

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2016

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 126,434,967
	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)	2,051,205	TP 1.00000	2,051,205
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)				2,051,205
6a	Historic Year Actual ATRR				114,228,739
6b	Projected ATRR from Prior Year	Input from Prior Year			112,018,757
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			2,209,982
6d	Prior Year Divisor True-Up	(Note BB)			(5,816,610)
6e	Interest on Prior Year True-Up				(234,402)
7	NET REVENUE REQUIREMENT (line 1 - line 6 + line 6c through 6e)				\$ 120,542,733
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,596,750
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)	316,083
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)				2,912,833
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	41.383		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.449		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.796		\$0.796
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	0.159	Capped at weekly rate	\$0.113
20	Point-To-Point Rate (\$/MWh)	line 16 / 8,760 times 1,000)	9.948	Capped at weekly and daily rates	\$4.724
21	FERC Annual Charge (\$/MWh)	(Note E)	\$0.0000	Short Term	\$0.0000 Short Term
22			\$0.0000	Long Term	\$0.0000 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)
	GROSS PLANT IN SERVICE (Note Z, Note GG)				
1	Production	205.46.g	4,279,612,750	NA	
2	Transmission	207.58.g	950,339,350	TP 1.00000	950,339,350
3	Distribution	207.75.g	1,772,701,477	NA	
4	General & Intangible	205.5.g & 207.99.g	183,966,325	W/S 0.12885	23,703,209
5	Common	356.1 (Note O)	290,525,958	CE 0.12885	37,432,924
6	TOTAL GROSS PLANT (sum lines 1-5)		7,477,145,860	GP= 13.528%	1,011,475,482
	ACCUMULATED DEPRECIATION (Note Z, Note GG)				
7	Production	219.20-24.c	2,398,089,769	NA	
8	Transmission	219.25.c	470,754,403	TP 1.00000	470,754,403
9	Distribution	219.26.c	959,737,376	NA	
10	General & Intangible	219.28.c & 200.21.c	120,146,630	W/S 0.12885	15,480,337
11	Common	356.1 (Note O)	191,529,776	CE 0.12885	24,677,724
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		4,140,257,954		510,912,464
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	1,881,522,981		
14	Transmission	(line 2 - line 8)	479,584,947		479,584,947
15	Distribution	(line 3 - line 9)	812,964,101		
16	General & Intangible	(line 4 - line 10)	63,819,695		8,222,872
17	Common	(line 5 - line 11)	98,996,182		12,755,199
18	TOTAL NET PLANT (sum lines 13-17)		3,336,887,906	NP= 15.001%	500,563,018
18a	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	222,381,806	NA 1.00000	222,381,806
	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	-1,010,214,083	NP 0.15001	-151,541,144
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-139,929,930	NP 0.15001	-20,990,741
22	Account No. 190 (Note F, Note AA)	234.8.c	320,485,654	NP 0.15001	48,075,713
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-515,801	NP 0.15001	-77,375
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		0	NA 1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23a)		-830,174,160		-124,533,546
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,380,615	TP 1.00000	3,380,615
	WORKING CAPITAL (Note H)				
26	CWC	1/8 page 3, line 8, column 3 & 5	30,002,237		5,713,416
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	34,793,478	TE 0.92077	32,036,711
28	Prepayments (Account 165, Note AA)	111.57.c	24,472,537	GP 0.13528	3,310,537
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		89,268,253		41,060,664
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		2,821,744,420		642,852,558

