

# ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Bennett	√		
Freeman	√		
Veleta			√
Ziegner	√		

## STATE OF INDIANA

### INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN )  
INDIANA PUBLIC SERVICE COMPANY LLC )  
FOR (1) AN ADJUSTMENT TO ITS GAS )  
SERVICE RATES THROUGH ITS )  
FEDERALLY MANDATED COST ) CAUSE NO. 45703 FMCA 2  
ADJUSTMENT FACTOR PURSUANT TO IND. )  
CODE CH. 8-1-8.4; AND (2) AUTHORITY TO ) APPROVED: MAR 27 2024  
DEFER 20% OF THE FEDERALLY )  
MANDATED COSTS FOR RECOVERY )  
PURSUANT TO IND. CODE CH. 8-1-8.4 )

### ORDER OF THE COMMISSION

#### Presiding Officers:

**Sarah E. Freeman, Commissioner**

**Greg S. Loyd, Administrative Law Judge**

On November 29, 2023, Northern Indiana Public Service Company LLC (“NIPSCO” or “Petitioner”) filed its Verified Petition in this Cause and case-in-chief, including the prefiled direct testimony and attachments of Elizabeth A. Dousias, Manager of Regulatory for NiSource Corporate Services Company and Rick Smith, Director of Operations Support Programs for NIPSCO, and a workpaper showing the progress of each of the individual projects.

On February 9, 2024, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the direct testimony and attachments of Mark H. Grosskopf, Senior Utility Analyst at the OUCC, and Brien R. Krieger, Utility Analyst II at the OUCC.

On February 16, 2024, NIPSCO filed its Notice of Intent Not to File Rebuttal.

On February 23, 2024, the OUCC filed a revised version of Mr. Krieger’s testimony.

The Commission held an evidentiary hearing in this Cause on March 5, 2024, at 10:00 a.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. NIPSCO and the OUCC appeared at the hearing, during which NIPSCO’s and the OUCC’s direct testimony and attachments were admitted into the record without objection.

Based on the applicable law and the evidence presented, the Commission now finds:

**1. Notice and Jurisdiction.** Notice of the hearing in this Cause was given and published as required by law. NIPSCO is a public utility as defined in Ind. Code § 8-1-2-1(a) and an energy utility as defined in Ind. Code § 8-1-8.4-3. Petitioner is also subject to rules and regulations promulgated by the United States Department of Transportation Pipeline and

Hazardous Materials Safety Administration (“PHMSA”). Under Ind. Code §§ 8-1-8.4-6 and 8-1-8.4-7, the Commission has authority to approve cost recovery for projects necessary to comply with federally mandated requirements. Under Ind. Code § 8-1-2-42, the Commission has jurisdiction over changes to NIPSCO’s rates and charges. Therefore, the Commission has jurisdiction over NIPSCO and the subject matter of this proceeding.

**2. NIPSCO’s Characteristics.** NIPSCO is a limited liability company organized and existing under Indiana law, with its principal office at 801 E. 86th Avenue, Merrillville, Indiana. NIPSCO owns, operates, manages, and controls plant and equipment used for the generation, transmission, distribution, and furnishing of electric and gas utility services to the public in northern Indiana.

**3. Background.** By its September 19, 2018 Order in Cause No. 45007 (“45007 Order”), the Commission approved NIPSCO’s request pursuant to Ind. Code ch. 8-1-8.4 for (1) a Certificate of Public Convenience and Necessity (“CPCN”) for federally mandated projects associated with NIPSCO’s Pipeline Safety Compliance Project (consisting of 24 individual projects) to comply with various provisions of 49 CFR Part 192 promulgated by PHMSA (“PHMSA Rules”); (2) timely recovery of 80% of the federally mandated costs incurred in connection with the Pipeline Safety Compliance Project; (3) a semi-annual federally mandated cost adjustment mechanism (“FMCA Mechanism”) pursuant to Ind. Code §§ 8-1-8.4-7 and 8-1-2-42 to effectuate the timely and periodic recovery of 80% of the federally mandated project costs and ongoing expenses incurred in connection with the Pipeline Safety Compliance Project; (4) authority to defer 20% of the federally mandated project costs and ongoing expenses incurred in connection with the Pipeline Safety Compliance Project, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO’s next general rate case; (5) approval of ongoing review of the Pipeline Safety Compliance Project; and (6) cost allocation factors for the Pipeline Safety Compliance Project. The Pipeline Safety Compliance Project ended on December 31, 2021.

