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**Memorandum Regarding 2017 Projected Attachment O, MM and GG**

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January 27, 2017

Northern Indiana Public Service Company (NIPSCO) posted the following electronic files for 2017 forecasted rates per its Attachment O formula rate protocols as filed with the Federal Energy Regulatory Commission (FERC) in Docket No. ER13-2376-002:

<b>2017 Forecast – Posted September 29, 2016</b>	<b>2015 True-Up – Posted May 27, 2016</b>
NIPSCO 2017 Attachment O Forecast.xlsx	NIPSCO 2015 Attachment O True-Up.xlsx
NIPSCO 2017 Attachment MM Forecast.xlsx	NIPSCO 2015 Attachment MM True-Up.xlsx
NIPSCO 2017 Attachment GG Forecast.xlsx	NIPSCO 2015 Attachment GG True-Up.xlsx
NIPSCO 2017 Schedule 1 Forecast.xlsx	NIPSCO 2015 Schedule 1 True-Up – w divisor.xlsx

On September 29, 2016, NIPSCO reposted its 2015 True-Up attachments to incorporate the final interest rate based on NIPSCO’s average short-term borrowing cost for the nineteen month period ended July 31, 2016. In addition, the following adjustment was also made:

- 2015 Actual Attachment O, P.4, Line 23 – Average common equity decreased \$12,721,824 to reflect the correct average for the year.

On November 30, 2016 NIPSCO reposted its 2015 True-up and 2017 Forecast attachments to make the following corrections or updates:

- 2015 Actual Attachment O, P.2, Line 10 – General & Intangible Accumulated Depreciation and Amortization was increased by \$484 to correct for an omission. This correction was made in response to MISO review, which indicated that certain values from NIPSCO FERC Form 1, when combined, did not equal the December 2015 value from the associated workpaper.
- 2017 Attachment MM Forecast, P.2, Lines 1a and 1b, Column 3 – Project Gross Plant was increased by \$19,056,552 due to accelerated construction in 2016 and forecasted increases in project costs and construction acceleration expected in 2017.
- 2017 Attachment MM Forecast, P.2, Line 1b, Columns 4 and 13 – Project Depreciation Expense and Project Accumulated Depreciation was decreased due to an adjustment to forecasted depreciation rates.



On January 27, 2017 NIPSCO reposted its 2015 True-up and 2017 Forecast attachments to make corrections in response to MISO review regarding how the 2013 True-up activity should be reflected in the 2015 True-up attachments.

- 2015 Actual Attachment O, P.1, Lines 6a to 6e – The 2013 True-up amounts were added.
- 2015 Attachment O True-up – The actual and the projected 2015 Net Revenue Requirements were updated to be inclusive of \$1,000,114 for the 2013 true-up under-recovery.
- 2015 Actual Attachment MM, p.2, Lines 1a and 1b, Column 15 - The 2013 True-up amounts were added.
- 2015 Attachment MM True-up, lines 1 through 2b, Columns d and f – The Actual Attachment MM revenues (Schedule 26A revenues) for 2015 was adjusted to exclude the impact of the 2013 Attachment MM over-recovery of \$512,647. The interest rate in column I was also updated to reflect the applicable average monthly FERC refund interest rate.
- 2015 Actual Attachment GG, p.2, Lines 1a through 1d, Column 11 - The 2013 True-up amounts were added.
- 2015 Attachment GG True-up, lines 1a through 2 – The Proportion of Revenues Distributes (Schedule 26 revenues) for 2015 was adjusted to exclude the impact of the 2013 Attachment GG over-recovery of \$60,965.
- 2017 Attachment O Forecast, P.1, Lines 6a and 6b – Updated with the revised 2015 Attachment O Historical and Projected net revenue requirements inclusive of the 2013 True-up.
- 2017 Attachment MM Forecast, P.2, Lines 1a and 1b, Column 15 – Updated with the revised 2015 Attachment MM True-up adjustment.
- 2017 Attachment GG Forecast, P.2, Lines 1a through 1d, Column 11 – Updated with the revised 2015 Attachment GG True-up adjustment.