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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	43,951,053	TE 0.92077	40,468,710
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		22,985,231	1.00000	22,985,231
2	Less Account 565	321.96.b	0	TE 0.92077	0
3	A&G	323.197.b	220,922,935	W/S 0.12885	28,464,897
4	Less FERC Annual Fees		1,146,487	W/S 0.12885	147,720
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		724,371	W/S 0.12885	93,332
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.92077	0
6	Common	356.1 (Note O)	0	CE 0.12885	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)		240,017,899		45,707,324
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	21,939,717	TP 1.00000	21,939,717
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	19,845,521	W/S 0.12885	2,557,003
11	Common	336.11.f (Note O)	29,405,325	CE 0.12885	3,788,740
12	TOTAL DEPRECIATION (sum lines 9 - 11)		71,190,563		28,285,460
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	9,807,956	W/S 0.12885	1,263,710
14	Highway and vehicle	263.i	0	W/S 0.12885	0
15	PLANT RELATED				
16	Property	263.i	26,148,455	GP 0.13528	3,537,248
17	Gross Receipts	263.i	24,394,307	NA zero	0
18	Other	263.i	0	GP 0.13528	0
19	Payments in lieu of taxes		0	GP 0.13528	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		60,350,718		4,800,958
	INCOME TAXES (Note K)				
21	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} =$		39.14%		
22	$\text{CIT} = (T/1 - T) * (1 - (\text{WCLTD}/\text{R})) =$ where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.		48.80%		
23	$1 / (1 - T) =$ (from line 21)		1.6432166		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		129,840,824	NA	29,580,463
26	ITC adjustment (line 23 * line 24)		0	NP 0.15001	0
27	Total Income Taxes (line 25 plus line 26)		129,840,824		29,580,463
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		266,058,545	NA	60,613,717
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		767,458,549		168,987,922
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]		3,919,772		3,919,772
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]		38,195,683		38,195,683
30b	LESS EL17-10 ADJUSTMENT (effective October 1, 2016) (Note HH)		437,500		437,500
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a - line 30b)		724,905,594		126,434,967

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SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total transmission plant (page 2, line 2, column 3)				950,339,350	
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)				950,339,350	
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)				43,951,053	
7	Less transmission expenses included in OATT Ancillary Services (Note L)				3,482,343	
8	Included transmission expenses (line 6 less line 7)				40,468,710	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)				0.92077	
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=	0.92077	
WAGES & SALARY ALLOCATOR (W&S)						
		Form 1 Reference	\$	TP	Allocation	
12	Production	354.20.b	45,008,642	0.00	0	
13	Transmission	354.21.b	10,259,218	1.00	10,259,218	
14	Distribution	354.23.b	16,348,888	0.00	0	W&S Allocator
15	Other	354.24, 25, 26.b	8,007,520	0.00	0	(\$ / Allocation)
16	Total (sum lines 12-15)		79,624,268		10,259,218	= 0.12885 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)						
			\$	% Electric	W&S Allocator	CE
17	Electric	200.3.c	6,175,684,780	(line 17 / line 20)	(line 16)	
18	Gas		0	1.00000 *	0.12885	= 0.12885
19	Water		0			
20	Total (sum lines 17 - 19)		6,175,684,780			
RETURN (R)						
21		Long Term Interest (117, sum of 62.c through 67.c)			\$87,009,720	
22		Preferred Dividends (118.29c) (positive number)			\$ -	
Development of Common Stock:						
23		Proprietary Capital (112.16.c) (Note AA)			2,246,614,424	
24		Less Preferred Stock (line 28) (Note AA)			0	
25		Less Account 216.1 (112.12.c) (enter negative) (Note AA)			-36,637,422	
26		Common Stock (sum lines 23-25)			2,209,977,002	
			\$	%	Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)		1,614,500,000	42%	0.0539	0.0228 =WCLTD
28	Preferred Stock (112.3.c) (Note AA)		0	0%	0.0000	0.0000
29	Common Stock (line 26) (Note AA)		2,209,977,002	58%	0.1238	0.0715
30	Total (sum lines 27-29)		3,824,477,002			0.0943 =R
REVENUE CREDITS						
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)						
31	a. Bundled Non-RQ Sales for Resale (311.x.h)				Load	0
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
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U) (330.x.n)						
35	a. Transmission charges for all transmission transactions					\$55,835,141
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1					\$14,788,277
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)					\$3,885,465
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)					\$35,110,194
37	Total of (a)-(b)-(c)-(d)					\$2,051,205

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. The calculations of ADIT in the annual true-up calculation will use the beginning-of-year and end-of-year balances. The calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-1(h)(6). Work papers supporting the ADIT calculations will be posted with each Annual True-Up and or Projected Net Revenue Requirement and included in the annual Informational Filing submitted to the Commission. The Annual True-Up or Projected Net Revenue Requirement ADIT worksheets set forth the calculation pursuant to IRS regulation Section 1.167(l)-1(h)(6).
 - G Identified in Form 1 as being 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= | 6.375% | (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). The allowed base ROE shall be established by FERC and no change in ROE may be made absent a filing with FERC. A 50 basis point adder for RTO participation may be added to the ROE up to the upper end of the zone of reasonableness established by 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	2,975,917
Projected Year Divisor	Pg 1, Line 15	2,829,153
Difference between Historic & Project Yr Divisor		146,764
Prior Year Projected Annual Cost (\$ per kw per yr.)	Pg 1, Line 16	39,63240
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		(5,816,610)
 - 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.
 - HH NIPSCO agrees to provide an annual Attachment O adjustment pursuant to Docket No. EL17-10 until NIPSCO files for new Attachment O depreciation rates. For the first year of this adjustment, NIPSCO will prorate the adjustment based on the effective date for the EL17-10 depreciation rates. To the extent NIPSCO files for new Attachment O depreciation rates with an effective date other than January 1 of a particular year, NIPSCO will likewise prorate the adjustment to cover only the portion of the year covered by the EL17-10 depreciation rates.

