

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
**Attachment O Revenue Requirement True-Up**  
**For the Year Ended December 31, 2014**

**Attachment - O**

Actual Revenue Requirement (Attachment O, Pg. 3, Col. 5, Line 29)	\$	136,536,820	
<b>Less:</b> Actual Attachment GG Revenue Requirement		(4,281,822)	
<b>Less:</b> Actual Attachment MM Revenue Requirement		(9,367,720)	
<b>Less:</b> Revenue Credits		(1,606,480)	
<b>NET REVENUE REQUIREMENT</b>			\$ 121,280,798
Projected Revenue Requirement (Attachment O, Pg. 3, Col. 5, Line 29)	\$	134,229,715	
<b>Less:</b> Projected Attachment GG Revenue Requirement		(4,215,179)	
<b>Less:</b> Projected Attachment MM Revenue Requirement		(8,848,841)	
<b>Less:</b> Revenue Credits		(2,507,639)	
<b>NET REVENUE REQUIREMENT</b>			\$ 118,658,056
<b>Under/(Over) Recovery of the Revenue Requirement</b>			\$ 2,622,742
Historic Year Actual Divisor (Attachment O, Pg. 1, Line 15)			2,975,917
Projected Year Divisor (Attachment O, Pg. 1, Line 15)			2,829,153
Difference between Historic & Projected Year Divisor			146,764
Projected Annual Cost (\$ per kw per yr) (Attachment O, Pg. 1, Line 16)	\$		41.941
<b>Under/(Over) Recovery due to Volume</b>			\$ (6,155,429)
<b>Under/(Over) Recovery</b>			\$ (3,532,687)
Monthly Interest Rate		0.2708%	
Interest Per Month	\$	(9,568)	
		x 24 months	
	\$	(229,625)	
<b>Under/(Over) Recovery including interest</b>			\$ (3,762,312)

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/14

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 122,887,278
	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)		1,606,480	TP 1.00000	1,606,480
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)				\$ 1,606,480
6a	Historic Year Actual ATRR				
6b	Projected ATRR from Prior Year	Input from Prior Year			
6c	Prior Year ATRR True-Up (line 6a - line 6b)				\$ -
6d	Prior Year Divisor True-Up (Note BB)				0
6e	Interest on Prior Year True-Up				
7	NET REVENUE REQUIREMENT (line 1 - line 6 + line 6c through 6e)				\$ 121,280,799
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,646,750
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)	329,167
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)				2,975,917
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)		40.754		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)		3.396		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)		0.784		\$0.784
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)		0.157 Capped at weekly rate		\$0.112
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160 times 1000; line 16 / 8,760 times 1,000)		9.797 Capped at weekly and daily rates		\$4.652
21	FERC Annual Charge (\$/MWh) (Note E)		\$0.0456 Short Term		\$0.0456 Short Term
22			\$0.0456 Long Term		\$0.0456 Long Term

