

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2018

Northern Indiana Public Service Company

Line No.			Total	Allocator	Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 31, column 5)				\$ 112,667,513
	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)	2,172,000	TP 1.00000	2,172,000
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)				2,172,000
6a	Historic Year Actual ATRR				119,131,409
6b	Projected ATRR from Prior Year	Input from Prior Year			124,142,383
6c	Prior Year ATRR True-Up	(line 6a - line 6b)			(5,010,974)
6d	Prior Year Divisor True-Up	(Note BB)			3,142,765
6e	Interest on Prior Year True-Up				(130,969)
7	NET REVENUE REQUIREMENT	(line 1 - line 6 + line 6c through 6e)			\$ 108,496,335
	DIVISOR				
8	Average of 12 coincident system peaks for requirements (RQ) service			(Note A)	2,502,289
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)	301,165
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)				2,803,455
16	Annual Cost (\$/kW/Yr)	(line 7 / line 15)	38.701		
17	Network & P-to-P Rate (\$/kW/Mo)	(line 16 / 12)	3.225		
			Peak Rate	Off-Peak Rate	
18	Point-To-Point Rate (\$/kW/Wk)	(line 16 / 52; line 16 / 52)	0.744		\$0.744
19	Point-To-Point Rate (\$/kW/Day)	(line 16 / 260; line 16 / 365)	0.149	Capped at weekly rate	\$0.106
20	Point-To-Point Rate (\$/MWh)	line 16 / 8,760 times 1,000)	9.303	Capped at weekly and daily rates	\$4.418
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 12/31/2018

Northern Indiana Public Service Company

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	3,961,218,643	NA	
2	Transmission	207.58.g	1,382,559,787	TP 1.00000	1,382,559,787
3	Distribution	207.75.g	1,982,114,300	NA	
4	General & Intangible	205.5.g & 207.99.g	136,734,590	W/S 0.12314	16,836,956
5	Common	356.1 (Note O)	264,936,694	CE 0.12314	32,623,256
6	TOTAL GROSS PLANT (sum lines 1-5)		7,727,564,014	GP= 18.531%	1,432,019,999
	ACCUMULATED DEPRECIATION (Note Z, Note GG)				
7	Production	219.20-24.c	2,111,757,079	NA	
8	Transmission	219.25.c	507,098,497	TP 1.00000	507,098,497
9	Distribution	219.26.c	961,452,013	NA	
10	General & Intangible	219.28.c & 200.21.c	127,525,637	W/S 0.12314	15,703,002
11	Common	356.1 (Note O)	175,023,968	CE 0.12314	21,551,759
12	TOTAL ACCUM. DEPRECIATION (sum lines 7-11)		3,882,857,194		544,353,258
	NET PLANT IN SERVICE				
13	Production	(line 1 - line 7)	1,849,461,564		
14	Transmission	(line 2 - line 8)	875,461,290		875,461,290
15	Distribution	(line 3 - line 9)	1,020,662,287		
16	General & Intangible	(line 4 - line 10)	9,208,953		1,133,954
17	Common	(line 5 - line 11)	89,912,726		11,071,497
18	TOTAL NET PLANT (sum lines 13-17)		3,844,706,820	NP= 23.088%	887,666,741
18a	100% CWIP Recovery for Commission Approved Order No. 679 Transmission Projects (Note Z)	216.b	223,653,826	NA 1.00000	223,653,826
	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	-1,204,260,528	NP 0.23088	-278,039,931
21	Account No. 283 (enter negative) (Note F, Note AA)	277.9.k	-149,364,699	NP 0.23088	-34,485,354
22	Account No. 190 (Note F, Note AA)	234.8.c	356,466,957	NP 0.23088	82,301,168
23	Account No. 255 (enter negative) (Note F, Note AA)	267.8.h	-47,685	NP 0.23088	-11,010
23a	Unamortized Balance of Abandoned Plant (Note Y, Note Z)		0	NA 1.00000	0
24	TOTAL ADJUSTMENTS (sum lines 19 - 23a)		-997,205,955		-230,235,126
25	LAND HELD FOR FUTURE USE (Note AA)	214.x.d (Note G)	3,380,616	TP 1.00000	3,380,616
	WORKING CAPITAL (Note H)				
26	CWC	1/8 page 3, line 8, column 3 & 5	31,238,462		5,718,609
27	Materials & Supplies (Note G, Note FF)	227.8.c & .16.c	35,231,716	TE 0.93419	32,913,178
28	Prepayments (Account 165, Note AA)	111.57.c	20,609,446	GP 0.18531	3,819,203
29	TOTAL WORKING CAPITAL (sum lines 26 - 28)		87,079,624		42,450,990
30	RATE BASE (sum lines 18, 18a, 24, 25, & 29)		3,161,614,931		926,917,047
					45,831,606