By its September 4, 2019 Order in Cause No. 45183 (“45183 Order”), the Commission approved NIPSCO’s request pursuant to Ind. Code ch. 8-1-8.4 for: (1) a CPCN for federally mandated projects associated with NIPSCO’s PHMSA Compliance Project (consisting of two individual projects) to comply with various provisions of the PHMSA Rules; (2) timely recovery of 80% of the federally mandated costs incurred in connection with the PHMSA Compliance Project through the currently-approved FMCA Mechanism; (3) authority to defer 20% of the federally mandated project costs and ongoing expenses incurred in connection with the PHMSA Compliance Project, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO’s next general rate case; and (4) approval of ongoing review of the PHMSA Compliance Project. The 45183 Order also directed NIPSCO to propose cost allocation factors for the PHMSA Compliance Project in its next FMCA mechanism filing (i.e., Cause No. 45007 FMCA 3). The PHMSA Compliance Project ended on December 31, 2023.

By its March 31, 2020 Order in Cause No. 45007 FMCA 3 (“45007 FMCA 3 Order”), the Commission approved the cost allocation factors for the PHMSA Compliance Project and the proposed procedural schedule for use in subsequent FMCA proceedings.

By its December 1, 2021 Order in Cause No. 45560 (“45560 Order”), the Commission approved NIPSCO’s request pursuant to Ind. Code ch. 8-1-8.4 for (1) a CPCN for federally mandated projects associated with NIPSCO’s Pipeline Safety II Compliance Project to comply with the PHMSA Rules; (2) approval of the estimated federally mandated costs associated with the Pipeline Safety II Compliance Project; (3) timely recovery of 80% of the approved federally mandated costs incurred in connection with the Pipeline Safety II Compliance Project through the currently-approved FMCA Mechanism; (4) authority to defer 20% of the approved federally mandated project costs and ongoing expenses incurred in connection with the Pipeline Safety II Compliance Project, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO’s next general rate case; (5) approval of ongoing review of the Pipeline Safety II Compliance Project; and (6) cost allocation factors for the Pipeline Safety II Compliance Project. The Pipeline Safety II Compliance Project ends December 31, 2026.

By its December 28, 2022 Order in Cause No. 45703 (“45703 Order”), the Commission approved NIPSCO’s request pursuant to Ind. Code ch. 8-1-8.4 for (1) a CPCN for federally mandated projects associated with NIPSCO’s Pipeline Safety III Compliance Project to comply with the PHMSA Rules; (2) approval of the estimated federally mandated costs associated with the Pipeline Safety III Compliance Project; (3) timely recovery of 80% of the approved federally mandated costs incurred in connection with the Pipeline Safety III Compliance Project through the currently-approved FMCA Mechanism; (4) authority to defer 20% of the approved federally mandated project costs and ongoing expenses incurred in connection with the Pipeline Safety III Compliance Project, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO’s next general rate case; (5) approval of ongoing review of the Pipeline Safety III Compliance Project; and (6) cost allocation factors for the Pipeline Safety III Compliance Project. The Pipeline Safety III Compliance Project ends December 31, 2026.

By its March 29, 2023 Order in Cause No. 45560 FMCA 2 (“45560 FMCA 2 Order”), the Commission approved modification of the allocators for Rate 228, including modification of Appendix G – FMCA Factors.

**4. Relief Requested.** In the current Cause, NIPSCO requests approval of: (1) an adjustment to its gas service rates through the FMCA Mechanism to recover 80% of the federally mandated costs incurred in connection with its Pipeline Safety II Compliance Project and Pipeline Safety III Compliance Project (collectively, the “Approved Compliance Projects”) to be applicable to bills rendered for the billing months of April through December 2024, pursuant to Ind. Code § 8-1-8.4-7, the 45560 Order and 45703 Order; and (2) authority to defer 20% of the federally mandated costs, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO’s next general rate case pursuant to Ind. Code § 8-1-8.4-7(c)(2), the 45560 Order, and the 45703 Order.<sup>1</sup>

---

<sup>1</sup> Ms. Dousias stated that (1) all capital projects included in the Pipeline Safety Compliance Project were included in base rates effective September 1, 2022 (and removed from further tracker recovery); and (2) the remaining portion of the capital projects included in the PHMSA Compliance Project were included in base rates effective March 1, 2023 (and removed from further tracker recovery), and both are only included in this filing for reconciliation of projected revenues for the period April through September 2023 and the deferred revenue requirement.

