ORIGINAL

Commissioner	Yes	No	Not Participating
Swinger			√
Bain	√		
Deig	√		
Jerrells	√		
Ziegner	√		

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC FOR APPROVAL OF REGIONAL TRANSMISSION ORGANIZATION ADJUSTMENT FACTORS TO BE APPLICABLE FOR SERVICES RENDERED ON OR AFTER NOVEMBER 1, 2026, WHICH WILL REMAIN IN PLACE FOR THE PERIOD NOVEMBER 2026 THROUGH APRIL 2027, PURSUANT TO IND. CODE § 8-1-2-42.	)	**CAUSE NO. 44156 RTO 30** **APPROVED: OCT 28 2026**

ORDER OF THE COMMISSION

Presiding Officers:
Joshua A. Bain, Commissioner
Jon D. Williams, Administrative Law Judge

On August 14, 2026, Northern Indiana Public Service Company LLC ("NIPSCO" or "Petitioner") filed its Petition for Indiana Utility Regulatory Commission ("Commission") approval of regional transmission organization adjustment ("RTO Adjustment") factors to be applicable and made effective for electric services rendered on or after November 1, 2026, which will remain in place for the period November 2026 through April 2027 (the "forecast period"), or until replaced by different RTO Adjustment factors that are approved in a subsequent filing, pursuant to Ind. Code § 8-1-2-42. Also on August 14, 2026, Petitioner prefiled its case-in-chief, which consisted of the testimony and attachments of Kevin J. Blissmer, Manager of Regulatory for NiSource Corporate Services Company, and Danielle Parks, Manager, ISP Portfolio for NIPSCO.

On August 20, 2026, NIPSCO Industrial Group filed its Petition to Intervene, which was granted on September 1, 2026. [1]

On September 28, 2026, the Indiana Office of Utility Consumer Counselor ("OUCC") filed the testimony of Kaleb G. Lantrip, Senior Utility Analyst in the Electric Division. The OUCC filed a correction to Mr. Lantrip's testimony on September 30, 2026.

On September 29, 2026, Petitioner filed its Notice of Intent Not to File Rebuttal Testimony.

On October 6, 2026, Petitioner filed corrections to Ms. Parks' direct testimony.

The Commission held an evidentiary hearing in this Cause at 1:15 p.m. on October 8, 2026,

[1] The NIPSCO Industrial Group consists of Cargill, Inc.; Cleveland-Cliffs Steel LLC; Jupiter Aluminum Corporation; and United States Steel Corporation.

in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. NIPSCO, the OUCC, and the NIPSCO Industrial Group, by counsel, participated in the evidentiary hearing, and the testimony and exhibits of NIPSCO and the OUCC were admitted without objection.

Based upon the applicable law and the evidence of record, the Commission now finds:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was given as required by law. Petitioner is a limited liability company under the laws of Indiana and is subject to the jurisdiction of this Commission as provided in Ind. Code ch. 8-1-2. Pursuant to Ind. Code § 8-1-2-42, the Commission has jurisdiction over rates and charges for utility service, including tracking mechanisms. Thus, the Commission has jurisdiction over NIPSCO and the subject matter of this Cause.

2. Petitioner's Characteristics. Petitioner has its principal office at 801 East 86th Avenue, Merrillville, Indiana. Petitioner is engaged in rendering electric public utility service in Indiana and owns, operates, manages, and controls, among other things, plant and equipment within Indiana used for the production, transmission, delivery, and furnishing of such service to the public.

3. Background and Requested Relief. In this proceeding, NIPSCO requested Commission approval of RTO Adjustment factors to be applicable and made effective for electric services rendered on or after November 1, 2026, which will remain in place for the forecast period, or until replaced by different factors approved in a subsequent filing pursuant to the provisions of the Public Service Commission Act, as amended; the Commission's August 25, 2010 Order in Cause No. 43526 ("43526 Order"); the Commission's December 21, 2011 Order in Cause No. 43969 ("43969 Order"); the Commission's July 18, 2016 Order in Cause No. 44688 ("44688 Order"); the Commission's December 4, 2019 Order in Cause No. 45159 ("45159 Order"); the Commission's August 2, 2023 Order in Cause No. 45772 ("45772 Order"); and the Commission's June 26, 2025 Order in Cause No. 46120 ("46120 Order").