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2018

Northern Indiana Public Service Company

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	57,907,131	TE 0.93419	54,096,363
1a	Less LSE Expenses included in Transmission O&M Accounts (Note V)		36,481,924	1.00000	36,481,924
2	Less Account 565	321.96.b	0	TE 0.93419	0
3	A&G	323.197.b	230,729,823	W/S 0.12314	28,411,157
4	Less FERC Annual Fees		1,322,900	W/S 0.12314	162,897
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad. (Note I)		924,437	W/S 0.12314	113,832
5a	Plus Transmission Related Reg. Comm. Exp. (Note I)		0	TE 0.93419	0
6	Common	356.1 (Note O)	0	CE 0.12314	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)		249,907,693		45,748,868
	DEPRECIATION AND AMORTIZATION EXPENSE (Note GG)				
9	Transmission	336.7.b	28,900,822	TP 1.00000	28,900,822
9a	Abandoned Plant Amortization	(Note Y)	0	NA 1.00000	0
10	General & Intangible	336.10.f & 336.1.f	15,279,044	W/S 0.12314	1,881,401
11	Common	336.11.f (Note O)	30,442,221	CE 0.12314	3,748,535
12	TOTAL DEPRECIATION (sum lines 9 - 11)		74,622,087		34,530,758
	TAXES OTHER THAN INCOME TAXES (Note J)				
	LABOR RELATED				
13	Payroll	263.i	9,960,805	W/S 0.12314	1,226,534
14	Highway and vehicle	263.i	0	W/S 0.12314	0
15	PLANT RELATED				
16	Property	263.i	24,710,998	GP 0.18531	4,579,275
17	Gross Receipts	263.i	24,633,870	NA zero	0
18	Other	263.i	0	GP 0.18531	0
19	Payments in lieu of taxes		0	GP 0.18531	0
20	TOTAL OTHER TAXES (sum lines 13 - 19)		59,305,673		5,805,809
	INCOME TAXES (Note K)				
21	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} =$		25.64%		
22	$\text{CIT} = (T/1 - T) * (1 - (\text{WCLTD}/\text{R})) =$ where WCLTD=(page 4, line 27) and R=(page 4, line 30) and FIT, SIT & p are as given in footnote K.		25.60%		
23	$1 / (1 - T) =$ (from line 21)		1.3448316		
24	Amortized Investment Tax Credit (266.8f) (enter negative)		0		
25	Income Tax Calculation = line 22 * line 28		68,684,891	NA	20,136,923
26	ITC adjustment (line 23 * line 24)		0	NP 0.23088	0
27	Total Income Taxes (line 25 plus line 26)		68,684,891		20,136,923
28	RETURN [Rate Base (page 2, line 30) * Rate of Return (page 4, line 30)]		268,342,762	NA	78,672,288
29	REV. REQUIREMENT (sum lines 8, 12, 20, 27, 28)		720,863,107		184,894,647
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]		2,813,575		2,813,575
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]		67,663,559		67,663,559
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)		648,635,973		112,667,513

