

**2016 True-up Calculations**

**Instructions:** Inputs are indicated by light yellow highlighted cells with blue bold font. For "Company Name" be sure to use our standard abbreviations or check the last tab titled "List of ROE by TO"

**Purpose:** To calculate the 2016 Attachment O, GG, and MM True-up weighted for the two different ROEs in effect during 2016

| <b>Interest Rates</b>                                      | <u>Monthly Rate</u> | <u>Annual Rate</u> |
|--|---------------------|--------------------|
| Int Rate on Over-Recovery (FERC) (four decimal places)     | 0.2921%             | <b>3.5053%</b>     |
| Int Rate on Under-Recovery (ST Debt) (four decimal places) | 0.0966%             | <b>1.1594%</b>     |

**2016 ROE Weightings - Schedule 9, 26 & 26A**

Per FERC's 9/28/16 Order in EL14-12, the ROE was revised from 12.38% to 10.32% (plus adders as applicable) effective 9/28/16. The table below calculates the percentage of the year 2016 applicable to each ROE. These percentages are used to prorate the 2016 revenue requirement

|        | <u>System Load *</u><br><u>In Month</u> | <u>Days in Month</u><br><u>Effective</u> | <u>Weighted Load</u><br><u>by Month</u> |               |                |
|--------|---|--|---|---------------|----------------|
| 12.38% | January                                 | 2,727                                    | 31                                      | 2,727         |                |
|        | February                                | 2,665                                    | 29                                      | 2,665         |                |
|        | March                                   | 2,515                                    | 31                                      | 2,515         |                |
|        | April                                   | 2,446                                    | 30                                      | 2,446         |                |
|        | May                                     | 2,894                                    | 31                                      | 2,894         |                |
|        | June                                    | 3,404                                    | 30                                      | 3,404         |                |
|        | July                                    | 3,517                                    | 31                                      | 3,517         |                |
|        | August                                  | 3,603                                    | 31                                      | 3,603         | 26,884         |
|        | September 1 - 27                        | 3,459                                    | 27                                      | 3113.1        | 76.91%         |
|        | September 28 - 30                       |  | 3                                       | 345.9         |                |
| 10.82% | October                                 | 2,556                                    | 31                                      | 2,556         |                |
|        | November                                | 2,454                                    | 30                                      | 2,454         | 8069.9         |
|        | December                                | 2,714                                    | 31                                      | 2,714         | 23.09%         |
|        | <b>Total</b>                            | <b>34,954</b>                            | <b>366</b>                              | <b>34,954</b> | <b>100.00%</b> |

\* Monthly Peak Load (MW) as reported in FERC Form 1, page 400a, column b.

| <b>Attachment O 2016 True-up calculation (Schedule 9)</b>   |                                   |                                   |                                  |
|---|-----------------------------------|-----------------------------------|----------------------------------|
|   | <b>2016 Rev Req at<br/>12.38%</b> | <b>2016 Rev Req at<br/>10.82%</b> | <b>2016 Weighted<br/>Rev Req</b> |
| <b>Calculation of 2016 Weighted Attachment O Rev Req</b>  |                                   |                                   |                                  |
| Net <i>Actual</i> 2016 Rev Req (Actual Attach O, Pg 1, Line 7) <sup>1</sup>   | <b>\$120,542,733</b>              | <b>\$114,429,717</b>              |                                  |
| Percent of Revenue (or load) Received at ROE  | 76.91%                            | 23.09%                            |                                  |
| Weighted Net Actual 2016 Rev Requirement  | \$92,712,791                      | \$26,418,618                      | \$119,131,409                    |
| Net <i>Projected</i> 2016 Rev Req (Projected Attach O, Pg 1, Line 7) <sup>1</sup>   | <b>\$125,571,877</b>              | <b>\$119,380,162</b>              |                                  |
| Percent of Revenue Received at ROE  | 76.91%                            | 23.09%                            |                                  |
| Weighted Net Projected 2016 Rev Requirement   | \$96,580,846                      | \$27,561,537                      | \$124,142,383                    |
| <b>Under/(Over) Collection of 2016 Weighted Net Rev Req</b>   | <b>(3,868,055)</b>                | <b>(1,142,919)</b>                | <b>(5,010,974)</b>               |
| Historic Year Actual Divisor for Transmission Owner (Attach O, Pg 1, Line 15)   |                                   |                                   | <b>2,912,833</b>                 |
| Proj'd Yr Divisor for Transmission Owner (Projected Attach O, Pg 1, Line 15)  |                                   |                                   | <b>2,988,489</b>                 |
| Difference between Historic & Projected Yr Divisor  |                                   |                                   | 75,656                           |
| Prior Year Projected Annual Cost (\$ per kw per yr)   | \$42.0185                         | \$39.9467                         |                                  |
| Percent of Revenue Received at ROE  | 76.91%                            | 23.09%                            |                                  |
| Weighted Prior Yr projected Annual Cost (\$ per kw per year)  | \$32.3176                         | \$9.2226                          | \$41.5402                        |
| <b>Under/(Over) Collection of 2016 Divisor True-up</b>  |                                   |                                   | <b>\$3,142,765</b>               |
| <b>Total Under/(Over) Recovery</b>  |                                   |                                   | <b>(1,868,209)</b>               |
| Monthly Interest Rate (Over collection = FERC rate, Under collection = company rate)  |                                   |                                   | 0.2921%                          |
| Interest For 24 Months  |                                   |                                   | <b>(\$130,969)</b>               |
| <b>Total 2016 Attachment O True-up Under/(Over) Recovery</b>  |                                   |                                   | <b>(1,999,178)</b>               |
| <sup>1</sup> Attachment O line reference differs for the following TOs:<br>MP= line 7b    GRE = line 7a    MEC = 7b<br>MDU = line 7a    OTP = line 7a |                                   |                                   |                                  |

