

NORTHERN INDIANA PUBLIC SERVICE COMPANY LLC
Attachment O Revenue Requirement True-Up
For the Year Ended December 31, 2017

Attachment - O

Actual Revenue Requirement (Attachment O, Pg. 3, Col. 5, Line 29)	\$ 172,064,671	
Less: Actual Attachment GG Revenue Requirement	(3,197,627)	
Less: Actual Attachment MM Revenue Requirement	(57,360,727)	
Less: EL 17-10 Adjustment	(1,750,000)	
Less: Revenue Credits	(1,819,067)	
NET REVENUE REQUIREMENT	\$ 107,937,250	

Projected Revenue Requirement (Attachment O, Pg. 3, Col. 5, Line 29)	\$ 188,485,933	
Less: Projected Attachment GG Revenue Requirement	(3,484,855)	
Less: Projected Attachment MM Revenue Requirement	(60,658,215)	
Less: EL 17-10 Adjustment	-	
Less: Revenue Credits	(2,310,000)	
NET REVENUE REQUIREMENT	\$ 122,032,863	

Under/(Over) Recovery of the Revenue Requirement	\$ (14,095,613)
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Historic Year Actual Divisor (Attachment O, Pg. 1, Line 15)	2,866,000
Projected Year Divisor (Attachment O, Pg. 1, Line 15)	2,890,171
Difference between Historic & Projected Year Divisor	(24,171)
Projected Annual Cost (\$ per kw per yr) (Attachment O, Pg. 1, Line 16)	45.767

Under/(Over) Recovery due to Volume	\$ 1,106,234
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Under/(Over) Recovery	\$ (12,989,379)
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Monthly Interest Rate	0.3363%
Interest Per Month	\$ (43,683)
	x 24 months
	\$ (1,048,399)

Under/(Over) Recovery including interest	\$ (14,037,778)
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Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

Northern Indiana Public Service Company LLC

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 109,756,317
	REVENUE CREDITS	(Note T)			
2	Account No. 454	(page 4, line 34, column 5)	0	TP 1.00000	0
3	Account No. 456.1	(page 4, line 37, column 5)	1,819,067	TP 1.00000	1,819,067
4	Revenues from Grandfathered Interzonal Transactions		0	TP 1.00000	0
5	Revenues from service provided by the ISO at a discount		0	TP 1.00000	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)				1,819,067
6a	Historic Year Actual ATRR				125,895,165
6b	Projected ATRR from Prior Year	Input from Prior Year			120,958,004
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			4,937,161
6d	Prior Year Divisor True-Up	(Note BB)			5,092,340
6e	Interest on Prior Year True-Up				212,786
7	NET REVENUE REQUIREMENT (line 1 - line 6 + line 6c through 6e)				\$ 118,179,537
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,558,083
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)	307,917
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)				2,866,000
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	41.235		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.436		
			Peak Rate		Off-Peak Rate
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.793		\$0.793
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)	9.912	Capped at weekly and daily rates	\$4.707
21	FERC Annual Charge (\$/MWh)	(Note E)	\$0.0000	Short Term	\$0.0000 Short Term
22			\$0.0000	Long Term	\$0.0000 Long Term