Northern Indiana Public Service Company

Plant in Service

Actuals for the period ending December 2015 through December 2016

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-15	\$ 4,261,408,151	\$ 937,454,794	\$ 1,736,476,312	\$ 202,405,684	\$ 302,193,309
January-16	4,263,675,180	938,002,599	1,744,073,012	202,907,483	304,448,835
February-16	4,269,638,811	938,384,222	1,746,288,769	205,240,218	308,069,182
March-16	4,269,922,323	939,658,548	1,750,554,441	205,955,847	309,460,796
April-16	4,270,324,593	943,602,154	1,757,079,901	206,104,494	298,549,111
May-16	4,271,690,857	944,509,879	1,761,941,386	206,204,600	298,622,266
June-16	4,277,473,821	950,341,271	1,767,692,331	206,207,255	298,681,220
July-16	4,286,101,148	950,891,354	1,766,747,406	206,670,479	300,200,682
August-16	4,284,619,556	956,959,782	1,779,271,189	208,840,199	300,792,697
September-16	4,286,228,077	958,917,385	1,787,242,479	138,167,773	264,193,557
October-16	4,289,221,824	962,567,127	1,793,047,909	138,166,252	265,003,860
November-16	4,299,427,817	963,773,117	1,806,579,021	138,009,760	265,014,975
December-16	4,305,233,590	969,349,313	1,848,125,043	126,682,186	261,606,964
13 month Average	\$ 4,279,612,750	\$ 950,339,350	\$ 1,772,701,477	\$ 183,966,325	\$ 290,525,958

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General & Intangible	
December-15	\$ 2,355,204,943	\$ 463,954,888	\$ 954,337,459	\$ 110,374,528	\$ 192,129,910
January-16	2,364,659,676	465,620,917	957,741,252	110,456,771	194,786,864
February-16	2,376,055,882	467,570,873	960,940,045	110,054,301	197,563,459
March-16	2,387,462,750	469,141,795	961,707,557	109,238,542	200,372,850
April-16	2,398,818,644	471,101,649	964,657,281	110,065,912	195,824,341
May-16	2,409,941,374	473,125,711	968,123,172	108,833,586	198,639,189
June-16	2,419,107,428	474,862,870	970,542,199	110,065,876	201,493,293
July-16	2,428,767,960	476,556,777	967,605,810	113,399,481	204,727,674
August-16	2,438,877,835	478,114,685	970,093,285	114,796,950	207,617,616
September-16	2,386,185,679	467,622,509	948,168,018	144,618,634	173,559,173
October-16	2,396,024,906	470,163,220	949,724,971	144,676,920	174,835,419
November-16	2,404,034,326	470,898,738	951,412,082	144,676,871	175,600,389
December-16	2,410,025,596	471,072,601	951,532,759	130,647,813	172,736,913
13 month Average	\$ 2,398,089,769	\$ 470,754,403	\$ 959,737,376	\$ 120,146,630	\$ 191,529,776

Northern Indiana Public Service Company

FERC APPROVED CWIP

Actuals for the period ending December 2015 through December 2016

Pre 12/31/2011 to 12/31/2016 Actual Capital Expenditures

	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 CapEx
December-15	150,738,369	98,151,114	52,587,255	
January-16	167,577,228	104,009,824	63,567,404	10,980,149
February-16	177,235,605	111,565,650	65,669,955	2,102,552
March-16	186,946,210	115,200,545	71,745,665	6,075,710
April-16	194,924,897	119,208,230	75,716,667	3,971,002
May-16	204,924,911	124,648,359	80,276,553	4,559,886
June-16	216,773,648	131,878,083	84,895,565	4,619,012
July-16	228,513,875	141,383,738	87,130,137	2,234,572
August-16	244,827,840	152,972,647	91,855,193	4,725,056
September-16	261,237,776	164,954,037	96,283,739	4,428,546
October-16	273,754,116	175,498,926	98,255,189	1,971,450
November-16	284,346,502	183,244,427	101,102,075	2,846,886
December-16	299,162,496	193,759,186	105,403,311	4,301,235
13 month Average	222,381,806	139,728,828	82,652,978	

