

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/17

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 124,342,863
	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)	2,310,000	TP 1.00000	2,310,000
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)				\$ 2,310,000
6a	Historic Year Actual ATRR				126,573,215
6b	Projected ATRR from Prior Year	Input from Prior Year			121,619,125
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			\$ 4,954,090
6d	Prior Year Divisor True-Up	(Note BB)			5,119,813
6e	Interest on Prior Year True-Up				213,728
7	NET REVENUE REQUIREMENT	(line 1 - line 6 + line 6c through 6e)			\$ 132,320,493
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,586,254
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)	303,917
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)				2,890,171
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	45.783		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.815		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.880		\$0.880
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	0.176 Capped at weekly rate		\$0.125
20	Point-To-Point Rate (\$/MWh)	(line 16 / 4,160 times 1000; line 16 / 8,760 times 1,000)	11.006 Capped at weekly and daily rates		\$5.226
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.	Northern Indiana Public Service Company		(5) Transmission (Col 3 times Col 4)
			(3) Company Total	(4) Allocator	
1	GROSS PLANT IN SERVICE (Note Z, Note GG)				
2	Production	205.46.g	4,322,548,622	NA	
3	Transmission	207.58.g	985,051,125	TP 1.00000	985,051,125
4	Distribution	207.75.g	1,865,533,587	NA	
5	General & Intangible	205.5.g & 207.99.g	136,811,925	W/S 0.13220	18,085,886
6	Common	356.1 (Note O)	262,579,504	CE 0.13220	34,711,761
6	TOTAL GROSS PLANT (sum lines 1-5)		7,572,524,763	GP= 13.705%	1,037,848,772
	ACCUMULATED DEPRECIATION (Note Z, Note GG)				
7	Production	219.20-24.c	2,551,824,803	NA	
8	Transmission	219.25.c	483,129,299	TP 1.00000	483,129,299
9	Distribution	219.26.c	977,028,596	NA	
10	General & Intangible	219.28.c & 200.21.c	27,224,239	W/S 0.13220	3,598,915
11	Common	356.1 (Note O)	175,172,895	CE 0.13220	23,157,023
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		4,214,379,832		509,885,237
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	1,770,723,819		
14	Transmission	(line 2 - line 8)	501,921,826		501,921,826
15	Distribution	(line 3 - line 9)	888,504,991		
16	General & Intangible	(line 4 - line 10)	109,587,686		14,486,971
17	Common	(line 5 - line 11)	87,406,609		11,554,738
18	TOTAL NET PLANT (sum lines 13-17)		3,358,144,931	NP= 15.722%	527,963,535
	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	405,233,181	NA 1.00000	405,233,181
	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	-1,014,114,647	NP 0.15722	-159,437,893
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-127,665,367	NP 0.15722	-20,071,397
22	Account No. 190 (Note F, Note AA)	234.8.c	315,642,708	NP 0.15722	49,624,970
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-162,107	NP 0.15722	-25,486
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		0	NA 1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23a)		-826,299,412		-129,909,807
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,563,032	TP 1.00000	3,563,032
	WORKING CAPITAL (Note H)				
26	CWC	1/8 page 3, line 8, column 3 & 5	27,604,651		5,461,155
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	36,921,137	TE 0.93813	34,636,975
28	Prepayments (Account 165, Note AA)	111.57.c	24,170,811	GP 0.13705	3,312,719
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		88,696,600		43,410,848
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		3,029,338,331		850,260,789

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For the 12 months ended 12/31/17

