

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/15

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 122,335,011
	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)	1,716,000	TP 1.00000	1,716,000
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)				\$ 1,716,000
6a	Historic Year Actual ATRR				\$ 122,285,085
6b	Projected ATRR from Prior Year	Input from Prior Year			117,440,843
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			\$ 4,844,242
6d	Prior Year Divisor True-Up	(Note BB)			(3,859,141)
6e	Interest on Prior Year True-Up				15,013
7	NET REVENUE REQUIREMENT	(line 1 - line 6 + line 6c through 6e)			\$ 121,619,125
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,629,500
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)	314,083
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)				2,943,583
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	41.317		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.443		
			Peak Rate	Off-Peak Rate	
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.795		\$0.795
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 1,000; line 16 / 8,760 times 1,000)	9.932 Capped at weekly and daily rate		\$4.717
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) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Company Total		(4) Allocator		(5) Transmission (Col 3 times Col 4)
1	GROSS PLANT IN SERVICE (Note Z, Note GG)						
2	Production	205.46.g	3,990,257,551	NA			
3	Transmission	207.58.g	895,935,559	TP	1.00000	895,935,559	
4	Distribution	207.75.g	1,692,552,497	NA			
5	General & Intangible	205.5.g & 207.99.g	209,066,942	W/S	0.13235	27,670,722	
6	Common	356.1 (Note O)	260,566,823	CE	0.13235	34,486,907	
6	TOTAL GROSS PLANT (sum lines 1-5)		7,048,379,372	GP=	13.593%	958,093,188	
	ACCUMULATED DEPRECIATION (Note Z, Note GG)						
7	Production	219.20-24.c	2,325,637,753	NA			
8	Transmission	219.25.c	454,259,180	TP	1.00000	454,259,180	
9	Distribution	219.26.c	933,430,632	NA			
10	General & Intangible	219.28.c & 200.21.c	140,208,124	W/S	0.13235	18,557,023	
11	Common	356.1 (Note O)	171,139,058	CE	0.13235	22,650,838	
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		4,024,674,747			495,467,041	
	NET PLANT IN SERVICE						
13	Production	(line 1 - line 7)	1,664,619,798				
14	Transmission	(line 2 - line 8)	441,676,379			441,676,379	
15	Distribution	(line 3 - line 9)	759,121,865				
16	General & Intangible	(line 4 - line 10)	68,858,818			9,113,699	
17	Common	(line 5 - line 11)	89,427,765			11,836,069	
18	TOTAL NET PLANT (sum lines 13-17)		3,023,704,625	NP=	15.300%	462,626,148	
18a	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	114,185,154	NA	1.00000	114,185,154	
	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	-871,226,519	NP	0.15300	-133,297,467	
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-148,797,190	NP	0.15300	-22,765,938	
22	Account No. 190 (Note F, Note AA)	234.8.c	274,339,610	NP	0.15300	41,973,900	
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-1,345,287	NP	0.15300	-205,829	
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		0	NA	1.00000	0	
24	TOTAL ADJUSTMENTS (sum lines 19- 23a)		-747,029,386			-114,295,333	
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	26,282,097			4,942,391	
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	28,134,797	TE	0.89944	25,305,479	
28	Prepayments (Account 165, Note AA)	111.57.c	30,820,638	GP	0.13593	4,189,480	
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		85,237,532			34,437,350	
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		2,479,597,418			500,452,812	

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For the 12 months ended 12/31/15