Formula Rate - Non-Levelized

Rate Formula Template
Utilizing FERC Form 1 Data

For the 12 months ended 12/31/2018

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)			1,382,559,787	
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)			1,382,559,787	
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)			57,907,131	
7	Less transmission expenses included in OATT Ancillary Services (Note L)			3,810,768	
8	Included transmission expenses (line 6 less line 7)			54,096,363	
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)			0.93419	
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=	0.93419
WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation
12	Production	354.20.b	49,981,322	0.00	0
13	Transmission	354.21.b	10,776,573	1.00	10,776,573
14	Distribution	354.23.b	18,344,044	0.00	0
15	Other	354.24, 25, 26.b	8,415,676	0.00	0
16	Total (sum lines 12-15)		87,517,613		10,776,573 = 0.12314 = WS
COMMON PLANT ALLOCATOR (CE) (Note O)					
			\$	% Electric	W&S Allocator
17	Electric	200.3.c	7,114,618,558	(line 17 / line 20)	(line 16)
18	Gas		0	1.00000 *	0.12314 = 0.12314
19	Water		0		CE
20	Total (sum lines 17 - 19)		7,114,618,558		
RETURN (R)					
21	Long Term Interest (117, sum of 62.c through 67.c)			\$	99,465,792
22	Preferred Dividends (118.29c) (positive number)				0
Development of Common Stock:					
23	Proprietary Capital (112.16.c) (Note AA)				2,686,642,612
24	Less Preferred Stock (line 28) (Note AA)				0
25	Less Account 216.1 (112.12.c) (enter negative) (Note AA)				-39,042,595
26	Common Stock (sum lines 23-25)				2,647,600,017
			\$	%	Cost (Note P)
27	Long Term Debt (112, sum of 18.c through 21.c) (Note AA)		1,899,500,000	42%	0.0524
28	Preferred Stock (112.3.c) (Note AA)		0	0%	0.0000
29	Common Stock (line 26) (Note AA)		2,647,600,017	58%	0.1082
30	Total (sum lines 27-29)		4,547,100,017		0.0849 =R
REVENUE CREDITS					
ACCOUNT 447 (SALES FOR RESALE) (310-311) (Note Q)					
31	a. Bundled Non-RQ Sales for Resale (311.x.h)			Load	0
32	b. Bundled Sales for Resale included in Divisor on page 1				0
33	Total of (a)-(b)				0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note R)				\$0
ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note U) (330.x.n)					
35	a. Transmission charges for all transmission transactions				\$86,782,874
36	b. Transmission charges for all transmission transactions included in Divisor on Page 1				\$14,133,740
36a	c. Transmission charges from Schedules associated with Attachment GG (Note X)				\$2,813,575
36b	d. Transmission charges from Schedules associated with Attachment MM (Note DD)				\$67,663,559
37	Total of (a)-(b)-(c)-(d)				\$2,172,000

Northern Indiana Public Service Company

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

- Note Letter
- A Peak as would be reported on page 401b, column d of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
 - B Labeled LF, LU, IF, IU on pages 310-311 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
 - C Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
 - D Labeled LF on page 328 of Form 1 at the time of the applicable pricing zone coincident monthly peaks.
 - E The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff.
 - F The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income as discussed in Note K. Account 281 is not allocated. The calculations of ADIT in the annual true-up calculation will use the beginning-of-year and end-of-year balances. The calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-1(h)(6). Work papers supporting the ADIT calculations will be posted with each Annual True-Up and or Projected Net Revenue Requirement and included in the annual Informational Filing submitted to the Commission. The Annual True-Up or Projected Net Revenue Requirement ADIT worksheets set forth the calculation pursuant to IRS regulation Section 1.167(l)-1(h)(6).
 - G Identified in Form 1 as being only transmission related balances.
 - H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 8, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111, line 57 in the Form 1.
 - I Line 5 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
 - J Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
 - K The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26).
- | | | | |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 21.00% | |
| | SIT = | 5.88% | (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	2,912,833
Projected Year Divisor	Pg 1, Line 15	2,988,489
Difference between Historic & Project Yr Divisor		(75,656)
Prior Year Projected Annual Cost (\$ per kw per yr.)	Pg 1, Line 16	41,54020
Projected Year Divisor True-up (Difference * Prior Year Projected Annual Cost)		3,142,765
 - 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 Attachment MM of the Midwest ISO Tariff, since the Transmission Owner's Attachment O revenue requirements have already been reduced by the Attachment MM revenue requirements.
 - EE Schedule 10-FERC charges should not be included in O&M recovered under this Attachment O.
 - FF Stores Expense Undistributed (Account 163) will be the average of the beginning of the year and the end of year balances, multiplied by the "Ratio O&M" percentage for electric, as reported on page(s) 356 of the Form 1, multiplied by the Net Plant (NP) Allocator, as calculated on page 2, line 18, column 4 of this Attachment O.
 - GG Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
 - HH NIPSCO agrees to provide an annual Attachment O adjustment pursuant to Docket No. EL17-10 until NIPSCO files for new Attachment O depreciation rates. For the first year of this adjustment, NIPSCO will prorate the adjustment based on the effective date for the EL17-10 depreciation rates. To the extent NIPSCO files for new Attachment O depreciation rates with an effective date other than January 1 of a particular year, NIPSCO will likewise prorate the adjustment to cover only the portion of the year covered by the EL17-10 depreciation rates.