Assure info used includes revised 2014 TU info

Use 2016 updated projections (incl revised 2014 TU)

| <b>Attachment GG 2016 True-up ( Schedule 26)</b>  |                                   |                                   |                                  |
|---|-----------------------------------|-----------------------------------|----------------------------------|
| <b>If you have no Attachment GG projects you do not need to complete this section out</b> |                                   |                                   |                                  |
| <b>Calculation of Weighted Rev Req for 2016 True-up</b>                                   | <b>2016 Rev Req at<br/>12.38%</b> | <b>2016 Rev Req at<br/>10.82%</b> | <b>2016 Weighted<br/>Rev Req</b> |
| Actual Attachment GG Rev Req for True-Up Year (Actual Attach GG, pg 2, col 10) 1          | <b>\$3,919,772</b>                | <b>\$3,680,211</b>                |                                  |
| Percent of Revenue Received at ROE  | 76.91%                            | 23.09%                            |                                  |
| Weighted Actual Attachment GG Rev Req for 2016 True-Up                                    | \$3,014,806                       | \$849,658                         | \$3,864,464                      |
| Actual Attachment GG Revenues Received for 2016 <sup>1</sup>                              |                                   |                                   | <b>\$3,962,278</b>               |
| <b>Under/(Over) Recovery of 2016 GG Rev Req</b>   |                                   |                                   | (\$97,814)                       |
| Monthly Interest Rate (Over collection = FERC rate, Under collection = company rate)      |                                   |                                   | 0.2921%                          |
| Interest For 24 Months  |                                   |                                   | (\$6,857)                        |
| <b>Total 2016 Attachment GG True-up Under/(Over) Recovery</b>                             |                                   |                                   | <b>(\$104,671)</b>               |

<sup>1</sup> Amount excludes True-Up Adjustment, as reported in True-Up Year projected Attachment GG, page 2, column 11.  
Some TOs incl the True-up Adjustment - that is ok, but assure you are consistent for actual rev req, projected rev req and actual revenue collected

1) NIPSCO: Excludes a \$76,813 refund for 2014 over-collection (added back)

check - should tie to 2016 GG TU weighted ROE  
(104,671)                      \$0