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/14

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	Northern Indiana Public Service Company		(5) Transmission (Col 3 times Col 4)
			(3) Company Total	(4) Allocator	
<b>RATE BASE:</b>					
<b>GROSS PLANT IN SERVICE (Note Z, Note GG)</b>					
1	Production	205.46.g	3,791,737,602	NA	
2	Transmission	207.58.g	868,745,861	TP	1.00000 868,745,861
3	Distribution	207.75.g	1,624,092,701	NA	
4	General & Intangible	205.5.g & 207.99.g	204,045,663	W/S	0.13338 27,215,217
5	Common	356.1 (Note O)	251,095,944	CE	0.13338 33,490,692
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>6,739,717,771</u>	GP=	<u>13.791%</u> 929,451,770
<b>ACCUMULATED DEPRECIATION (Note Z, Note GG)</b>					
7	Production	219.20-24.c	2,229,961,616	NA	
8	Transmission	219.25.c	440,523,598	TP	1.00000 440,523,598
9	Distribution	219.26.c	923,589,020	NA	
10	General & Intangible	219.28.c & 200.21.c	125,167,123	W/S	0.13338 16,694,549
11	Common	356.1 (Note O)	155,788,487	CE	0.13338 20,778,768
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		<u>3,875,029,844</u>		<u>477,996,915</u>
<b>NET PLANT IN SERVICE</b>					
13	Production	(line 1- line 7)	1,561,775,986		
14	Transmission	(line 2- line 8)	428,222,263		428,222,263
15	Distribution	(line 3 - line 9)	700,503,681		
16	General & Intangible	(line 4 - line 10)	78,878,540		10,520,667
17	Common	(line 5 - line 11)	95,307,457		12,711,925
18	TOTAL NET PLANT (sum lines 13-17)		<u>2,864,687,927</u>	NP=	<u>15.759%</u> 451,454,855
18a	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	46,876,891	NA	1.00000 46,876,891
<b>ADJUSTMENTS TO RATE BASE</b>					
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	-882,736,774	NP	0.15759 -139,113,164
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-145,555,747	NP	0.15759 -22,938,571
22	Account No. 190 (Note F, Note AA)	234.8.c	298,163,936	NP	0.15759 46,988,559
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-3,207,915	NP	0.15759 -505,545
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		0	NA	1.00000 0
24	TOTAL ADJUSTMENTS (sum lines 19- 23a)		<u>-733,336,501</u>		<u>-115,568,722</u>
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,499,493	TP	1.00000 3,499,493
<b>WORKING CAPITAL (Note H)</b>					
26	CWC	1/8 page 3, line 8, column 3 & 5	27,396,652		5,175,646
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	29,240,565	TE	0.88443 25,861,093
28	Prepayments (Account 165, Note AA)	111.57.c	31,874,834	GP	0.13791 4,395,751
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		<u>88,512,051</u>		<u>35,432,491</u>
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		<u>2,270,239,861</u>		<u>421,695,007</u>

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/14

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)
1	O&M (Note EE)				
1	Transmission	321.112.b	31,374,391	TE 0.88443	27,748,303
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		13,144,574	1.00000	13,144,574
2	Less Account 565	321.96.b	0	TE 0.88443	0
3	A&G	323.197.b	202,803,802	W/S 0.13338	27,049,580
4	Less FERC Annual Fees		1,122,962	W/S 0.13338	149,779
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		737,444	W/S 0.13338	98,359
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.88443	0
6	Common	356.1 (Note O)	0	CE 0.13338	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)		219,173,212		41,405,171
DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)					
9	Transmission	336.7.b	22,705,469	TP 1.00000	22,705,469
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	25,344,541	W/S 0.13338	3,380,406
11	Common	336.11.f (Note O)	23,022,488	CE 0.13338	3,070,695
12	TOTAL DEPRECIATION	(sum lines 9 - 11)	71,072,499		29,156,570
TAXES OTHER THAN INCOME TAXES (Note J)					
LABOR RELATED					
13	Payroll	263.i	11,593,892	W/S 0.13338	1,546,371
14	Highway and vehicle	263.i	0	W/S 0.13338	0
PLANT RELATED					
16	Property	263.i	26,868,249	GP 0.13791	3,705,310
17	Gross Receipts	263.i	21,362,542	NA zero	0
18	Other	263.i	1,980,597	GP 0.13791	273,137
19	Payments in lieu of taxes		0	GP 0.13791	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		61,805,280		5,524,818
INCOME TAXES (Note K)					
21	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		39.71%		
22	$CIT = (T/1 - T) * (1 - (WCLTD/R)) =$		49.04%		
where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.					
23	$1 / (1 - T) =$ (from line 21)		1.6587		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		107,078,487	NA	19,889,732
26	ITC adjustment (line 23 * line 24)		0	NP 0.15759	0
27	Total Income Taxes (line 25 plus line 26)		107,078,487		19,889,732
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		218,361,912	NA	40,560,528
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		677,491,390		136,536,820
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]		4,281,822		4,281,822
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]		9,367,720		9,367,720
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		663,841,848		122,887,278

