

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)				\$ 121,165,696
	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)		2,507,639	TP 1.00000	2,507,639
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)				2,507,639
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)				\$ 118,658,057
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,523,613
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)	305,540
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)				2,829,153
16	Annual Cost (\$/kW/Yr) (line 7 / line 15)		41.941		
17	Network & P-to-P Rate (\$/kW/Mo) (line 16 / 12)		3.495		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk) (line 16 / 52; line 16 / 52)		0.807		\$0.807
19	Point-To-Point Rate (\$/kW/Day) (line 16 / 260; line 16 / 365)		0.161 Capped at weekly rate		\$0.115
20	Point-To-Point Rate (\$/MWh) (line 16 / 4,160 times 1000; line 16 / 8,760 times 1,000)		10.082 Capped at weekly and daily rates		\$4.788
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)	
RATE BASE:						
GROSS PLANT IN SERVICE (Note Z, Note GG)						
1	Production	205.46.g	3,814,441,637	NA		
2	Transmission	207.58.g	848,949,645	TP	1.00000 848,949,645	
3	Distribution	207.75.g	1,626,346,551	NA		
4	General & Intangible	205.5.g & 207.99.g	215,356,875	W/S	0.14139 30,449,605	
5	Common	356.1 (Note O)	219,736,104	CE	0.14139 31,068,790	
6	TOTAL GROSS PLANT (sum lines 1-5)		<u>6,724,830,812</u>	GP=	<u>13.539%</u> 910,468,040	
ACCUMULATED DEPRECIATION (Note Z, Note GG)						
7	Production	219.20-24.c	2,233,699,737	NA		
8	Transmission	219.25.c	436,498,127	TP	1.00000 436,498,127	
9	Distribution	219.26.c	925,489,497	NA		
10	General & Intangible	219.28.c & 200.21.c	132,402,274	W/S	0.14139 18,720,540	
11	Common	356.1 (Note O)	126,809,490	CE	0.14139 17,929,768	
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		<u>3,854,899,125</u>		<u>473,148,435</u>	
NET PLANT IN SERVICE						
13	Production	(line 1- line 7)	1,580,741,900			
14	Transmission	(line 2- line 8)	412,451,518		412,451,518	
15	Distribution	(line 3 - line 9)	700,857,054			
16	General & Intangible	(line 4 - line 10)	82,954,601		11,729,065	
17	Common	(line 5 - line 11)	92,926,614		13,139,022	
18	TOTAL NET PLANT (sum lines 13-17)		<u>2,869,931,687</u>	NP=	<u>15.238%</u> 437,319,605	
100% CWIP Recovery for Commission Approved Order						
18a	No. 679 Transmission Projects (Note Z)	216.b	53,916,194	NA	1.00000 53,916,194	
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	-877,683,117	NP	0.15238 -133,741,174	
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-141,245,886	NP	0.15238 -21,523,019	
22	Account No. 190 (Note F, Note AA)	234.8.c	298,888,445	NP	0.15238 45,544,560	
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-3,207,915	NP	0.15238 -488,821	
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>-723,248,473</u>		<u>-110,208,455</u>	
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,499,493	TP	1.00000 3,499,493	
WORKING CAPITAL (Note H)						
26	CWC	1/8 page 3, line 8, column 3 & 5	24,893,973		5,154,560	
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	148,788	TE	0.85661 127,453	
28	Prepayments (Account 165, Note AA)	111.57.c	25,826,508	GP	0.13539 3,496,625	
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		<u>50,869,268</u>		<u>8,778,637</u>	
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		<u>2,254,968,169</u>		<u>393,305,474</u>	

