

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF NORTHERN)
INDIANA PUBLIC SERVICE COMPANY LLC)
FOR (1) AN ADJUSTMENT TO ITS ELECTRIC)
SERVICE RATES THROUGH ITS FEDERALLY)
MANDATED COST ADJUSTMENT FACTOR)
PURSUANT TO IND. CODE CH. 8-1-8.4 AND) CAUSE NO. 44340 FMCA 13
THE COMMISSION'S ORDERS IN CAUSE)
NOS. 44340, 44872 AND 44889; (2) AUTHORITY)
TO DEFER 20% OF THE FEDERALLY)
MANDATED COSTS FOR RECOVERY IN)
NIPSCO'S NEXT GENERAL RATE CASE; AND)
(3) APPROVAL TO RECONCILE PRIOR FMCA)
EXPENSES TO ACTUAL FMCA EXPENSES)
AND PRIOR FMCA REVENUES TO ACTUAL)
FMCA REVENUES FOR FMCA 12 AND FMCA)
13 THROUGH ITS TRANSMISSION,)
DISTRIBUTION, AND STORAGE SYSTEM)
IMPROVEMENT CHARGE (TDSIC))
TRACKER.)

VERIFIED PETITION

Northern Indiana Public Service Company LLC ("NIPSCO" or "Petitioner") petitions the Indiana Utility Regulatory Commission ("Commission") for (1) an adjustment to its electric service rates through its Federally Mandated Cost Adjustment Factor ("FMCA"); and (2) authority to defer 20% of the federally mandated costs, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO's next general rate case

pursuant to Ind. Code § 8-1-8.4-7 and the Commission's 44872 and 44889 Orders; and (3) approval to reconcile prior FMCA expenses to actual FMCA expenses and prior FMCA revenues to actual FMCA revenues for FMCA 12 and FMCA 13 through its Transmission, Distribution, and Storage System Improvement Charge ("TDSIC") tracker. In accordance with 170 IAC 1-1.1-8 and 1-1.1-9 of the Commission's Rules of Practice and Procedure, Petitioner submits the following information in support of this petition.

Petitioner's Corporate Status

1. Petitioner is a limited liability company organized and existing under the laws of the State of Indiana with its principal office and place of business at 801 East 86th Avenue, Merrillville, Indiana. Petitioner renders electric and gas public utility service in the State of Indiana and owns, operates, manages, and controls, among other things, plant and equipment within the State of Indiana used for the generation, transmission, distribution, and furnishing of such service to the public.

Petitioner's Regulated Status

2. Petitioner is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other

pertinent laws of the State of Indiana. Petitioner is also an “energy utility” within the meaning of Ind. Code § 8-1-8.4-3.

Petitioner’s Operations

3. Petitioner is authorized by the Commission to provide electric utility service to the public in all or part of Benton, Carroll, DeKalb, Elkhart, Fulton, Jasper, Kosciusko, LaGrange, Lake, LaPorte, Marshall, Newton, Noble, Porter, Pulaski, Saint Joseph, Starke, Steuben, Warren, and White Counties in northern Indiana. Petitioner provides electric utility service to approximately 473,000 residential, commercial, industrial, wholesale, and other customers.

Background and Relief Sought by Petitioner

4. By its December 13, 2017 Order in Cause No. 44872 (the “44872 Order”), the Commission approved, among other things, NIPSCO’s request pursuant to Ind. Code Ch. 8-1-8.4 for (1) a Certificate of Public Convenience and Necessity for a federally mandated Environmental Compliance Project necessary to comply with the Coal Combustion Residuals rule that became effective October 19, 2015 (the “CCR Rule”); (2) authority to recover federally mandated costs incurred in connection with the Environmental Compliance Project; (3) approval of the estimated federally mandated costs associated with the Environmental Compliance Project; (4) authority for the timely recovery of 80% of the federally

mandated costs incurred in connection with the Environmental Compliance Project through NIPSCO's FMCA Mechanism;¹ (5) authority to defer 20% of the federally mandated costs incurred in connection with the Environmental Compliance Project for recovery in NIPSCO's next general rate case; and (6) approval of ongoing review of the Environmental Compliance Project.²

5. By its July 12, 2017 Order in Cause No. 44889 (the "44889 Order"), the Commission approved, among other things, NIPSCO's request pursuant to Ind. Code Ch. 8-1-8.4 for (1) a Certificate of Public Convenience and Necessity for a federally mandated NERC Compliance Project necessary to comply with (a) Version 6 of the NERC CIP Reliability Standards ("CIP Version 6") ("CIP Version 6 Compliance Project") and (b) recent changes to NERC's Interconnection Reliability Operations and Coordination ("IRO") and Transmission Operations

¹ In the Commission's January 29, 2014 Order in Cause No. 44340, the Commission approved, among other things, a semi-annual federally mandated cost adjustment mechanism pursuant to Ind. Code §§ 8-1-8.4-7 and 8-1-2-42 to effectuate the timely and periodic recovery of 80% of the federally mandated project costs and ongoing expenses incurred in connection with federally mandated projects approved by the Commission (Rider 787 – Adjustment of Charges for Federally Mandated Costs and Appendix I – Federally Mandated Cost Adjustment Factor), hereafter referred to as the "FMCA Mechanism."

² The Commission's July 25, 2018 Order in Cause No. 44340-FMCA-9 approved NIPSCO's First Progress Report (Attachment CCR-PR-1); January 29, 2019 Order in Cause No. 44340-FMCA-10 approved NIPSCO's Second Progress Report (Attachment CCR-PR-2); July 29, 2019 Order in Cause No. 44340-FMCA-11 approved NIPSCO's Third Progress Report (Attachment CCR-PR-4); and January 29, 2020 Order in Cause No. 44340-FMCA-12 approved NIPSCO's Fourth Progress Report (Attachment CCR-PR-5).

("TOP") Reliability Standards (collectively, "IRO/TOP Standards") ("IRO/TOP Compliance Project") (collectively referred to herein as the "NERC Compliance Project"); (2) authority to recover federally mandated costs incurred in connection with the NERC Compliance Project; (3) approval of the estimated federally mandated costs associated with the NERC Compliance Project; (4) authority for the timely recovery of 80% of the federally mandated costs incurred in connection with the NERC Compliance Project through NIPSCO's FMCA Mechanism; (5) authority to defer 20% of the federally mandated costs incurred in connection with the NERC Compliance Project for recovery in NIPSCO's next general rate case; and (6) approval of ongoing review of the NERC Compliance Project.³

6. The Commission's December 4, 2019 Order in Cause No. 45159 ("Rate Case Order") approved NIPSCO's Verified Petition requesting, among other things, authority to modify its rates and charges for electric utility service. As part of that approval, the Commission approved, among other things, NIPSCO's Rider 887 – Adjustment of Charges for Federally Mandated Costs and

³ The Commission's January 31, 2018 Order in Cause No. 44340-FMCA-8 approved NIPSCO's First Progress Report (Attachment PR-1); July 25, 2018 Order in Cause No. 44340-FMCA-9 approved NIPSCO's Second Progress Report (Attachment CIP-PR-2); January 29, 2019 Order in Cause No. 44340-FMCA-10 approved NIPSCO's Third Progress Report (Attachment CIP-PR-3); July 29, 2019 Order in Cause No. 44340-FMCA-11 approved NIPSCO's Fourth Progress Report (Attachment CIP-PR-4); and January 29, 2020 Order in Cause No. 44340-FMCA-12 approved NIPSCO's Fifth Progress Report (Attachment CIP-PR-5).

