



Memorandum Regarding 2018 Projected Attachment O, MM and GG

March 16, 2018

Northern Indiana Public Service Company (NIPSCO) posted the following electronic files for 2018 rates per its Attachment O formula rate protocols as filed with the Federal Energy Regulatory Commission (FERC) in Docket No. ER13-2376-003:

2018 Forecast Files	2016 True-up Files
NIPSCO 2018 Attachment O Forecast.xlsx	NIPSCO 2016 O, MM, GG True-up.xlsx
NIPSCO 2018 Attachment MM Forecast.xlsx	NIPSCO 2016 Sch 1 True-up with Divisor.xlsx
NIPSCO 2018 Attachment GG Forecast.xlsx	NIPSCO 2016 Attachment O Actual - 12.38% ROE.xlsx
NIPSCO 2018 Schedule 1 Forecast.xlsx	NIPSCO 2016 Attachment O Actual - 10.82% ROE.xlsx
	NIPSCO 2016 Attachment MM Actual – 12.38% ROE.xlsx
	NIPSCO 2016 Attachment MM Actual – 10.82% ROE.xlsx
	NIPSCO 2016 Attachment GG Actual – 12.38% ROE.xlsx
	NIPSCO 2016 Attachment GG Actual – 10.82% ROE.xlsx

On May 31, 2017, NIPSCO posted its 2016 True-up Files. These files were re-posted on September 29, 2017, to reflect the following updates:

- Attachment O, P. 1, Line 6b – The projected ATRR from prior year was adjusted by \$107,330 for a refund amount made in 2017 as affected by the Order in EL14-12.
- Attachment O, P. 3, Line 30b – This line was added, and the corresponding prorated amount of \$437,500 was included, as a result of the settlement approved in EL17-10.



- Attachment O, P.5, Note HH – This note was added as a result of the settlement approved in EL17-10.
- Attachment O, MM, GG True-up – The Attachment O actual and projected revenue requirements were adjusted by the \$107,330 in refunds described above and the actual 2016 revenue requirement was also adjusted by the \$437,500 settlement amount described above. Interest calculations were updated to reflect the correct and updated 19-month average.
- Schedule 1 True-up – The historical divisor was updated to reflect the correct amount of 2,912,833 and the interest rate on over-recovery was updated to reflect the appropriate 19-month FERC average rate.

On November 30, 2017, NIPSCO re-posted its 2018 Forecast Files and its 2016 True-up Files to reflect the following updates:

- Attachment O, P.2, Lines 19 through 24 – An “Adjustments to Rate Base” workpaper was added to detail all of the adjustments in rate base in addition to the “Accumulated Deferred Income Tax” (ADIT) workpaper which shows the proration calculations, if any, for certain ADIT balances. In addition, the FASB 109 balances for Accounts 282 and 190 on the 2016 True-up were adjusted to zero.
- Attachment O, P.3, Line 18 – Other plant-related Taxes Other Than Income Taxes was reduced to zero in the 2016 True-up and for the 2018 Forecast.
- Attachment O, P.3, Line 30b – The line calculation description was corrected to read, “(line 29 – line 30 – line 30a – line 30b).”
- Schedule 1 Forecast, Line 19 – The 2016 True-up over-collection amount was adjusted to \$314,380 from \$314,310 for an update to interest on the over-collection.

On March 16, 2018, NIPSCO re-posted its 2018 Forecast Files to reflect the following updates:

- Attachment O, P.5, Footnote K – The currently effective tax rate was adjusted for impacts of the Tax Cuts and Jobs Act (TCJA), by lowering the Federal income tax rate to 21%.