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	52,042,487	TE 0.93813	48,822,827
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		31,628,598	1.00000	31,628,598
2	Less Account 565	321.96.b	0	TE 0.93813	0
3	A&G	323.197.b	202,236,129	W/S 0.13220	26,734,654
4	Less FERC Annual Fees		1,084,336	W/S 0.13220	143,344
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		728,472	W/S 0.13220	96,301
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.93813	0
6	Common	356.1 (Note O)	0	CE 0.13220	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)		220,837,209		43,689,239
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	26,113,532	TP 1.00000	26,113,532
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	16,054,926	W/S 0.13220	2,122,385
11	Common	336.11.f (Note O)	33,478,005	CE 0.13220	4,425,633
12	TOTAL DEPRECIATION (sum lines 9 - 11)		75,646,463		32,661,550
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	10,539,797	W/S 0.13220	1,393,311
14	Highway and vehicle	263.i	0	W/S 0.13220	0
15	PLANT RELATED				
16	Property	263.i	33,885,593	GP 0.13705	4,644,174
17	Gross Receipts	263.i	24,855,654	NA zero	0
18	Other	263.i	1,747,015	GP 0.13705	239,436
19	Payments in lieu of taxes		0	GP 0.13705	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		71,028,059		6,276,921
	INCOME TAXES (Note K)				
21	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		0.389813		
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.		47.06%		
23	$1 / (1 - T) =$ (from line 21)		1.638841		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		120,696,793	NA	33,876,622
26	ITC adjustment (line 23 * line 24)		0	NP 0.15722	0
27	Total Income Taxes (line 25 plus line 26)		120,696,793		33,876,622
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		256,458,518	NA	71,981,601
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		744,667,042		188,485,933
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]		3,484,855		3,484,855
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]		60,658,215		60,658,215
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a)		680,523,972		124,342,863

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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)					985,051,125
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>					985,051,125
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)					52,042,487
7	Less transmission expenses included in OATT Ancillary Services (Note L)					3,219,660
8	<u>Included transmission expenses (line 6 less line 7)</u>					48,822,827
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)					0.93813
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=		0.93813
WAGES & SALARY ALLOCATOR (W&S)						
		Form 1 Reference	\$	TP	Allocation	
12	Production	354.20.b	45,098,643	0.00	0	
13	Transmission	354.21.b	10,482,014	1.00	10,482,014	
14	Distribution	354.23.b	15,317,742	0.00	0	W&S Allocator
15	Other	354.24, 25, 26.b	8,393,516	0.00	0	(\$ / Allocation)
16	Total (sum lines 12-15)		79,291,915		10,482,014	= 0.13220 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)						
			\$		% Electric	W&S Allocator
17	Electric	200.3.c	6,858,282,325		(line 17 / line 20)	(line 16)
18	Gas		0		1.00000 *	0.13220 = 0.13220 CE
19	Water		0			
20	<u>Total (sum lines 17 - 19)</u>		6,858,282,325			
RETURN (R)						
21	Long Term Interest (117, sum of 62.c through 67.c)					\$ 93,591,537
22	Preferred Dividends (118.29c) (positive number)					0
Development of Common Stock:						
23	Proprietary Capital (112.16.c) (Note AA)					2,458,702,383
24	Less Preferred Stock (line 28) (Note AA)					0
25	Less Account 216.1 (112.12.c) (enter negative) (Note AA)					-38,609,949
26	<u>Common Stock (sum lines 23-25)</u>					2,420,092,434
			\$	%	Cost (Note P)	Weighted
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)		1,778,500,000	42%	0.0526	0.0223 = WCLTD
28	Preferred Stock (112.3.c) (Note AA)		0	0%	0.0000	0.0000
29	Common Stock (line 26) (Note AA)		2,420,092,434	58%	0.1082	0.0624
30	<u>Total (sum lines 27-29)</u>		4,198,592,434			0.0847 = 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	<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) (330.x.n)						
35	a. Transmission charges for all transmission transactions					\$80,502,204
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1					\$14,049,134
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)					\$3,484,855
36b	d. <u>Transmission charges from Schedules associated with Attachment MM (Note DD)</u>					\$60,658,215
37	<u>Total of (a)-(b)-(c)-(d)</u>					\$2,310,000

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. 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
 - 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 =	6.13%	(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. 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	2,819,667	
Projected Year Divisor	Pg 1, Line 15	2,943,583	
Difference between Historic & Project Yr Divisor		(123,916)	
Prior Year Projected Annual Cost (\$ per kw per yr.)	Pg 1, Line 16	41,31669	
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		5,119,813	
 - 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 2016 through December 2017