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

Northern Indiana Public Service Company LLC

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	4,346,797,260	NA	
2	Transmission	207.58.g	998,558,741	TP 1.00000	998,558,741
3	Distribution	207.75.g	1,883,488,840	NA	
4	General & Intangible	205.5.g & 207.99.g	128,816,904	W/S 0.12326	15,877,817
5	Common	356.1 (Note O)	264,606,707	CE 0.12326	32,615,105
6	TOTAL GROSS PLANT (sum lines 1-5)		7,622,268,452	GP= 13.737%	1,047,051,663
	ACCUMULATED DEPRECIATION (Note Z, Note GG)				
7	Production	219.20-24.c	2,454,918,444	NA	
8	Transmission	219.25.c	472,919,143	TP 1.00000	472,919,143
9	Distribution	219.26.c	961,773,403	NA	
10	General & Intangible	219.28.c & 200.21.c	129,240,469	W/S 0.12326	15,930,025
11	Common	356.1 (Note O)	176,704,806	CE 0.12326	21,780,422
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		4,195,556,265		510,629,590
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	1,891,878,816		
14	Transmission	(line 2 - line 8)	525,639,598		525,639,598
15	Distribution	(line 3 - line 9)	921,715,437		
16	General & Intangible	(line 4 - line 10)	-423,565		-52,208
17	Common	(line 5 - line 11)	87,901,901		10,834,683
18	TOTAL NET PLANT (sum lines 13-17)		3,426,712,187	NP= 15.654%	536,422,073
18a	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	389,197,540	NA 1.00000	389,197,540
	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	-999,216,553	NP 0.15654	-156,418,685
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-175,474,406	NP 0.15654	-27,468,996
22	Account No. 190 (Note F, Note AA)	234.8.c	160,590,392	NP 0.15654	25,139,033
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-270,520	NP 0.15654	-42,348
23a	Unamortized Balance of Abandoned Plant	(Note Y, Note Z)	0	NA 1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23a)		-1,014,371,087		-158,790,996
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	29,879,720		5,463,657
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	37,364,107	TE 0.91769	34,288,584
28	Prepayments (Account 165, Note AA)	111.57.c	22,990,190	GP 0.13737	3,158,104
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		90,234,017		42,910,345
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		2,895,153,272		813,119,577

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

Northern Indiana Public Service Company LLC

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	45,865,665	TE 0.91769	42,090,360
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		25,311,080	1.00000	25,311,080
2	Less Account 565	321.96.b	0	TE 0.91769	0
3	A&G	323.197.b	221,425,048	W/S 0.12326	27,292,585
4	Less FERC Annual Fees		1,296,292	W/S 0.12326	159,779
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		1,645,578	W/S 0.12326	202,832
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.91769	0
6	Common	356.1 (Note O)	0	CE 0.12326	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)		239,037,763		43,709,254
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	20,347,801	TP 1.00000	20,347,801
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	1,377,630	W/S 0.12326	169,805
11	Common	336.11.f (Note O)	15,007,105	CE 0.12326	1,849,758
12	TOTAL DEPRECIATION	(sum lines 9 - 11)	36,732,536		22,367,364
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	10,014,958	W/S 0.12326	1,234,432
14	Highway and vehicle	263.i	0	W/S 0.12326	0
15	PLANT RELATED				
16	Property	263.i	23,149,418	GP 0.13737	3,179,977
17	Gross Receipts	263.i	24,895,594	NA zero	0
18	Other	263.i	0	GP 0.13737	0
19	Payments in lieu of taxes		0	GP 0.13737	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		58,059,970		4,414,408
	INCOME TAXES (Note K)				
21	$T = 1 - \{(1 - \text{SIT}) * (1 - \text{FIT}) / (1 - \text{SIT} * \text{FIT} * p)\} =$		38.98%		
22	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / \text{R})) =$		47.49%		
	where WCLTD=(page 4, line 27) and R=(page 4, line 30)				
	and FIT, SIT & p are as given in footnote K.				
23	$1 / (1 - T) =$ (from line 21)		1.6388405		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		116,449,440	NA	32,705,460
26	ITC adjustment (line 23 * line 24)		0	NP 0.15654	0
27	Total Income Taxes (line 25 plus line 26)		116,449,440		32,705,460
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		245,208,646	NA	68,868,185
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		695,488,355		172,064,671
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]		3,197,627		3,197,627
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]		57,360,727		57,360,727
30b	LESS EL17-10 ADJUSTMENT (effective October 1, 2016) (Note HH)		1,750,000		1,750,000
31	REV. REQUIREMENT TO BE COLLECTED UNDER ATTACHMENT O (line 29 - line 30 - line 30a - line 30b)		633,180,001		109,756,317

