

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/13

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 119,642,935
	REVENUE CREDITS (Note T)				
2	Account No. 454 (page 4, line 34, column 5)		0	TP 1.00000	0
3	Account No. 456.1 (page 4, line 37, column 5)		2,202,092	TP 1.00000	2,202,092
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000	0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)				2,202,092
6a	Historic Year Actual ATRR				0
6b	Projected ATRR from Prior Year	Input from Prior Year			0
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			0
6d	Prior Year Divisor True-Up	(Note BB)			0
6e	Interest on Prior Year True-Up				0
7	NET REVENUE REQUIREMENT (line 1 - line 6 + line 6c through 6e)				\$ 117,440,843
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,527,483
9	Plus 12 CP of firm bundled sales over one year not in line 8			(Note B)	0
10	Plus 12 CP of Network Load not in line 8			(Note C)	310,107
11	Less 12 CP of firm P-T-P over one year (enter negative)			(Note D)	0
12	Plus Contract Demand of firm P-T-P over one year				0
13	Less Contract Demand from Grandfathered Interzonal Transactions over one year (enter negative) (Note S)				0
14	Less Contract Demands from service over one year provided by ISO at a discount (enter negative)				0
15	Divisor (sum lines 8-14)				2,837,590
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)		41.388		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)		3.449		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)		0.796		\$0.796
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)		0.159 Capped at weekly rate		\$0.113
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160 times 1000; line 16 / 8,760 times 1,000)		9.949 Capped at weekly and daily rates		\$4.725
21	FERC Annual Charge (\$/MWh) (Note E)		\$0.0456 Short Term		\$0.0456 Short Term
22			\$0.0456 Long Term		\$0.0456 Long Term

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Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Northern Indiana Public Service Company Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)	
<b>RATE BASE:</b>						
GROSS PLANT IN SERVICE (Note Z, Note GG)						
1	Production	205.46.g	3,400,084,598	NA		
2	Transmission	207.58.g	836,855,382	TP	1.00000 836,855,382	
3	Distribution	207.75.g	1,556,623,078	NA		
4	General & Intangible	205.5.g & 207.99.g	206,205,613	W/S	0.13571 27,983,984	
5	Common	356.1 (Note O)	226,966,350	CE	0.13571 30,801,405	
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>6,226,735,020</u>	GP=	<u>14.384%</u> 895,640,772	
ACCUMULATED DEPRECIATION (Note Z, Note GG)						
7	Production	219.20-24.c	2,154,802,412	NA		
8	Transmission	219.25.c	414,934,602	TP	1.00000 414,934,602	
9	Distribution	219.26.c	894,129,889	NA		
10	General & Intangible	219.28.c & 200.21.c	112,202,028	W/S	0.13571 15,226,839	
11	Common	356.1 (Note O)	129,822,582	CE	0.13571 17,618,109	
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		<u>3,705,891,512</u>		<u>447,779,551</u>	
NET PLANT IN SERVICE						
13	Production	(line 1- line 7)	1,245,282,186			
14	Transmission	(line 2- line 8)	421,920,780		421,920,780	
15	Distribution	(line 3 - line 9)	662,493,189			
16	General & Intangible	(line 4 - line 10)	94,003,585		12,757,145	
17	Common	(line 5 - line 11)	97,143,767		13,183,296	
18	TOTAL NET PLANT (sum lines 13-17)		<u>2,520,843,508</u>	NP=	<u>17.766%</u> 447,861,221	
100% CWIP Recovery for Commission Approved Order						
18a	No. 679 Transmission Projects (Note Z)	216.b	19,781,455	NA	1.00000 19,781,455	
ADJUSTMENTS TO RATE BASE						
19	Account No. 281 (enter negative) (Note F, Note AA)	273.8.k	0	NA	zero 0	
20	Account No. 282 (enter negative) (Note F, Note AA)	275.2.k	-710,256,083	NP	0.17766 -126,186,396	
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-133,817,866	NP	0.17766 -23,774,515	
22	Account No. 190 (Note F, Note AA)	234.8.c	278,443,320	NP	0.17766 49,469,142	
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-5,625,557	NP	0.17766 -999,455	
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		<u>0</u>	NA	1.00000 <u>0</u>	
24	TOTAL ADJUSTMENTS (sum lines 19- 23a)		<u>-571,256,185</u>		<u>-101,491,224</u>	
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,499,492	TP	1.00000 3,499,492	
WORKING CAPITAL (Note H)						
26	CWC	1/8 page 3, line 8, column 3 & 5	22,196,013		4,566,598	
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	200,092	TE	0.83836 167,750	
28	Prepayments (Account 165, Note AA)	111.57.c	27,997,346	GP	0.14384 4,027,081	
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		<u>50,393,451</u>		<u>8,761,429</u>	
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		<u>2,023,261,721</u>		<u>378,412,373</u>	