Northern Indiana Public Service Company

Plant in Service

Budgeted for the period ending December 2017 through December 2018

Gross Plant in Service

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-17	\$ 4,364,220,374	\$ 1,041,309,934	\$ 1,929,605,050	\$ 130,640,819	\$ 261,864,876
January-18	4,369,849,438	1,047,014,018	1,940,885,549	131,840,724	262,813,218
February-18	4,151,344,585	1,051,345,127	1,949,450,829	132,842,782	262,914,552
March-18	4,154,676,449	1,054,721,396	1,956,127,799	133,707,247	263,496,621
April-18	4,156,831,999	1,056,905,673	1,960,447,464	134,399,945	264,402,530
May-18	3,724,701,596	1,130,491,774	1,967,976,025	135,326,461	264,777,453
June-18	3,731,876,498	1,642,453,905	1,982,354,342	136,752,091	264,836,353
July-18	3,735,836,550	1,646,466,734	1,990,290,185	137,708,285	265,061,639
August-18	3,740,320,094	1,651,010,031	1,999,275,090	138,740,920	265,200,941
September-18	3,742,888,277	1,653,612,722	2,004,422,153	139,493,871	267,068,318
October-18	3,865,890,030	1,657,325,993	2,011,765,585	140,406,898	267,209,853
November-18	3,870,927,857	1,662,430,961	2,021,861,261	141,520,470	267,552,392
December-18	3,886,478,609	1,678,188,961	2,053,024,566	144,169,152	266,978,275
13 month Average	\$ 3,961,218,643	\$ 1,382,559,787	\$ 1,982,114,300	\$ 136,734,590	\$ 264,936,694

Accumulated Depreciation & Amortization

	Electric Plant				Common Allocated to Electric
	Production	Transmission	Distribution	General &Intangible	
December-17	\$ 2,506,835,498	\$ 469,671,874	\$ 956,265,720	\$ 130,181,161	\$ 174,958,579
January-18	2,516,002,228	469,488,431	956,358,472	129,689,161	174,602,973
February-18	2,302,807,951	469,731,981	957,292,953	129,257,336	174,996,814
March-18	2,312,109,963	470,248,841	958,764,321	128,860,776	174,969,074
April-18	2,321,770,600	471,131,885	960,958,125	128,516,478	174,660,112
May-18	1,909,280,497	527,105,620	962,205,346	128,103,210	174,822,704
June-18	1,916,425,027	526,532,391	961,331,444	127,529,095	175,265,207
July-18	1,924,546,664	528,046,370	962,421,184	127,096,484	175,562,107
August-18	1,932,521,098	529,413,038	963,219,718	126,642,150	175,936,016
September-18	1,941,078,205	531,372,039	965,189,584	126,272,499	174,792,574
October-18	1,949,313,479	533,006,360	966,517,966	125,856,044	175,175,550
November-18	1,957,530,874	534,235,241	967,044,739	125,380,763	175,382,937
December-18	1,962,619,940	532,296,388	961,306,595	124,448,122	174,186,937
13 month Average	\$ 2,111,757,079	\$ 507,098,497	\$ 961,452,013	\$ 127,525,637	\$ 175,023,968