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2017

Northern Indiana Public Service Company LLC

SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES				
1	Total transmission plant (page 2, line 2, column 3)			998,558,741	
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)			998,558,741	
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)			45,865,665	
7	Less transmission expenses included in OATT Ancillary Services (Note L)			3,775,305	
8	Included transmission expenses (line 6 less line 7)			42,090,360	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)			0.91769	
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=	0.91769
WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation
12	Production	354.20.b	48,920,261	0.00	0
13	Transmission	354.21.b	10,487,114	1.00	10,487,114
14	Distribution	354.23.b	17,561,569	0.00	0
15	Other	354.24, 25, 26.b	8,113,128	0.00	0
16	Total (sum lines 12-15)		85,082,072		10,487,114 = 0.12326 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)					
			\$	% Electric	W&S Allocator
17	Electric	200.3.c	6,927,467,205	(line 17 / line 20)	(line 16)
18	Gas		0	1.00000 *	0.12326 = 0.12326
19	Water		0		CE
20	Total (sum lines 17 - 19)		6,927,467,205		
RETURN (R)					
21		Long Term Interest (117, sum of 62.c through 67.c)			\$89,127,940
22		Preferred Dividends (118.29c) (positive number)			\$ -
Development of Common Stock:					
23		Proprietary Capital (112.16.c) (Note AA)			2,423,767,570
24		Less Preferred Stock (line 28) (Note AA)			0
25		Less Account 216.1 (112.12.c) (enter negative) (Note AA)			-37,603,257
26		Common Stock (sum lines 23-25)			2,386,164,313
			\$	%	Cost (Note P)
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)		1,714,500,000	42%	0.0520
28	Preferred Stock (112.3.c) (Note AA)		0	0%	0.0000
29	Common Stock (line 26) (Note AA)		2,386,164,313	58%	0.1082
30	Total (sum lines 27-29)		4,100,664,313		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
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				\$74,539,822
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1				\$14,672,021
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)				\$3,167,777
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)				\$54,880,957
37	Total of (a)-(b)-(c)-(d)				\$1,819,067

Northern Indiana Public Service Company LLC

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 = | 6.125% | (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	2,819,667
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	41,09510
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		5,092,340
 - 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 LLC

Plant in Service

Actuals for the period ending December 2016 through December 2017

Gross Plant in Service

	Electric Plant				Common Allocated to
	Production	Transmission	Distribution	General & Intangible	
December-16	\$ 4,305,233,589	\$ 969,349,313	\$ 1,848,125,045	\$ 126,682,189	\$ 261,606,964
January-17	4,304,467,316	972,246,561	1,850,002,424	127,016,500	261,626,494
February-17	4,331,387,642	973,898,562	1,858,389,349	127,386,756	259,682,884
March-17	4,331,778,988	974,577,711	1,862,944,468	128,619,235	261,038,093
April-17	4,333,363,495	973,930,517	1,866,358,748	126,968,417	263,279,635
May-17	4,332,161,830	972,076,108	1,869,121,697	128,504,678	263,894,998
June-17	4,333,602,614	971,114,437	1,873,383,057	130,640,820	265,083,133
July-17	4,335,906,682	971,535,538	1,880,019,475	130,622,053	265,569,039
August-17	4,364,766,978	1,011,688,291	1,887,062,208	131,247,423	268,614,727
September-17	4,369,791,972	1,024,407,104	1,900,629,733	132,177,981	271,760,369
October-17	4,386,606,552	1,045,168,939	1,903,409,520	128,344,169	267,321,407
November-17	4,388,783,139	1,054,373,156	1,927,735,941	129,888,648	267,319,664
December-17	4,390,513,584	1,066,897,400	1,958,173,258	126,520,882	263,089,786
13 month Average	\$ 4,346,797,260	\$ 998,558,741	\$ 1,883,488,840	\$ 128,816,904	\$ 264,606,707