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For the 12 months ended 12/31/13

Northern Indiana Public Service Company

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator	(5) Transmission (Col 3 times Col 4)
	O&M (Note EE)				
1	Transmission	321.112.b	29,100,000	TE 0.83836	24,396,381
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		9,179,420	1.00000	9,179,420
2	Less Account 565	321.96.b	111,549	TE 0.83836	93,519
3	A&G	323.197.b	158,200,000	W/S 0.13571	21,469,184
4	Less FERC Annual Fees		13,943	W/S 0.13571	1,892
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		426,984	W/S 0.13571	57,946
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.83836	0
6	Common	356.1 (Note O)	0	CE 0.13571	0
7	Transmission Lease Payments		0	1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less lines 1a, 2, 4, 5)		<u>177,568,103</u>		<u>36,532,788</u>
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	22,059,281	TP 1.00000	22,059,281
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	25,325,778	W/S 0.13571	3,436,939
11	Common	336.11.f (Note O)	22,066,217	CE 0.13571	2,994,587
12	TOTAL DEPRECIATION	(sum lines 9 - 11)	<u>69,451,276</u>		<u>28,490,807</u>
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	10,337,312	W/S 0.13571	1,402,868
14	Highway and vehicle	263.i	0	W/S 0.13571	0
15	PLANT RELATED				
16	Property	263.i	30,850,036	GP 0.14384	4,437,406
17	Gross Receipts	263.i	20,159,056	NA zero	0
18	Other	263.i	703,156	GP 0.14384	101,141
19	Payments in lieu of taxes		0	GP 0.14384	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>62,049,560</u>		<u>5,941,414</u>
	INCOME TAXES (Note K)				
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		39.99%		
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.		48.99%		
23	$1 / (1 - T) =$ (from line 21)		1.6665		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		98,970,902	NA	18,510,613
26	ITC adjustment (line 23 * line 24)		0	NP 0.17766	0
27	Total Income Taxes (line 25 plus line 26)		<u>98,970,902</u>		<u>18,510,613</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		202,023,203	NA	37,784,573
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		610,063,045		127,260,194
30	LESS ATTACHMENT GG ADJUSTMENT [Attachment GG, page 2, line 3, column 10] (Note W) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment GG]		4,316,001		4,316,001
30a	LESS ATTACHMENT MM ADJUSTMENT [Attachment MM, page 2, line 3, column 14] (Note CC) [Revenue Requirement for facilities included on page 2, line 2, and also included in Attachment MM]		3,301,257		3,301,257
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		<u>602,445,786</u>		<u>119,642,935</u>

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Northern Indiana Public Service Company

**SUPPORTING CALCULATIONS AND NOTES**

Line

<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>		
1	Total transmission plant (page 2, line 2, column 3)	836,855,382
2	Less transmission plant excluded from ISO rates (Note M)	0
3	Less transmission plant included in OATT Ancillary Services (Note N)	0
4	<u>Total transmission plant included in ISO rates (line 1 less lines 2 &amp; 3)</u>	<u>836,855,382</u>
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)	TP= <b>1.00000</b>
<b>TRANSMISSION EXPENSES</b>		
6	Total transmission expenses (page 3, line 1, column 3)	29,100,000
7	Less transmission expenses included in OATT Ancillary Services (Note L)	4,703,619
8	<u>Included transmission expenses (line 6 less line 7)</u>	<u>24,396,381</u>
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)	0.83836
10	Percentage of transmission plant included in ISO Rates (line 5)	TP 1.00000
11	Percentage of transmission expenses included in ISO Rates (line 9 times line 10)	TE= <b>0.83836</b>