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					
Beginning of Year	\$ -	\$ 978,902,205	\$ 140,777,470	\$ 316,151,925	\$ 706,997
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
End of Year	<u>-</u>	<u>1,041,525,960</u>	<u>139,012,226</u>	<u>324,819,382</u>	<u>324,605</u>
BOY/EOY Average	\$ -	\$ 1,010,214,083	\$ 139,894,848	\$ 320,485,654	\$ 515,801
Less FAS109 Regulatory Assets or Liabilities	\$ -	\$ -	\$ (35,082)	\$ -	
Amount for Attachment O	\$ -	\$ 1,010,214,083	\$ 139,929,930	\$ 320,485,654	\$ 515,801

Northern Indiana Public Service Company
Accumulated Deferred Income Taxes
Year Ended December 31, 2016

Rate Year = _____

1 Account 190

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
5	December 31st balance Prorated Items						
6	January						
7	February						
8	March						
9	April						
10	May						
11	June						
12	July						
13	August						
14	September						
15	October						
16	November						
17	December						
18	Total						

19	Beginning Balance	234.8.b	
20	Less non Prorated Items	(Line 19 less line 21)	-
21	Beginning Balance of Prorated items	(Line 5, Col H)	-
22	Ending Balance	234.8.c	
23	Less non Prorated Items	(Line 22 less line 24)	-
24	Ending Balance of Prorated items	(Line 17, Col H)	-
25	Average Balance	((Lines 21 + 24) / 2) + ((Lines 20 + 23) / 2)	-
26	Less FASB 106 and 109 Items	Attachment O, Footnote F	-
27	Amount for Attachment O	(Line 25 less line 26)	-

28 Account 282

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
32	December 31st balance Prorated Items						
33	January						
34	February						
35	March						
36	April						
37	May						
38	June						
39	July						
40	August						
41	September						
42	October						
43	November						
44	December						
45	Total						

46	Beginning Balance	274.2.b	
47	Less non Prorated Items	(Line 46 less line 48)	-
48	Beginning Balance of Prorated items	(Line 32, Col H)	-
49	Ending Balance	275.2.k	
50	Less non Prorated Items	(Line 49 less line 51)	-
51	Ending Balance of Prorated items	(Line 44, Col H)	-
52	Average Balance	((Lines 48 + 51) / 2) + ((Lines 47 + 50) / 2)	-
53	Less FASB 106 and 109 Items	Attachment O, Footnote F	-
54	Amount for Attachment O	(Line 52 less line 53)	-

55 Account 283

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
59	December 31st balance Prorated Items						
60	January						
61	February						
62	March						
63	April						
64	May						
65	June						
66	July						
67	August						
68	September						
69	October						
70	November						
71	December						
72	Total						

73	Beginning Balance	276.9.b	
74	Less non Prorated Items	(Line 73 less line 75)	-
75	Beginning Balance of Prorated items	(Line 59, Col H)	-
76	Ending Balance	277.9.k	
77	Less non Prorated Items	(Line 76 less line 78)	-
78	Ending Balance of Prorated items	(Line 71, Col H)	-
79	Average Balance	((Lines 75 + 78) / 2) + ((Lines 74 + 77) / 2)	-
80	Less FASB 106 and 109 Items	Attachment O, Footnote F	-
81	Amount for Attachment O	(Line 79 less line 80)	-

Northern Indiana Public Service Company
Accumulated Deferred Income Taxes
Year Ended December 31, 2016

Rate Year = 2016

1	Account 190			
2		Beginning Balance	234.8.b	316,151,925
3		Ending Balance	234.8.c	324,819,382
4		Average Balance	((Lines 2 + 3) / 2)	320,485,654
5		Less FASB 106 and 109 Items		-
6		Amount for Attachment O	(Line 4 less line 5)	320,485,654
7	Account 282			
8		Beginning Balance	274.2.b	978,902,205
9		Ending Balance	275.2.k	1,041,525,960
10		Average Balance	((Lines 8 + 9) / 2)	1,010,214,083
11		Less FASB 106 and 109 Items		-
12		Amount for Attachment O	(Line 10 less line 11)	1,010,214,083
13	Account 283			
14		Beginning Balance	276.9.b	140,777,470
15		Ending Balance	277.9.k	139,012,226
16		Average Balance	((Lines 14 + 15) / 2)	139,894,848
17		Less FASB 106 and 109 Items		(35,082)
18		Amount for Attachment O	(Line 16 less line 17)	139,929,930

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-15	\$	3,380,615
January-16		-
February-16		-
March-16		-
April-16		-
May-16		-
June-16		-
July-16		-
August-16		-
September-16		-
October-16		-
November-16		-
December-16		3,380,615

BOY/EOY Average \$ 3,380,615

* Only Land Held for Future Use that is Transmission Related.