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-16	\$ 4,301,822,175	\$ 964,922,449	\$ 1,819,407,573	\$ 136,811,925	\$ 262,372,378
January-17	4,303,954,265	966,992,120	1,824,150,803	136,811,925	261,530,759
February-17	4,305,428,331	968,423,031	1,827,430,137	136,811,925	261,634,774
March-17	4,309,420,333	972,298,163	1,836,311,087	136,811,925	261,862,446
April-17	4,313,579,020	976,335,099	1,845,562,856	136,811,925	262,173,419
May-17	4,320,802,392	983,346,999	1,861,632,589	136,811,925	262,347,808
June-17	4,325,534,669	987,957,482	1,872,190,476	136,811,925	262,440,908
July-17	4,328,794,090	991,121,480	1,879,441,662	136,811,925	262,576,807
August-17	4,330,555,562	992,831,383	1,883,360,385	136,811,925	262,690,588
September-17	4,333,253,635	995,450,467	1,889,362,749	136,811,925	263,248,874
October-17	4,335,865,512	997,985,878	1,895,173,354	136,811,925	263,363,230
November-17	4,338,170,189	1,000,223,083	1,900,300,535	136,811,925	263,529,291
December-17	4,345,951,913	1,007,776,988	1,917,612,426	136,811,925	263,762,277
13 month Average	\$ 4,322,548,622	\$ 985,051,125	\$ 1,865,533,587	\$ 136,811,925	\$ 262,579,504

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-16	\$ 2,482,458,613	\$ 480,069,250	\$ 971,455,084	\$ 35,655,724	\$ 174,192,122
January-17	2,494,634,590	481,046,035	973,558,875	34,250,478	173,270,051
February-17	2,507,138,189	482,278,434	976,290,094	32,845,232	173,705,047
March-17	2,518,413,622	482,560,634	976,671,605	31,439,987	174,032,385
April-17	2,529,618,056	482,791,215	976,918,250	30,034,740	174,288,169
May-17	2,539,333,893	481,872,121	974,317,524	28,629,493	174,666,032
June-17	2,550,287,777	481,910,783	974,074,166	27,224,244	175,116,678
July-17	2,561,974,909	482,528,999	975,248,485	25,818,994	175,530,655
August-17	2,574,403,636	483,724,482	977,842,636	24,413,744	175,965,225
September-17	2,586,378,730	484,570,033	979,569,205	23,008,494	176,010,276
October-17	2,598,403,140	485,456,075	981,390,807	21,603,243	176,448,744
November-17	2,610,584,779	486,466,134	983,513,910	20,197,993	176,842,824
December-17	2,620,092,508	485,406,697	980,521,111	18,792,742	177,179,421
13 month Average	\$ 2,551,824,803	\$ 483,129,299	\$ 977,028,596	\$ 27,224,239	\$ 175,172,895

Northern Indiana Public Service Company

FERC APPROVED CWIP

Budgeted for the period ending December 2016 through December 2017

Pre 12/31/2011 to 12/31/2017 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 CapEx
December-16	301,398,122	196,566,805		104,831,317	
January-17	320,119,294	212,994,391	16,427,586	107,124,903	2,293,586
February-17	340,441,651	228,790,331	15,795,940	111,651,320	4,526,417
March-17	357,018,624	239,122,428	10,332,097	117,896,196	6,244,876
April-17	374,100,407	250,958,116	11,835,688	123,142,291	5,246,095
May-17	392,543,881	264,913,134	13,955,018	127,630,747	4,488,456
June-17	411,033,179	279,690,881	14,777,747	131,342,298	3,711,551
July-17	427,387,774	291,123,733	11,432,852	136,264,041	4,921,743
August-17	443,736,503	302,492,772	11,369,039	141,243,731	4,979,690
September-17	464,861,667	312,932,421	10,439,649	151,929,246	10,685,515
October-17	472,303,230	315,238,364	2,305,943	157,064,866	5,135,620
November-17	478,209,161	318,868,755	3,630,391	159,340,406	2,275,540
December-17	484,877,864	322,408,411	3,539,656	162,469,453	3,129,047
13 month Average	405,233,181	272,007,734		133,225,447	