NIPSCO further requests approval to file its FMCA tracker semi-annually, no later than March 1 and September 1 each year. If approved, NIPSCO expects to file its next two FMCA trackers by September 1, 2024 (45703 FMCA 3) and March 1, 2025 (45703 FMCA 4).

**5. Ongoing Review of Pipeline Safety III Compliance Project.** Mr. Smith described NIPSCO's proposal to reallocate costs within the cost estimate associated with Project No. PSCP3-28 – Advanced Mobile Leak Detection (O&M) (“AMLD Project”), a federally mandated project included in NIPSCO's Pipeline Safety III Compliance Project. He explained that NIPSCO projected the O&M costs associated with the AMLD Project to be \$14,335,544 for the period 2022 through 2026 based on the following four sub-categories: (1) service charge (a five-year total of \$720,000); (2) driver (a five-year total of \$1,325,820); (3) leakage inspection costs (a five-year total of \$1,643,966); and (4) incremental leak repair costs (a five-year total of \$10,642,572).

Mr. Smith stated that although NIPSCO anticipated it would hire internal labor to perform leak repairs in 2022, with the expectation to rely on these newly hired staff members to perform repairs in 2023 and beyond, NIPSCO has not hired incremental internal labor or incurred incremental costs as of this filing for leak repairs. He stated that although NIPSCO anticipated it would perform 9,936 leak investigations, it actually performed over 34,000 leak investigations for the period January through September 30, 2023. He explained that the increase was due to the availability of additional Picarro vehicles to use to perform additional drives to investigate additional leaks and a desire to get ahead of NIPSCO's leak inspection cycle while Picarro vehicles were available. Because of this additional work, from the start of the project through the end of 2026, NIPSCO now projects to spend \$3,643,966 for the leak investigation sub-category of the AMLD Project.

Mr. Smith sponsored Petitioner Exhibit 2-C showing the funding shift between sub-category 4 (incremental leak repair) and sub-category 3 (leak inspections). Mr. Smith testified NIPSCO's estimated total project cost is still within the approved \$14.3 million; thus, NIPSCO is not seeking an increase in the approved cost estimate for the AMLD Project. NIPSCO is only seeking approval from the Commission to shift dollars within the AMLD Project sub-categories to reflect the additional leak investigation work that has occurred.

Mr. Krieger testified he had no issues with NIPSCO's proposal and stated that his calculations indicate the additional costs are proportionate for the additional investigations.

The Commission appreciates Petitioner's update regarding its plan to reallocate funding within the AMLD Project. Given that Petitioner is not seeking to increase its expenditures above the approved cost estimate, our approval of the reallocation is unnecessary.

**6. Future FMCA Tracker Filings.** NIPSCO requests permission to change its FMCA tracking filing dates from December 1 and June 1 to March 1 and September 1, respectively. Ms. Dousias explained this change would help balance NIPSCO's schedule of filing and related workload for its gas regulatory team and other stakeholders that participate in many of its gas regulatory filings. She said if approved, NIPSCO expects to file its next two FMCA trackers by September 1, 2024 (45703 FMCA 3) and March 1, 2025 (45703 FMCA 4). She explained NIPSCO's schedules in this Cause reflect a nine-month revenue requirement to allow for the rates

approved in this filing to remain in effect for the nine-month period of April through December 2024. She said the calculations were altered for the return on capital for nine months and that the forecasted period of expenses is aligned with the same billing period. Ms. Dousias further explained that reconciliations in NIPSCO's future FMCA tracker filings will include the same process and be reconciled in every other filing. She said under the utility's proposal, the nine months of forecasted expenses and revenues from this filing will be reconciled in Cause No. 45703 FMCA 4. The OUCC did not object to NIPSCO's proposal.

Based on the evidence presented, Petitioner's request to modify its future FMCA tracker filings to September 1 and March 1 is reasonable and we approve the utility's plan.