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	FERC 163	FERC 163	FERC 154	Total
	Common	Common	Common Electric	Transmission Plant	
	Electric & Gas	Allocated	Allocated to		
	(a)	to Electric	Transmission	(d)	
		(b)	(c)		
December-15	\$ 1,527,543	\$ -	\$ -	\$ 32,572,658	\$ -
January-16					
February-16					
March-16					
April-16					
May-16					
June-16					
July-16					
August-16					
September-16					
October-16					
November-16					
December-16	3,860,994	-	-	36,393,664	-
BOY/EOY Average	\$ 2,694,269	\$ 2,068,659	\$ 310,317	\$ 34,483,161	\$ 34,793,478

(a) The source for FERC 163 is based on 2016 EOY Balance, which is the most current information

(b) allocated using Ratio O&M reported on page 356.1 of FERC Form 1:

76.78%

(c) allocated using the Net Plant (NP) allocator reported on page 2 line 18 column 4:

15.00%

(d) The source for FERC 154 is based on 2016 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

	Prepayments	
December-15	\$	26,493,360
January-16		-
February-16		-
March-16		-
April-16		-
May-16		-
June-16		-
July-16		-
August-16		-
September-16		-
October-16		-
November-16		-
December-16		22,451,714
BOY/EOY Average	\$	24,472,537

Northern Indiana Public Service Company

Transmission Expenses

Actuals for the period ending December 31, 2016

Account Number		December-16
	<i>OPERATION</i>	
560.0	Supervision and Engineering	\$ 1,388,001
561.0	Load Dispatching	-
561.1	Load Dispatching - Reliability	1,911,260
561.2	Load Dispatching -Monitor & Operate Transmission System	1,571,083
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	223,469
561.5	Reliability, Planning and Standards Development	823,266
561.6	Transmission Service Studies	154
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	22,761,762
562.0	Station Expense	964,360
563.0	Overhead Line Expense	348,472
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	1,224,353
567.0	Rents	-
	Total Operation	<u>\$ 31,216,180</u>
	<i>MAINTENANCE</i>	
568.0	Supervision and Engineering	\$ 1,377,480
569.0	Structures	262
569.1	Computer Hardware	286,133
569.2	Computer Software	1,026,730
569.3	Communication Equipment	-
570.0	Station Equipment	4,865,450
571.0	Overhead Lines	5,469,466
573.0	Miscellaneous Transmission Plant	20,883
	Total Maintenance	<u>\$ 13,046,404</u>
	Total Operations and Maintenance before TUA Credit	\$ 44,262,584
	Credit for TUA ⁽¹⁾	<u>\$ (311,531)</u>
	Total Operations and Maintenance including TUA Credit	<u>\$ 43,951,053</u>

⁽¹⁾ The TUA credit represents amounts collected for operation and maintenance of system upgrades constructed under Transmission Upgrade Agreements (TUAs).

Northern Indiana Public Service Company

Administrative and General Expenses

Actuals for the period ending December 31, 2016

Account Number		December-16
	<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>	
	920.0 Administrative and General Salaries	\$ 72,836,966
	921.0 Office Supplies and Expenses	18,374,630
Less	922.0 Administrative Expenses Transferred- Credit	-
	923.0 Outside Services Employed	46,703,448
	924.0 Property Insurance	3,833,518
	925.0 Injuries and Damages	10,773,277
	926.0 Employees Pensions and Benefits	38,052,833
	928.0 Regulatory Commission Expenses	1,146,487
	929.0 (Less) Duplicate Charges - Cr	-
	930.1 General Advertising Expense	47,209
	930.2 Miscellaneous General Expenses	18,966,599
	931.0 Rents	5,672,989
	935.0 Maintenances of General Plant	4,514,979
	Total Administrative and General	\$ 220,922,935

Ref		December-16
	<i>EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING</i>	
	a Electric Power Research Institute	\$ 677,162
	928.0, b Regulatory Commission Expenses	1,146,487
	c Non-safety Advertisement	47,209
		\$ 1,870,858