**WAGES & SALARY ALLOCATOR (W&S)**

	Form 1 Reference	\$	TP	Allocation	
12	Production	354.20.b	47,423,638	0.00	0
13	Transmission	354.21.b	12,209,157	1.00	12,209,157
14	Distribution	354.23.b	18,112,892	0.00	0
15	Other	354.24, 25, 26.b	12,219,943	0.00	0
16	Total (sum lines 12-15)		89,965,631		12,209,157 = <b>0.13571</b> = WS

**COMMON PLANT ALLOCATOR (CE) (Note O)**

		\$	% Electric (line 17 / line 20)	W&S Allocator (line 16)	CE
17	Electric	200.3.c	5,515,724,181		
18	Gas		0	1.00000 *	0.13571 = <b>0.13571</b>
19	Water		0		
20	<u>Total (sum lines 17 - 19)</u>		<u>5,515,724,181</u>		

**RETURN (R)**

		\$
21	Long Term Interest (117, sum of 62.c through 67.c)	\$73,865,219
22	Preferred Dividends (118.29c) (positive number)	\$ -
<b>Development of Common Stock:</b>		
23	Proprietary Capital (112.16.c) (Note AA)	1,685,812,732
24	Less Preferred Stock (line 28) (Note AA)	0
25	Less Account 216.1 (112.12.c) (enter negative) (Note AA)	-30,525,636
26	<u>Common Stock (sum lines 23-25)</u>	<u>1,655,287,096</u>

	\$	%	Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)	1,136,791,457	41%	0.0650
28	Preferred Stock (112.3.c) (Note AA)	0	0%	0.0000
29	Common Stock (line 26) (Note AA)	1,655,287,096	59%	0.1238
30	<u>Total (sum lines 27-29)</u>	<u>2,792,078,553</u>		<u>0.0999 =R</u>

**REVENUE CREDITS**

		(310-311)	(Note Q)	Load
<b>ACCOUNT 447 (SALES FOR RESALE)</b>				
31	a. Bundled Non-RQ Sales for Resale (311.x.h)			0
32	b. Bundled Sales for Resale included in Divisor on page 1			0
33	<u>Total of (a)-(b)</u>			<u>0</u>
34	<b>ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)</b>			\$0
<b>ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U)</b>				
35	a. Transmission charges for all transmission transactions			\$19,312,624
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1			\$9,493,273
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)			\$4,316,001
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)			\$3,301,257
37	<u>Total of (a)-(b)-(c)-(d)</u>			<u>\$2,202,092</u>

Northern Indiana Public Service Company

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)  
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note  
Letter

- A Peak as would be reported on page 401b, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
  - B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
  - C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
  - D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
  - E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
  - F The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated.
  - G Includes only transmission related balances.
  - H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
  - I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
  - J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
  - K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26).
- |                  |       |        |   |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 35.00% |   |
|                  | SIT = | 7.75%  | (State Income Tax Rate or Composite SIT)                      |
|                  | p =   | 2.71%  | (percent of federal income tax deductible for state purposes) |
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including Account Nos. 561.1, 561.2, 561.3, and 561.BA.
  - M Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
  - N Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
  - O NIPSCO is a combined gas and electric company and does have common plant assets. As all common plant balances and related depreciation expenses are allocated to either gas or electric plant on page(s) 356 of FERC Form 1 using ratios approved by the state jurisdiction, NIPSCO has not included a balance for gas assets in lines 5 and 11 of page 2 nor gas expenses in lines 6 and 11 of page 3. Therefore, there is no need to populate line 18 on page 4 as the gas plant balances and expenses have been eliminated from amounts reported in this Attachment O.
  - P Debt cost rate = long-term interest (line 21) / long term debt (line 27). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 28). ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
  - Q Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1 and all other uses are to be included in the divisor.
  - R Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
  - S Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4, page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have not been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
  - T The revenues credited on page 1, lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
  - U Account 456.1 entry shall be the annual total of the quarterly values reported at Form 1, 330.x.n.
  - V Account Nos. 561.4 and 561.8 consist of RTO expenses billed to load-serving entities and are not included in Transmission Owner revenue requirements.
  - W Pursuant to Attachment GG of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment GG.
  - X Removes from revenue credits revenues that are distributed pursuant to Schedules associated with Attachment GG of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment GG revenue requirements.
  - Y Page 2, line 23a includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC. Page 3, line 9a includes the Amortization expense of abandonment plant costs approved by FERC. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-Up Procedures.
  - Z Calculate using 13 month average balance, reconciling to FERC Form No. 1 by page, line and column as shown in Column 2.
  - AA Calculate using a simple average of beginning of year and end of year balances reconciling to FERC Form No. 1 by page, line and column as shown in Column 2.
  - BB Calculation of Prior Year Divisor True-Up:
 