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/14

Northern Indiana Public Service Company

**SUPPORTING CALCULATIONS AND NOTES**

Line No.						
<b>TRANSMISSION PLANT INCLUDED IN ISO RATES</b>						
1	Total transmission plant (page 2, line 2, column 3)					868,745,861
2	Less transmission plant excluded from ISO rates (Note M)					0
3	Less transmission plant included in OATT Ancillary Services (Note N)					0
4	Transmission plant included in ISO rates (line 1 less lines 2 & 3)					868,745,861
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)					31,374,391
7	Less transmission expenses included in OATT Ancillary Services (Note L)					3,626,088
8	Included transmission expenses (line 6 less line 7)					27,748,303
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)					0.88443
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>0.88443</b>
<b>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</b>						
	Form 1 Reference	\$	TP		Allocation	
12	Production 354.20.b	42,945,874	0.00		0	
13	Transmission 354.21.b	10,917,740	1.00		10,917,740	
14	Distribution 354.23.b	17,680,997	0.00		0	W&S Allocator
15	Other 354.24, 25, 26.b	10,310,973	0.00		0	(\$ / Allocation)
16	Total (sum lines 12-15)	81,855,583			10,917,740 =	<b>0.13338</b> = WS
<b>COMMON PLANT ALLOCATOR (CE) (Note O)</b>						
		\$			% Electric (line 17 / line 20)	W&S Allocator (line 16)
17	Electric 200.3.c	5,921,721,268				CE
18	Gas	0			1.00000 *	0.13338 = <b>0.13338</b>
19	Water	0				
20	Total (sum lines 17 - 19)	5,921,721,268				
<b>RETURN @</b>						
21	Long Term Interest (117, sum of 62.c through 67.c)					\$ 79,278,301
22	Preferred Dividends (118.29c) (positive number)					\$ -
<b>Development of Common Stock:</b>						
23	Proprietary Capital (112.16.c) (Note AA)					1,898,185,294
24	Less Preferred Stock (line 28) (Note AA)					0
25	Less Account 216.1 (112.12.c) (enter negative) (Note AA)					-32,864,115
26	Common Stock (sum lines 23-25)					1,865,321,179
		\$	%		Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)	1,359,782,924	42%		0.0583	0.0246 =WCLTD
28	Preferred Stock (112.3.c) (Note AA)	0	0%		0.0000	0.0000
29	Common Stock (line 26) (Note AA)	1,865,321,179	58%		0.1238	0.0716
30	Total (sum lines 27-29)	3,225,104,103				0.0962 =R
<b>REVENUE CREDITS</b>						
<b>ACCOUNT 447 (SALES FOR RESALE)</b>						
31	a. Bundled Non-RQ Sales for Resale (311.x.h)	(310-311)	(Note Q)			Load
32	b. Bundled Sales for Resale included in Divisor on page 1					0
33	Total of (a)-(b)					0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)					\$0
<b>ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U)</b>						
35	a. Transmission charges for all transmission transactions	(330.x.n)				\$28,955,734
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1					\$14,704,024
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)					\$4,353,947
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)					\$8,291,283
37	Total of (a)-(b)-(c)-(d)					\$1,606,480

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 = | 7.25% (State Income Tax Rate or Composite SIT)                      |
|                  | p =   | 0.00% (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, 561.8 and 561.81 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

Actuals for the period ending December 2014

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-13	3,728,863,409	849,647,212	1,596,003,883	203,696,706	231,354,350
January-14	3,744,267,766	853,686,314	1,605,135,508	203,806,487	250,696,076
February-14	3,758,539,543	852,133,796	1,609,183,939	205,088,560	249,692,675
March-14	3,762,043,507	853,649,977	1,612,462,593	205,714,366	249,931,475
April-14	3,764,057,218	858,700,928	1,616,142,326	205,737,453	249,948,771
May-14	3,763,062,514	870,672,281	1,618,064,723	206,035,033	250,079,215
June-14	3,771,287,610	874,849,298	1,619,638,849	204,400,576	250,433,040
July-14	3,774,275,135	875,068,776	1,626,730,470	204,412,279	250,244,724
August-14	3,781,091,286	875,980,456	1,634,111,473	204,523,450	252,956,565
September-14	3,780,472,091	876,283,062	1,635,653,935	204,700,667	252,572,311
October-14	3,782,343,268	878,321,918	1,639,013,275	201,520,200	258,022,917
November-14	3,938,014,552	879,997,190	1,642,556,663	201,535,535	259,008,205
December-14	3,944,270,927	894,704,986	1,658,507,479	201,422,305	259,306,952
13 month Average \$	\$ 3,791,737,602	\$ 868,745,861	\$ 1,624,092,701	\$ 204,045,663	\$ 251,095,944

