Frequently Used Terms

Please note: These definitions are meant to help explain the settlement agreement approved by the Indiana Utility Regulatory Commission (IURC) in Cause No. 43706. Official definitions pertaining to the settlement agreement are found within the settlement agreement itself.

Complaint Date: The date the complaint was filed with the IURC. June 11, 2009.

Contribution: The amount owed by the developer if the Margin Test yields a difference that is positive. This must be paid before construction begins. EXAMPLE: \$50,000 Margin Costs - \$25,000 Margin Credits = \$25,000 Contribution.

Election Date: The date a developer communicates, in writing, its decision to move to the new procedure.

Margin Cost: The total estimated cost for a development (including transformers and overhead) multiplied by 52%. EXAMPLE: Total Estimated Costs = \$100,000 * .52 = \$52,000 Margin Cost.

Margin Credit: New standard credit per-home (no longer based on the home's square footage). Homes would receive a \$3,500 Margin Credit for electric service and a \$1,800 Margin Credit for gas service. EXAMPLE: 100 homes: 100 homes * \$3,500 = \$350,000 Electric Margin Credit or 100 homes * \$1,800 = \$180,000 Gas Margin Credit.

Margin Test: The difference between the Margin Costs and the Margin Credit for a particular development.

Open Contract: Any contract that had not closed as of June 11, 2009 (the Complaint Date).

Option Contracts: The contract options A through E currently selected by developers in the Northern Indiana Public Service Company's (NIPSCO's) service territory.

Payment Schedule: The schedule by which any potential refunds due to developers will be made.

Refund: An amount due to a builder/developer based on principal payments made after the Complaint Date or Option A money being held by NIPSCO less any Contribution. In order to qualify for a Refund, the developer must elect to transition to the new procedure within 90 days of notification from NIPSCO in a letter detailing the impact of the settlement and outlining the available options.