| <b>Attachment MM 2016 True-up (Schedule 26-A)</b>   |                                   |                                   |                                  |
|---|-----------------------------------|-----------------------------------|----------------------------------|
| <b>If you have no Attachment MM projects you do not need to complete this section out</b> |                                   |                                   |                                  |
| <b>Calculation of Weighted Rev Req for Revised 2016 True-up</b>                           | <b>2016 Rev Req at<br/>12.38%</b> | <b>2016 Rev Req at<br/>10.82%</b> | <b>2016 Weighted<br/>Rev Req</b> |
| Actual Attachment MM Rev Req for True-Up Year (Actual Attach GG, pg 2, col 14)            | <b>\$38,195,683</b>               | <b>\$35,025,857</b>               |                                  |
| Percent of Revenue Received at ROE  | 76.91%                            | 23.09%                            |                                  |
| Weighted Actual Attachment MM Rev Req for 2016 True-Up                                    | \$29,377,369                      | \$8,086,490                       | <b>\$37,463,859</b>              |
| Actual Attachment MM Revenues for 2016 <sup>1</sup>                                       |                                   |                                   | <b>\$34,016,784</b>              |
| <b>Under/(Over) Recovery of 2016 MM Rev Req</b>   |                                   |                                   | \$3,447,075                      |
| Monthly Interest Rate (Over collection = FERC rate, Under collection = company rate)      |                                   |                                   | 0.0966%                          |
| Interest For 24 Months  |                                   |                                   | \$ 79,917                        |
| <b>Total 2016 Attachment MM True-up Under/(Over) Recovery</b>                             |                                   |                                   | <b>\$ 3,526,992</b>              |

<sup>1</sup> Amount excludes True-Up Adjustment, as reported in True-Up Year projected Attachment MM, page 2, column 15.  
Some TOs incl the True-up Adjustment - that is ok, but assure you are consistent for actual rev req, projected rev req and actual revenue collected

1) NIPSCO: Excludes \$1,093,410 for a 2014 under-collection (subtracted out)

check - should tie to 2016 MM TU weighted ROE  
\$3,526,992                      \$0

Instructions: Inputs are indicated by light yellow highlighted cells with blue bold font

If you have no Attachment GG projects, you do not need to fill out this tab

Purpose: To calculate the 2016 Attachment GG by project True-up weighted for the two different ROEs in effect during 2016

| 2016 Attachment GG True-Up Adjustment <b>12.38%</b>   |   |                     |  |   |  |  |   |     |                     |     |
|---|---|---------------------|--|---|--|--|---|-----|---------------------|-----|
| To be completed after the Attachment GG using actual data is completed for the True-Up Year |   |                     |  |   |  |  |   |     |                     |     |
| Company Name: <b>NIPSCO</b>   |   |                     |  |   |  |  |   |     |                     |     |
| (a)   | (b)   | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                                       | (i) | (j)                 | (k) |
| Line No.  | Project Name  | MTEP Project Number | Actual Attachment GG Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment GG Revenues Allocated to Projects <sup>1</sup>         | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal Under/(Over) |     |                     |     |
|   |   |                     | Projected Attachment GG                    |   | [Col. (d), line 1 x (Col. (e), line 2x / Col. (e), line 3)] <sup>2</sup> |  | Actual Attachment GG                      |     | Col. (g) - Col. (f) |     |
| 1   | Actual Attachment GG revenues for True-Up Year <sup>1</sup> |                     | \$ 3,962,278                               |   |  |  |   |     |                     |     |
| 2a  | MTEP07  | 612                 |  | 1,055,945   | 1,052,939  | 1,041,355                                      | (11,584)                                  |     |                     |     |
| 2b  | MTEP08  | 1551                |  | 789,316   | 787,069  | 779,759  | (7,310)                                   |     |                     |     |
| 2c  | MTEP07  | 1615 GIP            |  | 372,968   | 371,906  | 367,801  | (4,105)                                   |     |                     |     |
| 2d  | MTEP11  | 2322                |  | 1,755,360   | 1,750,363  | 1,730,857                                      | (19,506)                                  |     |                     |     |
| 2e  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2f  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2g  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2h  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2i  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2j  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 3   | Subtotal  |                     |  | \$ 3,973,589                                      | \$ 3,962,277   | \$ 3,919,772                                   |   |     |                     |     |
| 4   | Under/(Over) Recovery                                       |                     |  |   |  |  | \$ (42,505)                               |     |                     |     |

<sup>1</sup> Amount excludes True-Up Adjustment, as reported in True-Up Year projected Attachment GG, page 2, column 11. Be consistent  
Some TOs incl the True-up Adjustment - that is ok, but assure you are consistent for actual rev req, projected rev req and actual revenue collected

<sup>2</sup> Rounded to whole dollars.