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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)
	O&M (Note EE)				
1	Transmission	321.112.b	34,088,022	TE 0.85661	29,200,033
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		13,163,326	1.00000	13,163,326
2	Less Account 565	321.96.b	0	TE 0.85661	0
3	A&G	323.197.b	179,751,487	W/S 0.14139	25,415,310
4	Less FERC Annual Fees		0	W/S 0.14139	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		1,524,403	W/S 0.14139	215,537
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.85661	0
6	Common	356.1 (Note O)	0	CE 0.14139	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>199,151,780</u>		<u>41,236,479</u>
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	22,800,130	TP 1.00000	22,800,130
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	30,242,309	W/S 0.14139	4,276,002
11	Common	336.11.f (Note O)	22,984,981	CE 0.14139	3,249,878
12	TOTAL DEPRECIATION	(sum lines 9 - 11)	<u>76,027,420</u>		<u>30,326,010</u>
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	10,935,530	W/S 0.14139	1,546,190
14	Highway and vehicle	263.i	0	W/S 0.14139	0
15	PLANT RELATED				
16	Property	263.i	32,912,209	GP 0.13539	4,455,951
17	Gross Receipts	263.i	21,811,375	NA zero	0
18	Other	263.i	1,960,643	GP 0.13539	265,449
19	Payments in lieu of taxes		0	GP 0.13539	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>67,619,757</u>		<u>6,267,590</u>
	INCOME TAXES (Note K)				
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		39.71%		
22	$CIT=(T/1-T) * (1-(WCLTD/R)) =$ where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.		48.71%		
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		105,910,205	NA	18,472,573
26	ITC adjustment (line 23 * line 24)		0	NP 0.15238	0
27	Total Income Taxes (line 25 plus line 26)		<u>105,910,205</u>		<u>18,472,573</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		217,450,116	NA	37,927,064
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		666,159,278		134,229,715
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]		4,215,179		4,215,179
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]		8,848,841		8,848,841
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		<u>653,095,259</u>		<u>121,165,696</u>

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Northern Indiana Public Service Company

SUPPORTING CALCULATIONS AND NOTES

Line

TRANSMISSION PLANT INCLUDED IN ISO RATES		
1	Total transmission plant (page 2, line 2, column 3)	848,949,645
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>Transmission plant included in ISO rates (line 1 less lines 2 & 3)</u>	<u>848,949,645</u>
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)	TP= 1.00000
TRANSMISSION EXPENSES		
6	Total transmission expenses (page 3, line 1, column 3)	34,088,022
7	Less transmission expenses included in OATT Ancillary Services (Note L)	4,887,989
8	<u>Included transmission expenses (line 6 less line 7)</u>	<u>29,200,033</u>
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)	0.85661
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= 0.85661

WAGES & SALARY ALLOCATOR (W&S)

	Form 1 Reference	\$	TP	Allocation	
12	Production	354.20.b	41,929,334	0.00	0
13	Transmission	354.21.b	12,296,398	1.00	12,296,398
14	Distribution	354.23.b	21,169,322	0.00	0
15	Other	354.24, 25, 26.b	11,572,047	0.00	0
16	Total (sum lines 12-15)		86,967,101		12,296,398 = 0.14139 = WS

COMMON PLANT ALLOCATOR (CE) (Note O)

		\$	% Electric (line 17 / line 20)	W&S Allocator (line 16)	CE
17	Electric	200.3.c	5,702,126,951		
18	Gas		0	1.00000 *	0.14139 = 0.14139
19	Water		0		
20	<u>Total (sum lines 17 - 19)</u>		<u>5,702,126,951</u>		

RETURN (R)

		\$
21	Long Term Interest (117, sum of 62.c through 67.c)	\$80,294,581
22	Preferred Dividends (118.29c) (positive number)	\$ -
Development of Common Stock:		
23	Proprietary Capital (112.16.c) (Note AA)	1,873,544,802
24	Less Preferred Stock (line 28) (Note AA)	0
25	Less Account 216.1 (112.12.c) (enter negative) (Note AA)	-33,341,106
26	<u>Common Stock (sum lines 23-25)</u>	<u>1,840,203,696</u>