## **7. FMCA.**

**A. Capital Projects.** The total cost of the Pipeline Safety III Compliance Project capital projects incurred as of September 30, 2023, upon which NIPSCO is authorized to earn a return, is \$48,888,330, which includes allowance for funds used during construction ("AFUDC") and other indirect costs, and is net of accumulated depreciation. Ms. Dousias testified NIPSCO computes AFUDC amounts and relevant AFUDC rates in accordance with the FERC Uniform System of Accounts. She testified that if the Commission approves the proposed ratemaking treatment for the total net book value of eligible federally mandated capital costs related to the Pipeline Safety III Compliance Project as of September 30, 2023, then NIPSCO will cease accruing AFUDC on those costs once the incurred costs receive ratemaking treatment, through base gas rates, or recovered through the FMCA, or the project is placed in service, whichever occurs first.

Ms. Dousias explained the weighted average cost of capital ("WACC") used to calculate post-in-service carrying charges ("PISCC"). The updated total weighted cost of capital as of September 30, 2023 is 6.93%.

Ms. Dousias explained the calculation of the "return on" portion of NIPSCO's nine-month revenue requirement for capital costs as of September 30, 2023. She stated the annual revenue requirement for the return on capital is calculated by multiplying the total eligible net book value of federally mandated capital costs as of September 30, 2023 by the debt and equity components of its WACC as of September 30, 2023. She stated that the product of this calculation is then multiplied by 75% in order to calculate a nine-month revenue requirement.

Ms. Dousias described NIPSCO's proposed methodology for revenue prioritization. She explained that in terms of accounting, the first recovered dollar represents NIPSCO's full return on capital and the remaining recovered amounts cover a portion of NIPSCO's incremental expenses. She testified that employing this methodology is required to ensure NIPSCO receives the return on its investments as required by the Ind. Code ch. 8-1-8.4 in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 980. She sponsored Petitioner's Exhibit 1, Attachment 1-B which illustrates the prioritization methodology of recovery for NIPSCO's 80% total revenue requirement.

Ms. Dousias explained that PISCC is calculated by multiplying the net book value of completed project costs that have been placed in service, which are not receiving construction work in progress ratemaking, by NIPSCO's effective WACC rate for the period in which the costs are in-service. She stated the PISCC amount is added to the nine-month revenue requirement to get a combined total capital revenue requirement. She explained that the resulting PISCC amount is then used to determine the proposed revenue requirement to be recovered for bills rendered during the months of April through December 2024. In this filing, NIPSCO is proposing recovery of all eligible PISCC incurred for the period April through September 2023, as shown on Petitioner's Exhibit 1, Schedule 2.

Ms. Dousias explained how the weighted average revenue conversion factor is used to compute the revenue requirement before income tax. She stated the revenue conversion factor is calculated for debt and equity in order to properly synchronize interest for the purpose of calculating the revenue requirement.

Based on the evidence presented, we approve NIPSCO's total cost of the Pipeline Safety III Compliance Project capital projects incurred as of September 30, 2023.

**B. O&M Expense.** NIPSCO requests approval of \$14,623,353 in O&M expense related to the Approved Compliance Projects for the period April through December 2024. This amount is the total sum of the O&M expenses associated with the Pipeline Safety II Compliance Project and the Pipeline Safety III Compliance Project for this time period. Based on the evidence presented, we approve NIPSCO's total projected O&M expense of \$14,623,353 for the period April through December 2024.

**C. Depreciation Expense.** NIPSCO requests approval of \$1,110,217 in total projected depreciation expense associated with assets related to the Approved Compliance Projects for the period April through December 2024. This entire amount consists solely of the depreciation expense associated with the Pipeline Safety III Compliance Project for this same time period. Ms. Dousias stated the projection of depreciation expense is based on projected in-service dates, FERC account unitization, and the related FERC account depreciation rates approved in NIPSCO's most recent gas rate case in Cause No. 45621. Based on the evidence presented, we approve NIPSCO's total projected depreciation expense of \$1,110,217 for the period April through December 2024.

**D. Property Tax Expense.** NIPSCO requests approval of \$252,693 in total projected property tax expense associated with the Approved Compliance Projects for the period April through December 2024. This entire amount is solely projected for the Pipeline Safety III Compliance Project. Based on the evidence presented, we approve NIPSCO's total projected property tax expense of \$252,693 for the period April through December 2024.

**E. Total Revenue Requirement.** Based on the evidence presented, we find that NIPSCO's request to begin earning a return on the \$48,888,330 (Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 2, Line 1, Column G) from the value of the Approved Compliance Projects capital projects complies with the 45007 Order, 45183 Order, 45007 FMCA 3 Order, 45560 Order, 45560 FMCA 2 Order, and 45703 Order (collectively, "Compliance Project Orders"). We further find that NIPSCO's proposed Nine-Month Return on Capital Revenue

Requirement of \$2,668,400 (Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 5, Line 3, Column D) was properly calculated.