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	
	O&M (Note EE)				
1	Transmission	321.112.b	34,527,538	TE 0.89944	31,055,347
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		17,028,338	1.00000	17,028,338
2	Less Account 565	321.96.b	0	TE 0.89944	0
3	A&G	323.197.b	194,617,811	W/S 0.13235	25,758,331
4	Less FERC Annual Fees		1,094,703	W/S 0.13235	144,888
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		765,535	W/S 0.13235	101,321
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.89944	0
6	Common	356.1 (Note O)	0	CE 0.13235	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>210,256,773</u>		<u>39,539,131</u>
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	23,813,064	TP 1.00000	23,813,064
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	28,107,684	W/S 0.13235	3,720,148
11	Common	336.11.f (Note O)	27,546,429	CE 0.13235	3,645,864
12	TOTAL DEPRECIATION	(sum lines 9 - 11)	<u>79,467,177</u>		<u>31,179,076</u>
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	12,271,105	W/S 0.13235	1,624,123
14	Highway and vehicle	263.i	0	W/S 0.13235	0
15	PLANT RELATED				
16	Property	263.i	30,611,568	GP 0.13593	4,161,061
17	Gross Receipts	263.i	23,401,121	NA zero	0
18	Other	263.i	1,742,476	GP 0.13593	236,856
19	Payments in lieu of taxes		0	GP 0.13593	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		<u>68,026,270</u>		<u>6,022,040</u>
	INCOME TAXES (Note K)				
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		0.393875		
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.		48.76%		
23	$1 / (1 - T) =$ (from line 21)		1.649825		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		115,198,005	NA	23,250,212
26	ITC adjustment (line 23 * line 24)		0	NP 0.15300	0
27	Total Income Taxes (line 25 plus line 26)		<u>115,198,005</u>		<u>23,250,212</u>
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		236,251,882	NA	47,682,304
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		709,200,107		147,672,762
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]		4,082,408		4,082,408
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]		<u>21,255,344</u>		<u>21,255,344</u>
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		<u>683,862,355</u>		<u>122,335,011</u>

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Northern Indiana Public Service Company

SUPPORTING CALCULATIONS AND NOTES

Line No.						
TRANSMISSION PLANT INCLUDED IN ISO RATES						
1	Total transmission plant (page 2, line 2, column 3)					895,935,559
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>895,935,559</u>
5	Percentage of transmission plant included in ISO Rates (line 4 divided by line 1)				TP=	<u>1.00000</u>
TRANSMISSION EXPENSES						
6	Total transmission expenses (page 3, line 1, column 3)					34,527,538
7	Less transmission expenses included in OATT Ancillary Services (Note L)					<u>3,472,191</u>
8	<u>Included transmission expenses (line 6 less line 7)</u>					<u>31,055,347</u>
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)					0.89944
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=	<u>0.89944</u>
WAGES & SALARY ALLOCATOR (W&S)						
		Form 1 Reference	\$	TP	Allocation	
12	Production	354.20.b	47,330,284	0.00	0	
13	Transmission	354.21.b	12,260,154	1.00	12,260,154	
14	Distribution	354.23.b	20,961,851	0.00	0	W&S Allocator
15	Other	354.24, 25, 26.b	12,079,659	0.00	0	(\$ / Allocation)
16	<u>Total (sum lines 12-15)</u>		<u>92,631,948</u>		<u>12,260,154</u>	= <u>0.13235</u> = WS
COMMON PLANT ALLOCATOR (CE) (Note O)						
			\$	% Electric	W&S Allocator	
17	Electric	200.3.c	5,812,566,583	(line 17 / line 20)	(line 16)	CE
18	Gas		0	1.00000 *	0.13235 =	<u>0.13235</u>
19	Water		0			
20	<u>Total (sum lines 17 - 19)</u>		<u>5,812,566,583</u>			
RETURN (R)						
21		Long Term Interest (117, sum of 62.c through 67.c)				<u>\$84,666,399</u>
22		Preferred Dividends (118.29c) (positive number)			\$	-
Development of Common Stock:						
23		Proprietary Capital (112.16.c) (Note AA)				2,090,975,252
24		Less Preferred Stock (line 28) (Note AA)				0
25		Less Account 216.1 (112.12.c) (enter negative) (Note AA)				<u>-35,268,754</u>
26		Common Stock (sum lines 23-25)				<u>2,055,706,498</u>
			\$	%	Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)		1,504,000,000	42%	0.0563	0.0238 =WCLTD
28	Preferred Stock (112.3.c) (Note AA)		0	0%	0.0000	0.0000
29	Common Stock (line 26) (Note AA)		2,055,706,498	58%	0.1238	0.0715
30	<u>Total (sum lines 27-29)</u>		<u>3,559,706,498</u>			<u>0.0953 =R</u>
REVENUE CREDITS						
ACCOUNT 447 (SALES FOR RESALE)						
31	a. Bundled Non-RQ Sales for Resale (311.x.h)	(310-311)	(Note Q)		Load	0
32	b. Bundled Sales for Resale included in Divisor on page 1					0
33	<u>Total of (a)-(b)</u>					0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)					\$0
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U)						
35	a. Transmission charges for all transmission transactions	(330.x.n)				\$44,890,732
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1					\$17,836,981
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)					\$4,082,408
36b	<u>d. Transmission charges from Schedules associated with Attachment MM (Note DD)</u>					<u>\$21,255,344</u>
37	<u>Total of (a)-(b)-(c)-(d)</u>					<u>\$1,716,000</u>