Northern Indiana Public Service Company

FERC APPROVED CWIP

Budgeted for the period ending December 2017 through December 2018

	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-17	462,538,020	302,981,415	159,556,605	-
January-18	473,938,254	311,483,542	162,454,712	2,898,107
February-18	484,570,228	319,241,597	165,328,631	2,873,919
March-18	491,337,420	323,430,857	167,906,562	2,577,932
April-18	496,527,731	326,679,454	169,848,278	1,941,715
May-18	498,588,083	327,217,500	171,370,583	1,522,305
June-18	-	-	-	-
July-18	-	-	-	-
August-18	-	-	-	-
September-18	-	-	-	-
October-18	-	-	-	-
November-18	-	-	-	-
December-18	-	-	-	-
13 month Average	223,653,826	147,002,643	76,651,182	-

Northern Indiana Public Service Company

Adjustments to Rate Base

Average of Beginning and End of Year Balance

	281	282	283	190	255
Gross Accumulated Deferred Income Taxes					
Beginning of Year	\$ -	\$ (1,105,668,171)	\$ (101,167,197)	\$ 309,682,267	\$ (47,685)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
End of Year	<u>-</u>	<u>(1,308,423,894)</u>	<u>(203,613,151)</u>	<u>403,601,222</u>	<u>(47,685)</u>
BOY/EOY Average	\$ -	\$ (1,207,046,032)	\$ (152,390,174)	\$ 356,641,744	\$ (47,685)
Less FAS109 Regulatory Assets or Liabilities	\$ -	\$ (2,785,504)	\$ (3,025,475)	\$ 174,787	\$ -
Amount for Attachment O	\$ -	\$ (1,204,260,528)	\$ (149,364,699)	\$ 356,466,957	\$ (47,685)

Northern Indiana Public Service Company
Accumulated Deferred Income Taxes
Year Ended December 31, 2018

Rate Year = *Projected 2018*

1 Account 190

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							193,528,718
January	31	335	365	91.78%	13,611,197	12,492,468	206,021,186
February	28	307	365	84.11%	13,611,197	11,448,322	217,469,508
March	31	276	365	75.62%	13,611,197	10,292,302	227,761,811
April	30	246	365	67.40%	13,611,197	9,173,574	236,935,384
May	31	215	365	58.90%	13,611,197	8,017,554	244,952,939
June	30	185	365	50.68%	13,611,197	6,898,826	251,851,765
July	31	154	365	42.19%	13,611,197	5,742,806	257,594,571
August	31	123	365	33.70%	13,611,197	4,586,787	262,181,358
September	30	93	365	25.48%	13,611,197	3,468,058	265,649,416
October	31	62	365	16.99%	13,611,197	2,312,039	267,961,455
November	30	32	365	8.77%	13,611,197	1,193,310	269,154,766
December	31	1	365	0.27%	13,611,197	37,291	269,192,057
Total					163,334,364	75,663,339	

19 Beginning Balance	234.8.b	309,682,267
20 Less non Prorated Items	(Line 19 less line 21)	116,153,549
21 Beginning Balance of Prorated items	(Line 5, Col H)	193,528,718
22 Ending Balance	234.8.c	403,601,222
23 Less non Prorated Items	(Line 22 less line 24)	134,409,165
24 Ending Balance of Prorated items	(Line 17, Col H)	269,192,057
25 Average Balance	((Lines 21 + 24) / 2)+((Lines 20 +23)/2))	356,641,744
26 Less FASB 106 and 109 Items	Attachment O, Footnote F	174,787
27 Amount for Attachment O	(Line 25 less line 26)	356,466,957