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-13	\$2,185,848,809	\$431,154,650	\$912,852,449	\$114,337,355	\$137,503,203
January-14	\$2,195,324,320	\$432,236,612	\$915,413,459	\$115,845,596	\$147,488,379
February-14	\$2,203,539,026	\$433,766,512	\$918,377,013	\$117,369,194	\$148,569,877
March-14	\$2,211,437,419	\$435,146,486	\$918,168,183	\$118,268,201	\$150,605,471
April-14	\$2,220,064,384	\$436,878,507	\$921,055,108	\$122,011,778	\$152,675,163
May-14	\$2,224,332,512	\$438,676,177	\$924,218,923	\$125,786,896	\$154,695,037
June-14	\$2,228,582,506	\$440,404,763	\$922,021,639	\$127,269,314	\$156,553,237
July-14	\$2,235,695,457	\$441,844,780	\$924,825,134	\$129,315,733	\$158,622,706
August-14	\$2,244,250,937	\$443,728,743	\$927,960,841	\$130,890,313	\$161,590,667
September-14	\$2,251,256,457	\$446,239,078	\$927,440,160	\$132,282,441	\$163,275,850
October-14	\$2,260,043,510	\$448,110,086	\$929,253,829	\$129,325,270	\$162,482,588
November-14	\$2,261,960,428	\$449,793,606	\$932,213,993	\$130,826,858	\$164,595,541
December-14	\$2,267,165,247	\$448,826,779	\$932,856,525	\$133,643,655	\$166,592,613
13 month Average \$	\$ 2,229,961,616	\$ 440,523,598	\$ 923,589,020	\$ 125,167,123	\$ 155,788,487

**Northern Indiana Public Service Company**

FERC APPROVED CWIP

Actuals for the period ending December 2014

Pre 12/31/2011 to 12/31/2014 Actual 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-13	34,279,102	30,275,481		4,003,622	
January-14	36,204,397	31,514,053	1,238,572	4,690,344	686,722
February-14	37,883,358	33,006,530	1,492,477	4,876,828	186,484
March-14	40,386,756	35,121,856	2,115,326	5,264,900	388,072
April-14	43,025,454	37,580,211	2,458,355	5,445,243	180,344
May-14	34,207,005	28,337,392	(9,242,819) <sup>(a)</sup>	5,869,613	424,370
June-14	37,675,176	31,889,374	3,551,982	5,785,803	(83,810)
July-14	40,217,027	34,306,088	2,416,714	5,910,939	125,137
August-14	51,189,339	41,355,439	7,049,351	9,833,899	3,922,960
September-14	53,613,041	43,317,172	1,961,733	10,295,869	461,970
October-14	58,434,967	45,941,792	2,624,620	12,493,175	2,197,306
November-14	66,200,788	49,300,721	3,358,929	16,900,067	4,406,892
December-14	76,083,173	55,499,842	6,199,121	20,583,330	3,683,263
13 month Average	46,876,891	38,265,073		8,611,818	

<sup>(a)</sup> In May 2014, MTEP Project ID 3203 - MVP Plant in Service in the amount of \$11,859,918.57 was moved from Acct. 106 (CWIP) to Acct. 101 (Transmission Plant).