Historic Year Actual Divisor	Pg 1, Line 15	0	
Projected Year Divisor	Pg 1, Line 15	0	
Difference between Historic & Project Yr Divisor		0	
Prior Year Projected Annual Cost (\$ per kw per yr.)	Pg 1, Line 16	0.00000	
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		0	
  - CC Pursuant to Attachment MM of the Midwest ISO Tariff, removes dollar amount of revenue requirements calculated pursuant to Attachment MM.
  - DD Removes from revenue credits revenues that are distributed pursuant to Schedules associated with Attachment MM of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment MM revenue requirements.
  - EE Schedule 10-FERC charges should not be included in O&M recovered under this Attachment O.
  - FF Stores Expense Undistributed (Account 163) will be the average of the beginning of the year and the end of year balances, multiplied by the "Ratio O&M" percentage for electric, as reported on page(s) 356 of the Form 1, multiplied by the Net Plant (NP) Allocator, as calculated on page 2, line 18, column 4 of this Attachment O.
  - GG Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.

**Northern Indiana Public Service Company**

Plant in Service

Budgeted for the period ending December 31, 2012 and December 2013

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-12	\$ 3,350,241,766	\$ 832,282,213	\$ 1,527,830,164	\$ 204,731,368	\$ 227,680,471
January-13	\$ 3,352,759,576	\$ 832,752,369	\$ 1,530,790,292	\$ 204,882,931	\$ 227,840,014
February-13	\$ 3,354,500,318	\$ 833,077,422	\$ 1,532,836,840	\$ 204,987,718	\$ 227,847,625
March-13	\$ 3,359,214,520	\$ 833,957,715	\$ 1,538,379,213	\$ 205,271,497	\$ 227,941,469
April-13	\$ 3,364,125,561	\$ 834,874,765	\$ 1,544,153,004	\$ 205,567,124	\$ 228,093,400
May-13	\$ 3,372,655,726	\$ 836,467,621	\$ 1,554,181,712	\$ 206,080,611	\$ 228,150,087
June-13	\$ 3,378,270,909	\$ 837,516,156	\$ 1,560,783,345	\$ 206,418,626	\$ 228,150,087
July-13	\$ 3,382,119,997	\$ 838,234,905	\$ 1,565,308,625	\$ 206,650,327	\$ 228,179,932
August-13	\$ 3,384,200,140	\$ 838,623,335	\$ 1,567,754,199	\$ 206,775,545	\$ 228,194,354
September-13	\$ 3,387,386,326	\$ 839,218,298	\$ 1,571,500,120	\$ 206,967,342	\$ 228,518,748
October-13	\$ 3,390,470,722	\$ 839,794,254	\$ 1,575,126,369	\$ 207,153,012	\$ 228,533,570
November-13	\$ 3,393,192,342	\$ 840,302,468	\$ 1,578,326,111	\$ 207,316,845	\$ 220,486,636
December-13	\$ 3,731,961,871	\$ 842,018,449	\$ 1,589,130,017	\$ 207,870,023	\$ 220,946,154
13 month Average	\$ 3,400,084,598	\$ 836,855,382	\$ 1,556,623,078	\$ 206,205,613	\$ 226,966,350