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to
	Production	Transmission	Distribution	General & Intangible	
December-16	\$ 2,410,025,596	\$ 471,072,601	\$ 951,532,759	\$ 130,647,815	\$ 172,736,912
January-17	2,419,130,960	471,126,703	952,902,548	130,695,324	173,944,853
February-17	2,429,607,240	472,033,072	955,236,194	130,737,141	173,007,362
March-17	2,433,104,857	470,073,594	953,833,637	130,542,564	174,118,931
April-17	2,437,728,465	471,048,233	955,424,422	130,462,829	175,258,055
May-17	2,441,876,413	472,018,384	957,039,306	130,839,636	176,108,047
June-17	2,455,890,682	470,597,614	961,442,440	131,030,310	177,371,163
July-17	2,461,814,255	471,748,256	963,139,504	131,125,613	178,547,437
August-17	2,465,989,683	472,895,904	965,743,821	131,255,070	181,451,378
September-17	2,476,795,800	474,289,286	968,212,934	131,375,735	182,649,975
October-17	2,484,650,996	475,101,913	969,721,577	125,387,562	178,269,570
November-17	2,495,812,503	476,645,947	972,079,838	125,499,735	179,522,545
December-17	2,501,512,318	479,297,346	976,745,254	120,526,757	174,176,257
13 month Average	\$ 2,454,918,444	\$ 472,919,143	\$ 961,773,403	\$ 129,240,469	\$ 176,704,806

Northern Indiana Public Service Company LLC

FERC APPROVED CWIP

Actuals for the period ending December 2016 through December 2017

Pre 12/31/2011 to 12/31/2017 Actual 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 ⁽¹⁾	Total CWIP	Monthly Budgeted CapEx
December-16	\$ 299,162,496	\$ 193,759,186		\$ 105,403,311	
January-17	318,334,338	209,595,126	\$ 15,835,941	108,739,212	\$ 3,335,901
February-17	334,178,235	223,326,678	13,731,552	110,851,557	2,112,346
March-17	351,369,178	236,776,771	13,450,093	114,592,407	3,740,849
April-17	365,594,737	247,804,915	11,028,144	117,789,822	3,197,415
May-17	384,283,182	261,397,604	13,592,689	122,885,577	5,095,756
June-17	411,421,008	281,719,559	20,321,955	129,701,449	6,815,871
July-17	435,017,214	297,113,385	15,393,826	137,903,829	8,202,381
August-17	417,338,318	274,887,237	16,212,669	142,451,081	4,547,252
September-17	420,604,508	274,447,470	9,629,808	146,157,038	3,705,957
October-17	432,228,521	282,660,321	8,212,851	149,568,200	3,411,162
November-17	441,256,887	286,722,649	4,062,328	154,534,238	4,966,038
December-17	448,779,403	290,910,424	4,187,775	157,868,980	3,334,741
13 month Average	\$ 389,197,540	\$ 258,547,794		\$ 130,649,746	

(1) August 2017 includes \$38,438,817 of capital that went in service and September 2017 Includes \$12,027,720 of capital that went in service .

Northern Indiana Public Service Company LLC

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	\$ -	\$ 1,041,525,960	\$ 139,012,226	\$ 324,819,382	\$ 324,605
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
End of Year	-	513,546,165	90,729,135	71,039,612	216,435
BOY/EOY Average	\$ -	\$ 777,536,063	\$ 114,870,681	\$ 197,929,497	\$ 270,520
Less FAS109 Regulatory Assets or Liabilities	\$ -	\$ (221,680,490)	\$ (60,603,725)	\$ 37,339,105	
Amount for Attachment O	\$ -	\$ 999,216,553	\$ 175,474,406	\$ 160,590,392	\$ 270,520

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

Rate Year = _____

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)
3							
4							
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 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)
30							
31							
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)
57								
58								
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, 2017**

Rate Year = 2017

1	Account 190			
2	Beginning Balance	234.8.b	324,819,382	
3	Ending Balance	234.8.c	71,039,612	
4	Average Balance	((Lines 2 + 3) / 2)	197,929,497	
5	Less FASB 106 and 109 Items		37,339,105	
6	Amount for Attachment O	(Line 4 less line 5)	160,590,392	
7	Account 282			
8	Beginning Balance	274.2.b	1,041,525,960	
9	Ending Balance	275.2.k	513,546,165	
10	Average Balance	((Lines 8 + 9) / 2)	777,536,063	
11	Less FASB 106 and 109 Items		(221,680,490)	
12	Amount for Attachment O	(Line 10 less line 11)	999,216,553	
13	Account 283			
14	Beginning Balance	276.9.b	139,012,226	
15	Ending Balance	277.9.k	90,729,135	
16	Average Balance	((Lines 14 + 15) / 2)	114,870,681	
17	Less FASB 106 and 109 Items		(60,603,725)	
18	Amount for Attachment O	(Line 16 less line 17)	175,474,406	