The 43526 Order found that NIPSCO's Midcontinent Independent System Operator, Inc. ("MISO") non-fuel costs, revenues and off-system sales ("OSS") sharing should be included in one mechanism designated as the RTO Adjustment. The 43969 Order approved NIPSCO's Rider 671 – Adjustment of Charges for Regional Transmission Organization and NIPSCO's Appendix C – RTO Adjustment Factor. The 43969 Order specified that the RTO Adjustment will be a semi-annual mechanism coordinated with the fuel adjustment charge ("FAC") audit process.

The 44688 Order approved NIPSCO's Rider 771 – Adjustment of Charges for Regional Transmission Organization and NIPSCO's Appendix C – Regional Transmission Organization Adjustment Factor. The 44688 Order approved the demand allocators for the RTO Adjustment set forth in Joint Exhibit B to the Stipulation and Settlement Agreement approved in that Order. The 44688 Order specified that the RTO Adjustment will recover MISO non-fuel costs and revenues that exceed $16,585,108 annually or $8,292,554 semi-annually (the amount of MISO non-fuel credits and charges included in base rates). The 44688 Order stated for purposes of the OSS margin sharing, NIPSCO will flow through the RTO tracker 100% of margins, below (down to zero) or above $4,741,390 annually, which reflects the level built into base rates.

The 45159 Order approved NIPSCO's Rider 871 – Adjustment of Charges for Regional Transmission Organization and NIPSCO's Appendix C –Regional Transmission Organization Adjustment Factor. The 45159 Order approved NIPSCO's request to: (1) remove MISO charges and credits previously included in base rates and collect 100% of MISO charges that are not included in the FAC through the RTO Adjustment; (2) remove positive or negative OSS margins currently included in base rates and flow back 100% of any OSS margins net of expenses through the RTO Adjustment; (3) remove all back-up and maintenance ("BUM") margins previously included in base rates and pass back 100% of such margins net of expenses through the RTO Adjustment; (4) change the allocation methodology; and (5) remove the Utility Receipts Tax. The 45159 Order became effective January 1, 2020, with the implementation of Step 1 rates.

The 45772 Order approved, among other things, NIPSCO's Rider 871 – Adjustment of Charges for Regional Transmission Organization and NIPSCO's Appendix C – Regional Transmission Organization Adjustment Factor, including approval to (1) remove OSS margins from its RTO tracker and instead to pass back 100% of OSS revenues net of expenses through the FAC; and (2) update the production and energy allocators utilized for purposes of allocating the charges and credits inside the RTO tracker based upon the Allocated Cost of Service Study. The 45772 Order became effective August 4, 2023 with the implementation of Step 1 rates.

The 46120 Order approved, among other things, NIPSCO's Rider 671 – Adjustment of Charges for Regional Transmission Organization and NIPSCO's Appendix C – Regional Transmission Organization Adjustment Factor, including approval to update the production and energy allocators utilized for purposes of allocating the charges and credits inside the RTO tracker based upon the Allocated Cost of Service Study. The 46120 Order became effective July 1, 2025 with the implementation of Step 1 rates.

4. Commission Discussion and Findings.

a. Forecast Period. NIPSCO's proposed RTO Adjustment factors will apply to electric services rendered on or after November 1, 2026, and will remain in place for the forecast period or until replaced by different factors approved in a subsequent filing. The proposed RTO Adjustment factors are calculated based on estimated costs, flowback of 100% of any BUM margins net of expenses, energy, and demand allocators, and forecasted usage for the forecast period. The proposed RTO Adjustment factors include reconciliations for the period January through June 2026 (the "reconciliation period").

b. Total Recoverable Costs. Petitioner's total net charge during the forecast period is $32,551,127. This amount was determined by applying a charge of $1,125,847 from the reconciliation of prior RTO costs to actual RTO revenues for the reconciliation period to the $31,425,280 estimated net charge for RTO non-fuel costs and revenues.

Based on our discussion of the record evidence set forth below, we find that these costs shall be included for recovery through the RTO Adjustment factors bills rendered during the forecast period.

c. RTO Non-Fuel Charges and Credits. Per the 46120 Order, no RTO non-

fuel costs and revenues are included in base rates for the forecast period. Ms. Parks identified the RTO non-fuel charges and credits included for recovery through the RTO Adjustment mechanism and the basis upon which they are allocated to customers (demand or energy).