NIPSCO's Appendix I – Federally Mandated Cost Adjustment Mechanism Factor.

In the Rate Case Order, the Commission approved NIPSCO's proposal to roll into basic rates federally mandated costs relating to Federally Mandated Projects placed into service that had been receiving timely cost recovery under NIPSCO's Rider 787 – Adjustment of Charges for Federally Mandated Costs. Step 1 rates became effective January 1, 2020 (the first billing cycle was January 2, 2020) reflecting NIPSCO's net utility plant in service as of June 30, 2019. Step 2 rates became effective March 1, 2020 (the first billing cycle was March 2, 2020) reflecting NIPSCO's net utility plant in service as of December 31, 2019. The Rate Case Order also approved new allocators and NIPSCO's new industrial rate structure.

7. In this proceeding, NIPSCO requests Commission approval of FMCA factors to be applicable and made effective for bills rendered by NIPSCO during the billing cycles of August 2020 through December 2021, which begins July 31, 2020. Upon becoming effective, the FMCA factors shall remain in effect for approximately six (6) months or until replaced by different factors approved in a subsequent filing.

8. All of the federally mandated projects included in the NERC Compliance Project and all but one of the federally mandated projects included in the Environmental Compliance Project were placed into service prior to June 30,

2019 (the Step 1 rate base cut-off) and rolled into base rates. For those projects, this filing only includes a reconciliation of prior FMCA expenses to actual FMCA expenses and prior FMCA revenues to actual FMCA revenues for the period August 2019 through January 2020. The FMCA adjustment mechanism continues to operate because one federally mandated project included in the Environmental Compliance Project was not in service as of the rate base cut-off date of December 31, 2019 in Cause No. 45159 and therefore not reflected in base rates in the rate case proceeding.

9. However, NIPSCO has determined that the one federally mandated project included in the NIPSCO's Environmental Compliance Project that was not in service as of the rate base cut-off date of December 31, 2019 in Cause No. 45159 and therefore not reflected in base rates in the rate case proceeding (the Process and Storm Water Pond project) is no longer required to comply with the CCR Rule. Since this was the only remaining project included for recovery in the FMCA tracker, NIPSCO proposes that this FMCA 13 filing will be the last FMCA tracker filing, unless and until such time as NIPSCO receives approval for a new compliance project under the FMCA Statute. NIPSCO proposes that reconciliation of its FMCA 12 and FMCA 13 filings will be refunded to or recovered from

customers through its TDSIC tracker filing.⁴ This is similar to how refunds pursuant to the Tax Cuts and Jobs Act were provided to customers.

10. The proposed FMCA factors are based on actual capital costs incurred through February 29, 2020; a reconciliation of forecasted FMCA expenses to actual FMCA expenses incurred for the FMCA-11 billing period August 2019 through January 2020; and a reconciliation of revenue recovery for the FMCA-11 billing period of August 2019 through January 2020. Petitioner's total revenue requirement to be recovered during the billing cycles of August 2020 through January 2021 is set forth on Attachment 1, Schedule 8.

11. As further discussed in NIPSCO's evidence, with the elimination of the Process and Storm Water Pond project, the one remaining project included in the Environmental Compliance Project, NIPSCO is not seeking to earn a return on the total net book value capital costs and AFUDC related to the Environmental Compliance Project.

12. For informational purposes, a clean and redlined version of Petitioner's proposed Appendix I – Federally Mandated Cost Adjustment Factor

⁴ Because the billing period for this FMCA-13 filing ends January 31, 2021, NIPSCO expects to process the FMCA-12 (for the period February through July 2020) and FMCA-13 (for the period August 2020 through January 2021) reconciliations in the first TDSIC tracker filed on or after February 1, 2021.

(Third Revised Sheet No. 213) reflecting the FMCA factors requested to become effective for bills rendered by NIPSCO during the billing cycles of August 2020 through January 2021, are attached hereto as Attachment 3.

13. NIPSCO also requests approval to defer 20% of federally mandated costs incurred in connection with NIPSCO's Approved Compliance Projects,⁵ including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO's next general rate case pursuant to Ind. Code § 8-1-8.4-7 and the Commission's 44872 and 44889 Orders. NIPSCO's deferred revenue requirement as of this filing is attached here as Attachment 1, Schedule 9.

14. Consistent with the 44872 Order, NIPSCO requests approval to recover 80% of the costs incurred in connection with the revised Environmental Compliance Project through the FMCA and to defer 20% of the federally mandated costs incurred in connection with the revised Environmental Compliance Project, including ongoing carrying charges on all deferred federally mandated costs, for recovery in its next general rate case.

Procedural Matters

15. The books and records of Petitioner supporting such data,

⁵ The NERC Compliance Project and Environmental Compliance Project are collectively referred to herein as the "Approved Compliance Projects."

calculation and allegations are available for inspection and review by the Indiana Office of Utility Consumer Counselor (“OUCC”) and this Commission.

16. In this proceeding, Petitioner is requesting approval of the following procedural schedule for this FMCA proceeding:

(a) Petitioner will file its complete Case-in-Chief (including a verified petition, proposed tariff revisions and supporting testimony) and provide the OUCC and any Intervenors with copies of all supporting workpapers no less than one hundred five (105) days before the effective date of the proposed FMCA factors. Petitioner’s Case-in-Chief will not be considered complete until all items listed above are filed (or, in the case of workpapers, submitted).

(b) The OUCC and any Intervenors will file their respective Cases-in-Chief sixty (60) days after Petitioner files its completed Case-in-Chief.

(c) Petitioner will file its rebuttal testimony (if any) no less than five (5) days prior to the evidentiary hearing.

(d) Petitioner will make its staff reasonably available to the OUCC and any Intervenors to facilitate an informal discovery process for its FMCA filings. Any response or objection to a formal discovery request should be

made within ten (10) calendar days of the receipt of such request, and the parties will utilize electronic discovery.

(e) In the event the scope of Petitioner's FMCA tracker expands to such a degree that the OUCC and any Intervenor's 60-day review period is no longer feasible, the standardized schedule proposed herein will be re-evaluated and modified as necessary based on feedback from the parties.

The FMCA factors will be applied to bills rendered by Petitioner during the billing cycles of August 2020 through January 2021, which begins July 31, 2020. To accommodate this billing date, NIPSCO requests that an evidentiary hearing be held on or before July 8, 2020 and an order be issued by July 29, 2020.

The procedural schedule detailed above is the same procedural schedule agreed to in NIPSCO's last FMCA tracker filing (FMCA-12). NIPSCO provided this schedule to the OUCC and has not received an objection. With respect to this proceeding, the procedural schedule would be as follows:

NIPSCO filed Petition and Case-In-Chief	April 15, 2020
OUCC / Intervenor Filings	June 15, 2020
NIPSCO Rebuttal	July 2, 2020
Evidentiary Hearing	July 8, 2020
Order	July 20, 2020

Applicable Law

17. Petitioner considers the provisions of the Public Service Commission Act, as amended, including Ind. Code §§ 8-1-1-8, 8-1-2-4, 8-1-2-19, 8-1-2-38, 8-1-2-39, 8-1-2-42(a), and Ind. Code Ch. 8-1-8.4 to be applicable to the subject matter of this Petition.