**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-13 \$	- \$	875,007,705 \$	146,146,941 \$	290,601,680	\$ 4,400,547
January-14					
February-14					
March-14					
April-14					
May-14					
June-14					
July-14					
August-14					
September-14					
October-14					
November-14					
December-14	-	899,520,478	150,857,427	309,811,264	2,015,283
BOY/EOY Average \$	- \$	887,264,092 \$	148,502,184 \$	300,206,472	\$ 3,207,915
FAS109 Regulatory Assets or Liabilities					
December-13 \$	- \$	(10,878,696) \$	(7,021,256) \$	(2,840,172)	\$ -
January-14					
February-14					
March-14					
April-14					
May-14					
June-14					
July-14					
August-14					
September-14					
October-14					
November-14					
December-14	-	1,824,061	1,128,382	(1,244,901)	-
BOY/EOY Average \$	- \$	(4,527,318) \$	(2,946,437) \$	(2,042,537)	\$ -
Sum of BOY/EOY Averages \$	- \$	882,736,774 \$	145,555,747 \$	298,163,936	\$ 3,207,915

**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-13	\$ 3,499,493
January-14	
February-14	
March-14	
April-14	
May-14	
June-14	
July-14	
August-14	
September-14	
October-14	
November-14	
December-14	3,499,493

BOY/EOY Average \$ 3,499,493

\* 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-13	\$ 2,048,553			27,884,713	
January-14					
February-14					
March-14					
April-14					
May-14					
June-14					
July-14					
August-14					
September-14					
October-14					
November-14					
December-14	1,734,995		-	30,121,495	
BOY/EOY Average	\$ 1,891,774	\$ 1,506,798	\$ 237,461	\$ 29,003,104	\$ 29,240,565

(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  
 (c) FERC 163 and 154 are based on 2013 EOY Balance, which is the most current information

**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-13	\$ 32,615,007
January-14	
February-14	
March-14	
April-14	
May-14	
June-14	
July-14	
August-14	
September-14	
October-14	
November-14	
December-14	<u>31,134,662</u>
BOY/EOY Average	\$ 31,874,834

## Northern Indiana Public Service Company

Transmission Expenses

Actuals for the period ending December 2014

Account Number		December-14
<i>OPERATION</i>		
560.0	Supervision and Engineering	\$ 1,385,599
561.0	Load Dispatching	-
561.1	Load Dispatching - Reliability	1,559,421
561.2	Load Dispatching -Monitor & Operate Transmission System	2,066,667
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	399,479
561.5	Reliability, Planning and Standards Development	1,111,788
561.6	Transmission Service Studies	-
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	12,745,095
562.0	Station Expense	905,669
563.0	Overhead Line Expense	239,995
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	1,228,717
567.0	Rents	-
	Total Operation	<u>\$21,642,430</u>
<i>MAINTENANCE</i>		
568.0	Supervision and Engineering	\$ 1,265,705
569.0	Structures	142
569.1	Computer Hardware	366,125
569.2	Computer Software	1,082,034
569.3	Communication Equipment	-
570.0	Station Equipment	3,663,875
571.0	Overhead Lines	3,200,811
573.0	Miscellaneous Transmission Plant	153,269
	Total Maintenance	<u>\$ 9,731,961</u>
	Total Operations and Maintenance	\$ 31,374,391

**Northern Indiana Public Service Company**

Administrative and General Expenses

Actuals for the period ending December 2014

Account Number		December-14
	<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>	
	920.0 Administrative and General Salaries	\$ 73,579,396
	921.0 Office Supplies and Expenses	23,323,167
Less	922.0 Administrative Expenses Transferred- Credit	(3,165,177)
	923.0 Outside Services Employed	48,161,090
	924.0 Property Insurance	7,091,085
	925.0 Injuries and Damages	8,780,708
	926.0 Employees Pensions and Benefits	36,992,935
	928.0 Regulatory Commission Expenses	1,122,962
	929.0 (Less) Duplicate Charges - Cr	-
	930.1 General Advertising Expense	44,120
	930.2 Miscellaneous General Expenses	3,176,307
	931.0 Rents	2,812,216
	935.0 Maintenances of General Plant	884,993
	Total Administrative and General	<u>\$ 202,803,802</u>
Ref	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	December-14
a	Electric Power Research Institute	\$ 693,324
928.0, b	Regulatory Commission Expenses	1,122,962
c	Non-safety Advertisement	44,120
		<u>\$ 1,860,406</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

Actuals for the period ending December 2014

<i>DEPRECIATION EXPENSE</i>	December-14
Transmission	\$ 22,705,469
General	<b>\$ 25,344,541</b>
Common	\$ 23,022,488