Northern Indiana Public Service Company

General Note: References to pages in this formula 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 = | 6.75% (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	2,930,833
Projected Year Divisor	Pg 1, Line 15	2,837,590
Difference between Historic & Project Yr Divisor		93,243
Prior Year Projected Annual Cost (\$ per kw per yr.)	Pg 1, Line 16	41,38800
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		(3,859,141)
 - 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, 2014 and December 2015

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-14	3,964,152,985	885,127,964	1,653,174,326	206,720,051	245,029,826
January-15	3,966,836,730	886,239,066	1,657,222,698	206,945,512	245,249,301
February-15	3,968,692,195	887,007,251	1,660,021,626	207,101,390	245,349,859
March-15	3,973,717,086	889,087,614	1,667,601,565	207,523,531	246,771,910
April-15	3,978,951,788	891,254,841	1,675,497,999	207,963,298	267,125,427
May-15	3,988,044,131	895,019,177	1,689,213,601	208,727,146	267,264,395
June-15	3,994,029,381	897,497,141	1,698,242,220	209,229,967	267,814,996
July-15	3,998,132,142	899,195,732	1,704,431,147	209,574,641	267,932,957
August-15	4,000,349,377	900,113,693	1,707,775,797	209,760,911	268,038,847
September-15	4,003,745,547	901,519,747	1,712,898,846	210,546,223	268,387,349
October-15	4,007,033,220	902,880,881	1,717,858,229	210,822,420	268,493,552
November-15	4,009,934,207	904,081,924	1,722,234,305	211,066,132	263,577,665
December-15	4,019,729,370	908,137,236	1,737,010,096	211,889,024	266,332,617
13 month Average \$	\$ 3,990,257,551	\$ 895,935,559	\$ 1,692,552,497	\$ 209,066,942	\$ 260,566,823

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-14	\$2,274,703,157	\$447,291,439	\$928,749,736	\$133,769,367	\$158,736,481
January-15	\$2,283,894,671	\$448,736,254	\$930,606,025	\$134,897,569	\$160,742,905
February-15	\$2,293,465,541	\$450,338,552	\$933,030,524	\$136,058,555	\$162,866,184
March-15	\$2,301,620,636	\$451,357,848	\$933,320,330	\$137,100,967	\$164,952,760
April-15	\$2,309,696,497	\$452,346,480	\$933,484,819	\$138,138,308	\$167,174,526
May-15	\$2,316,057,955	\$452,630,329	\$931,060,798	\$139,033,016	\$169,471,975
June-15	\$2,323,839,589	\$453,503,363	\$930,765,094	\$140,050,152	\$171,823,699
July-15	\$2,332,483,072	\$454,734,134	\$931,760,426	\$141,141,733	\$174,158,897
August-15	\$2,341,984,201	\$456,320,161	\$934,042,701	\$142,299,892	\$176,510,686
September-15	\$2,350,963,215	\$457,691,797	\$935,535,916	\$143,423,144	\$178,643,013
October-15	\$2,360,000,920	\$459,088,987	\$937,113,496	\$144,550,881	\$181,008,131
November-15	\$2,369,221,741	\$460,562,990	\$938,962,988	\$145,684,519	\$178,222,016
December-15	\$2,375,359,598	\$460,767,004	\$936,165,363	\$146,557,509	\$180,496,487
13 month Average \$	\$ 2,325,637,753	\$ 454,259,180	\$ 933,430,632	\$ 140,208,124	\$ 171,139,058

Northern Indiana Public Service Company

FERC APPROVED CWIP

Budgeted for the period ending December 31, 2014 and December 31, 2015

Pre 12/31/2011 to 12/31/2015 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-14	70,217,888	56,506,949		13,710,939	
January-15	77,771,351	58,947,200	2,440,251	18,824,150	5,113,211
February-15	82,862,112	62,638,382	3,691,182	20,223,730	1,399,580
March-15	89,651,146	67,917,675	5,279,293	21,733,471	1,509,741
April-15	98,563,400	73,330,891	5,413,216	25,232,509	3,499,037
May-15	109,754,565	78,629,096	5,298,204	31,125,470	5,892,961
June-15	117,276,654	83,926,514	5,297,419	33,350,140	2,224,670
July-15	123,682,579	88,075,059	4,148,545	35,607,520	2,257,380
August-15	130,078,928	92,225,175	4,150,116	37,853,753	2,246,233
September-15	137,237,299	96,374,505	4,149,330	40,862,794	3,009,040
October-15	143,283,533	100,523,050	4,148,545	42,760,483	1,897,689
November-15	149,080,786	104,673,166	4,150,116	44,407,620	1,647,136
December-15	<u>154,946,759</u>	<u>108,818,569</u>	4,145,403	<u>46,128,191</u>	1,720,571
13 month Average	114,185,154	82,506,633		31,678,521	

