Northern Indiana Public Service Company (“NIPSCO”) petitions the Indiana Utility Regulatory Commission (“Commission”) for approval of modifications to its approved tariffs for electric utility service, specifically:

- Modification of its currently approved electric net metering tariff to expand eligibility to include loads up to 100 kW, expanding the program cap, and expanding eligibility to all classes of retail customers.

- Addition of a Renewable Feed-In tariff for electric service on a pilot basis to provide for the purchase of electric energy from eligible renewable generating facilities at a tariff rate, subject to program and specific technology caps.

In support of the proposed tariff modifications, NIPSCO shows the following:
A. NIPSCO’s Characteristics.

1. NIPSCO is a public utility corporation organized and existing under the laws of the State of Indiana and having its principal office at 801 East 86th Avenue, Merrillville, Indiana. NIPSCO is authorized by the Commission to provide natural gas and electric public utility service in the State of Indiana and owns, operates, manages and controls, among other things, plant and equipment within the State of Indiana used for the production, transmission, delivery and furnishing of electric power and for the transmission, storage and distribution of natural gas to the public.

2. NIPSCO provides retail electric service to more than 450,000 customers in 21 Counties in the State of Indiana.

B. Proposed Modifications to NIPSCO’s Electric Net Metering Tariff.

3. NIPSCO currently provides residential and K-12 School customers owning solar, wind, or hydro electrical generating facilities with the opportunity for net metering consistent with the provisions of 170 § IAC 4-4.2 of the Commission’s Rules. Net Metering is available under Rule 50 of NIPSCO’s General Rules and Regulations Applicable to Utility Service, a copy of which is attached to this Petition as Exhibit 1.

4. In order to expand the availability of Net Metering to more customers and to customers with larger capacity generating facilities, NIPSCO proposes to increase the nameplate capacity of eligible customer electrical generating facilities for which Net Metering will be available to one hundred (100) kW, and to expand availability of Net Metering to include all customer classes up to a system wide cap of 6 MW.
C. Proposed Renewable Electric Feed-In Tariff.

5. In order to encourage development of renewable generating resources and streamline the process of integrating those resources into NIPSCO’s system, NIPSCO proposes the implementation of a Renewable Feed-In tariff on a pilot basis.

6. Under the terms of NIPSCO’s proposed Experimental Rate 849, Renewable Feed-In, eligible renewable generating projects employing solar, wind, or biomass technology would be paid a per kWh rate over a maximum ten year contract term. Individual customers would be subject to a cap of 5 MW per customer, subject to system wide program cap of 30 MW, with no more than 50% of that cap occupied by one technology.

7. Customers with projects below 2 MW would be paid a stated tariff purchase rate, and customers with projects greater than 2 MW would be paid according to an approved formula attached to the tariff that incorporates project specific data.

8. Customers with eligible renewable generating facilities under the Feed-In tariff would be eligible to net meter up to NIPSCO’s proposed cap of 100 kW per Customer, with any remaining energy output eligible for purchase under proposed Experimental Rate 849.

9. NIPSCO proposes to implement Experimental Rate 849, Renewable Feed-In, on a pilot basis for a period of approximately three (3) years through December 31, 2013 to allow for the collection of data and evaluation of the rate to (a) determine the extent to which modifications to the tariff and the formula are required, and (b) determine the impact of the tariff on system resources.
C. Statutory Authority.

10. NIPSCO considers Ind. Code §§ 8-1-8.8-1 et seq., and 8-1-2-42(a), among others, to be applicable to this Cause and provide the basis for Commission approval of this Verified Petition.

11. In particular, NIPSCO's proposed Experimental Rate 849 will develop alternative energy sources, including renewable energy, and thus constitutes an "energy project" as defined in Ind. Code § 8-1-8.8-2 and "renewable energy resource" as defined in Ind. Code § 8-1-8.8-10, and is thereby eligible for timely recovery of costs in accordance with Ind. Code § 8-1-8.8-11.

12. For administrative efficiency and simplicity, NIPSCO proposes to recover the cost of power purchases from eligible renewable resources through its Section 42(a) tracking mechanism filed together with its quarterly fuel adjustment clause ("FAC") proceedings pursuant to Ind. Code § 8-1-2-42(d) in a manner consistent with NIPSCO’s treatment of its wind PPA purchases approved by the Commission in Cause No. 43393, or through an appropriate mechanism approved in successor tariff volumes. NIPSCO proposes to submit all contracts executed pursuant to Experimental Rate 849 to the Commission for approval. NIPSCO proposes to submit each contract under Experimental Rate 849 to the Commission for approval under the Commission’s 30 Day Filing Rule, 170 IAC § 1-6-1, et seq.

13. To the extent that the cost of such purchases exceeds the statutory benchmark for recovery through the FAC, such purchases constitute a "financial incentive for projects to develop alternative energy sources, including renewable energy projects" within the meaning of Ind. Code 8-1-8.8-11 and are eligible for timely recovery. NIPSCO accordingly requests that the Commission make a finding that recovery of the full cost of power purchases under
Experimental Rate 849 not be subject to any benchmarks for recovery, including without limitation the benchmarks imposed by Ind. Code § 8-1-2-42(d)(1) and/or the Commission’s Order in Cause Nos. 38706 FAC 71 S-1 and FAC 80 S-1, for the full term of any such contracts approved by the Commission.

D. Representation.

14. The names and addresses of all persons authorized to accept service of papers in this proceeding are:

Christopher C. Earle (No. 10809-49)
NiSource Corporate Service Company
101 W. Ohio Street, Suite 1707
Indianapolis, IN 46204
Phone: 317.684.4904
Fax: 317.684.4918
Email: cearle@nisource.com

With a copy to:

Timothy R Caister
NIPSCO
101 W. Ohio Street, Suite 1707
Indianapolis, IN 46204
Phone: 317.684.4908
Fax: 317.684.4918
Email: tcaister@nisource.com

Wherefore, NIPSCO requests that the Commission hold such hearing as it deems appropriate, and thereafter approve the relief proposed in and supported by the evidence of record, and for all other just and proper relief:

Respectfully submitted,

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By:

Christopher C. Earle (No. 10809-49)
NiSource Corporate Service Company
101 W. Ohio Street, Suite 1707
Indianapolis, IN 46204
Phone: 317.684.4904
Fax: 317.684.4918
Email: cearle@nisource.com
CERTIFICATE OF SERVICE

The undersigned certifies that he has served a copy of the foregoing on the following party, by U.S. Mail or hand delivery, this 16th day of July, 2010.

David Stippler
Randall Helmen
Indiana Office of Utility Consumer Counselor
National City Center
115 W. Washington St., Suite 1500 South
Indianapolis, IN 46204

Christopher C. Earle
Verification

I, the undersigned, do swear and affirm under penalties of perjury that the foregoing representations are true and accurate to the best of my knowledge and belief.

Frank A. Shambo
Vice President, Regulatory and Legislative Affairs

7/16/2010
Dated