**Northern Indiana Public Service Company**

Taxes Other than Income Allocated to Electric

Actuals for the period ending December 2014

	December-14
Payroll	\$ 11,593,892
Property	\$ 26,868,249
Gross Receipts	\$ 21,362,542
Other	\$ 1,980,597

**Northern Indiana Public Service Company**

Wages and Salary / Common Plant Allocator

Actuals for the period ending December 2014

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

	December-14
Production	\$ 42,945,874
Transmission	\$ 10,917,740
Distribution	\$ 17,680,997
Other	\$ 10,310,973

*COMMON PLANT ALLOCATOR*

	December-14
Electric	\$5,921,721,268
Gas	-
Water	-
	<hr/>
	\$5,921,721,268

**Northern Indiana Public Service Company**

Capital Structure

Actuals for the period ending December 2014

<u>Long-Term Debt</u>		
	December-13	\$ 1,286,065,848
	January-14	
	February-14	
	March-14	
	April-14	
	May-14	
	June-14	
	July-14	
	August-14	
	September-14	
	October-14	
	November-14	
	December-14	1,433,500,000
	Average of Beginning and End of Year Balance	\$ 1,359,782,924
<u>Interest &amp; Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 79,278,301
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-13	\$ 1,797,326,109
	January-14	
	February-14	
	March-14	
	April-14	
	May-14	
	June-14	
	July-14	
	August-14	
	September-14	
	October-14	
	November-14	
	December-14	1,999,044,478
	Average of Beginning and End of Year Balance	\$ 1,898,185,294
<u>Preferred Stock</u>		
	December-13	\$ -
	January-14	
	February-14	
	March-14	
	April-14	
	May-14	
	June-14	
	July-14	
	August-14	
	September-14	
	October-14	
	November-14	
	December-14	-
	Average of Beginning and End of Year Balance	\$ -
<u>Unappropriated Undistributed Subsidiary Earnings</u>		
	December-13	\$ 31,746,882
	January-14	
	February-14	
	March-14	
	April-14	
	May-14	
	June-14	
	July-14	
	August-14	
	September-14	
	October-14	
	November-14	
	December-14	33,981,348
	Average of Beginning and End of Year Balance	\$ 32,864,115

## Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

### *DIVISOR*

Monthly Peaks and Output in (Mw)

Year ended December 31, 2014

	NIPSCO Internal	Wholesale
January	2,640	324
February	2,572	332
March	2,440	313
April	2,258	255
May	2,652	306
June	2,906	361
July	2,884	390
August	3,029	400
September	3,145	418
October	2,272	241
November	2,494	304
December	2,469	306
Total	<u>31,761</u>	<u>3,950</u>
Average (Mw)	2,646.75	329.17
Average (kWh)	<u><u>2,646,750</u></u>	<u><u>329,167</u></u>



## Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)

Year ended December 31, 2014

Transmission of Electricity for Others (Account 456.1)

	December-14
Transmission Charges for Transmission Transactions	
Midwest ISO (Schedule 7&8)	\$ 1,606,480
Midwest ISO (Schedule 9)	2,861,678
Midwest ISO (Schedule 26)	4,353,947
Midwest ISO (Schedule 26-a)	8,291,283 <sup>(a)</sup>
Indiana Municipal Power Agency	401,981
Wabash Valley Power Authority	11,277,834
Total	<u>\$ 28,793,203</u>

Other Account 456.1 Charges

Midwest ISO (Schedule 1)	\$ 78,030
Midwest ISO (Schedule 2)	84,500
Midwest ISO (Schedule 24)	
Total Account 456.1 Charges	<u>\$ 28,955,734</u>

Less: Schedule 1 (related to Sch 9)	\$ 78,030
Less: Schedule 2 (related to Sch 9)	84,500
Less: Schedule 9	2,861,678
Less: Schedule 24	-
Less: Schedule 26	4,353,947
Less: Schedule 26-a	8,291,283
Indiana Municipal Power Agency	401,981
Wabash Valley Power Authority	<u>11,277,834</u>

Total Revenue Credit \$ 1,606,480

<sup>(a)</sup> Includes estimate true-up adjustment of \$109,053.