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-14 \$	-	\$ 875,448,869	\$ 142,057,294	\$ 280,033,163	\$ 2,015,283
January-15					
February-15					
March-15					
April-15					
May-15					
June-15					
July-15					
August-15					
September-15					
October-15					
November-15					
December-15		856,592,152	149,115,940	270,308,106	675,290
BOY/EOY Average \$	-	\$ 866,020,511	\$ 145,586,617	\$ 275,170,634	\$ 1,345,287
	281	282	283	190	255
FAS109 Regulatory Assets or Liabilities					
December-14 \$	-	\$ 3,696,459	\$ 2,278,081	\$(1,244,901)	\$ -
January-15					
February-15					
March-15					
April-15					
May-15					
June-15					
July-15					
August-15					
September-15					
October-15					
November-15					
December-15		6,715,558	4,143,065	(417,147)	-
BOY/EOY Average \$	-	\$ 5,206,008	\$ 3,210,573	\$(831,024)	\$ -
Sum of BOY/EOY Averages \$	-	\$ 871,226,519	\$ 148,797,190	\$ 274,339,610	\$ 1,345,287

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-14	\$ 3,499,493
January-15	
February-15	
March-15	
April-15	
May-15	
June-15	
July-15	
August-15	
September-15	
October-15	
November-15	
December-15	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-14	\$ 2,048,553			27,884,713	
January-15					
February-15					
March-15					
April-15					
May-15					
June-15					
July-15					
August-15					
September-15					
October-15					
November-15					
December-15	2,048,553	-	-	27,884,713	
BOY/EOY Average	\$ 2,048,553	\$ 1,634,540	\$ 250,084	\$ 27,884,713	\$ 28,134,797

(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-14	\$ 30,820,638
January-15	
February-15	
March-15	
April-15	
May-15	
June-15	
July-15	
August-15	
September-15	
October-15	
November-15	
December-15	<u>30,820,638</u>
BOY/EOY Average	\$ 30,820,638

Northern Indiana Public Service Company

Transmission Expenses

Budgeted for the period ending December 31, 2015

Account Number		December-15
<i>OPERATION</i>		
560.0	Supervision and Engineering	\$ 1,291,295
561.0	Load Dispatching	91,740
561.1	Load Dispatching - Reliability	1,177,789
561.2	Load Dispatching -Monitor & Operate Transmission System	2,294,402
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	407,447
561.5	Reliability, Planning and Standards Development	1,495,627
561.6	Transmission Service Studies	-
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	16,620,891
562.0	Station Expense	1,122,885
563.0	Overhead Line Expense	211,857
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	946,606
567.0	Rents	-
	Total Operation	<u>\$ 25,660,539</u>
<i>MAINTENANCE</i>		
568.0	Supervision and Engineering	\$ 1,137,933
569.0	Structures	738
569.1	Computer Hardware	394,314
569.2	Computer Software	928,461
569.3	Communication Equipment	-
570.0	Station Equipment	3,690,866
571.0	Overhead Lines	2,601,875
573.0	Miscellaneous Transmission Plant	112,812
	Total Maintenance	<u>\$ 8,866,999</u>
	Total Operations and Maintenance	\$ 34,527,538

Northern Indiana Public Service Company

Administrative and General Expenses

Budgeted for the period ending December 31, 2015

Account Number		December-15
	<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>	
920.0	Administrative and General Salaries	\$ 68,140,070
921.0	Office Supplies and Expenses	24,283,295
Less 922.0	Administrative Expenses Transferred- Credit	(3,624,191)
923.0	Outside Services Employed	48,260,505
924.0	Property Insurance	7,028,112
925.0	Injuries and Damages	9,188,682
926.0	Employees Pensions and Benefits	33,825,162
928.0	Regulatory Commission Expenses	1,094,703
929.0	(Less) Duplicate Charges - Cr	-
930.1	General Advertising Expense	45,961
930.2	Miscellaneous General Expenses	2,725,502
931.0	Rents	2,782,800
935.0	Maintenances of General Plant	867,210
	Total Administrative and General	<u>\$ 194,617,811</u>