Ms. Parks stated there was a material modification to RTO non-fuel charges or credits included in either the forecast or reconciliation period for this filing. She explained that, as reported in prior RTO testimony, on November 21, 2019, the Federal Energy Regulatory Commission ("FERC") issued Opinion No. 569 addressing the MISO-wide return on equity ("ROE") in two ongoing complaint proceedings, Docket Nos. EL14-12 and EL15-45, and set the base ROE from the previously ordered 10.32% to 9.88%. On December 23, 2019, the MISO Transmission Owners, and many other parties on both sides of the complaints, filed for rehearing of Opinion No. 569. On May 27, 2020, FERC issued Opinion No. 569-A revising the ROE methodology in Opinion No. 569 and set the MISO-wide base ROE at 10.02% (instead of 9.88%). FERC also affirmed the decision to require refunds for the 15-month period of November 12, 2013 to February 11, 2015 for the first complaint (Docket No. EL14-12) and established 10.02% as the ROE on a going-forward basis beginning September 28, 2016. For the second complaint (Docket No. EL15-45), FERC affirmed the decision not to require refunds to be paid for the period of February 12, 2015, to September 27, 2016.

Ms. Parks further explained that, on October 17, 2024, the U.S. District Court of Appeals determined FERC's 10.02% ROE was too high and set the Transmission Owner's base ROE to 9.98%. She also stated that refunds with interest have been ordered for the time periods of November 12, 2013 through February 11, 2015, and September 28, 2016 through October 17, 2024, and that refunds are due to be completed by December 1, 2025. In July of 2025, MISO indicated its intent to file a request for extension with FERC to extend the time to process refunds. NIPSCO and the MISO Transmission Owners are working with MISO to process the required refunds and adjustments, which began in January 2025. Schedule 4 in this Cause shows the credits and charges applicable to each MISO Schedule resulting in a $146,858 net credit to principal that occurred in January, February, March, April, May, and June 2026. Petitioner's Exhibit 1, Schedule 4, Page 1, Lines 3, 7, 11, 15, 19, 24, and 28, and Petitioner's Exhibit 1, Schedule 4, Page 2, Lines 3, 8, 12, and 16.

As to charges or credits labeled "Other" or "Miscellaneous," Ms. Parks testified that as shown on Petitioner's Exhibit 1, Schedule 4, Page 2, Lines 31 and 40, there is a net credit of $48,048 comprised of a $2,278 for a PJM Settlement charge, $6,125 credit for Unreserved Revenues, and a $44,201 credit for interest.

Mr. Blissmer sponsored Petitioner's Exhibit 1, Attachment 1-A, Attachment A, Schedule 1, showing that the total amount of RTO demand allocated non-fuel costs and credits included in this proceeding is a charge of $20,977,680 and the amount of RTO energy allocated non-fuel costs and credits included in this proceeding is a charge of $10,447,600.

d. <u>Back-Up, Maintenance, and Temporary Service</u>. Ms. Parks testified that NIPSCO offers certain customers the option to take service, subject to curtailment, for back-up, maintenance, or temporary services through Rider 676. She explained that any margins resulting from BUM services are passed back to customers through the RTO Adjustment. Mr. Blissmer

sponsored Schedule 4, Page 3, Column (d), Line 8 of Petitioner's Exhibit 1 showing there were no BUM margins to be returned to customers in this proceeding. Based on the evidence presented, we find this to be reasonable.

e. Variance from Prior Periods and Variance from Base Rates. Mr. Blissmer testified that in this proceeding NIPSCO is seeking to recover actual RTO non-fuel costs for the reconciliation period and to charge the variance between these actual RTO costs incurred compared to revenue collected for those months. Mr. Blissmer sponsored Petitioner's Exhibit 1, Attachment 1-A, Attachment A, Schedule 1, which showed that the amount of prior period variance included in this proceeding is an under-collection in the amount of $1,125,847. This amount is a combination of a $340,709 over-collection, which Mr. Blissmer explained was due to volumetric and timing differences, and a $1,466,556 under-collection, which Ms. Parks stated was due to drivers identified in her testimony.