Northern Indiana Public Service Company
Accumulated Deferred Income Taxes
Year Ended December 31, 2017

Rate Year = *Projected 2017*

1 Account 190

Days in Period					Averaging with Proration - Projected		
A Month	B Days in the Month	C Number of Days Prorated	D Total Days in Future Portion of Test Period	E Proration Amount (C / D)	F Projected Monthly Activity	G Prorated Projected Monthly Activity (E x F)	H Prorated Projected Balance (Cumulative Sum of G)
5 December 31st balance Prorated Items							205,001,646
6 January	31	335	365	91.78%	(137,638)	(126,325)	204,875,320
7 February	28	307	365	84.11%	(137,638)	(115,767)	204,759,554
8 March	31	276	365	75.62%	(137,638)	(104,077)	204,655,477
9 April	30	246	365	67.40%	(137,638)	(92,764)	204,562,712
10 May	31	215	365	58.90%	(137,638)	(81,074)	204,481,638
11 June	30	185	365	50.68%	(137,638)	(69,762)	204,411,876
12 July	31	154	365	42.19%	(137,638)	(58,072)	204,353,804
13 August	31	123	365	33.70%	(137,638)	(46,382)	204,307,422
14 September	30	93	365	25.48%	(137,638)	(35,069)	204,272,353
15 October	31	62	365	16.99%	(137,638)	(23,380)	204,248,973
16 November	30	32	365	8.77%	(137,638)	(12,067)	204,236,906
17 December	31	1	365	0.27%	(137,638)	(377)	204,236,529
18 Total					(1,651,656)	(765,116)	
19 Beginning Balance					234.8.b		314,567,049
20 Less non Prorated Items					(Line 19 less line 21)		109,565,404
21 Beginning Balance of Prorated items					(Line 5, Col H)		205,001,646
22 Ending Balance					234.8.c		316,717,945
23 Less non Prorated Items					(Line 22 less line 24)		112,481,416
24 Ending Balance of Prorated items					(Line 17, Col H)		204,236,529
25 Average Balance					((Lines 21 + 24) /2)+((Lines 20 +23)/2)		315,642,497
26 Less FASB 106 and 109 Items					Attachment O, Footnote F		(211)
27 Amount for Attachment O					(Line 25 less line 26)		315,642,708

28 Account 282

Days in Period					Averaging with Proration - Projected		
A Month	B Days in the Month	C Number of Days Prorated	D Total Days in Future Portion of Test Period	E Proration Amount (C / D)	F Projected Monthly Activity	G Prorated Projected Monthly Activity (E x F)	H Prorated Projected Balance (Cumulative Sum of G)
32 December 31st balance Prorated Items							(1,006,279,439)
33 January	31	335	365	91.78%	(1,719,768)	(1,578,417)	(1,007,857,856)
34 February	28	307	365	84.11%	(1,719,768)	(1,446,490)	(1,009,304,346)
35 March	31	276	365	75.62%	(1,719,768)	(1,300,427)	(1,010,604,773)
36 April	30	246	365	67.40%	(1,719,768)	(1,159,077)	(1,011,763,850)
37 May	31	215	365	58.90%	(1,719,768)	(1,013,014)	(1,012,776,864)
38 June	30	185	365	50.68%	(1,719,768)	(871,663)	(1,013,648,527)
39 July	31	154	365	42.19%	(1,719,768)	(725,601)	(1,014,374,128)
40 August	31	123	365	33.70%	(1,719,768)	(579,538)	(1,014,953,666)
41 September	30	93	365	25.48%	(1,719,768)	(438,187)	(1,015,391,853)
42 October	31	62	365	16.99%	(1,719,768)	(292,125)	(1,015,683,978)
43 November	30	32	365	8.77%	(1,719,768)	(150,774)	(1,015,834,753)
44 December	31	1	365	0.27%	(1,719,768)	(4,712)	(1,015,839,464)
45 Total					(20,637,216)	(9,560,025)	
46 Beginning Balance					274.2.b		(1,006,279,439)
47 Less non Prorated Items					(Line 46 less line 48)		-
48 Beginning Balance of Prorated items					(Line 32, Col H)		(1,006,279,439)
49 Ending Balance					275.2.k		(1,026,916,652)
50 Less non Prorated Items					(Line 49 less line 51)		(11,077,188)
51 Ending Balance of Prorated items					(Line 44, Col H)		(1,015,839,464)
52 Average Balance					((Lines 48 + 51) /2)+((Lines 47 +50)/2)		(1,016,598,046)
53 Less FASB 106 and 109 Items					Attachment O, Footnote F		(2,483,399)
54 Amount for Attachment O					(Line 52 less line 53)		(1,014,114,647)