	\$	%	Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)	1,354,930,486	42%	0.0593
28	Preferred Stock (112.3.c) (Note AA)	0	0%	0.0000
29	Common Stock (line 26) (Note AA)	1,840,203,696	58%	0.1238
30	<u>Total (sum lines 27-29)</u>	<u>3,195,134,182</u>		<u>0.0964 =R</u>

REVENUE CREDITS

			Load
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)			
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	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)		\$0
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U) (330.x.n)			
35	a. Transmission charges for all transmission transactions		\$26,788,056
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1		\$11,216,397
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)		\$4,215,179
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)		\$8,848,841
37	<u>Total of (a)-(b)-(c)-(d)</u>		<u>\$2,507,639</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 = | 7.25% | (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 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, 2013 and December 2014

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-13	\$ 3,739,875,400	\$ 837,773,858	\$ 1,592,546,981	\$ 211,759,328	\$ 219,587,212
January-14	3,743,766,752	838,922,813	1,596,021,831	212,129,183	219,738,958
February-14	3,746,457,121	839,717,167	1,598,424,243	212,384,890	219,746,197
March-14	3,753,743,065	841,868,405	1,604,930,351	213,077,385	219,835,453
April-14	3,761,333,229	844,109,465	1,611,708,119	213,798,795	219,979,959
May-14	3,774,516,859	848,002,045	1,623,480,668	215,051,837	220,033,874
June-14	3,783,195,296	850,564,427	1,631,230,227	215,876,682	220,033,874
July-14	3,789,144,179	852,320,886	1,636,542,385	216,442,096	220,062,261
August-14	3,792,359,104	853,270,120	1,639,413,208	216,747,659	220,075,978
September-14	3,797,283,451	854,724,075	1,643,810,488	217,215,695	220,384,518
October-14	3,961,150,480	856,131,581	1,648,067,288	217,668,779	220,398,616
November-14	3,965,356,826	857,373,541	1,651,823,417	218,068,573	218,083,598
December-14	3,979,559,524	861,567,009	1,664,505,961	219,418,473	218,608,858
13 month Average	\$ 3,814,441,637	\$ 848,949,645	\$ 1,626,346,551	\$ 215,356,875	\$ 219,736,104

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-13	\$ 2,194,579,583	\$ 430,207,893	\$ 918,169,108	\$ 125,525,744	\$ 115,949,663
January-14	2,202,068,634	431,548,740	920,315,427	126,765,889	117,790,585
February-14	2,210,107,309	433,052,692	922,949,739	128,057,315	119,729,822
March-14	2,216,093,387	433,953,517	923,749,525	129,154,069	121,614,540
April-14	2,221,964,022	434,822,906	924,441,123	130,242,072	123,431,426
May-14	2,225,348,763	434,963,358	922,907,891	131,095,644	125,306,639
June-14	2,230,791,221	435,713,972	923,202,614	132,149,266	127,217,145
July-14	2,237,482,372	436,835,089	924,606,124	133,323,384	129,108,748
August-14	2,245,416,342	438,324,029	927,115,094	134,617,708	131,010,510
September-14	2,252,593,170	439,591,269	928,945,803	135,840,908	132,716,128
October-14	2,260,517,604	440,885,146	930,848,668	137,058,470	134,622,058
November-14	2,268,707,115	442,258,694	932,984,858	138,293,991	134,102,299
December-14	2,272,427,057	442,318,346	931,127,491	139,105,101	135,923,810
13 month Average	\$ 2,233,699,737	\$ 436,498,127	\$ 925,489,497	\$ 132,402,274	\$ 126,809,490