Petitioner's Counsel

18. The names and addresses of persons authorized to accept service of papers in this proceeding are:

Counsel of Record:

Bryan M. Likins (No. 29996-49)
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With a copy to:

Erin E. Whitehead
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WHEREFORE, Northern Indiana Public Service Company LLC respectfully requests that the Commission promptly publish notice, make such other investigation, and hold such hearings as are necessary or advisable and thereafter, make and enter an order on or before July 29, 2020 in this Cause:

(a) Authorizing and approving the FMCA factors set forth in Attachment 1, Schedule 8 to this Petition to become effective for bills rendered by

NIPSCO during the billing cycles of August 2020 through January 2021 or until replaced by different factors approved in a subsequent filing;

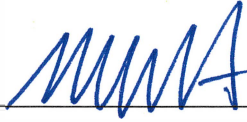
(b) Authorizing Petitioner to defer 20% of the federally mandated costs, including ongoing carrying charges on all deferred federally mandated costs, for recovery in NIPSCO's next general rate case pursuant to Ind. Code § 8-1-8.4-7 and the Commission's Orders in Cause Nos. 44872 and 44889;

(c) Authorizing Petitioner to reconcile prior FMCA expenses to actual FMCA expenses and prior FMCA revenues to actual FMCA revenues for FMCA 12 and FMCA 13 through its Transmission, Distribution, and Storage System Improvement Charge (TDSIC) tracker; and

(d) Making such other and further findings and orders in the premises as the Commission may deem appropriate and proper.

Dated this 15th day of April, 2020.

Northern Indiana Public Service Company LLC



Michael Hooper
Senior Vice President
Regulatory, Legislative Affairs and Strategy

Verification

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated: April 15, 2020.



Michael Hooper
Senior Vice President
Regulatory, Legislative Affairs and Strategy

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Attorney for Petitioner
Northern Indiana Public Service Company LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

Tiffany T. Murray
Office of Utility Consumer Counselor
115 W. Washington Street,
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Dated this 15th day of April, 2020.



Bryan M. Likins

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA Capital Expenditures as of: February 29, 2020
Environmental Compliance Project

(A)		(B)	(C)	(D)	(E)	(F)
Line No.	Detail by FMCA Project	Capital Expenditures Prior Balance	Capital Expenditures Current Activity (Col D - Col B)	Capital Expenditures Current Balance	Accumulated Depreciation	Capital Expenditures Net Balance (Col D - Col E)
1	Environmental - Capital Expenditures	\$ -	\$ -	\$ -		
2	Environmental - AFUDC	-	-	-		
3	Environmental - Total (Line 1 + Line 2)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHERN INDIANA PUBLIC SERVICE COMPANY
Calculation of FMCA Revenue Requirement - Return On Capital (80%)
NERC Compliance Project and
Environmental Compliance Project

Line No.	(A) Revenue Requirement on FMCA Capital:	(B) (C) (D) NERC Compliance Project			(E) (F) (G) Environmental Compliance Project			(H) (I) (J) Total Return on Capital		
		Debt	Equity	Total	Debt	Equity	Total	Debt	Equity	Total
1	Capital Expenditures Net Balance to Date (Att 1, Sch 1, Col F)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Cost of Capital (Att 2, Sch 3, Line 2)	1.67%	4.79%	6.46%	1.67%	4.79%	6.46%	1.67%	4.79%	6.46%
3	Annual Return Requirement (Line 1 X Line 2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Semi-Annual Revenue Requirement (Line 3 * 50%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Post In-Service Carrying Charges	684	2,028	2,712	142,702	424,465	567,167	143,386	426,493	569,879
6	Total Semi-Annual Revenue Requirement (Line 4 + Line 5)	100% \$ 684	\$ 2,028	\$ 2,712	\$ 142,702	\$ 424,465	\$ 567,167	\$ 143,386	\$ 426,493	\$ 569,879
7	Less Deferred Revenue Requirement - Capital (Line 6 X 20%)	20% \$ 137	\$ 406	\$ 543	\$ 28,540	\$ 84,893	\$ 113,433	\$ 28,677	\$ 85,299	\$ 113,976
8	Adjusted Semi-Annual Revenue Requirement - Capital (Line 6 - Line 7)	80% \$ 547	\$ 1,622	\$ 2,169	\$ 114,162	\$ 339,572	\$ 453,734	\$ 114,709	\$ 341,194	\$ 455,903
9	Revenue Conversion Factor (Att 2, Sch 2, Line 10) ^[1]	1.001298	1.338755		1.001298	1.338755		1.001298	1.338755	1.253848
10	Total Semi-Annual Revenue Requirement Adjusted for Taxes (Line 8 X Line 9)	\$ 548	\$ 2,171	\$ 2,719	\$ 114,310	\$ 454,604	\$ 568,914	\$ 114,858	\$ 456,775	\$ 571,633

[1] The Revenue Conversion Factor is calculated by taking Line 10 divided by Line 8 in Col J

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - NERC Compliance Project
Reconciliation of Forecasted Expenses (80%)
For the Billing Period of: August 2019 - January 2020 (FMCA-11)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line No.	O&M Expense Category:	Actual Fixed Expense	Forecasted * Fixed Expense	Total Fixed Variance (Col B - Col C)	Actual Variable Expense	Forecasted Variable Expense	Total Variable Variance (Col E - Col F)	Total Expense Variance (Col D + Col G)
1	IRO/TOP Labor Subtotal	\$ 295,450	\$ 292,992	\$ 2,458	\$ -	\$ -	\$ -	\$ 2,458
2	CIP V6 Computer & Software Equipment	-	\$ 40,571	\$ (40,571)	\$ -	\$ -	\$ -	\$ (40,571)
3	CIP V6 Telecommunications	\$ 101,477	\$ 137,500	\$ (36,023)	\$ -	\$ -	\$ -	\$ (36,023)
4	CIP V6 O&M Subtotal (Line 2 + Line 3)	\$ 101,477	\$ 178,071	\$ (76,594)	\$ -	\$ -	\$ -	\$ (76,594)
5	CIP V6 Depreciation Expense	\$ 154,668	\$ 159,153	\$ (4,485)	\$ -	\$ -	\$ -	\$ (4,485)
6	CIP V6 Property Tax Expense	13,896	\$ 13,020	\$ 876	\$ -	\$ -	\$ -	\$ 876
7	CIP V6 Subtotal (Sum of Lines 4 - 6)	\$ 270,041	\$ 350,244	\$ (80,203)	\$ -	\$ -	\$ -	\$ (80,203)
8	Total Expense (Line 1 + Line 7)	100% \$ 565,491	\$ 643,236	\$ (77,745)	\$ -	\$ -	\$ -	\$ (77,745)
9	Total Deferred Expenses (Line 8 * 20%)	20% \$ 113,098	\$ 128,647	\$ (15,549)	\$ -	\$ -	\$ -	\$ (15,549)
10	Total Adjusted Expenses (Line 8 - Line 9)	80% \$ 452,393	\$ 514,589	\$ (62,196)	\$ -	\$ -	\$ -	\$ (62,196)

* Attachment M-S1, Cause No. 45159 - Step One Compliance Filing, Page 7 of 22. FMCA-11, Att. 1, Sch 4A, Page 1 of 2, Col D

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - Environmental Compliance Project
Reconciliation of Forecasted Expenses (80%)
For the Billing Period of: August 2019 - January 2020 (FMCA-11)