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)
57							
58							
59 December 31st balance Prorated Items							
60 January	31	335	365	91.78%	-	-	-
61 February	28	307	365	84.11%	-	-	-
62 March	31	276	365	75.62%	-	-	-
63 April	30	246	365	67.40%	-	-	-
64 May	31	215	365	58.90%	-	-	-
65 June	30	185	365	50.68%	-	-	-
66 July	31	154	365	42.19%	-	-	-
67 August	31	123	365	33.70%	-	-	-
68 September	30	93	365	25.48%	-	-	-
69 October	31	62	365	16.99%	-	-	-
70 November	30	32	365	8.77%	-	-	-
71 December	31	1	365	0.27%	-	-	-
72 Total					-	-	-

73 Beginning Balance	276.9.b	(123,012,388)
74 Less non Prorated Items	(Line 73 less line 75)	(123,012,388)
75 Beginning Balance of Prorated items	(Line 59, Col H)	-
76 Ending Balance	277.9.k	(125,611,345)
77 Less non Prorated Items	(Line 76 less line 78)	(125,611,345)
78 Ending Balance of Prorated items	(Line 71, Col H)	-
79 Average Balance	((Lines 75 + 78) /2)+((Lines 74 +77)/2)	(124,311,866)
80 Less FASB 106 and 109 Items	Attachment O, Footnote F	3,353,501
81 Amount for Attachment O	(Line 79 less line 80)	(127,665,367)

82 **Account 255**

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)
84							
85							
86 December 31st balance Prorated Items							
87 January	31	335	365	91.78%	-	-	-
88 February	28	307	365	84.11%	-	-	-
89 March	31	276	365	75.62%	-	-	-
90 April	30	246	365	67.40%	-	-	-
91 May	31	215	365	58.90%	-	-	-
92 June	30	185	365	50.68%	-	-	-
93 July	31	154	365	42.19%	-	-	-
94 August	31	123	365	33.70%	-	-	-
95 September	30	93	365	25.48%	-	-	-
96 October	31	62	365	16.99%	-	-	-
97 November	30	32	365	8.77%	-	-	-
98 December	31	1	365	0.27%	-	-	-
99 Total					-	-	-

100		
101 Beginning Balance	266.8.b	(324,605)
102 Less non Prorated Items	(Line 101 less line 103)	(324,605)
103 Beginning Balance of Prorated items	(Line 86, Col H)	-
104 Ending Balance	267.8.h	392
105 Less non Prorated Items	(Line 104 less line 106)	392
106 Ending Balance of Prorated items	(Line 98, Col H)	-
107 Average Balance	((Lines 103 + 106) /2)+((Lines 102 +105)/2)	(162,107)
108 Less FASB 106 and 109 Items	Attachment O, Footnote F	-
109 Amount for Attachment O	(Line 107 less line 108)	(162,107)

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-16	\$ 3,563,032
January-17	-
February-17	-
March-17	-
April-17	-
May-17	-
June-17	-
July-17	-
August-17	-
September-17	-
October-17	-
November-17	-
December-17	<u>3,563,032</u>