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-12	\$ 2,121,406,071	\$ 406,781,645	\$ 888,486,581	\$ 100,240,705	\$ 120,295,797
January-13	\$ 2,127,620,341	\$ 408,257,526	\$ 890,227,085	\$ 102,262,404	\$ 122,037,644
February-13	\$ 2,134,208,904	\$ 409,805,144	\$ 892,390,123	\$ 104,311,665	\$ 123,893,924
March-13	\$ 2,139,469,210	\$ 411,105,293	\$ 892,986,242	\$ 106,282,496	\$ 125,686,582
April-13	\$ 2,144,646,366	\$ 412,390,303	\$ 893,480,927	\$ 108,249,378	\$ 127,437,582
May-13	\$ 2,148,211,852	\$ 413,375,411	\$ 892,070,854	\$ 110,122,103	\$ 129,261,020
June-13	\$ 2,153,101,879	\$ 414,608,946	\$ 892,207,638	\$ 112,077,539	\$ 131,127,115
July-13	\$ 2,158,811,266	\$ 415,997,379	\$ 893,289,708	\$ 114,087,473	\$ 132,971,155
August-13	\$ 2,165,332,445	\$ 417,538,649	\$ 895,314,321	\$ 116,149,681	\$ 134,826,995
September-13	\$ 2,171,368,394	\$ 418,990,167	\$ 896,760,330	\$ 118,185,014	\$ 136,453,963
October-13	\$ 2,177,456,389	\$ 420,451,867	\$ 898,263,136	\$ 120,224,742	\$ 138,314,087
November-13	\$ 2,183,717,044	\$ 421,946,516	\$ 899,962,205	\$ 122,276,797	\$ 131,877,155
December-13	\$ 2,187,081,192	\$ 422,900,981	\$ 898,249,405	\$ 124,156,363	\$ 133,510,549
13 month Average	\$ 2,154,802,412	\$ 414,934,602	\$ 894,129,889	\$ 112,202,028	\$ 129,822,582

**Northern Indiana Public Service Company**

FERC APPROVED CWIP

Budgeted for the period ending December 31, 2012 and December 2013

Pre 12/31/2011 to 12/31/2013 Projected Capital Expenditures

	Total CWIP	Reynolds to Burr Oak to Hiple 345 kV transmission line (MISO Project 12)		Reynolds to Greentown 765 kV transmission line (MISO Project 14)	
		Total CWIP	Monthly Budgeted CapEx	Total CWIP	Monthly Budgeted Cap
December-12	5,624,928	\$ 4,096,738		\$ 1,528,190	
January-13	7,706,207	5,959,867	1,863,129	1,746,340	218,150
February-13	9,682,857	7,729,333	1,769,466	1,953,524	207,184
March-13	11,922,494	9,734,222	2,004,889	2,188,273	234,749
April-13	14,532,577	12,070,727	2,336,505	2,461,850	273,577
May-13	17,131,348	14,397,106	2,326,380	2,734,242	272,392
June-13	19,834,749	16,817,149	2,420,042	3,017,600	283,358
July-13	22,524,010	19,224,534	2,407,385	3,299,476	281,876
August-13	25,122,781	21,550,913	2,326,380	3,571,868	272,392
September-13	27,568,850	23,740,596	2,189,683	3,828,254	256,386
October-13	29,814,143	25,750,547	2,009,951	4,063,596	235,342
November-13	31,790,793	27,520,014	1,769,466	4,270,779	207,184
December-13	33,903,178	29,410,988	1,890,974	4,492,190	221,411
13 month Average	\$ 19,781,455	\$ 16,769,441		\$ 3,012,014	

**Northern Indiana Public Service Company**

Adjustments to Rate Base

Average of Beginning and End of Year Balance

	<b>281</b>	<b>282</b>	<b>283</b>	<b>190</b>	<b>255</b>
Gross Accumulated Deferred Income Taxes					
December-12 \$	-	709,105,449	142,558,716	281,009,021	6,850,566
January-13					
February-13					
March-13					
April-13					
May-13					
June-13					
July-13					
August-13					
September-13					
October-13					
November-13					
December-13	-	720,746,663	135,536,298	279,076,685	4,400,547
BOY/EOY Average \$	-	714,926,056	139,047,507	280,042,853	5,625,557
	<b>281</b>	<b>282</b>	<b>283</b>	<b>190</b>	<b>255</b>
FAS109 Regulatory Assets or Liabilities					
December-12 \$	-	(6,272,277)	(6,263,791)	(2,390,169)	-
January-13					
February-13					
March-13					
April-13					
May-13					
June-13					
July-13					
August-13					
September-13					
October-13					
November-13					
December-13	-	(3,067,670)	(4,195,491)	(808,897)	-
BOY/EOY Average \$	-	(4,669,974)	(5,229,641)	(1,599,533)	-
Sum of BOY/EOY Averages \$	-	710,256,083	133,817,866	278,443,320	5,625,557



**Northern Indiana Public Service Company**

Land Held for Future Use (Balances at beginning of year and end of year)  
Average of Beginning and End of Year Balance

Land Held for Future Use (Balances at beginning of year and end of year)