Line No.	(A) O&M Expense Category:			(B)	(C)	(D)	(E)	(F)	(G)	(H)
				Actual Fixed Expense	Forecasted* Fixed Expense	Total Fixed Variance (Col B - Col C)	Actual Variable Expense	Forecasted Variable Expense	Total Variable Variance (Col E - Col F)	Total Expense Variance (Col D + Col G)
1	CCR Outside Services			\$ (95,948)	\$ 201,667	\$ (297,615)	\$ -	\$ -	\$ -	\$ (297,615)
2	CCR Materials & Supplies			-	-	-	-	-	-	-
3	CCR Subtotal (Line 1 + Line 2)			\$ (95,948)	\$ 201,667	\$ (297,615)	\$ -	\$ -	\$ -	\$ (297,615)
4	CCR Depreciation Expense			\$ 2,374,041	\$ 2,412,722	\$ (38,681)	\$ -	\$ -	\$ -	\$ (38,681)
5	Total Expense (Line 3 + Line 4)	100%		\$ 2,278,093	\$ 2,614,389	\$ (336,296)	\$ -	\$ -	\$ -	\$ (336,296)
6	Total Deferred Expenses (Line 5 * 20%)	20%		\$ 455,619	\$ 522,878	\$ (67,259)	\$ -	\$ -	\$ -	\$ (67,259)
7	Total Adjusted Expenses (Line 5 - Line 6)	80%		\$ 1,822,474	\$ 2,091,511	\$ (269,037)	\$ -	\$ -	\$ -	\$ (269,037)

* Attachment M-S1, Cause No. 45159 - Step One Compliance Filing, Page 8 of 22. FMCA-11, Att. 1, Sch 4A, Page 2 of 2, Col D

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - Environmental Compliance Project
Forecasted Expenses
August 2020 - January 2021

(A)		(B)		(C)	(D)
Line No.	O&M Expense Category:	Forecasted Fixed Expense	Forecasted Variable Expense	Total Forecasted Expense (Col B + Col C)	
1	CCR Outside Services	\$ -	\$ -	\$ -	
2	CCR Materials & Supplies	-	-	-	
3	CCR Subtotal (Line 1 + Line 2)	\$ -	\$ -	\$ -	
4	CCR Depreciation Expense	\$ -	\$ -	\$ -	
5	Total Expense (Line 3 + Line 4)	100% \$ -	\$ -	\$ -	
6	Total Deferred Expenses (Line 5 * 20%)	20% \$ -	\$ -	\$ -	
7	Total Adjusted Expenses (Line 5 - Line 6)	80% \$ -	\$ -	\$ -	

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Total Semi-Annual Revenue Requirement (80%)

Line No.	(A) Description	(B)	(C)	(D)
		NERC Compliance Project	Environmental Compliance Project	Total Compliance Projects (Col B + Col C)
1	Return on Capital (Att 1, Sch 2, Col D and Col G, Line 10)	\$ 2,719	\$ 568,914	\$ 571,633
2	Return of Fixed Expense Revenue Requirement Col C = Att 1, Sch 4, Col B, Line 7		-	-
3	Return of Variable Expense Revenue Requirement Col C = Att 1, Sch 4, Col C, Line 7		-	-
4	Return of Total Expense Revenue Requirement	\$ -	\$ -	\$ -
5	Total Semi-Annual Revenue Requirement (Line 1 + Line 4)	\$ 2,719	\$ 568,914	\$ 571,633

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - NERC Compliance Project
Reconciliation of Revenue Recovery
For Previous Billing Period of:
August 2019 - January 2020

Capital										
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Aug - Dec 2019		Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 1 of 2, Col E, Ln 2-21	Actual Revenue Collected	Under/(Over) (Col B - Col C)	Rate Code	Aug - Dec 2019 Under/(Over) Conversion (Col D)	Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 1 of 2, Col Q, Ln 23-41	Actual Revenue Collected	Jan 2020 Under/(Over) (Col G - Col H)	Total Under/(Over) (Col F + Col I)
Line No.	Rate Code									
1	711	\$ 45,825	\$ 45,252	\$ 573	811	\$ 573	\$ (123)	\$ (4)	\$ (119)	\$ 454
2	720	93	55	38	820	38	-	-	-	38
3	721	21,181	20,845	336	821	336	(157)	(94)	(63)	273
4	722	148	83	65	822	65	3	6	(3)	62
5	723	20,046	17,438	2,608	823	2,608	467	442	25	2,633
6	724	22,838	20,498	2,340	824	2,340	573	615	(42)	2,298
7	725	625	663	(38)	825	(38)	(9)	(7)	(2)	(40)
8	726	6,355	7,125	(770)	826	(770)	(701)	(893)	192	(578)
9	732	20,095	15,754	4,341	831	(600)	501	492	9	(591)
10	733	21,363	26,776	(5,413)	832	424	54	(73)	127	551
11	734	12,031	12,338	(307)	833	(1,203)	111	424	(313)	(1,516)
12	741	271	275	(4)	841	(4)	(13)	-	(13)	(17)
13	742	17	12	5	842	5	1	-	1	6
14	744	211	202	9	844	9	(1)	(80)	79	88
15	750	1,092	744	348	850	348	30	96	(66)	282
16	755	94	92	2	855	2	-	-	-	2
17	760	293	228	65	860	65	10	17	(7)	58
18	Interdepartmental	(8,678)	(13,997)	5,319	Interdepartmental	5,319	(1,845)	(1,279)	(566)	4,753
19	Total Retail	\$ 163,900	\$ 154,383	\$ 9,517		\$ 9,517	\$ (1,099)	\$ (338)	\$ (761)	\$ 8,756
20	Off System ^[1]	\$ 999	\$ -							
21	Total (inclg. Off System)	\$ 164,897	\$ 154,383							

Expense										
(K)		(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
Aug - Dec 2019		Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 1 of 2, Col K, Ln 2-21	Actual Revenue Collected	Under/(Over) (Col L - Col M)	Rate Code	Aug - Dec 2019 Under/(Over) Conversion (Col N)	Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 1 of 2, Col W, Ln 23-41	Actual Revenue Collected	Jan 2020 Under/(Over) (Col Q - Col R)	Total Under/(Over) (Col P + Col S)
Line No.	Rate Code									
1	711	\$ 104,530	\$ 103,759	\$ 771	811	\$ 771	\$ (8,918)	\$ (10,361)	\$ 1,443	\$ 2,214
2	720	215	131	84	820	84	(14)	(28)	14	98
3	721	50,036	49,928	108	821	108	(4,306)	(4,956)	650	758
4	722	358	203	155	822	155	(11)	(22)	11	166
5	723	49,420	42,373	7,047	823	7,047	(1,047)	(972)	(75)	6,972
6	724	54,231	48,543	5,688	824	5,688	(1,808)	(1,721)	(87)	5,601
7	725	1,438	1,481	(43)	825	(43)	(142)	(167)	25	(18)
8	726	12,401	14,234	(1,833)	826	(1,833)	(4,056)	(5,245)	1,189	(644)
9	732	48,205	38,509	9,696	831	(2,640)	(704)	(739)	35	(2,605)
10	733	52,405	65,984	(13,579)	832	947	(56)	88	(144)	803
11	734	25,853	26,680	(827)	833	(3,017)	(95)	(359)	264	(2,753)
12	741	587	605	(18)	841	(18)	(95)	9	(104)	(122)
13	742	36	27	9	842	9	(1)	-	(1)	8
14	744	498	479	19	844	19	(36)	(2,870)	2,834	2,853
15	750	2,624	1,775	849	850	849	(44)	(138)	94	943
16	755	219	213	6	855	6	(15)	(2)	(13)	(7)
17	760	481	414	67	860	67	(59)	(202)	143	210
18	Interdepartmental	(3,550)	(7,159)	3,609	Interdepartmental	3,609	(1,044)	(654)	(390)	3,219
19	Total Retail	\$ 399,987	\$ 388,179	\$ 11,808		\$ 11,808	\$ (22,451)	\$ (28,339)	\$ 5,888	\$ 17,696
20	Off System ^[1]	\$ 2,352	\$ -							
21	Total (inclg. Off System)	\$ 402,338	\$ 388,179							