Northern Indiana Public Service Company

FERC APPROVED CWIP

Budgeted for the period ending December 31, 2013 and December 31, 2014

Pre 12/31/2011 to 12/31/2014 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-13	\$ 34,414,869	\$ 30,031,531		\$ 4,383,339	
January-14	40,552,522	32,211,595	\$ 2,180,064	8,340,927	\$ 3,957,589
February-14	42,860,180	34,200,088	1,988,493	8,660,092	319,165
March-14	45,261,484	36,291,803	2,091,715	8,969,681	309,589
April-14	47,580,282	38,213,764	1,921,961	9,366,518	396,837
May-14	49,942,296	40,131,061	1,917,296	9,811,235	444,717
June-14	55,871,668	41,986,867	1,855,806	13,884,801	4,073,565
July-14	58,153,444	43,823,925	1,837,059	14,329,518	444,717
August-14	60,392,869	45,656,937	1,833,012	14,735,932	406,413
September-14	62,666,266	47,485,617	1,828,680	15,180,649	444,717
October-14	65,333,989	49,327,407	1,841,790	16,006,583	825,933
November-14	67,776,790	51,116,642	1,789,236	16,660,148	653,565
December-14	<u>70,103,864</u>	<u>52,799,733</u>	1,683,090	<u>17,304,132</u>	643,984
13 month Average	\$ 53,916,194	\$ 41,790,536		\$ 12,125,658	

Northern Indiana Public Service Company

Adjustments to Rate Base

Average of Beginning and End of Year Balance

	281		282		283		190		255
Gross Accumulated Deferred Income Taxes									
December-13 \$	-	\$	865,223,776	\$	140,494,411	\$	303,538,456	\$	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			888,506,245		145,314,921		298,379,295		2,015,283
<hr/>									
BOY/EOY Average \$	-	\$	876,865,010	\$	142,904,666	\$	300,958,876	\$	3,207,915
FAS109 Regulatory Assets or Liabilities									
December-13 \$	-	\$	(2,320,197)	\$	(3,684,284)	\$	(2,840,170)	\$	-
January-14									
February-14									
March-14									
April-14									
May-14									
June-14									
July-14									
August-14									
September-14									
October-14									
November-14									
December-14			3,956,412		366,724		(1,300,692)		-
<hr/>									
BOY/EOY Average \$	-	\$	818,107	\$	(1,658,780)	\$	(2,070,431)	\$	-
Sum of BOY/EOY Averages \$	-	\$	877,683,117	\$	141,245,886	\$	298,888,445	\$	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	\$ 1,310,817			-	
January-14					
February-14					
March-14					
April-14					
May-14					
June-14					
July-14					
August-14					
September-14					
October-14					
November-14					
December-14	1,310,817	-	-	-	
BOY/EOY Average	\$ 1,310,817	\$ 976,428	\$ 148,788	\$ -	\$ 148,788

(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-13	\$ 25,826,508
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>25,826,508</u>
BOY/EOY Average	\$ 25,826,508

Northern Indiana Public Service Company

Transmission Expenses

Budgeted for the period ending December 31, 2014

Account Number		December-14
<i>OPERATION</i>		
560	Supervision and Engineering	\$ 1,353,037
561	Load Dispatching	28
561.1	Load Dispatching - Reliability	1,815,776
561.2	Load Dispatching - Monitor & Operate Transmission System	3,072,213
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	675,578
561.5	Reliability, Planning and Standards Development	1,420,870
561.6	Transmission Service Studies	35,848
561.7	General Interconnection Studies	4,576
561.8	Reliability, Planning and Standards Development Services	12,487,748
562.0	Station Expense	1,063,011
563.0	Overhead Line Expense	492,778
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	1,088,757
567.0	Rents	493
	Total Operation	<u>\$ 23,510,713</u>
<i>MAINTENANCE</i>		
568	Supervision and Engineering	\$ 1,194,691
569.0	Structures	96,568
569.1	Computer Hardware	267,016
569.2	Computer Software	793,844
569.3	Communication Equipment	-
570.0	Station Equipment	4,565,442
571.0	Overhead Lines	3,532,018
573.0	Miscellaneous Transmission Plant	127,730
	Total Maintenance	<u>\$ 10,577,309</u>
	Total Operations and Maintenance	<u>\$ 34,088,022</u>