28 Account 282

Days in Period					Averaging with Proration - Projected		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							(1,105,668,171)
January	31	335	365	91.78%	(16,896,310)	(15,507,572)	(1,121,175,744)
February	28	307	365	84.11%	(16,896,310)	(14,211,417)	(1,135,387,161)
March	31	276	365	75.62%	(16,896,310)	(12,776,388)	(1,148,163,548)
April	30	246	365	67.40%	(16,896,310)	(11,387,650)	(1,159,551,198)
May	31	215	365	58.90%	(16,896,310)	(9,952,621)	(1,169,503,819)
June	30	185	365	50.68%	(16,896,310)	(8,563,883)	(1,178,067,703)
July	31	154	365	42.19%	(16,896,310)	(7,128,854)	(1,185,196,557)
August	31	123	365	33.70%	(16,896,310)	(5,693,825)	(1,190,890,382)
September	30	93	365	25.48%	(16,896,310)	(4,305,087)	(1,195,195,469)
October	31	62	365	16.99%	(16,896,310)	(2,870,058)	(1,198,065,527)
November	30	32	365	8.77%	(16,896,310)	(1,481,320)	(1,199,546,847)
December	31	1	365	0.27%	(16,896,310)	(46,291)	(1,199,593,139)
Total					(202,755,720)	(93,924,967)	

46 Beginning Balance	274.2.b	(1,105,668,171)
47 Less non Prorated Items	(Line 46 less line 48)	0
48 Beginning Balance of Prorated items	(Line 32, Col H)	(1,105,668,171)
49 Ending Balance	275.2.k	(1,308,423,894)
50 Less non Prorated Items	(Line 49 less line 51)	(108,830,755)
51 Ending Balance of Prorated items	(Line 44, Col H)	(1,199,593,139)
52 Average Balance	((Lines 48 + 51) / 2)+((Lines 47 +50)/2))	(1,207,046,032)
53 Less FASB 106 and 109 Items	Attachment O, Footnote F	(2,785,504)
54 Amount for Attachment O	(Line 52 less line 53)	(1,204,260,528)

55 **Account 283**

Days in Period					Averaging with Proration - Projected			
A	B	C	D	E	F	G	H	
Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)	
59	December 31st balance Prorated Items							-
60	January	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	(101,167,197)
74	Less non Prorated Items	(Line 73 less line 75)	(101,167,197)
75	Beginning Balance of Prorated items	(Line 59, Col H)	-
76	Ending Balance	277.9.k	(203,613,151)
77	Less non Prorated Items	(Line 76 less line 78)	(203,613,151)
78	Ending Balance of Prorated items	(Line 71, Col H)	-
79	Average Balance	((Lines 75 + 78) / 2) + ((Lines 74 + 77) / 2)	(152,390,174)
80	Less FASB 106 and 109 Items	Attachment O, Footnote F	(3,025,475)
81	Amount for Attachment O	(Line 79 less line 80)	(149,364,699)

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

1	Account 190			Rate Year =
2	Beginning Balance	234.8.b		
3	Ending Balance	234.8.c		
4	Average Balance	((Lines 2 + 3) / 2)	-	
5	Less FASB 106 and 109 Items		-	
6	Amount for Attachment O	(Line 4 less line 5)	-	
7	Account 282			
8	Beginning Balance	274.2.b		
9	Ending Balance	275.2.k		
10	Average Balance	((Lines 8 + 9) / 2)	-	
11	Less FASB 106 and 109 Items		-	
12	Amount for Attachment O	(Line 10 less line 11)	-	
13	Account 283			
14	Beginning Balance	276.9.b		
15	Ending Balance	277.9.k		
16	Average Balance	((Lines 14 + 15) / 2)	-	
17	Less FASB 106 and 109 Items		-	
18	Amount for Attachment O	(Line 16 less line 17)	-	

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-17	\$ 3,380,616
January-18	-
February-18	-
March-18	-
April-18	-
May-18	-
June-18	-
July-18	-
August-18	-
September-18	-
October-18	-
November-18	-
December-18	3,380,616

BOY/EOY Average \$ 3,380,616

* 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 (c) +(d)
December-17	\$ 2,198,227	\$ -	\$ -	\$ 34,842,037	
January-18					
February-18					
March-18					
April-18					
May-18					
June-18					
July-18					
August-18					
September-18					
October-18					
November-18					
December-18	2,198,227	-	-	34,842,037	
BOY/EOY Average	\$ 2,198,227	\$ 1,687,798	\$ 389,679	\$ 34,842,037	\$ 35,231,716