[1] Consistent with Joint Exhibit B in Cause No. 44688, Off System Sales are 0.58% of demand allocated costs
FMCA costs allocated to Off System Sales are net against OSS margins in the RTO Tracker

* Attachment M-S1, Cause No. 45159 - Step One Compliance Filing, Page 14 of 22.

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - Environmental Compliance Project
Reconciliation of Revenue Recovery
For Previous Billing Period of:
August 2019 - January 2020

Capital										
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Aug - Dec 2019		Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 2 of 2, Col E, Ln 2-21	Actual Revenue Collected	Under/(Over) (Col B - Col C)	Rate Code	Aug - Dec 2019 Under/(Over) Conversion (Col D)	Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 2 of 2, Col Q, Ln 23-41	Actual Revenue Collected	Jan 2020 Under/(Over) (Col G - Col H)	Total Under/(Over) (Col F + Col I)
Line No.	Rate Code									
1	711	\$ 1,291,204	\$ 1,279,417	\$ 11,787	811	\$ 11,787	\$ 35,254	\$ 41,204	\$ (5,950)	\$ 5,837
2	720	2,590	1,568	1,022	820	1,022	70	145	(75)	947
3	721	610,630	610,703	(73)	821	(73)	17,708	20,453	(2,745)	(2,818)
4	722	3,990	2,270	1,720	822	1,720	131	255	(124)	1,596
5	723	534,334	458,938	75,396	823	75,396	19,701	18,988	713	76,109
6	724	602,425	538,716	63,709	824	63,709	23,805	22,987	818	64,527
7	725	18,246	18,825	(579)	825	(579)	424	486	(62)	(641)
8	726	231,227	264,992	(33,765)	826	(33,765)	(82)	(112)	30	(33,735)
9	732	524,572	417,761	106,811	831	(32,804)	14,868	14,404	464	(32,340)
10	733	570,985	721,048	(150,063)	832	10,437	1,669	(2,425)	4,094	14,531
11	734	358,354	370,806	(12,452)	833	(33,337)	3,944	15,308	(11,364)	(44,701)
12	741	8,518	8,810	(292)	841	(292)	81	(9)	90	(202)
13	742	350	354	(4)	842	(4)	8	-	8	4
14	744	6,071	5,888	183	844	183	153	12,198	(12,045)	(11,862)
15	750	28,459	19,937	8,522	850	8,522	961	3,084	(2,123)	6,399
16	755	2,681	2,624	57	855	57	67	9	58	115
17	760	6,753	6,559	194	860	194	192	637	(445)	(251)
18	Interdepartmental	13,754	22,187	(8,433)	Interdepartmental	(8,433)	58	2,027	(1,969)	(10,402)
19	Total Retail	\$ 4,815,143	\$ 4,751,403	\$ 63,740		\$ 63,740	\$ 119,012	\$ 149,639	\$ (30,627)	\$ 33,113
20	Off System ^[1]	\$ 28,157	\$ -							
21	Total (inclg. Off System)	\$ 4,843,300	\$ 4,751,403							

Expense										
(K)		(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
Aug - Dec 2019		Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 2 of 2, Col K, Ln 2-21	Actual Revenue Collected	Under/(Over) (Col L - Col M)	Rate Code	Aug - Dec 2019 Under/(Over) Conversion (Col N)	Total Revenue Requirement FMCA-11* Att 1, Sch 7A, Pg 2 of 2, Col W, Ln 23-41	Actual Revenue Collected	Jan 2020 Under/(Over) (Col Q - Col R)	Total Under/(Over) (Col P + Col S)
Line No.	Rate Code									
1	711	\$ 481,841	\$ 478,106	\$ 3,735	811	\$ 3,735	\$ (22,029)	\$ (26,213)	\$ 4,184	\$ 7,919
2	720	974	589	385	820	385	(36)	(77)	41	426
3	721	227,829	227,900	(71)	821	(71)	(10,939)	(12,933)	1,994	1,923
4	722	1,547	880	667	822	667	(24)	(47)	23	690
5	723	209,167	179,630	29,537	823	29,537	(2,221)	(2,209)	(12)	29,525
6	724	235,691	211,147	24,544	824	24,544	(3,346)	(3,319)	(27)	24,517
7	725	6,696	6,899	(203)	825	(203)	(367)	(428)	61	(142)
8	726	76,395	87,957	(11,562)	826	(11,562)	(10,359)	(13,615)	3,256	(8,306)
9	732	205,453	163,370	42,083	831	(13,009)	(1,250)	(1,231)	(19)	(13,028)
10	733	224,287	283,064	(58,777)	832	4,112	(84)	118	(202)	3,910
11	734	127,732	132,992	(5,260)	833	(13,057)	(58)	(228)	170	(12,887)
12	741	2,994	3,095	(101)	841	(101)	(250)	26	(276)	(377)
13	742	116	129	(13)	842	(13)	(8)	-	(8)	(21)
14	744	2,271	2,201	70	844	70	(90)	(7,254)	7,164	7,234
15	750	11,136	7,773	3,363	850	3,363	(90)	(293)	203	3,566
16	755	1,007	987	20	855	20	(37)	(5)	(32)	(12)
17	760	2,540	2,470	70	860	70	(105)	(338)	233	303
18	Interdepartmental	3,717	7,505	(3,788)	Interdepartmental	(3,788)	(606)	686	(1,292)	(5,080)
19	Total Retail	\$ 1,821,393	\$ 1,796,694	\$ 24,699		\$ 24,699	\$ (51,899)	\$ (67,360)	\$ 15,461	\$ 40,160
20	Off System ^[1]	\$ 10,619	\$ -							
21	Total (inclg. Off System)	\$ 1,832,012	\$ 1,796,694							

[1] Consistent with Joint Exhibit B in Cause No. 44688, Off System Sales are 0.58% of demand allocated costs
FMCA costs allocated to Off System Sales are net against OSS margins in the RTO Tracker

* Attachment M-S1, Cause No. 45159 - Step One Compliance Filing, Page 15 of 22.