Mr. Grosskopf recommended Petitioner's proposed nine-month recovery period for this Cause be approved to facilitate a revised schedule of semi-annual filing dates going forward. Based on the evidence presented, we find that NIPSCO's proposed Return of Expense Revenue Requirement of \$15,986,263 was properly calculated.

Therefore, we approve NIPSCO's request to begin earning a return on the value of the Approved Compliance Projects capital projects and a return of the expenses for the Approved Compliance Projects and recovery of 80% of the proposed total revenue requirement through the FMCA for bills rendered starting with the billing month of April 2024, to remain in place until replaced by different factors approved in a subsequent filing. The remaining 20% of the proposed total revenue requirement will be deferred and recovered in NIPSCO's next general rate case.

i. **Allocation of Federally Mandated Costs.** Petitioner's Exhibit 1, Attachment 1-A, Attachment 2, Schedule 4, shows the allocation percentages to allocate the federally mandated costs associated with the Pipeline Safety Compliance Project (Page 1), the PHMSA Compliance Project (Page 2), the Pipeline Safety II Compliance Project (Page 3), and the Pipeline Safety III Compliance Project (Page 4). Ms. Dousias testified there were no migrations of customers among the various rate schedules. Ms. Dousias did not propose any adjustment to its allocation percentages associated with the Compliance Projects in this filing. Based on the evidence presented, we find that NIPSCO's FMCA factors were properly allocated in accordance with our Compliance Project Orders.

ii. **Reconciliation.** Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 6, Pages 1 through 4 shows the reconciliation of the allocated prior FMCA revenue requirement to actual FMCA revenues and prior period expense variance relating to the Pipeline Safety Compliance Project (Page 1), the PHMSA Compliance Project (Page 2), the Pipeline Safety II Compliance Project (Page 3), the Pipeline Safety III Compliance Project (Page 4), for the period April through September 2023. This Schedule also provides the total expense variance relating to each project, which is a combination of the prior FMCA reconciliation of projected expenses as shown in Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 3 and the reconciliation of expense revenues as shown in Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 6, Pages 1 through 4.

iii. **Calculation of FMCA Factors.** Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 8 shows the calculation of the FMCA factors by rate code based on the previously calculated revenue requirements. The factors are calculated by combining the various components of the revenue requirement, which are allocated by rate code, and dividing those components by projected volumes to compute a billing factor for bills rendered starting during the billing month of April 2024, to remain in place until replaced by different factors approved in a subsequent filing.

Ms. Dousias sponsored Petitioner’s Exhibit 1, Attachment 1-A, Attachment 3 (Appendix G – FMCA Factors) showing the FMCA factors proposed to be applicable for bills rendered starting with the billing month of April 2024. Ms. Dousias testified the proposed factor will add \$1.40 to a 72 therms per month residential bill (which is the average usage level during the test year in Petitioner’s last rate case), an increase of \$0.72 compared to the factor currently in effect.

Mr. Grosskopf testified he reviewed the calculations and flow of inputs in Petitioner’s Exhibit 1, Attachment 1, Schedules 1 through 9 and Attachment 2, Schedules 1 through 4. Mr. Grosskopf recommended approval of the rate factors.

Based on the evidence presented, we approve the proposed FMCA factors in Petitioner’s Exhibit 1, Attachment 1, Schedule 8 (shown below) for consumption occurring on or after the date of this Order, which shall remain in place until replaced by different factors approved in a subsequent filing.

### **FMCA 2 Rider Factors**

Rate Schedule	FMCA Factor per Therm per Month
Rate 211 (with associated Rate 251, Rider 280 and Rider 281)	A charge of \$0.019504
Rate 215 (with associated Rate 251, Rider 280 and Rider 281)	A charge of \$0.017939
Rate 221 (with associated Rate 251, Rider 280 and Rider 281)	A charge of \$0.010847
Rate 225 (with associated Rate 251, Rider 280 and Rider 281)	A charge of \$0.004209
Rate 228 DP	A charge of \$0.002378
Rate 228 HP	A charge of \$0.000438
Rate 238	A charge of \$0.003019

**8. Deferred Federally Mandated Costs.** In the Compliance Project Orders, we authorized NIPSCO to (1) defer 20% of the federally mandated costs incurred in connection with the Approved Compliance Projects for recovery in its next general rate case as allowed by Ind. Code § 8-1-8.4-7, and (2) record ongoing carrying charges based on NIPSCO’s overall cost of capital, on all deferred federally mandated costs until the deferred federally mandated costs are included for recovery in NIPSCO’s base rates in its next general rate case. In the 45007 Order, we authorized NIPSCO to defer any amounts more than 15% but less than 25% of the approved amounts.