	Account 105*
December-12	3,499,492
January-13	
February-13	
March-13	
April-13	
May-13	
June-13	
July-13	
August-13	
September-13	
October-13	
November-13	
December-13	3,499,492

BOY/EOY Average                    \$3,499,492

\* Only Land Held for Future Use that is Transmission Related. Excludes Land Held for Future Use for MVP projects, as balance is included in FERC Approved CWIP

**Northern Indiana Public Service Company**

Materials & Supplies  
Average of Beginning and End of Year Balance

Source: Footnote to FERC Form 1, 227.8.c & .16.c

	FERC 163 Common Electric & Gas	FERC 163 Common Allocated to Electric (a)	FERC 163 Electric Allocated to Transmission (b)	FERC 154 Transmission Plant	Total
December-12	1,594,566			-	
January-13					
February-13					
March-13					
April-13					
May-13					
June-13					
July-13					
August-13					
September-13					
October-13					
November-13					
December-13	1,594,566	-	-	-	
BOY/EOY Average	\$1,594,566	\$1,126,242	\$200,091.79	\$0	\$200,092

(a) allocated using Ratio O&M reported on page 356.1 of FERC Form 1  
(b) allocated using the Net Plant (NP) allocator reported on page 2 line 18 column 4

**Northern Indiana Public Service Company**

Prepayments

Average of Beginning and End of Year Balance

Working Capital (Balances at beginning of year and end of year)

Source: Footnote to FERC Form 1, 111.57.c

	<u>Prepayments</u>
December-12	\$ 27,997,346
January-13	
February-13	
March-13	
April-13	
May-13	
June-13	
July-13	
August-13	
September-13	
October-13	
November-13	
December-13	<u>27,997,346</u>
BOY/EOY Average	\$27,997,346

## Northern Indiana Public Service Company

Transmission Expenses

Budgeted for the period ending December 31, 2013

Account Number		December-13
<i>OPERATION</i>		
560	Supervision and Engineering	\$ 1,956,790
561	Load Dispatching	33
561.1	Load Dispatching - Reliability	1,789,175
561.2	Load Dispatching - Monitor & Operate Transmission System	2,914,444
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	646,624
561.5	Reliability, Planning and Standards Development	1,234,959
561.6	Transmission Service Studies	31,632
561.7	General Interconnection Studies	5,056
561.8	Reliability, Planning and Standards Development Services	8,532,796
562.0	Station Expense	974,868
563.0	Overhead Line Expense	493,654
565.0	Transmission of Electricity by Others	111,549
566.0	Miscellaneous Transmission Expenses	975,826
567.0	Rents	545
	Total Operation	<u>\$ 19,667,951</u>
<i>MAINTENANCE</i>		
568	Supervision and Engineering	\$ 923,103
569.0	Structures	106,910
569.1	Computer Hardware	160,287
569.2	Computer Software	718,078
569.3	Communication Equipment	-
570.0	Station Equipment	4,164,380
571.0	Overhead Lines	3,242,207
573.0	Miscellaneous Transmission Plant	117,085
	Total Maintenance	<u>\$ 9,432,049</u>
	Total Operations and Maintenance	\$ 29,100,000

**Northern Indiana Public Service Company**

Administrative and General Expenses

Budgeted for the period ending December 31, 2013

Account Number		December-13
<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>		
920.0	Administrative and General Salaries	\$ 25,428,235
921.0	Office Supplies and Expenses	11,592,321
Less 922.0	Administrative Expenses Transferred- Credit	(5,120,696)
923.0	Outside Services Employed	63,015,808
924.0	Property Insurance	6,023,333
925.0	Injuries and Damages	5,122,408
926.0	Employees Pensions and Benefits	49,300,000
928.0	Regulatory Commission Expenses	-
929.0	(Less) Duplicate Charges - Cr	(348,988)
930.1	General Advertising Expense	8,884
930.2	Miscellaneous General Expenses	2,025,839
931.0	Rents	1,107,850
935.0	Maintenances of General Plant	45,006
	<u>Total Administrative and General</u>	<u>\$ 158,200,000</u>