| 2016 Attachment GG True-Up Adjustment <b>10.82%</b>   |   |                     |  |   |  |  |   |     |                     |     |
|---|---|---------------------|--|---|--|--|---|-----|---------------------|-----|
| To be completed after the Attachment GG using actual data is completed for the True-Up Year |   |                     |  |   |  |  |   |     |                     |     |
| Company Name: <b>NIPSCO</b>   |   |                     |  |   |  |  |   |     |                     |     |
| True-Up Year: <b>2016</b>   |   |                     |  |   |  |  |   |     |                     |     |
| (a)   | (b)   | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                                       | (i) | (j)                 | (k) |
| Line No.  | Project Name  | MTEP Project Number | Actual Attachment GG Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment GG Revenues Allocated to Projects <sup>1</sup>         | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal Under/(Over) |     |                     |     |
|   |   |                     | Projected Attachment GG                    |   | [Col. (d), line 1 x (Col. (e), line 2x / Col. (e), line 3)] <sup>2</sup> |  | Actual Attachment GG                      |     | Col. (g) - Col. (f) |     |
| 1   | Actual Attachment GG revenues for True-Up Year <sup>1</sup> |                     | \$ 3,962,278                               |   |  |  |   |     |                     |     |
| 2a  | MTEP07  | 612                 |  | 991,943   | 1,053,590  | 978,295  | (75,295)                                  |     |                     |     |
| 2b  | MTEP08  | 1551                |  | 741,832   | 787,936  | 732,976  | (54,960)                                  |     |                     |     |
| 2c  | MTEP07  | 1615 GIP            |  | 350,712   | 372,508  | 345,882  | (26,626)                                  |     |                     |     |
| 2d  | MTEP11  | 2322                |  | 1,645,951   | 1,748,244  | 1,623,058                                      | (125,186)                                 |     |                     |     |
| 2e  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2f  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2g  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2h  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2i  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 2j  | 0   | 0                   |  | -   | -  | -  | -   |     |                     |     |
| 3   | Subtotal  |                     |  | \$ 3,730,438                                      | \$ 3,962,278   | \$ 3,680,211                                   |   |     |                     |     |
| 4   | Under/(Over) Recovery                                       |                     |  |   |  |  | \$ (282,067)                              |     |                     |     |

| 2016 Attachment GG True-Up Adjustment - <b>Weighted ROE</b>                                 |   |                     |  |   |  |  |   |  |   |                          |
|---|---|---------------------|--|---|--|--|---|--|---|--------------------------|
| To be completed after the Attachment GG using actual data is completed for the True-Up Year |   |                     |  |   |  |  |   |  |   |                          |
| Company Name: <b>NIPSCO</b>   |   |                     |  |   |  |  |   |  |   |                          |
| True-Up Year: <b>2016</b>   |   |                     |  |   |  |  |   |  |   |                          |
| (a)   | (b)   | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                                       | (i)                                      | (j)   | (k)                      |
| Line No.  | Project Name  | MTEP Project Number | Actual Attachment GG Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment GG Revenues Allocated to Projects <sup>1</sup>         | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal Under/(Over) | Applicable Interest Rate on Under/(Over) | True-Up Adjustment Interest Under/(Over)                                | Total True-Up Adjustment |
|   |   |                     | Projected Attachment GG                    |   | [Col. (d), line 1 x (Col. (e), line 2x / Col. (e), line 3)] <sup>2</sup> |  | Actual Attachment GG                      |  | Col. (h) x Col. (i)   |                          |
|   |   |                     | p 2 of 2, Col. 10 <sup>2</sup>             |   | Col. (e), line 3)] <sup>2</sup>  |  | p 2 of 2, Col. 10 <sup>2</sup>            |  | Col. (g) - Col. (f) Line 5 x 24 months <sup>2</sup> Col. (h) + Col. (j) |                          |
| 1   | Actual Attachment GG revenues for True-Up Year <sup>1</sup>           |                     | \$ 3,962,278                               |   |  |  |   |  |   |                          |
| 2a  | project 1   | 612                 |  | 1,041,169   | 1,053,082  | 1,026,796                                      | (26,286)                                  | 0.2921%                                  | (1,843)   | (28,129)                 |
| 2b  | project 2   | 1551                |  | 778,353   | 787,259  | 768,958  | (18,301)                                  | 0.2921%                                  | (1,283)   | (19,584)                 |
| 2c  | project 3   | 1615 GIP            |  | 367,830   | 372,039  | 362,741  | (9,298)                                   | 0.2921%                                  | (652)   | (9,950)                  |
| 2d  | project 4   | 2322                |  | 1,730,101   | 1,749,897  | 1,705,969                                      | (43,928)                                  | 0.2921%                                  | (3,080)   | (47,008)                 |
| 2e  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 2f  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 2g  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 2h  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 2i  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 2j  | 0   | 0                   |  | -   | -  | -  | -   | 0.2921%                                  | -   | -                        |
| 3   | Subtotal  |                     |  | \$ 3,917,453                                      | \$ 3,962,277   | \$ 3,864,464                                   |   |  |   |                          |
| 4   | Under/(Over) Recovery   |                     |  |   |  |  | \$ (97,813)                               |  | \$ (6,858)  | \$ (104,671)             |
| 5   | Applicable Interest rate per month (expressed to four decimal places) |                     |  |   |  |  |   | 0.2921%                                  |   |                          |

