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**Memorandum Regarding 2019 Projected Attachment O, MM and GG**

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November 30, 2018

Northern Indiana Public Service Company LLC (NIPSCO) posted the following electronic files for 2019 rates per its Attachment O formula rate protocols as filed with the Federal Energy Regulatory Commission (FERC) in Docket No. ER13-2376-002:

<b>2019 Forecast Files</b>	<b>2017 True-Up Files</b>
NIPSCO 2019 Attachment O Forecast.xlsx	NIPSCO 2017 Attachment O True-Up.xlsx
NIPSCO 2019 Attachment MM Forecast.xlsx	NIPSCO 2017 Attachment MM True-Up.xlsx
NIPSCO 2019 Attachment GG Forecast.xlsx	NIPSCO 2017 Attachment GG True-Up.xlsx
NIPSCO 2019 Schedule 1 Forecast.xlsx	NIPSCO 2017 Schedule 1 True-Up.xlsx

On May 31, 2018 NIPSCO first posted its 2017 True-up files. On September 28, 2018, NIPSCO first posted its 2019 Forecast files and re-posted its 2017 True-Up files to incorporate the final interest rate calculations based on the nineteen month period ended July 31, 2018. In addition, the following adjustments were also made to the 2017 True-up files:

- 2017 Attachment O, P.3, Line 5 – Regulatory commission expense of \$735,664 as reported in FERC Form 1 page 351.h was added here. This change also impacted the final revenue requirements for Attachments MM and GG.
- 2017 Attachment O True-up – Updated for the change in the 2017 Attachment O and corrected the historical Projected Annual Cost (\$ per kw per yr) from \$45.783 to \$45.767 which was a revision during the year related to the Order in Docket No. EL14-12.
- 2017 Attachment GG, page 2, column 3 – Included \$33,161 of additional retirement.
- 2017 Attachment GG True-up, Row 2 – Revised Revenues Distributed in 2017 to properly adjust for ROE refunds.

On November 30, 2018, NIPSCO re-posted certain 2017 True-Up and 2019 Forecast files to make the following adjustments:



- 2017 Attachment GG True-up – Distributed revenues on row 2 were increased by \$11,914 to adjust for Schedule 37 and 38 refunds.
- 2019 Attachment GG Forecast – The Targeted Market Efficiency Project, and the associated revenue requirement of \$12,524, was removed from page 2, row 1e, as this project is now projected to be completed in 2020 instead of 2019.
- 2019 Attachment O Forecast – The historic year true-up values on page 1, rows 6a through 6e were updated for the final 2017 Attachment O True-up amounts.
- 2019 Attachment O Forecast – The balance of account 255 on page 2, row 23, column 3 was corrected to reflect a negative value instead of a positive value for the amount of \$54,133.

Additionally, on November 30, 2018, NIPSCO posted the following 2019 Forecast files which include updates for items currently pending approval by FERC for Docket nos. ER18-1739 and ER19-249. ER18-1739 impacts the calculation of prorated Accumulated Deferred Income Tax that is reflected as Adjustments To Rate Base in Attachment O, page 2, lines 20-22 and calculated on Workpaper 3B. ER19-249 creates new adjustments to Income Taxes on Attachment O, page 3, lines 24 and 26 for excess or deficient deferred income taxes and the tax effect of permanent differences and AFUDC equity for which a new Workpaper 12 is also provided to support the calculation. These files are labeled as pending per the table below.

<b>2019 Forecast Files Pending Orders in Docket nos. ER18-1739 and ER19-249</b>
NIPSCO 2019 Pending Attachment O Forecast.xlsx
NIPSCO 2019 Pending Attachment MM Forecast.xlsx
NIPSCO 2019 Pending Attachment GG Forecast.xlsx