions in which I have appeared as a witness, parties on whose behalf I have testified on, have sought, and been granted, confidential treatment of these, and similar, materials.

Further Affiant Sayeth Not

I, Michael P. Gorman, swear and affirm under the penalties of perjury that the foregoing statements and representations are true and correct to the best of my knowledge and information.



Michael P. Gorman

March 6, 2018

Date