Ref		December-13
	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	
a	Electric Power Research Institute	\$ 426,984
928.0, b	Regulatory Commission Expenses	-
c	Non-safety Advertisement	-
		<u>\$ 426,984</u>

a - Listed in Form 1 at 353.f

b - only amounts directly related to transmission service, ISO filings, or transmission siting

c - included in account 930.1

**Northern Indiana Public Service Company**

Depreciation and Amortization

Budgeted for the period ending December 31, 2013

<i>DEPRECIATION EXPENSE</i>	December-13
Transmission	\$ 22,059,281
General	25,325,778
Common	22,066,217

**Northern Indiana Public Service Company**

Taxes Other than Income Allocated to Electric

Budgeted for the period ending December 31, 2013

	December-13
Payroll	\$ 10,337,312
Property	30,850,036
Gross Receipts	20,159,056
Other	703,156

**Northern Indiana Public Service Company**

Wages and Salary / Common Plant Allocator

Budgeted for the period ending December 31, 2013

*ELECTRIC WAGES & SALARY ALLOCATOR (W&S)*

	December-13
Production	\$ 47,423,638
Transmission	12,209,157
Distribution	18,112,892
Other	12,219,943

*COMMON PLANT ALLOCATOR*

	December-13
Electric	\$5,515,724,181
Gas	
Water	-
	<hr/>
	\$5,515,724,181

**Northern Indiana Public Service Company**  
 Capital Structure  
 Budgeted for the period ending December 31, 2013

<u>Long-Term Debt</u>		
	December-12	\$ 1,021,221,943
	January-13	
	February-13	
	March-13	
	April-13	
	May-13	
	June-13	
	July-13	
	August-13	
	September-13	
	October-13	
	November-13	
	December-13	<u>1,252,360,972</u>
	Average of Beginning and End of Year Balance	\$ 1,136,791,457
<u>Interest &amp; Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 73,865,219
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-12	\$ 1,642,071,533
	January-13	
	February-13	
	March-13	
	April-13	
	May-13	
	June-13	
	July-13	
	August-13	
	September-13	
	October-13	
	November-13	
	December-13	<u>1,729,553,931</u>
	Average of Beginning and End of Year Balance	\$ 1,685,812,732
Preferred Stock		
	December-12	\$ -
	January-13	
	February-13	
	March-13	
	April-13	
	May-13	
	June-13	
	July-13	
	August-13	
	September-13	
	October-13	
	November-13	
	December-13	<u>-</u>
	Average of Beginning and End of Year Balance	\$ -
Unappropriated Undistributed Subsidiary Earnings		
	December-12	\$ 29,325,636
	January-13	
	February-13	
	March-13	
	April-13	
	May-13	
	June-13	
	July-13	
	August-13	
	September-13	
	October-13	
	November-13	
	December-13	<u>31,725,636</u>
	Average of Beginning and End of Year Balance	\$ 30,525,636

## Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

### *DIVISOR*

Monthly Peaks and Output in (Mw)

Year ended December 31, 2013

	NIPSCO Internal	Wholesale
January	2,363	306
February	2,190	285
March	2,242	278
April	2,104	233
May	2,526	314
June	2,934	317
July	3,122	427
August	3,084	409
September	2,782	368
October	2,323	251
November	2,279	244
December	2,380	288
Total	<u>30,330</u>	<u>3,721</u>
Average (Mw)	2,527.48	310.11
Average (kWh)	<u>2,527,483</u>	<u>310,107</u>

## Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)

Year ended December 31, 2013

### Transmission of Electricity for Others (Account 456.1)

Transmission Charges for Transmission Transactions	December-13
Midwest ISO (Schedule 7&8)	\$ 2,202,092
Midwest ISO (Schedule 9)	1,909,087
Midwest ISO (Schedule 26)	4,316,001
Midwest ISO (Schedule 26-a)	3,301,257
Wabash Valley Power Authority	6,551,707
<b>Total</b>	<b>\$ 18,280,145</b>

### Other Account 456.1 Charges

Midwest ISO (Schedule 1)	\$ 525,785
Midwest ISO (Schedule 2)	506,695
Midwest ISO (Schedule 24)	-
<b>Total Account 456.1 Charges</b>	<b>\$ 19,312,624</b>

Less: Schedule 1	\$ 525,785
Less: Schedule 2	506,695
Less: Schedule 9	1,909,087
Less: Schedule 24	-
Less: Schedule 26	4,316,001
Less: Schedule 26-a	3,301,257
Wabash Valley Power Authority	\$ 6,551,707

Total Revenue Credit \$ 2,202,092