BOY/EOY Average \$ 3,563,032

* 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 (a)	FERC 163 Common Allocated to Electric (b)	FERC 163 Electric Allocated to Transmission (c)	FERC 154 Transmission Plant (d)	Total
December-16	\$ 3,465,844	\$ -	\$ -	\$ 36,506,526	\$ -
January-17					
February-17					
March-17					
April-17					
May-17					
June-17					
July-17					
August-17					
September-17					
October-17					
November-17					
December-17	<u>3,465,844</u>	<u>-</u>	<u>-</u>	<u>36,506,526</u>	<u>-</u>
BOY/EOY Average	\$ 3,465,844	\$ 2,637,160	\$ 414,611	\$ 36,506,526	\$ 36,921,137

(a) The source for FERC 163 amount is the Inventory by Segment report dated 6/30/2016 which is the most current information available

(b) allocated using Ratio O&M reported on page 356.1 of FERC Form 1 (76.09%)

(c) allocated using the Net Plant (NP) allocator reported on page 2 line 18 column 4 (15.722%)

(d) The source for FERC 154 amount is the Inventory by Segment report dated 6/30/2016 which is the most current information available. That amount is then multiplied by 39.21% (the factor used to get Transmission Plant estimate in the FERC Form 1, p. 227, line 8).

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-16	\$ 24,170,811
January-17	-
February-17	-
March-17	-
April-17	-
May-17	-
June-17	-
July-17	-
August-17	-
September-17	-
October-17	-
November-17	-
December-17	24,170,811
BOY/EOY Average	\$ 24,170,811

Northern Indiana Public Service Company

Transmission Expenses

Budgeted for the period ending December 31, 2017

Account Number		December-17
<i>OPERATION</i>		
560.0	Supervision and Engineering	\$ 1,380,517
561.0	Load Dispatching	1,858
561.1	Load Dispatching - Reliability	1,744,466
561.2	Load Dispatching -Monitor & Operate Transmission System	1,475,194
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	225,971
561.5	Reliability, Planning and Standards Development	936,351
561.6	Transmission Service Studies	317
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	31,402,627
562.0	Station Expense	929,570
563.0	Overhead Line Expense	378,027
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	1,347,777
567.0	Rents	-
	Total Operation	<u>\$ 39,822,675</u>
<i>MAINTENANCE</i>		
568.0	Supervision and Engineering	\$ 1,346,980
569.0	Structures	-
569.1	Computer Hardware	213,827
569.2	Computer Software	717,487
569.3	Communication Equipment	-
570.0	Station Equipment	4,575,013
571.0	Overhead Lines	5,495,657
573.0	Miscellaneous Transmission Plant	157,867
	Total Maintenance	<u>\$ 12,506,831</u>
	Total Operations and Maintenance before TUA Credit	\$ 52,329,506
	Credit for TUA ⁽¹⁾	<u>\$ (287,019)</u>
	Total Operations and Maintenance including TUA Credit	\$ 52,042,487

⁽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

Budgeted for the period ending December 31, 2017

Account Number		December-17
	<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>	
	920.0 Administrative and General Salaries	\$ 70,165,682
	921.0 Office Supplies and Expenses	18,386,497
Less	922.0 Administrative Expenses Transferred- Credit	-
	923.0 Outside Services Employed	48,078,883
	924.0 Property Insurance	4,818,847
	925.0 Injuries and Damages	11,480,506
	926.0 Employees Pensions and Benefits	37,507,811
	928.0 Regulatory Commission Expenses	1,084,336
	929.0 (Less) Duplicate Charges - Cr	-
	930.1 General Advertising Expense	37,767
	930.2 Miscellaneous General Expenses	2,400,132
	931.0 Rents	5,997,295
	935.0 Maintenances of General Plant	2,278,374
	Total Administrative and General	<u>\$ 202,236,129</u>

Ref		December-17
	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	
a	Electric Power Research Institute	\$ 690,705
928.0, b	Regulatory Commission Expenses	1,084,336
c	Non-safety Advertisement	37,767
		<u>\$ 1,812,808</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, 2017