Instructions: Inputs are indicated by light yellow highlighted cells with blue bold font

If you have no Attachment MM projects, you do not need to fill out this tab

Purpose: To calculate the 2016 Attachment MM by project True-up weighted for the two different ROEs in effect during 2016

| 2016 Attachment MM True-Up Adjustment <b>12.38%</b>   |   |                     |  |   |  |  |                              |     |     |     |
|---|---|---------------------|--|---|--|--|------------------------------|-----|-----|-----|
| To be completed after the Attachment MM using actual data is completed for the True-Up Year   |   |                     |  |   |  |  |                              |     |     |     |
| Company Name: <b>NIPSCO</b>   |   |                     |  |   |  |  |                              |     |     |     |
| (a)   | (b)   | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                          | (i) | (j) | (k) |
| Line No.  | Project Name  | MTEP Project Number | Actual Attachment MM Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment MM Revenues Allocated to Projects <sup>1</sup> | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal |     |     |     |
|   |   |                     |  | Projected Attachment MM                           | x (Col. (d), line 1 / p 2 of 2, Col. 14 <sup>2</sup> )           | Actual Attachment MM                           |                              |     |     |     |
|   |   |                     |  | Col. (e), line 3) <sup>2</sup>                    | p 2 of 2, Col. 14 <sup>2</sup>                                   | Col. (g) - Col. (f)                            |                              |     |     |     |
| 1   | Actual Attachment MM revenues for True-Up Year <sup>1</sup> |                     | \$ 34,016,784                              |   |  |  |                              |     |     |     |
| 2a  | MTEP11  | 2202                |  | 14,081,471  | 12,851,318   | 13,394,723                                     | 543,405                      |     |     |     |
| 2b  | MTEP11  | 3203                |  | 23,191,466  | 21,165,466   | 24,800,959                                     | 3,635,493                    |     |     |     |
| 2c  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2d  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2e  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2f  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2g  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2h  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 2i  |   |                     |  | -   | -  | -  | -                            |     |     |     |
| 3   | Subtotal  |                     |  | \$ 37,272,937                                     | \$ 34,016,784  | \$ 38,195,683                                  |                              |     |     |     |
| 4   | Under/(Over) Recovery                                       |                     |  |   |  |  | \$ 4,178,898                 |     |     |     |
| <sup>1</sup> Amount excludes True-Up Adjustment, as reported in True-Up Year projected Attachment MM, page 2, column 15.<br>Some TOs incl the True-up Adjustment - that is ok, but assure you are consistent for actual rev req, projected rev req and actual revenue collected<br><sup>2</sup> Rounded to whole dollars. |   |                     |  |   |  |  |                              |     |     |     |