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - NERC Compliance Project
Calculation of Total Rate Allocation - Capital & Expense

Line No.	(A) Rate Code	(B) Demand Allocation (Cause No. 45159) (Att 2, Sch 4, Col E)	(C) Capital Revenue Requirement (Att 1, Sch 5, Col B, Line 1 x Col B)	(D) Capital Revenue Recovery Variance (Att 1, Sch 6, Pg 1, Col J)	(E) Total Capital Revenue Requirement (Col C + Col D)	(F) Demand Allocation (Cause No. 45159) (Att 2, Sch 4, Col E)	(G) Fixed Prior Period Variance Expense (Att 1, Sch 3, Pg 1, Col D, Line 10 x Col B)	(H) Expense Under/(Over) Revenue Recovery (Att 1, Sch 6, Pg 1, Col T)	(I) Total Expense Revenue Requirement (Col G + Col H)
1	811	35.05%	\$ 960	\$ 454	\$ 1,414	35.05%	\$ (21,799)	\$ 2,214	\$ (19,585)
2	820	0.06%	2	38	40	0.06%	(39)	98	59
3	821	17.50%	476	273	749	17.50%	(10,883)	758	(10,125)
4	822	0.08%	2	62	64	0.08%	(52)	166	114
5	823	11.42%	311	2,633	2,944	11.42%	(7,105)	6,972	(133)
6	824	14.33%	390	2,298	2,688	14.33%	(8,911)	5,601	(3,310)
7	825	0.50%	14	(40)	(26)	0.50%	(312)	(18)	(330)
8	826	8.34%	227	(578)	(351)	8.34%	(5,190)	(644)	(5,834)
11	831	8.32%	226	(591)	(365)	8.32%	(5,173)	(2,605)	(7,778)
9	832	0.88%	24	551	575	0.88%	(548)	803	255
10	833	1.99%	54	(1,516)	(1,462)	1.99%	(1,235)	(2,753)	(3,988)
12	841	0.24%	7	(17)	(10)	0.24%	(150)	(122)	(272)
13	842	0.01%	-	6	6	0.01%	(5)	8	3
14	844	0.15%	4	88	92	0.15%	(92)	2,853	2,761
15	850	0.54%	15	282	297	0.54%	(339)	943	604
16	855	0.06%	2	2	4	0.06%	(39)	(7)	(46)
17	860	0.18%	5	58	63	0.18%	(112)	210	98
18	Interdepartmental	0.34%	-	4,753	4,753	0.34%	(212)	3,219	3,007
19	Total	100.00%	\$ 2,719	\$ 8,756	\$ 11,475	100.00%	\$ (62,196)	\$ 17,696	\$ (44,500)

NORTHERN INDIANA PUBLIC SERVICE COMPANY

FMCA - Environmental Compliance Project
Calculation of Total Rate Allocation - Capital & Expense

Line No.	(A) Rate Code	(B) Demand Allocation (Cause No. 45159) (Att 2, Sch 4, Col E)	(C) Capital Revenue Requirement (Att 1, Sch 5, Col C, Line 1 x Col B)	(D) Capital Revenue Recovery Variance (Att 1, Sch 6, Pg 2, Col J)	(E) Total Capital Revenue Requirement (Col C + Col D)	(F) Demand Allocation (Cause No. 45159) (Att 2, Sch 4, Col E)	(G) Fixed Prior Period Variance Expense (Att 1, Sch 3, Pg 2, Col D, Line 7 x Col B)	(H) Expense Under/(Over) Revenue Recovery (Att 1, Sch 6, Pg 2, Col T)	(I) Total Expense Revenue Requirement (Col G + Col H)
1	811	35.05%	\$ 199,396	\$ 5,837	\$ 205,233	35.05%	\$ (94,293)	\$ 7,919	\$ (86,374)
2	820	0.06%	359	947	1,306	0.06%	(170)	426	256
3	821	17.50%	99,547	(2,818)	96,729	17.50%	(47,076)	1,923	(45,153)
4	822	0.08%	475	1,596	2,071	0.08%	(225)	690	465
5	823	11.42%	64,991	76,109	141,100	11.42%	(30,734)	29,525	(1,209)
6	824	14.33%	81,514	64,527	146,041	14.33%	(38,548)	24,517	(14,031)
7	825	0.50%	2,853	(641)	2,212	0.50%	(1,349)	(142)	(1,491)
8	826	8.34%	47,471	(33,735)	13,736	8.34%	(22,449)	(8,306)	(30,755)
11	831	8.32%	47,316	(32,340)	14,976	8.32%	(22,375)	(13,028)	(35,403)
9	832	0.88%	5,017	14,531	19,548	0.88%	(2,372)	3,910	1,538
10	833	1.99%	11,296	(44,701)	(33,405)	1.99%	(5,342)	(12,887)	(18,229)
12	841	0.24%	1,373	(202)	1,171	0.24%	(649)	(377)	(1,026)
13	842	0.01%	44	4	48	0.01%	(21)	(21)	(42)
14	844	0.15%	842	(11,862)	(11,020)	0.15%	(398)	7,234	6,836
15	850	0.54%	3,097	6,399	9,496	0.54%	(1,465)	3,566	2,101
16	855	0.06%	357	115	472	0.06%	(169)	(12)	(181)
17	860	0.18%	1,026	(251)	775	0.18%	(485)	303	(182)
18	Interdepartmental	0.34%	1,940	(10,402)	(8,462)	0.34%	(917)	(5,080)	(5,997)
19	Total	100.00%	\$ 568,914	\$ 33,113	\$ 602,027	100.00%	\$ (269,037)	\$ 40,160	\$ (228,877)

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Calculation of Total Rate Adjustment Factors
For the 6-month Billing Period of
August 2020 - January 2021

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line No.	Rate Code	NERC Compliance Project Capital (Att 1, Sch 7, Pg 1, Col E)	NERC Compliance Project Expense (Att 1, Sch 7, Pg 1, Col I)	Environmental Compliance Project Capital (Att 1, Sch 7, Pg 2, Col E)	Environmental Compliance Project Expense (Att 1, Sch 7, Pg 2, Col I)	Total FMCA (Col B + Col C + Col D + Col E)	Est. kWh Sales 6 Month Ended FMCA-13	Total FMCA Factor (Col F/ Col G)
1	811	\$ 1,414	\$ (19,585)	\$ 205,233	\$ (86,374)	\$ 100,688	1,700,660,147	0.000059
2	820	40	59	1,306	256	1,661	5,045,441	0.000329
3	821	749	(10,125)	96,729	(45,153)	42,200	783,570,929	0.000054
4	822	64	114	2,071	465	2,714	4,594,941	0.000591
5	823	2,944	(133)	141,100	(1,209)	142,702	589,774,378	0.000242
6	824	2,688	(3,310)	146,041	(14,031)	131,388	881,746,397	0.000149
7	825	(26)	(330)	2,212	(1,491)	365	43,113,531	0.000008
8	826	(351)	(5,834)	13,736	(30,755)	(23,204)	595,009,115	-0.000039
11	831	(365)	(7,778)	14,976	(35,403)	(28,570)	793,246,160	-0.000036
9	832	575	255	19,548	1,538	21,916	85,115,497	0.000257
10	833	(1,462)	(3,988)	(33,405)	(18,229)	(57,084)	205,149,255	-0.000278
12	841	(10)	(272)	1,171	(1,026)	(137)	13,940,197	-0.000010
13	842	6	3	48	(42)	15	171,355	0.000088
14	844	92	2,761	(11,020)	6,836	(1,331)	8,554,498	-0.000156
15	850	297	604	9,496	2,101	12,498	24,078,174	0.000519
16	855	4	(46)	472	(181)	249	2,906,605	0.000086
17	860	63	98	775	(182)	754	7,284,353	0.000104
18	Interdepartmental	4,753	3,007	(8,462)	(5,997)	(6,699)	10,227,747	-0.000655
19	Total	\$ 11,475	\$ (44,500)	\$ 602,027	\$ (228,877)	\$ 340,125	5,754,188,721	

