

Thank you for attending the Indiana Utility Regulatory Commission's (IURC's) public field hearing this evening. The IURC's order in the NIPSCO electric rate case is expected in mid-2016, with no final decision to be made tonight.

The IURC is the state agency that has jurisdiction over NIPSCO's rates. State law requires the IURC to balance utility and ratepayer interests, and to base its decision in each case on the evidence in the record.

The Indiana Office of Utility Consumer Counselor (OUCC) is the separate state agency that represents ratepayer interests in IURC cases. We'd like for you to know several things about the process:

An IURC public field hearing is a formal, legal proceeding.

- An Administrative Law Judge presides. At least one IURC Commissioner is present.
- An OUCC attorney also participates. Attorneys for the utility and intervening parties may participate, as well.
- A court reporter records oral testimony.

You may speak, provide written comments, or do both.

- To speak, please complete the top half of the witness form and turn it in at the registration table.
 - An OUCC attorney will call speakers forward. All speakers will be sworn in, and asked to spell their names for the court reporter.
 - The court reporter will record comments made under oath for the case record.
- Written consumer comments carry the same weight as oral comments made under oath.
 - If you submit written comments this evening, please use the witness form. If you have brought a letter or other documentation and would like to have it included, OUCC staff can attach it to your form.
 - Comments submitted after tonight must be in writing so the OUCC can file them for the formal case record.
 - The OUCC needs to receive all consumer comments no later than January 15, 2016. If comments are received after that date, we cannot guarantee that we can get them in the record.
 - The OUCC invites written comments by mail, email, fax, and online. (All of our contact information is on page 4.)

**The field hearing is one step in the process.
Its sole purpose is to give consumers the chance to speak.**

- Field hearings do not include presentations by utilities. In this case, NIPSCO filed testimony in October.
- Commissioners may not answer questions about the case. They will weigh the evidence and render a decision.
- OUCC staff will be available to answer questions about the process on an individual basis.

The OUCC has until January 22, 2016 to take a formal position.

- Under Indiana law, the OUCC represents the interests of all consumers (residential, commercial, and industrial) in cases before the IURC and federal utility commissions.
- Our attorneys and technical staff (accountants, economists, and engineers) are reviewing NIPSCO's request.
- We will file testimony and exhibits with the IURC that will explain the results of our review.
- We will review all written consumer comments received by January 15, 2016 and consider them in preparing our testimony. We will also file comments received by that date with the IURC.
- After it is filed, our testimony will be available online at www.in.gov/oucc/2823.htm. It will also be linked from www.twitter.com/IndianaOUCC and www.facebook.com/IndianaOUCC.

**The following additional parties have intervened.
They're also scheduled to file testimony on January 22, 2016.**

- The LaPorte County Board of Commissioners
- The Indiana Municipal Utility Group
- Industrial customers including Accurate Castings, Inc., Arcelor Mittal USA, BP Products North America, Inc., Cargill, Inc., NLMK Indiana, Praxair, Inc., and USG Corporation
- The Citizens Action Coalition of Indiana
- Wal-Mart Stores East, LP & Sam's East, Inc.
- The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC

This case includes a number of future steps. All dates are in 2016:

January 15	OUCC deadline to receive consumer comments for the record
January 22	OUCC and intervenors file testimony
February 12	NIPSCO files rebuttal testimony
February 29	First day of IURC evidentiary hearing*
March & April (Dates TBD)	NIPSCO, OUCC, and intervenors file proposed orders (closing arguments)
June or July	IURC order expected**

* The case's evidentiary hearing is scheduled to start on February 29, 2016 at 9:30 a.m. in Room 222 at the PNC Center (101 W. Washington St. in Indianapolis). It is expected to last several days. IURC evidentiary hearings are open to the public. But participation is typically limited to attorney and Commission questioning of technical witnesses for the case's formal parties.

** Final orders are issued at the IURC's weekly conferences, typically on Wednesday afternoons. Agendas are posted 48 hours in advance at www.in.gov/iurc/2428.htm.

All dates are subject to change. A settlement agreement is possible in any legal proceeding.

NIPSCO ELECTRIC RATE REQUEST: BASIC FACTS

Northern Indiana Public Service Company (NIPSCO) is seeking \$126.6 million in new, annual operating revenues. It filed testimony, exhibits, and work papers with the IURC on October 1, 2015. The case is docketed as IURC Cause No. 44688.

NIPSCO's request would raise residential rates as follows:

Usage in kilowatt hours	Current electric charges	Proposed electric charges
698 kWh (average)	\$91.40	\$ 101.92
1000 kWh	\$126.18	\$ 137.28

The utility's request would raise the flat, monthly electric residential customer charge from \$11.00 to \$20.00. It would also increase the volumetric (or use-based) portion of the base rate.

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 capital improvements including the replacement of all meters throughout its service territory, infrastructure improvements (including new lines, poles, and substations), technology upgrades, and plans to retire the Bailly Generating Station.

NIPSCO's current base electric rates were approved in 2011. However, bills have increased since then due to rate recovery mechanisms – or “trackers” – which allow rate increases for specific items on an expedited basis.

- Trackers are separate from base rates and are subject to OUCC review and IURC approval.
- All investor-owned electric utilities in Indiana use them to varying degrees.
- NIPSCO uses trackers to recover costs for generating fuel, energy efficiency programs, environmental mandates, regional transmission, system reliability resources, and critical infrastructure protection (cyber security).

NIPSCO is proposing to create a new program for low-income summer electric assistance. Eligible customers would receive a one-time credit of \$50 on their June electric bills. The utility is proposing to pay for the program through a flat monthly surcharge of 20 cents on each residential bill.

The OUCC will post case updates at www.in.gov/oucc/2823.htm.

All publicly filed documents are available online. To view the IURC's public case file:

- Visit www.in.gov/iurc and click the “Electronic Document System” link in the upper right portion of the page.
- Click the “Search Cases” link near the upper left corner of the following page.
- Enter 44688 in the first field on the search page (labeled “docket number”).

NIPSCO provides electric service to more than 461,000 customers in 20 northern Indiana counties.

Natural gas rates and charges are not at issue in this case.

TO SEND COMMENTS AFTER TONIGHT

The OUCC welcomes written consumer comments:

- Online at www.IN.gov/OUCC. Click the “Contact Us” link on the left side of the page.
- By email at uccinfo@oucc.IN.gov.
- By fax at (317) 232-5923.
- By mail at:
Indiana Office of Utility Consumer Counselor
Consumer Services Staff
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

Comments after the field hearing need to be in writing so that our staff can:

1. Properly review them, and
2. File them with the IURC for the formal case record. We are unable to take comments for the record by phone.

All comments we receive by January 15, 2016 will be filed with the IURC for the case record.

GENERAL AGENCY INFORMATION

Indiana Office of Utility Consumer Counselor (OUCC)

- State agency
- Represents the interests of all Indiana utility consumers, including residential, commercial and industrial, in cases before the IURC and federal utility regulatory commissions
- Staff of attorneys, accountants, engineers, economists, consumer services, and support personnel

Indiana Utility Regulatory Commission (IURC)

- State agency
- Regulates many, but not all, Indiana utilities.
- Regulates rates, financing, service territory, quality of service, etc.
- Required by law to make decisions that balance the interests of utilities and consumers