| 2016 Attachment MM True-Up Adjustment <b>10.82%</b>   |                               |                     |  |   |  |  |                              |     |     |     |
|---|-------------------------------|---------------------|--|---|--|--|------------------------------|-----|-----|-----|
| To be completed after the Attachment MM using actual data is completed for the True-Up Year |                               |                     |  |   |  |  |                              |     |     |     |
| Company Name: <b>NIPSCO</b>   |                               |                     |  |   |  |  |                              |     |     |     |
| (a)   | (b)                           | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                          | (i) | (j) | (k) |
| Line No.  | Project Name                  | MTEP Project Number | Actual Attachment MM Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment MM Revenues Allocated to Projects <sup>1</sup> | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal |     |     |     |
|   |                               |                     |  | Projected Attachment MM                           | x (Col. (e), line 2x / p 2 of 2, Col. 14 <sup>2</sup> )          | Actual Attachment MM                           |                              |     |     |     |
|   |                               |                     |  | Col. (e), line 3) <sup>2</sup>                    | p 2 of 2, Col. 14 <sup>2</sup>                                   | Col. (g) - Col. (f)                            |                              |     |     |     |
| 1   | Actual Attachment MM revenues |                     | \$ 34,016,784                              |   |  |  |                              |     |     |     |
| 2a  | MTEP11                        | 2202                |  | 12,910,975  | 12,840,574   | 12,273,510                                     | (567,064)                    |     |     |     |
| 2b  | MTEP11                        | 3203                |  | 21,292,312  | 21,176,210   | 22,752,347                                     | 1,576,137                    |     |     |     |
| 2c  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2d  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2e  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2f  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2g  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2h  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 2i  | 0                             | 0                   |  | -   | -  | -  | -                            |     |     |     |
| 3   | Subtotal                      |                     |  | \$ 34,203,286                                     | \$ 34,016,784  | \$ 35,025,857                                  |                              |     |     |     |
| 4   | Under/(Over) Recovery         |                     |  |   |  |  | \$ 1,009,073                 |     |     |     |

| 2016 Attachment MM True-Up Adjustment - <b>Weighted</b>                                     |  |                     |  |   |  |  |                              |  |  |                          |
|---|--|---------------------|--|---|--|--|------------------------------|--|--|--------------------------|
| To be completed after the Attachment MM using actual data is completed for the True-Up Year |  |                     |  |   |  |  |                              |  |  |                          |
| Company Name: <b>NIPSCO</b> Aggregate   |  |                     |  |   |  |  |                              |  |  |                          |
| (a)   | (b)  | (c)                 | (d)  | (e)   | (f)  | (g)  | (h)                          | (i)                                      | (j)                                      | (k)                      |
| Line No.  | Project Name   | MTEP Project Number | Actual Attachment MM Revenues <sup>1</sup> | Projected Annual Revenue Requirement <sup>1</sup> | Actual Attachment MM Revenues Allocated to Projects <sup>1</sup> | Actual Annual Revenue Requirement <sup>1</sup> | True-Up Adjustment Principal | Applicable Interest Rate on Under/(Over) | True-Up Adjustment Interest Under/(Over) | Total True-Up Adjustment |
|   |  |                     |  | Projected Attachment MM                           | x (Col. (e), line 2x / p 2 of 2, Col. 14 <sup>2</sup> )          | Actual Attachment MM                           |                              |  |  |                          |
|   |  |                     |  | Col. (e), line 3) <sup>2</sup>                    | p 2 of 2, Col. 14 <sup>2</sup>                                   | Col. (g) - Col. (f)                            | Line 5 (Note 1)              | x 24 months <sup>2</sup>                 | Col. (h) + Col. (i)                      | Col. (h) + Col. (j)      |
| 1   | Actual Attachment MM revenues  |                     | \$ 34,016,784                              |   |  |  |                              |  |  |                          |
| 2a  | MTEP11   | 2202                |  | 13,811,236  | 12,848,998   | 13,135,867                                     | 286,869                      | 0.000966                                 | 6,651                                    | 293,520                  |
| 2b  | MTEP11   | 3203                |  | 22,753,004  | 21,167,786   | 24,327,992                                     | 3,160,206                    | 0.000966                                 | 73,266                                   | 3,233,472                |
| 2c  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2d  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2e  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2f  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2g  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2h  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 2i  | 0  | 0                   |  | -   | -  | -  | -                            | 0.000966                                 | -  | -                        |
| 3   | Subtotal   |                     |  | \$ 36,564,240                                     | \$ 34,016,784  | \$ 37,463,859                                  |                              |  |  |                          |
| 4   | Under/(Over) Recovery  |                     |  |   |  |  | \$ 3,447,075                 |  | \$ 79,917                                | \$ 3,526,992             |
| 5   | Applicable Interest rate per month (expressed to four decimal places) (See Note 1) |                     |  |   |  |  |                              |  |  |                          |

**Instructions:** Inputs are indicated by light yellow highlighted cells with blue bold font

**Purpose:** To calculate the 2016 average interest rates to be applied to the true-up calculations

**Per Section VII.2 of the Annual True-up, Information Exchange and Challenge Procedures**

- Interest on over recovery will be based on FERC's regulation 18 C.F.R 35.19a
- Interest on under recovery will be based on the actual short-term debt costs capped at the applicable FERC refund interest rate
- The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the nineteen (19) months preceding August of the current year