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Deferred Revenue Requirement (20%)
as of February 29, 2020
Before Tax Gross-Up

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Deferred Revenue Requirement by FMCA filing	Return on Capital * (Att 1, Sch 2, Col J, Line 7)	Return of Expense (Att 1, Sch 4, Col D, Line 6)	Total Expense Variance (Att 1, Sch 3, Pg 1, Col H, Line 9 + Pg 2, Col H, Line 6)	Carrying Charges	Total Deferred Revenue
1	NERC Compliance Project - Deferred Revenue Requirement as of FMCA-11 Compliance Filing ⁽¹⁾					\$ 1,517,606
2	NERC Compliance Project - FMCA-11 ⁽¹⁾					9,072
3	NERC Compliance Project - FMCA-12 ⁽¹⁾					(61,346)
4	Environmental Compliance Project - Deferred Revenue Requirement as of FMCA-11 Compliance Filing ⁽¹⁾					4,012,384
5	Environmental Compliance Project - FMCA-11 ⁽¹⁾					67,903
6	Environmental Compliance Project - FMCA-12 ⁽¹⁾					439,823
	Total Deferred Revenue Requirement as of FMCA-12 Compliance Filing					\$ 5,985,442
7	Less: Deferred Revenue Requirement Rolled into Rate Base ⁽²⁾					5,923,147
8	Approved Total Adjusted Deferred Revenue Requirement in Cause No. 45159					\$ 62,295
9	FMCA-13	113,976	-	(82,808)	122,481	153,649
10	Total Deferred Revenue Requirement	<u>\$ 113,976</u>	<u>\$ -</u>	<u>\$ (82,808)</u>	<u>\$ 122,481</u>	<u>\$ 215,944</u>

(*) Amounts reflected before tax gross-up

(1) As shown in FMCA 12 Compliance Filing

(2) Per Cause No. 45159 (December 31, 2019, Step 2)

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Calculation of Electric Weighted Cost of Capital
as of February 29, 2020

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	Amount (\$000)	Percent of Total	Cost (%)	Weighted Avg Cost (%)
1	Common Equity	2,989,675	48.56%	9.75%	4.73%
2	Long Term Debt	2,115,887	34.37%	4.86%	1.67%
3	Deferred Taxes	1,340,653	21.77%	0.00%	0.00%
4	Post 1970 ITC	1,921	0.03%	7.72%	0.00%
5	Customer Deposits	69,178	1.12%	5.15%	0.06%
6	Prepaid Pension Asset	(422,600)	-6.86%	0.00%	0.00%
7	Post Retirement Liability	62,253	1.01%	0.00%	0.00%
8	Total	<u>6,156,968</u>	<u>100.00%</u>		<u>6.46%</u>

For Calculation of LTD to Determine Deductible Interest Expense:

9	Common Equity	\$ 2,989,675	48.57%	9.75%	4.74%
10	Long Term Debt	\$ 2,115,887	34.38%	4.86%	1.67%
11	Deferred Taxes	\$ 1,340,653	21.78%	0.00%	0.00%
12	Customer Deposits	\$ 69,178	1.12%	5.15%	0.06%
13	Prepaid Pension Asset	\$ (422,600)	-6.87%	0.00%	0.00%
14	Post Retirement Liability	\$ 62,253	1.01%	0.00%	0.00%
15	Total	<u>\$ 6,155,047</u>	<u>100.00%</u>		<u>6.47%</u>

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Calculation of Revenue Conversion Factor

	(A)	(B)	(C)	(D)
Line No.	Description	Statutory Rate	Debt	Equity
1	Gross Revenue Change		100.000000%	100.000000%
2	Public Utility Fee (PUF Rate x Line 1)	0.1296408%	<u>0.129641%</u>	<u>0.129641%</u>
3	Subtotal (Line 1 - Line 2)		99.870359%	99.870359%
4	Utility Receipts Tax on Retail Sales (URT Rate x Line 1)	0.000000%	0.000000%	0.000000%
5	Subtotal (Line 3 - Line 4)		99.870359%	99.870359%
6	State Income Tax (see below)	5.325000%	0.000000%	5.318097%
7	Subtotal (Line 5 - Line 6)		99.870359%	94.552263%
8	Federal Income Tax (Federal Income Tax Rate x Line 7) ^[1]	21.000000%	0.000000%	19.855975%
9	Subtotal (Line 7 - Line 8)		<u>99.870359%</u>	<u>74.696287%</u>
10	Revenue Conversion Factor (Line 1 / Line 9)		<u>1.001298</u>	<u>1.338755</u>
11	<u>State Income Tax calculations:</u>			
12	Debt: (Line 4 divided by (1 minus State Income Tax Rate)) minus Line 4			
13	Equity: State Income Tax Rate X Line 3			

[1] Federal income taxes are not applied to the calculation of the Debt component for the Revenue Conversion Factor as Federal income taxes are only inclusive of net income after all costs, including interest.

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Proof of Calculation of Electric Revenue Requirement for Capital to be Recovered @ 80%
For the 6 Month Billing Period of
August 2020 - January 2021

Line No.	(A) Description	(B)		(C) Rate of Return	(D) Total
		Debt		Equity	
1	Total Company CWIP Investment (Att 1, Sch 2, Col J, Line 1)				\$ -
2	Cost of Capital (Att 2, Sch 1, Col E, Line 8 and Line 10)		1.67%	4.79%	6.46%
3	Annual Return Revenue Requirement				\$ -
4	Semi-Annual Revenue Requirement (Line 3 / 2)				\$ -
5	Post In Service Carrying Charges X Revenue Conversion Factor (Att 1, Sch 2, Cols H & I, Line 5)	\$ 143,386		\$ 426,493	\$ 569,879
6	Total Semi-Annual Revenue Requirement (Line 4 + Line 5)				\$ 569,879
7	Less: Deferred Revenue Requirement @ Capital @ 20% (Line 6 * 20%)				\$ (113,976)
8	Adjusted Semi-Annual Revenue Requirement - Capital @ 80%				\$ 455,903
9	Revenue Conversion Factor (Att 2, Sch 2, Line 10)		1.001298	1.338755	1.253848
10	Semi-Annual Revenue Requirement CWIP Adjusted for Taxes - Capital @ 80%				\$ 571,633

(E) Components of Revenue Conversion Factor	(F) Statutory Rate	(G)		(H) Effective Rate
		0.12964080%		0.12964080%
11	Public Utility Fee	0.12964080%	0.12964080%	0.12964080%
12	Utility Receipts Tax	0.000000%	0.000000%	0.000000%
13	State Income Tax	5.325000%	0.000000%	5.318097%
14	Federal Income Tax	21.000000%	0.000000%	19.855975%
15	Effective Rate		0.129641%	25.303713%
16	Complement		99.870359%	74.696287%
17	Revenue Conversion Factor (1 divided by Complement)		1.001298	1.338755