	December-17
<i>DEPRECIATION EXPENSE</i>	
Transmission	\$ 26,113,532
General	\$ 16,054,926
Common	\$ 33,478,005

Northern Indiana Public Service Company

Taxes Other than Income Allocated to Electric

Budgeted for the period ending December 31, 2017

	December-17
Payroll	\$ 10,539,797 ⁽¹⁾
Property	\$ 33,885,593 ⁽¹⁾
Gross Receipts	\$ 24,855,654
Other	\$ 1,747,015

⁽¹⁾ These 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

Budgeted for the period ending December 31, 2017

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-17
Production	\$ 45,098,643
Transmission	\$ 10,482,014
Distribution	\$ 15,317,742
Other	\$ 8,393,516

COMMON PLANT ALLOCATOR

	December-17
Electric	\$ 6,858,282,325
Gas	\$ -
Water	\$ -
	<hr/>
	\$6,858,282,325

Northern Indiana Public Service Company
 Capital Structure
 Budgeted for the period ending December 31, 2017

<u>Long-Term Debt</u>		
	December-16	\$ 1,738,500,000
	January-17	
	February-17	
	March-17	
	April-17	
	May-17	
	June-17	
	July-17	
	August-17	
	September-17	
	October-17	
	November-17	
	December-17	<u>1,818,500,000</u>
	Average of Beginning and End of Year Balance	\$ 1,778,500,000
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 93,591,537
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-16	\$ 2,344,301,354
	January-17	
	February-17	
	March-17	
	April-17	
	May-17	
	June-17	
	July-17	
	August-17	
	September-17	
	October-17	
	November-17	
	December-17	<u>2,573,103,412</u>
	Average of Beginning and End of Year Balance	\$ 2,458,702,383
Preferred Stock		
	December-16	\$ -
	January-17	
	February-17	
	March-17	
	April-17	
	May-17	
	June-17	
	July-17	
	August-17	
	September-17	
	October-17	
	November-17	
	December-17	<u>-</u>
	Average of Beginning and End of Year Balance	\$ -
Unappropriated Undistributed Subsidiary Earnings		
	December-16	\$ 37,850,775
	January-17	
	February-17	
	March-17	
	April-17	
	May-17	
	June-17	
	July-17	
	August-17	
	September-17	
	October-17	
	November-17	
	December-17	<u>39,369,123</u>
	Average of Beginning and End of Year Balance	\$ 38,609,949

Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

DIVISOR

Monthly Peaks and Output in (Mw)

Year ended December 31, 2017

	NIPSCO Internal	Wholesale
January	2,460	316
February	2,411	274
March	2,424	267
April	2,245	223
May	2,607	287
June	2,815	340
July	3,109	413
August	3,117	402
September	2,784	334
October	2,302	249
November	2,332	259
December	2,429	283
Total	<u>31,035</u>	<u>3,647</u>
Average (Mw)	2,586.25	303.92
Average (kWh)	<u>2,586,254</u>	<u>303,917</u>

Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)
Year ended December 31, 2017

Transmission of Electricity for Others (Account 456.1)

	December-17
Transmission Charges for Transmission Transactions	
Midwest ISO (Schedule 7&8)	\$ 1,524,000
Midwest ISO (Schedule 9)	2,474,722
Midwest ISO (Schedule 26)	3,484,855
Midwest ISO (Schedule 26-a)	60,658,215 ^(a)
Indiana Municipal Power Agency	328,838
Wabash Valley Power Authority	11,095,765
Midwest ISO (Schedule 1)	209,923
Midwest ISO (Schedule 2)	725,886
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	<u>\$ 80,502,204</u>
Less: Schedule 1 (related to Schedule 9)	\$ 71,923
Less: Schedule 2 (related to Schedule 9)	77,886
Less: Schedule 9	2,474,722
Less: Schedule 24	-
Less: Schedule 26	3,484,855
Less: Schedule 26-a	60,658,215
Indiana Municipal Power Agency	328,838
Wabash Valley Power Authority	<u>11,095,765</u>
Total Revenue Credit	<u>\$ 2,310,000</u>

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