Northern Indiana Public Service Company

Administrative and General Expenses

Budgeted for the period ending December 31, 2014

Account Number		December-14
<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>		
920.0	Administrative and General Salaries	\$ 26,339,203
921.0	Office Supplies and Expenses	19,799,845
Less 922.0	Administrative Expenses Transferred- Credit	(2,948,000)
923.0	Outside Services Employed	75,277,659
924.0	Property Insurance	8,398,724
925.0	Injuries and Damages	8,322,356
926.0	Employees Pensions and Benefits	40,449,732
928.0	Regulatory Commission Expenses	1,065,773
929.0	(Less) Duplicate Charges - Cr	(138,203)
930.1	General Advertising Expense	17,467
930.2	Miscellaneous General Expenses	2,198,466
931.0	Rents	899,848
935.0	Maintenances of General Plant	68,617
	<u>Total Administrative and General</u>	<u>\$ 179,751,487</u>

Ref		December-14
	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	
a	Electric Power Research Institute	\$ 441,163
928.0, b	Regulatory Commission Expenses	1,065,773
c	Non-safety Advertisement	17,467
		<u>\$ 1,524,403</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, 2014

<i>DEPRECIATION EXPENSE</i>	December-14
Transmission	\$ 22,800,130
General	\$ 30,242,309
Common	\$ 22,984,981

Northern Indiana Public Service Company

Taxes Other than Income Allocated to Electric

Budgeted for the period ending December 31, 2014

	December-14
Payroll	\$ 10,935,530
Property	32,912,209
Gross Receipts	21,811,375
Other	1,960,643

Northern Indiana Public Service Company

Wages and Salary / Common Plant Allocator

Budgeted for the period ending December 31, 2014

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-14
Production	\$ 41,929,334
Transmission	12,296,398
Distribution	21,169,322
Other	11,572,047

COMMON PLANT ALLOCATOR

	December-14
Electric	\$5,702,126,951
Gas	
Water	-
	<hr/>
	\$5,702,126,951

Northern Indiana Public Service Company
 Capital Structure
 Budgeted for the period ending December 31, 2014

<u>Long-Term Debt</u>		
	December-13	\$ 1,286,360,972
	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>1,423,500,000</u>
	Average of Beginning and End of Year Balance	\$ 1,354,930,486
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 80,294,581
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-13	\$ 1,781,596,575
	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>1,965,493,029</u>
	Average of Beginning and End of Year Balance	\$ 1,873,544,802
Preferred Stock		
	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	<u>-</u>
	Average of Beginning and End of Year Balance	\$ -
Unappropriated Undistributed Subsidiary Earnings		
	December-13	\$ 32,027,304
	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>34,654,909</u>
	Average of Beginning and End of Year Balance	\$ 33,341,106

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	2,413	265
February	2,320	232
March	2,316	236
April	2,133	234
May	2,490	349
June	2,938	392
July	3,070	433
August	3,063	412
September	2,778	332
October	2,229	235
November	2,227	267
December	2,305	280
Total	<u>30,283</u>	<u>3,666</u>
Average (Mw)	2,523.61	305.54
Average (kWh)	<u>2,523,613</u>	<u>305,540</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)

Transmission Charges for Transmission Transactions	December-14
Midwest ISO (Schedule 7&8)	\$ 1,800,000
Midwest ISO (Schedule 9)	2,392,289
Midwest ISO (Schedule 26)	4,215,179
Midwest ISO (Schedule 26-a)	8,848,841
Indiana Municipal Power Agency	369,397
Wabash Valley Power Authority	9,047,000
Total	\$ 26,672,706

Other Account 456.1 Charges	
Midwest ISO (Schedule 1)	\$ 39,054
Midwest ISO (Schedule 2)	76,296
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	\$ 26,788,056

Less: Schedule 1	\$ -
Less: Schedule 2	-
Less: Schedule 9	1,800,000
Less: Schedule 24	-
Less: Schedule 26	4,215,179
Less: Schedule 26-a	8,848,841
Indiana Municipal Power Agency	369,397
Wabash Valley Power Authority	9,047,000

Total Revenue Credit \$ 2,507,639