(I) Proving Calculation	(J)		(K)
	\$		
18	Semi-Annual Revenue Requirement	571,633	\$ 571,633
19	Public Utility Fee Indiana Utility Receipts Tax	(741)	(741)
20	Interest Expense deductible for:		
21	State and Federal tax purposes		
22	Line 1, Column D x Line 2, Column B		(114,709)
23	Taxable for State Income Tax		\$ 456,183
24	State Income Tax Less IN Utility Receipts Tax	(24,292)	(24,292)
25	Taxable for Federal Income Tax		\$ 431,891
26	Federal Income Tax	(90,697)	(90,697)
27	Semi-Annual Revenue Requirement @ 80%	\$ 455,903	

NORTHERN INDIANA PUBLIC SERVICE COMPANY

Demand and Energy Allocators per Cause 45159
Adjusted for Rate Migration

Demand Allocation							Energy Allocation					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Line No.	Rate Code	Demand Allocation	Rate 831 Tier 1 Adjustment	Rate Migration	Adj. Demand Allocation	Demand Allocation %	Rate Code	Energy Allocation	Final 831 Tier 1 Contract Adjustment	Rate Migration	Adj. Energy Allocation	Energy Allocation %
1	811	\$ 508,397,289		\$ -	\$ 508,397,289	35.05%	811	3,574,056		-	3,574,056	29.22%
2	820	914,117		-	914,117	0.06%	820	10,918		-	10,918	0.09%
3	821	253,812,406		-	253,812,406	17.50%	821	1,692,423		-	1,692,423	13.84%
4	822	1,211,193		-	1,211,193	0.08%	822	12,282		-	12,282	0.10%
5	823	165,705,139		-	165,705,139	11.42%	823	1,324,381		-	1,324,381	10.83%
6	824	207,833,587		-	207,833,587	14.33%	824	1,925,038		-	1,925,038	15.74%
7	825	7,273,007		-	7,273,007	0.50%	825	97,218		-	97,218	0.79%
8	826	121,033,845		-	121,033,845	8.34%	826	1,327,574		-	1,327,574	10.85%
11	831	152,266,583	(31,627,863)		120,638,720	8.32%	831	1,716,774	(153,216)	-	1,563,558	12.78%
9	832	12,790,750		-	12,790,750	0.88%	832	152,471		-	152,471	1.25%
10	833	28,801,612		-	28,801,612	1.99%	833	408,867		-	408,867	3.34%
12	841	3,500,918		-	3,500,918	0.24%	841	29,678		-	29,678	0.24%
13	842	111,123		-	111,123	0.01%	842	355		-	355	0.00%
14	844	2,146,284		-	2,146,284	0.15%	844	21,905		-	21,905	0.18%
15	850	7,896,064		-	7,896,064	0.54%	850	42,843		-	42,843	0.35%
16	855	910,582		-	910,582	0.06%	855	6,532		-	6,532	0.05%
17	860	2,615,562		-	2,615,562	0.18%	860	15,291		-	15,291	0.13%
18	Interdepartmental	4,946,681		-	4,946,681	0.34%	Interdepartmental	26,376		-	26,376	0.22%
19	Total	\$ 1,482,166,742	\$ (31,627,863)	\$ -	\$ 1,450,538,879	100.00%	Total	12,384,981	(153,216)	-	12,231,765	100.00%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
IURC Electric Service Tariff
Original Volume No. 14
Cancelling All Previously Approved Tariffs

APPENDIX I
FEDERALLY MANDATED COST ADJUSTMENT FACTOR

Sheet No. 1 of 1

As shown in Appendix A, the Federally Mandated Cost Adjustment (“FMCA”) Factor in Rates 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855 and 860, and Rider 876 shall be computed in accordance with Rider 887 – Adjustment of Charges for Federally Mandated Costs.

Effective for bills rendered during the August 2020 through February 2021 billing cycles, or until new factors are approved by the Commission, the FMCA Factor shall be:

RATE SCHEDULES

Rate	Charge
Rate 811	A charge of \$0.000059 per kWh used per month
Rate 820	A charge of \$0.000329 per kWh used per month
Rate 821	A charge of \$0.000054 per kWh used per month
Rate 822	A charge of \$0.000591 per kWh used per month
Rate 823	A charge of \$0.000242 per kWh used per month
Rate 824	A charge of \$0.000149 per kWh used per month
Rate 825	A charge of \$0.000008 per kWh used per month
Rate 826	A credit of \$0.000039 per kWh used per month
Rate 831 Tier 1	A credit of \$0.000036 per kWh used per month
Rate 832	A charge of \$0.000257 per kWh used per month
Rate 833	A credit of \$0.000278 per kWh used per month
Rate 841	A credit of \$0.000010 per kWh used per month
Rate 842	A charge of \$0.000088 per kWh used per month
Rate 844	A credit of \$0.000156 per kWh used per month
Rate 850	A charge of \$0.000519 per kWh used per month
Rate 855	A charge of \$0.000086 per kWh used per month
Rate 860	A charge of \$0.000104 per kWh used per month
Rider 876	See note above

The FMCA Factor for Rider 876 will be the FMCA Factor associated with the firm service under Rate Schedule 831 Tier 1 being used in conjunction with this Rider.

Issued Date
07/__/2020

Effective Date
07/31/2020



NORTHERN INDIANA PUBLIC SERVICE COMPANY
IURC Electric Service Tariff
Original Volume No. 14
Cancelling All Previously Approved Tariffs

Third Revised Sheet No. 21 Deleted: Second
Superseding
Second Revised Sheet No. 21 Deleted: First

APPENDIX I
FEDERALLY MANDATED COST ADJUSTMENT FACTOR

Sheet No. 1 of 1

As shown in Appendix A, the Federally Mandated Cost Adjustment ("FMCA") Factor in Rates 811, 820, 821, 822, 823, 824, 825, 826, 831 Tier 1, 832, 833, 841, 842, 844, 850, 855 and 860, and Rider 876 shall be computed in accordance with Rider 887 – Adjustment of Charges for Federally Mandated Costs.

Effective for bills rendered during the August 2020 through February 2021 billing cycles, or until new factors are approved by the Commission, the FMCA Factor shall be:

Deleted: March through July 2020

RATE SCHEDULES

Rate	Charge
Rate 811	A charge of \$0.000 059 , per kWh used per month
Rate 820	A charge of \$0.000 329 , per kWh used per month
Rate 821	A charge of \$0.000 054 , per kWh used per month
Rate 822	A charge of \$0.000 591 , per kWh used per month
Rate 823	A charge of \$0.000 242 , per kWh used per month
Rate 824	A charge of \$0.000 149 , per kWh used per month
Rate 825	A charge of \$0.000 008 , per kWh used per month
Rate 826	A credit of \$0.000 039 , per kWh used per month
Rate 831 Tier 1	A credit of \$0.000 036 , per kWh used per month
Rate 832	A charge of \$0.000 257 , per kWh used per month
Rate 833	A credit of \$0.000 278 , per kWh used per month
Rate 841	A credit of \$0.000 010 , per kWh used per month
Rate 842	A charge of \$0.000 088 , per kWh used per month
Rate 844	A credit of \$0.000 156 , per kWh used per month
Rate 850	A charge of \$0.000 519 , per kWh used per month
Rate 855	A charge of \$0.000 086 , per kWh used per month
Rate 860	A charge of \$0.000 104 , per kWh used per month
Rider 876	See note above

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The FMCA Factor for Rider 876 will be the FMCA Factor associated with the firm service under Rate Schedule 831 Tier 1 being used in conjunction with this Rider.

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Issued Date
07/ /2020

Effective Date
07/31/2020