**NIPSCO**

|    |        | Short-Term             | Annualized   | Annualized |
|----|--------|------------------------|--------------|------------|
|    |        | Debt Rate <sup>1</sup> | ST Debt Rate | FERC Rate  |
| 1  | Jan-16 | 0.083%                 |              | 0.27%      |
| 2  | Feb-16 | 0.080%                 |              | 0.27%      |
| 3  | Mar-16 | 0.080%                 |              | 0.27%      |
| 4  | Apr-16 | 0.083%                 |              | 0.29%      |
| 5  | May-16 | 0.086%                 |              | 0.29%      |
| 6  | Jun-16 | 0.086%                 |              | 0.29%      |
| 7  | Jul-16 | 0.086%                 |              | 0.29%      |
| 8  | Aug-16 | 0.088%                 |              | 0.29%      |
| 9  | Sep-16 | 0.087%                 |              | 0.29%      |
| 10 | Oct-16 | 0.091%                 |              | 0.29%      |
| 11 | Nov-16 | 0.091%                 |              | 0.29%      |
| 12 | Dec-16 | 0.101%                 |              | 0.29%      |
| 13 | Jan-17 | 0.108%                 |              | 0.29%      |
| 14 | Feb-17 | 0.105%                 |              | 0.29%      |
| 15 | Mar-17 | 0.108%                 |              | 0.29%      |
| 16 | Apr-17 | 0.114%                 |              | 0.31%      |
| 17 | May-17 | 0.110%                 |              | 0.31%      |
| 18 | Jun-17 | 0.118%                 |              | 0.31%      |
| 19 | Jul-17 | 0.130%                 |              | 0.33%      |
|    |        | 0.0966%                | 1.1594%      | 0.2921%    |
|    |        |                        |              | 3.5053%    |

<sup>1</sup> Short Term debt costs/rates are capped at the applicable FERC refund interest rate

**Instructions: Do not make any changes to this tab**

**This tab provides information to allow the worksheet to calculate correctly  
If you note something that appears incorrect, please contact MISO Tariff Pricing**

**Forward looking TOs impacted by September 28, 2016 change in ROE**

|    | <u>TO</u>      | <u>MM Int Calc</u> | <u>Original ROE</u> | <u>New ROE</u> |  |
|----|----------------|--------------------|---------------------|----------------|--|
| 1  | ALLETE (MP)    | Aggregate          | 12.38%              | 10.82%         |  |
| 2  | AMIL           | Aggregate          | 12.38%              | 10.82%         |  |
| 3  | ATXI           | Aggregate          | 12.38%              | 10.82%         |  |
| 4  | ATC            | Aggregate          | 12.20%              | 10.82%         |  |
|    | Company Name   | Aggregate          | 12.38%              | 10.82%         |  |
| 5  | CMMPA          | Aggregate          | 12.38%              | 10.82%         |  |
| 6  | DPC            | Aggregate          | 12.38%              | 10.32%         | Adder effective 2/1/17 = 10.82%                                  |
| 7  | GRE            | Individual         | 12.38%              | 10.82%         |  |
| 8  | ITC            | Individual         | 13.88%              | 11.35%         |  |
| 9  | ITCM           | Individual         | 12.38%              | 11.32%         |  |
| 10 | Marshall       |                    | 12.38%              | 10.82%         |  |
| 11 | METC           | Individual         | 13.38%              | 11.35%         |  |
| 12 | MEC            | Aggregate          | 12.38%              | 10.82%         |  |
| 13 | MDU            | Aggregate          | 12.38%              | 10.82%         |  |
| 14 | MRES           | Aggregate          | 12.38%              | 10.32%         |  |
| 15 | NIPSCO         | Aggregate          | 12.38%              | 10.82%         |  |
| 16 | NSP            | Individual         | 12.38%              | 10.82%         |  |
| 17 | OTP            | Aggregate          | 12.38%              | 10.82%         |  |
| 18 | PPI            | Aggregate          | 12.38%              | 10.82%         |  |
| 19 | RPU            |                    | 12.38%              | 10.82%         | Note: adder effective 2/1/16 -<br>impact for second ROE docket , |
| 20 | SIGECO/Vectren |                    | 12.38%              | 10.82%         |  |
| 21 | Wilmar         | Aggregate          | 12.38%              | 10.82%         |  |