- (a) The source for FERC 163 amount is the Inventory by Segment report dated 6/30/2017 which is the most current information available.
- (b) allocated using Ratio O&M reported on page 356.1 of FERC Form 1 76.78%
- (c) allocated using the Net Plant (NP) allocator reported on page 2 line 18 column 4 23.09%
- (d) The source for FERC 154 amount is the Inventory by Segment report dated 6/30/2017 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

	<u>Prepayments</u>
December-17	\$ 21,133,126
January-18	-
February-18	-
March-18	-
April-18	-
May-18	-
June-18	-
July-18	-
August-18	-
September-18	-
October-18	-
November-18	-
December-18	<u>20,085,767</u>
BOY/EOY Average	\$ 20,609,446

Northern Indiana Public Service Company

Transmission Expenses

Budgeted for the period ending December 31, 2018

Account Number		December-18
<i>OPERATION</i>		
560.0	Supervision and Engineering	\$ 1,550,339
561.0	Load Dispatching	24
561.1	Load Dispatching - Reliability	2,041,482
561.2	Load Dispatching -Monitor & Operate Transmission System	1,769,286
561.3	Load Dispatching- Transmission Service & Scheduling	-
561.4	Scheduling, System Control & Dispatch Service	243,824
561.5	Reliability, Planning and Standards Development	812,708
561.6	Transmission Service Studies	-
561.7	General Interconnection Studies	-
561.8	Reliability, Planning and Standards Development Services	-
561.81	RECB Network Upgrade Charges	36,238,100
562.0	Station Expense	1,099,436
563.0	Overhead Line Expense	349,845
565.0	Transmission of Electricity by Others	-
566.0	Miscellaneous Transmission Expenses	1,042,310
567.0	Rents	-
	Total Operation	<u>\$ 45,147,354</u>
<i>MAINTENANCE</i>		
568.0	Supervision and Engineering	\$ 1,572,560
569.0	Structures	-
569.1	Computer Hardware	280,248
569.2	Computer Software	2,508,656
569.3	Communication Equipment	-
570.0	Station Equipment	4,526,880
571.0	Overhead Lines	4,171,227
573.0	Miscellaneous Transmission Plant	11,737
	Total Maintenance	<u>\$ 13,071,308</u>
	Total Operations and Maintenance before TUA Credit	\$ 58,218,662
	Credit for TUA ⁽¹⁾	<u>\$ (311,531)</u>
	Total Operations and Maintenance including TUA Credit	\$ 57,907,131

⁽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, 2018

Account Number		December-18
<i>ADMINISTRATIVE AND GENERAL EXPENSES</i>		
	920.0 Administrative and General Salaries	\$ 78,729,156
	921.0 Office Supplies and Expenses	20,201,445
Less	922.0 Administrative Expenses Transferred- Credit	-
	923.0 Outside Services Employed	53,631,831
	924.0 Property Insurance	4,169,465
	925.0 Injuries and Damages	10,719,091
	926.0 Employees Pensions and Benefits	38,716,935
	928.0 Regulatory Commission Expenses	1,322,900
	929.0 (Less) Duplicate Charges - Cr	-
	930.1 General Advertising Expense	32,912
	930.2 Miscellaneous General Expenses	12,793,453
	931.0 Rents	5,720,326
	935.0 Maintenances of General Plant	4,692,310
	Total Administrative and General	<u>\$ 230,729,823</u>

Ref		December-18
	EPRI, REG COMMISSION EXPENSE & NON SAFETY ADVERTISING	
a	Electric Power Research Institute	\$ 891,525
928.0, b	Regulatory Commission Expenses	1,322,900
c	Non-safety Advertisement	32,912
		<u>\$ 2,247,337</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, 2018

<i>DEPRECIATION EXPENSE</i>	December-18
Transmission	\$ 28,900,822
General	\$ 15,279,044
Common	\$ 30,442,221

Northern Indiana Public Service Company

Taxes Other than Income Allocated to Electric

Budgeted for the period ending December 31, 2018

	December-18	TUA Amounts
Payroll ⁽¹⁾	\$ 9,960,805	\$ 3,786
Property ⁽¹⁾	\$ 24,710,998	\$ 71,937
Gross Receipts	\$ 24,633,870	
Other	\$ -	