In this proceeding, Ms. Dousias sponsored Petitioner’s Exhibit 1, Attachment 1-A, Attachment 1, Schedule 9, which is an illustrative ratemaking schedule that accumulates deferred federally mandated costs as well as the ongoing carrying charges on all deferred federally mandated costs until such time as the costs can be recovered as part of NIPSCO’s next general rate case. As shown in Attachment 1, Schedule 9, the amounts represent 20% of the total revenue requirement calculated in Attachment 1, Schedule 5, for expense (Line 7) and capital (Line 8), and total variance related expense revenue requirements calculated in Attachment 1, Schedule 3,

(Column D). The amounts included in Petitioner's Exhibit 1, Attachment 1-A, Attachment 1, Schedule 9, Column E represent the ongoing carrying charges calculated by multiplying the deferred recoverable costs by the current overall WACC.

Mr. Grosskopf recommended approval of the Deferred Revenue Requirement as of September 30, 2023 reflected on Petitioner's Exhibit 1, Attachment 1, Schedule 9.

Based on the evidence presented and pursuant to the Compliance Project Orders, we find the Cause No. 45703 FMCA 2 costs to be deferred and recovered in NIPSCO's base rates in its next general rate case are \$2,539,553 and the total to-date costs to be deferred and recovered in NIPSCO's base rates in its next general rate case are \$8,248,712.

**9. Confidentiality.** On November 29, 2023, Petitioner filed its Motion for Protection and Nondisclosure of Confidential and Proprietary Information with a supporting affidavit asserting that certain information to be submitted to the Commission was trade secret information as defined in Ind. Code § 24-2-3-2 and should be treated as confidential in accordance with Ind. Code §§ 5-14-3-4 and 8-1-2-29. A Docket Entry was issued on December 14, 2023, in which the Presiding Officers determined the information should be held confidential on a preliminary basis, after which the information was submitted under seal. After review of the information and consideration of the affidavit, we find the information is trade secret information as defined in Ind. Code § 24-2-3-2, is exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29, and shall be held confidential and protected from public access and disclosure by the Commission.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. NIPSCO is authorized to defer and recover 80% of the approved federally mandated costs incurred in connection with the Approved Compliance Projects set forth in Finding No. 7 in its rates and charges for gas service in accordance with NIPSCO's FMCA beginning with the April 2024 billing month.

2. NIPSCO is authorized to recover the FMCA factors in Petitioner's Exhibit 1, Attachment 1, Schedule 8 for consumption occurring on or after the date of this Order, to remain in place until replaced by different factors approved in a subsequent filing, as set out in Finding No. 7 above.

3. Prior to implementing the approved FMCA factors, NIPSCO shall file under this Cause for approval by the Commission's Energy Division the tariff and an amendment to its rate schedule with reasonable references reflecting that the charges are applicable to the rate schedules reflected on the amendment.

4. NIPSCO is authorized to defer 20% of the federally mandated costs incurred in connection with the federally mandated Approved Compliance Projects described in Finding No. 7 and to recover those deferred costs in its next general rate case, and NIPSCO is authorized to record ongoing carrying charges based on the current overall WACC on all deferred federally

mandated costs until the deferred federally mandated costs are included for recovery in NIPSCO's base rates in its next general rate case.

5. Petitioner shall file its future semi-annual tracker filings on or before March 1 and September 1.

6. The information submitted under seal in this Cause pursuant to Petitioner's request for confidential treatment is determined to be confidential trade secret information as defined in Ind. Code § 24-2-3-2 and shall continue to be held as confidential and exempt from public access and disclosure pursuant to Ind. Code §§ 5-14-3-4 and 8-1-2-29.

7. This Order shall be effective on and after the date of its approval.

**HUSTON, BENNETT, FREEMAN, AND ZIEGNER CONCUR; VELETA ABSENT:**

**APPROVED: MAR 27 2024**

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

---

**Dana Kosco  
Secretary of the Commission**