(244,945,110)

Northern Indiana Public Service Company LLC

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	\$ 3,380,615
January-17	-
February-17	-
March-17	-
April-17	-
May-17	-
June-17	-
July-17	-
August-17	-
September-17	-
October-17	-
November-17	-
December-17	3,380,615

BOY/EOY Average \$ 3,380,615

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

Northern Indiana Public Service Company LLC

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 Common Electric Allocated to Transmission (c)	FERC 154 Transmission Plant (d)	Total
December-16	\$ 3,860,994	\$ -	\$ -	\$ 36,393,664	\$ -
January-17					
February-17					
March-17					
April-17					
May-17					
June-17					
July-17					
August-17					
September-17					
October-17					
November-17					
December-17	5,140,777	-	-	37,254,860	-
BOY/EOY Average	\$ 4,500,886	\$ 3,448,578.4701	\$ 539,845	\$ 36,824,262	\$ 37,364,107

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

(b) allocated using Ratio H reported on page 356.1 of FERC Form 1:

76.62%

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

15.65%

(d) The source for FERC 154 is based on 2016 EOY Balance, which is the most current information

Northern Indiana Public Service Company LLC

Prepayments

Average of Beginning and End of Year Balance

Working Capital (Balances at beginning of year and end of year)

Source: Footnote to FERC Form 1, 111.57.c

	<u>Prepayments</u>
December-16	\$ 22,451,714
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>23,528,666</u>
BOY/EOY Average	\$ 22,990,190

Northern Indiana Public Service Company LLC

Transmission Expenses

Actuals for the period ending December 31, 2017

Account Number		December-17
	<i>OPERATION</i>	
560.0	Supervision and Engineering	\$ 1,616,277
561.0	Load Dispatching	-
561.1	Load Dispatching - Reliability	2,026,180
561.2	Load Dispatching -Monitor & Operate Transmission System	1,749,125
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	244,771
561.5	Reliability, Planning and Standards Development	756,798
561.6	Transmission Service Studies	-
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	25,066,309
562.0	Station Expense	1,072,534
563.0	Overhead Line Expense	394,435
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	989,085
567.0	Rents	-
	Total Operation	<u>\$ 33,915,514</u>
	<i>MAINTENANCE</i>	
568.0	Supervision and Engineering	\$ 1,676,276
569.0	Structures	-
569.1	Computer Hardware	239,614
569.2	Computer Software	1,664,362
569.3	Communication Equipment	-
570.0	Station Equipment	4,520,372
571.0	Overhead Lines	4,149,274
573.0	Miscellaneous Transmission Plant	11,784
	Total Maintenance	<u>\$ 12,261,682</u>
	Total Operations and Maintenance before TUA Credit	\$ 46,177,196
	Credit for TUA ⁽¹⁾	<u>\$ (311,531)</u>
	Total Operations and Maintenance including TUA Credit	<u>\$ 45,865,665</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 LLC

Administrative and General Expenses

Actuals for the period ending December 31, 2017

Account Number		December-17
	<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>	
	920.0 Administrative and General Salaries	\$ 80,055,405
	921.0 Office Supplies and Expenses	20,832,911
Less	922.0 Administrative Expenses Transferred- Credit	-
	923.0 Outside Services Employed	57,105,909
	924.0 Property Insurance	2,865,436
	925.0 Injuries and Damages	10,249,856
	926.0 Employees Pensions and Benefits	33,135,893
	928.0 Regulatory Commission Expenses	1,296,292
	929.0 (Less) Duplicate Charges - Cr	-
	930.1 General Advertising Expense	35,870
	930.2 Miscellaneous General Expenses	5,179,135
	931.0 Rents	5,701,641
	935.0 Maintenances of General Plant	4,966,700
	Total Administrative and General	\$ 221,425,048