Ref		December-15
	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	
a	Electric Power Research Institute	\$ 719,574
928.0, b	Regulatory Commission Expenses	1,094,703
c	Non-safety Advertisement	45,961
		<u>\$ 1,860,238</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, 2015

	December-15
<i>DEPRECIATION EXPENSE</i>	
Transmission	\$ 23,813,064
General	\$ 28,107,684
Common	\$ 27,546,429

Northern Indiana Public Service Company

Taxes Other than Income Allocated to Electric

Budgeted for the period ending December 31, 2015

	December-15
Payroll	\$ 12,271,105
Property	30,611,568
Gross Receipts	23,401,121
Other	1,742,476

Northern Indiana Public Service Company
Wages and Salary / Common Plant Allocator
Budgeted for the period ending December 31, 2015

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-15
Production	\$ 47,330,284
Transmission	\$ 12,260,154
Distribution	\$ 20,961,851
Other	\$ 12,079,659

COMMON PLANT ALLOCATOR

	December-15
Electric	\$5,812,566,583
Gas	
Water	-
	<hr/>
	\$5,812,566,583

Northern Indiana Public Service Company
 Capital Structure
 Budgeted for the period ending December 31, 2015

<u>Long-Term Debt</u>		
	December-14	\$ 1,433,500,000
	January-15	
	February-15	
	March-15	
	April-15	
	May-15	
	June-15	
	July-15	
	August-15	
	September-15	
	October-15	
	November-15	
	December-15	<u>1,574,500,000</u>
	Average of Beginning and End of Year Balance	\$ <u>1,504,000,000</u>
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 84,666,399
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-14	\$ 1,990,626,686
	January-15	
	February-15	
	March-15	
	April-15	
	May-15	
	June-15	
	July-15	
	August-15	
	September-15	
	October-15	
	November-15	
	December-15	<u>2,191,323,817</u>
	Average of Beginning and End of Year Balance	\$ <u>2,090,975,252</u>
<u>Preferred Stock</u>		
	December-14	\$ -
	January-15	
	February-15	
	March-15	
	April-15	
	May-15	
	June-15	
	July-15	
	August-15	
	September-15	
	October-15	
	November-15	
	December-15	<u>-</u>
	Average of Beginning and End of Year Balance	\$ <u>-</u>
<u>Unappropriated Undistributed Subsidiary Earnings</u>		
	December-14	\$ 34,106,361
	January-15	
	February-15	
	March-15	
	April-15	
	May-15	
	June-15	
	July-15	
	August-15	
	September-15	
	October-15	
	November-15	
	December-15	<u>36,431,147</u>
	Average of Beginning and End of Year Balance	\$ <u>35,268,754</u>

Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

DIVISOR

Monthly Peaks and Output in (Mw)

Year ended December 31, 2015

	NIPSCO Internal	Wholesale
January	2,536	305
February	2,447	273
March	2,450	272
April	2,255	226
May	2,627	302
June	3,037	364
July	3,145	418
August	3,108	412
September	2,909	359
October	2,319	271
November	2,335	271
December	2,386	296
Total	<u>31,554</u>	<u>3,769</u>
Average (Mw)	2,629.50	314.08
Average (kWh)	<u><u>2,629,500</u></u>	<u><u>314,083</u></u>

Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)

Year ended December 31, 2015

Transmission of Electricity for Others (Account 456.1)

Transmission Charges for Transmission Transactions	December-15
Midwest ISO (Schedule 7&8)	\$ 1,716,000
Midwest ISO (Schedule 9)	15,313,578
Midwest ISO (Schedule 26)	4,082,408
Midwest ISO (Schedule 26-a)	21,255,344
Indiana Municipal Power Agency	369,856
Wabash Valley Power Authority	1,415,168
Total	<u>\$ 44,152,353</u>

Other Account 456.1 Charges

Midwest ISO (Schedule 1)	\$ 249,991
Midwest ISO (Schedule 2)	488,388
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	<u>\$ 44,890,732</u>

Less: Schedule 1	\$ 249,991
Less: Schedule 2	488,388
Less: Schedule 9	15,313,578
Less: Schedule 24	-
Less: Schedule 26	4,082,408
Less: Schedule 26-a	21,255,344
Indiana Municipal Power Agency	369,856
Wabash Valley Power Authority	1,415,168

Total Revenue Credit \$ 1,716,000