



**For Immediate Release**

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## **NIPSCO Gas Rate Case: Merrillville Public Hearing January 3** *Comments Invited from Customers throughout Northern Indiana*

Northern Indiana Public Service Company (NIPSCO) customers still have the chance to comment on the utility’s pending natural gas rate request.

- **An Indiana Utility Regulatory Commission (IURC) public field hearing is scheduled for Wednesday, January 3, 2018 at Merrillville High School** (276 E. 68<sup>th</sup> Place). The hearing – in the Freshman Lecture Hall – will start at 6:00 p.m. local time. Consumers are encouraged to arrive by 5:45 p.m. for an overview of field hearing procedures and the rate case process.
- An additional IURC field hearing will be held in South Bend on a future date to be determined. The Commission is holding the case’s first field hearing on December 11, 2017 in Fort Wayne.
- **The Indiana Office of Utility Consumer Counselor (OUCC), the state agency representing consumer interests in cases before the IURC, continues to invite written consumer comments through January 17, 2018.**

At each IURC field hearing:

- Consumers may speak directly to the Commission, under oath and on the record, regarding the rate case.
- Consumers may also submit written comments for the case record.
- Comments will carry equal weight whether they are oral or written.
- Commissioners are not allowed to answer questions during the field hearing. However, OUCC staff will be available before, during, and after the hearing to address questions about the process.

The OUCC is scheduled to file testimony on January 24, 2018 and is using its legal and technical resources to review NIPSCO’s request in the meantime.

NIPSCO provides natural gas service to approximately 820,000 customers in 32 Indiana counties. Its pending request would raise rates in two phases, with increases taking effect in 2018 and 2019.

According to its testimony and exhibits, NIPSCO’s request would raise an average monthly natural gas bill for 69 therms by \$10.35 if and when the proposed increase is fully implemented. The impact on specific bills will vary based on usage.

	<b>January</b>	<b>July</b>	<b>Monthly Average</b>
<b>Typical Monthly Usage</b>	147 therms	18 therms	69 therms
<b>Current Bill</b>	\$93.47	\$21.26	\$49.44
<b>Proposed Bill</b>	\$105.93	\$30.26	\$59.79
<b>Difference</b>	\$12.46	\$9.00	\$10.35

- NIPSCO’s request would increase the flat, monthly residential customer charge from \$11.00 to \$19.50.
- The volumetric part of the base rate would rise from 11.1 cents per therm to 17.7 cents per therm.
- The request would give NIPSCO’s gas utility a \$143.5 million increase in overall annual operating revenues, which is a raise of approximately 22.7 percent over current natural gas revenues.

**(Continued)**

- In its testimony and exhibits, NIPSCO states that it is seeking the new rates due to increases in operating and maintenance costs, and to pay for numerous system upgrades. The utility’s request includes more than \$9.5 million in new program expenses. It includes a significant increase in depreciation expenses in addition to cost recovery for infrastructure projects in its Transmission, Distribution, and Storage System Improvement Charge (TDSIC) plan, which received IURC approval in 2014. By law, NIPSCO has been allowed to recover 80 percent of the plan’s capital projects and expenses through its TDSIC tracker. The law required the utility to defer the remaining costs to its next base rate case.
- The proposed increase in this case would only apply to NIPSCO’s base distribution rates, which currently comprise approximately 49 percent of a typical residential natural gas customer’s monthly heating bill. Base distribution rates cover “non-gas” expenses such as capital improvements and the costs of operations and maintenance.
  - Wholesale natural gas supply costs, which currently make up 51 percent of a typical customer’s bill, are recovered on a dollar-for-dollar basis through the state’s Gas Cost Adjustment (GCA) process. NIPSCO files its GCA requests, which require OUCC review and IURC approval, every three months. The pending rate case will not affect the GCA process.

NIPSCO’s current natural gas base rates received IURC approval in 2010, though amounts on customer bills have changed due to the utility’s TDSIC tracker and fluctuations in wholesale natural gas costs.

Electric rates are not at issue in this case.

Consumers who wish to submit written comments for the case record may do so via the OUCC’s Website at [www.in.gov/oucc/2361.htm](http://www.in.gov/oucc/2361.htm), or by mail, email, or fax:

- Mail: Consumer Services Staff  
Indiana Office of Utility Consumer Counselor  
115 W. Washington St., Suite 1500 South  
Indianapolis, IN 46204
- email: [uccinfo@oucc.IN.gov](mailto:uccinfo@oucc.IN.gov)
- Fax: (317) 232-5923

The OUCC needs to receive all written consumer comments no later than January 17, 2018 so that it can: 1) Consider them in preparing its testimony and 2) File them with the Commission to be included in the case’s formal evidentiary record. Comments should include the consumer’s **name**, **mailing address**, and a reference to “**IURC Cause No. 44988**.” Consumers with questions about submitting written comments can contact the OUCC’s consumer services staff toll-free at 1-888-441-2494.

Several additional parties have intervened in this case and are also scheduled to file testimony on January 24, 2018. They include the Citizens Action Coalition of Indiana, Direct Energy Business Marketing, LLC, and the following industrial customers: Arcelor Mittal USA, Arconic, Inc., BP Products North America, Inc., Cargill, Inc., Fiat Chrysler Automobiles, General Motors LLC, NLMK Indiana, Praxair, Inc., United States Steel Corporation, and USG Corporation.

A final order is expected next summer. The OUCC is posting case updates online at [www.in.gov/oucc/2621.htm](http://www.in.gov/oucc/2621.htm).

(IURC Cause No. 44988)

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC’s mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving.

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