Ref		December-17
	<i>EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING</i>	
	a Electric Power Research Institute	\$ 874,044
928.0, b	Regulatory Commission Expenses	1,296,292
c	Non-safety Advertisement	35,870
923, d	Regulatory Commission Expenses	735,664
		\$ 2,941,870

a - Amount of EPRI expense listed in Form 1 at 353.f

b - Only amounts directly related to transmission service, ISO filings, or transmission siting

c - Non-safety advertising included in account 930.1

d - Amount of Regulatory Commission Expense reported in Form 1 at 351.h

Northern Indiana Public Service Company LLC

Depreciation and Amortization

Actuals for the period ending December 31, 2017

<i>DEPRECIATION EXPENSE</i>	December-17
Transmission	\$ 20,347,801
General & Intangible	\$ 1,377,630
Common	\$ 15,007,105

Northern Indiana Public Service Company LLC

Taxes Other than Income Allocated to Electric

Actuals for the period ending December 31, 2017

	December-17	TUA Amounts
Payroll ⁽¹⁾	\$ 10,014,958	\$ 3,786
Property ⁽¹⁾	\$ 23,149,418	\$ 71,937
Gross Receipts	\$ 24,895,594	
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 LLC

Wages and Salary / Common Plant Allocator

Actuals for the period ending December 31, 2017

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-17
Production	\$ 48,920,261
Transmission	10,487,114
Distribution	17,561,569
Other	8,113,128

COMMON PLANT ALLOCATOR

	December-17
Electric	\$ 6,927,467,205
Gas	-
Water	-
	<hr/>
	\$ 6,927,467,205

Northern Indiana Public Service Company LLC

Capital Structure

Actuals for the period ending December 31, 2017

<u>Long-Term Debt</u>		
	December-16	\$ 1,654,500,000
	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>1,774,500,000</u>
Average of Beginning and End of Year Balance		\$ 1,714,500,000
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 89,127,940
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-16	\$ 2,335,766,467
	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>2,511,768,673</u>
Average of Beginning and End of Year Balance		\$ 2,423,767,570
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	\$ 37,321,957
	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>37,884,556</u>
Average of Beginning and End of Year Balance		\$ 37,603,257

Northern Indiana Public Service Company LLC

Monthly Peaks and Output in (Mw)

DIVISOR

Monthly Peaks and Output in (Mw)

Year ended December 31, 2017

	NIPSCO Internal	Wholesale
January	2,350	322
February	2,331	269
March	2,329	262
April	2,187	237
May	2,586	286
June	3,100	381
July	2,995	371
August	2,836	360
September	3,040	375
October	2,400	281
November	2,244	254
December	2,299	297
Total	<u>30,697</u>	<u>3,695</u>
Average (Mw)	2,558.08	307.92
Average (kWh)	<u>2,558,083</u>	<u>307,917</u>

Northern Indiana Public Service Company LLC

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)	\$ 1,292,062
Midwest ISO (Schedule 9)	2,726,592
Midwest ISO (Schedule 26)	3,167,777
Midwest ISO (Schedule 26-a)	54,880,957 ^(a)
Indiana Municipal Power Agency	488,813
Wabash Valley Power Authority	11,267,445
Midwest ISO (Schedule 1)	113,205
Midwest ISO (Schedule 2)	602,971
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	<u>\$ 74,539,822</u>
Less: Schedule 1 (related to Schedule 9)	\$ 49,425
Less: Schedule 2 (related to Schedule 9)	139,746
Less: Schedule 9	2,726,592
Less: Schedule 24	-
Less: Schedule 26	3,167,777
Less: Schedule 26-a	54,880,957
Indiana Municipal Power Agency	488,813
Wabash Valley Power Authority	<u>11,267,445</u>
Total Revenue Credit	<u><u>\$ 1,819,067</u></u>

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