

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC SERVICE )
COMPANY ("NIPSCO") FOR (1) AUTHORITY TO MODIFY )
ITS RATES AND CHARGES FOR ELECTRIC UTILITY )
SERVICE; (2) APPROVAL OF NEW SCHEDULES OF RATES )
AND CHARGES APPLICABLE THERETO; (3) APPROVAL )
OF REVISED DEPRECIATION ACCRUAL RATES; (4) )
INCLUSION IN ITS BASIC RATES AND CHARGES OF THE )
COSTS ASSOCIATED WITH CERTAIN PREVIOUSLY )
APPROVED QUALIFIED POLLUTION CONTROL )
PROPERTY PROJECTS; (5) AUTHORITY TO IMPLEMENT )
A RATE ADJUSTMENT MECHANISM PURSUANT TO IND. )
CODE § 8-1-2-42(a) TO (A) TIMELY RECOVER CHARGES )
AND CREDITS FROM REGIONAL TRANSMISSION )
ORGANIZATIONS AND NIPSCO'S TRANSMISSION )
REVENUE REQUIREMENTS; (B) TIMELY RECOVER )
NIPSCO'S PURCHASED POWER COSTS; AND (C) )
ALLOCATE NIPSCO'S OFF SYSTEM SALES REVENUES; (6) )
APPROVAL OF VARIOUS CHANGES TO NIPSCO'S )
ELECTRIC SERVICE TARIFF INCLUDING WITH RESPECT )
TO THE GENERAL RULES AND REGULATIONS, THE )
ENVIRONMENTAL COST RECOVERY MECHANISM AND )
THE ENVIRONMENTAL EXPENSE MECHANISM; (7) )
APPROVAL OF THE CLASSIFICATION OF NIPSCO'S )
FACILITIES AS TRANSMISSION OR DISTRIBUTION IN )
ACCORDANCE WITH THE FEDERAL ENERGY )
REGULATORY COMMISSION'S SEVEN-FACTOR TEST; )
AND (8) APPROVAL OF AN ALTERNATIVE REGULATORY )
PLAN PURSUANT TO IND. CODE § 8-1-2.5-1 ET SEQ. TO )
THE EXTENT SUCH RELIEF IS NECESSARY TO EFFECT )
THE RATEMAKING MECHANISMS PROPOSED BY )
NIPSCO. )

CAUSE NO. 43526

APPROVED:

JAN 18 2012

ORDER ON RECONSIDERATION

Presiding Officers:
David E. Ziegner, Commissioner
Aaron A. Schmoll, Senior Administrative Law Judge
Angela Weber, Administrative Law Judge

On June 27, 2008, Northern Indiana Public Service Company ("NIPSCO" or "Petitioner") filed its Verified Petition to modify its rates and charges for electric utility service, for approval of new schedules of rates and charges applicable thereto, and making certain other requests. On August 25, 2010, the Commission issued its Order in this Cause. On September 14, 2010, NIPSCO Industrial Group filed its Petition for Reconsideration, and NIPSCO filed its Petition for Reconsideration, Rehearing, and/or Clarification (collectively, "Petitions for Reconsideration"). Several parties also filed Notices of Appeal with the Indiana Court of Appeals.

Our August 25, 2010 Order ordered NIPSCO to revise its rates and charges and file a revised Cost of Service Study to correspond to the revenue requirement determined to be appropriate in the Order ("Compliance Filing"). A majority of the parties that appeared in this Cause contested NIPSCO's Compliance Filing, and the Commission established a schedule to allow the parties to challenge the Compliance Filing. On November 8, 2010, the Indiana Court of Appeals stayed the appeal in order to provide the Commission the limited jurisdiction to consider the Petitions for Reconsideration and to review the Compliance Filing.

Over the course of several months, during which the Commission conducted a technical conference and received substantial filings concerning NIPSCO's Compliance Filing, the parties raised numerous concerns with the Compliance Filing. During the pendency of the Compliance Filing schedule, NIPSCO filed a second rate case in Cause No. 43969 in which it proposed rates to take effect in lieu of the rates proposed in the Compliance Filing. Accordingly, on April 25, 2011, the Presiding Officers stayed the Compliance Filing schedule in this Cause pending a Commission determination in Cause No. 43969. The time period for ruling on the Petitions for Reconsideration was also stayed pending our review of Cause No. 43969. On December 21, 2011, the Commission issued its Order in that Cause, and the Electricity Division has approved the rate schedules implementing that Order.

In our December 21, 2011 Order in Cause No. 43969, the Commission specifically noted that the Compliance Filing schedule in this Cause was moot due to the approval of rates in Cause No. 43969. With NIPSCO's Compliance Filing now moot, the Petitions for Reconsideration, which challenged the now-moot rate structure, shall be deemed denied. Moreover, any appeals to the full Commission not previously addressed are denied.

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

1. The Compliance Filing submitted in this Cause is moot, and the Petitions for Reconsideration are denied.
2. The Secretary of the Commission shall provide a copy of this Order to the Indiana Court of Appeals.
3. This Order shall be effective on and after the date of its approval.

**ATTERHOLT, BENNETT, LANDIS, MAYS AND ZIEGNER CONCUR:**

**APPROVED:      JAN 18 2012**

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

  
**Brenda A. Howe**  
**Secretary to the Commission**