⁽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, 2018

ELECTRIC WAGES & SALARY ALLOCATOR (W&S)

	December-18
Production	\$ 49,981,322
Transmission	\$ 10,776,573
Distribution	\$ 18,344,044
Other	\$ 8,415,676

COMMON PLANT ALLOCATOR

	December-18
Electric	\$ 7,114,618,558
Gas	\$ -
Water	\$ -
	<hr/>
	\$7,114,618,558

Northern Indiana Public Service Company
 Capital Structure
 Budgeted for the period ending December 31, 2018

<u>Long-Term Debt</u>		
	December-17	\$ 1,774,500,000
	January-18	
	February-18	
	March-18	
	April-18	
	May-18	
	June-18	
	July-18	
	August-18	
	September-18	
	October-18	
	November-18	
	December-18	<u>2,024,500,000</u>
Average of Beginning and End of Year Balance		\$ 1,899,500,000
<u>Interest & Preferred Dividend Expense</u>		
	Annualized Long-Term Debt Interest Expense	\$ 99,465,792
	Preferred Dividends	\$ -
<u>Common Equity</u>		
	December-17	\$ 2,554,146,681
	January-18	
	February-18	
	March-18	
	April-18	
	May-18	
	June-18	
	July-18	
	August-18	
	September-18	
	October-18	
	November-18	
	December-18	<u>2,819,138,543</u>
Average of Beginning and End of Year Balance		\$ 2,686,642,612
Preferred Stock		
	December-17	\$ -
	January-18	
	February-18	
	March-18	
	April-18	
	May-18	
	June-18	
	July-18	
	August-18	
	September-18	
	October-18	
	November-18	
	December-18	<u>-</u>
Average of Beginning and End of Year Balance		\$ -
Unappropriated Undistributed Subsidiary Earnings		
	December-17	\$ 38,496,007
	January-18	
	February-18	
	March-18	
	April-18	
	May-18	
	June-18	
	July-18	
	August-18	
	September-18	
	October-18	
	November-18	
	December-18	<u>39,589,183</u>
Average of Beginning and End of Year Balance		\$ 39,042,595

Northern Indiana Public Service Company

Monthly Peaks and Output in (Mw)

DIVISOR

Monthly Peaks and Output in (Mw)

Year ended December 31, 2018

	NIPSCO Internal	Wholesale
January	2,378	314
February	2,296	270
March	2,333	266
April	2,144	221
May	2,534	283
June	2,781	340
July	3,061	412
August	3,016	400
September	2,693	333
October	2,162	238
November	2,246	258
December	2,383	280
Total	<u>30,027</u>	<u>3,614</u>
Average (Mw)	2,502.29	301.17
Average (kWh)	<u>2,502,289</u>	<u>301,165</u>

Northern Indiana Public Service Company

Account 456.1 (Other Electric Revenues)

Year ended December 31, 2018

Transmission of Electricity for Others (Account 456.1)

	December-18
Transmission Charges for Transmission Transactions	
Midwest ISO (Schedule 7&8)	\$ 1,450,800
Midwest ISO (Schedule 9)	2,484,697
Midwest ISO (Schedule 26)	2,813,575
Midwest ISO (Schedule 26-a)	67,663,559 ^(a)
Indiana Municipal Power Agency	332,268
Wabash Valley Power Authority	11,166,362
Midwest ISO (Schedule 1)	187,413
Midwest ISO (Schedule 2)	684,200
Midwest ISO (Schedule 24)	-
Total Account 456.1 Charges	<u>\$ 86,782,874</u>
Less: Schedule 1 (related to Schedule 9)	\$ 72,213
Less: Schedule 2 (related to Schedule 9)	78,200
Less: Schedule 9	2,484,697
Less: Schedule 24	-
Less: Schedule 26	2,813,575
Less: Schedule 26-a	67,663,559
Indiana Municipal Power Agency	332,268
Wabash Valley Power Authority	<u>11,166,362</u>
Total Revenue Credit	<u>\$ 2,172,000</u>

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