Based on the record evidence, we find that Petitioner properly included a credit for under-collection from prior periods of $1,125,847 for recovery through the RTO Adjustment factors during the forecast period.

f. Allocation of Costs. Mr. Blissmer testified the demand and energy allocators utilized in this filing were approved in the 46120 Order, whereby the demand allocators are based upon forecasted customer revenue and the energy allocators are based upon forecasted volumes at the source for the test year ended December 31, 2025. He stated that in this proceeding, NIPSCO adjusted its demand and energy allocation percentages to reflect the migration of customers amongst Rates 621, 623, 624, 625, and 626. He explained that these adjustments are appropriate in order to prevent any unintended consequences of the migration of customers to different rate classes and to properly allocate their share of RTO charges/credits. Ms. Parks testified that charges and credits are allocated to customers in the same manner that they are allocated by the RTO to NIPSCO and other market participants.

Based on the record evidence, we find that Petitioner used the appropriate demand and energy allocators, as updated for migrations, for the RTO Adjustment factors applicable during the forecast period.

g. Multi-Value Projects ("MVPs") (Schedule 26A) Revenues. The Commission, through its August 22, 2012 Order in Cause No. 44156 RTO 1 and October 31, 2023 Order in Cause No. 44156 RTO 24, authorized NIPSCO to retain 100% of the MISO Schedule 26-A revenues associated with NIPSCO's construction of MVPs, including the Long Range Transmission Planning Tranche 1 MVPs (the "Multi-Value Projects"). Therefore, MISO Schedule 26-A revenues for Multi-Value Projects are properly not reflected in NIPSCO's RTO Adjustment factors. Nonetheless, NIPSCO provided its current Attachments O, GG, and MM and identified the current forecasted amount of MISO Schedule 26-A revenues in its RTO Adjustment filings.

h. Targeted Market Efficiency Projects (Schedule 26C) Revenues. The Commission, through its April 25, 2018 Order in Cause No. 44156 RTO 13, authorized NIPSCO to retain 100% of the MISO Schedule 26-C revenues associated with NIPSCO's construction of Targeted Market Efficiency Projects. Therefore, MISO Schedule 26-C revenues for Targeted

Market Efficiency Projects are properly not reflected in NIPSCO's RTO Adjustment Factors.

i. Interregional Market Efficiency Projects (MISO Schedule 25) Revenues. The Commission, through its April 28, 2021 Order in Cause No. 44156 RTO 19, authorized NIPSCO to retain 100% of the MISO Schedule 25 revenues associated with NIPSCO's construction of Interregional Market Efficiency Projects. Therefore, MISO Schedule 25 revenues for Interregional Market Efficiency Projects are properly not reflected in NIPSCO's RTO Adjustment Factors.

j. OUCC Testimony. Mr. Lantrip described NIPSCO's requested relief.

Mr. Lantrip confirmed the MISO and PJM non-fuel revenues and costs for both the reconciliation and forecast period and provided Attachment KGL-1 showing his calculation of the RTO costs to be tracked and the impact of the updated RTO Adjustment factor on a residential customer's monthly bill using 1,000 kWh, which is consistent with Petitioner's calculations.

Mr. Lantrip did not object to NIPSCO's proposed RTO factors for the forecast period.

k. Conclusion. Based upon the evidence of record, we find that NIPSCO's proposed RTO Adjustment factors for the forecast period should be approved. Based on the factor for Rate Code 611, a residential customer using 1,000 kWh per month will see an increase of $2.65 from the currently approved factor.

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

1. Petitioner's requested RTO Adjustment factors to be applicable to electric services rendered on or after November 1, 2026, which will remain in place for the period November 2026 through April 2027, as set forth in Petitioner's Exhibit 1, Attachment 1-A, Attachment A, Schedule 1, are approved.

2. Prior to implementing the rates, Petitioner shall file the tariff and applicable rate schedules under this Cause for approval by the Commission's Energy Division. Such rates shall be effective on or after the Order date subject to Division review and agreement with the amounts reflected.

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

BAIN, DEIG, JERRELLS AND ZIEGNER CONCUR; SWINGER ABSENT:

APPROVED: OCT 28 2026

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

Regina K Joyner

Digitally signed by Regina K Joyner
Date: 2026.10.28 11:20:21 -04'00'

on behalf of

Dana Kosco
Secretary of the Commission