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 31, 2016

<i>DEPRECIATION EXPENSE</i>	December-16
Transmission	\$ 21,939,717
General & Intangible	\$ 19,845,521
Common	\$ 29,405,325

Northern Indiana Public Service Company

Taxes Other than Income Allocated to Electric

Actuals for the period ending December 31, 2016

	December-16	TUA Amounts
Payroll ⁽¹⁾	\$ 9,807,956	\$ 3,786
Property ⁽¹⁾	\$ 26,148,455	\$ 71,937
Gross Receipts	\$ 24,394,307	
Other	\$ -	

⁽¹⁾ These year-end values are net of amounts collected for property and payroll tax of system upgrades constructed under Transmission Upgrade Agreements (TUAs).

Northern Indiana Public Service Company

Wages and Salary / Common Plant Allocator

Actuals for the period ending December 31, 2016

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-16
Production	\$ 45,008,642
Transmission	10,259,218
Distribution	16,348,888
Other	8,007,520

COMMON PLANT ALLOCATOR

	December-16
Electric	\$ 6,175,684,780
Gas	-
Water	-
	<u>\$ 6,175,684,780</u>

Northern Indiana Public Service Company

Capital Structure

Actuals for the period ending December 31, 2016

<u>Long-Term Debt</u>		
	December-15	\$ 1,574,500,000
	January-16	
	February-16	
	March-16	
	April-16	
	May-16	
	June-16	
	July-16	
	August-16	
	September-16	
	October-16	
	November-16	
	December-16	1,654,500,000
	Average of Beginning and End of Year Balance	<u>\$ 1,614,500,000</u>
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 87,009,720
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-15	\$ 2,157,462,380
	January-16	
	February-16	
	March-16	
	April-16	
	May-16	
	June-16	
	July-16	
	August-16	
	September-16	
	October-16	
	November-16	
	December-16	2,335,766,467
	Average of Beginning and End of Year Balance	<u>\$ 2,246,614,424</u>
Preferred Stock		
	December-15	\$ -
	January-16	
	February-16	
	March-16	
	April-16	
	May-16	
	June-16	
	July-16	
	August-16	
	September-16	
	October-16	
	November-16	
	December-16	-
	Average of Beginning and End of Year Balance	<u>\$ -</u>
Unappropriated Undistributed Subsidiary Earnings		
	December-15	\$ 35,952,887
	January-16	
	February-16	
	March-16	
	April-16	
	May-16	
	June-16	
	July-16	
	August-16	
	September-16	
	October-16	
	November-16	
	December-16	37,321,957
	Average of Beginning and End of Year Balance	<u>\$ 36,637,422</u>

Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

DIVISOR

Monthly Peaks and Output in (Mw)

Year ended December 31, 2016

	NIPSCO Internal	Wholesale
January	2,450	277
February	2,395	270
March	2,253	262
April	2,216	230
May	2,589	305
June	3,000	404
July	3,099	418
August	3,170	433
September	3,062	397
October	2,326	230
November	2,186	268
December	2,415	299
Total	<u>31,161</u>	<u>3,793</u>
Average (Mw)	2,596.75	316.08
Average (kWh)	<u>2,596,750</u>	<u>316,083</u>

Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)

Year ended December 31, 2016

Transmission of Electricity for Others (Account 456.1)

	December-16
Transmission Charges for Transmission Transactions	
Midwest ISO (Schedule 7&8)	\$ 1,437,352
Midwest ISO (Schedule 9)	2,618,481
Midwest ISO (Schedule 26)	3,885,465
Midwest ISO (Schedule 26-a)	35,110,194 ^(a)
Indiana Municipal Power Agency	391,686
Wabash Valley Power Authority	11,614,202
Midwest ISO (Schedule 1)	135,428
Midwest ISO (Schedule 2)	642,334
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	<u>\$ 55,835,141</u>
Less: Schedule 1 (related to Schedule 9)	\$ 30,122
Less: Schedule 2 (related to Schedule 9)	133,786
Less: Schedule 9	2,618,481
Less: Schedule 24	-
Less: Schedule 26	3,885,465
Less: Schedule 26-a	35,110,194
Indiana Municipal Power Agency	391,686
Wabash Valley Power Authority	<u>11,614,202</u>
Total Revenue Credit	<u>\$ 2,051,205</u>

^(a) Schedule 26a revenue received; excludes true-up accruals, reversals, and other revenue adjustments