

STATE OF INDIANA

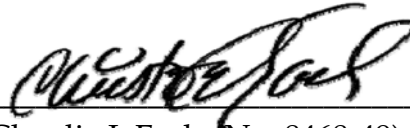
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR (1))
AUTHORITY TO MODIFY ITS RATES AND)
CHARGES FOR GAS UTILITY SERVICE)
THROUGH A PHASE IN OF RATES; (2))
MODIFICATION OF THE SETTLEMENT)
AGREEMENTS APPROVED IN CAUSE NO.)
43894; (3) APPROVAL OF NEW SCHEDULES) CAUSE NO. 44988
OF RATES AND CHARGES, GENERAL)
RULES AND REGULATIONS, AND RIDERS;)
(4) APPROVAL OF REVISED)
DEPRECIATION RATES APPLICABLE TO)
ITS GAS PLANT IN SERVICE; (5) APPROVAL)
OF NECESSARY AND APPROPRIATE)
ACCOUNTING RELIEF; AND (6))
AUTHORITY TO IMPLEMENT TEMPORARY)
RATES CONSISTENT WITH THE)
PROVISIONS OF IND. CODE CH. 8-1-2-42.7.)

SUBMISSION OF SETTLEMENT WORKPAPERS

Northern Indiana Public Service Company LLC, by counsel, respectfully submits Petitioner's Exhibit No. 17-S1, Petitioner's Exhibit No. 17-S2, and Petitioner's Exhibit No. 17-S3, supporting its settlement testimony filed April 20, 2018.

Respectfully submitted:



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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing was served upon the following via electronic email this 23rd day of April, 2018 to:

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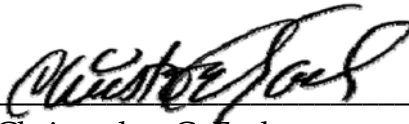
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Christopher C. Earle

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending June 30, 2018

This pro forma adjustment increases the twelve months ended December 31, 2016 depreciation expense to reflect rate base growth and implement the new depreciation rates per the depreciation study.

Line No.	Description	Attachment 3-C-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Gas Plant Depreciation for the Twelve Months Ended December 31, 2016	Sch. DEPR 1-S1		\$ 3,919,144	[.2]
2	2017 Gas Plant Rate Base @ 2009 Depreciation Rates	Sch. DEPR 1-S1	DEPR 1-S1-17	5,285,150	[.2]
3	2018 Gas Plant Rate Base @ 2009 Depreciation Rates	Sch. DEPR 1-S1	DEPR 1-S1-18	3,955,970	[.2]
4	D&A Study Depreciation Expense	Sch. DEPR 1-S1	DEPR 1-S1-18	48,448,417	[.2]
5	Rebuttal True Up	Sch. DEPR 1-S1	DEPR 1-R-18R	415,664	[.2]
6	Settlement True Up	Sch. DEPR 1-S1	DEPR 1-S1-18R	(3,898,057)	[.2]
7	Increase (Decrease) in Gas Plant Depreciation Expense (Lines 2 + 3 + 4 + 5)			<u>\$ 54,207,144</u>	
8	Gas Plant Depreciation Expense for the Twelve Months Ending June 30, 2018 (Lines 1 + 6)	Sch. DEPR 1-S1		<u>\$ 58,126,288</u>	

Northern Indiana Public Service Company
Gas Plant Depreciation Expense
Account 40300000 - Power Plant and TDSIC
Twelve Months Ended December 31, 2016

Line No.	Segment	Account	Description	January	February	March	April	May	June	July	August	September	October	November	December	Twelve Months Ended	
																December	December 31, 2016
1	G	40300000	Gas Asset Depreciation	\$ 255,706	\$ 262,821	\$ 265,988	\$ 272,256	\$ 274,364	\$ 276,169	\$ 291,376	\$ 290,198	\$ 294,077	\$ 296,625	\$ 305,300	\$ 322,830	\$ 3,407,710	[.2]
2	G	40300000	TDSIC Depreciation				29,728	16,359	9,998	34,087	21,549	23,549	50,130	92,606	233,429	511,434	[.2]
3			Depreciation Expense - Gas Assets	\$ 255,706	\$ 262,821	\$ 265,988	\$ 301,984	\$ 290,723	\$ 286,167	\$ 325,463	\$ 311,747	\$ 317,627	\$ 346,755	\$ 397,905	\$ 556,259	\$ 3,919,144	[.2]

Northern Indiana Public Service Company
Calculation of 2017 Depreciation Expense - 2017 Original Cost Gross Plant at 2009 Depreciation Rates
Twelve Months Ending December 31, 2017

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Line No.	FERC Account	ACCOUNT	ANNUAL ACCRUAL RATE (2009) A	December 31, 2017 ORIGINAL COST B	2017 ANNUAL ACCRUAL \$ @ 2009 RATES C = A x B	Depreciation Credit D	Twelve Months Ended December 31, 2017 Depreciation Expense E
1		DEPRECIABLE PLANT					
2		UNDERGROUND STORAGE PLANT					
1	350.20	LEASEHOLDS	0.17	\$ 381,490	\$ 649	\$ (589)	\$ 60
3	350.40	RIGHTS OF WAY	1.57	186,818	2,933	(2,662.42)	270.62
2	351.10	WELL STRUCTURES	1.27	18,796	239	(216.56)	22.15
4	351.20	COMPRESSOR STATION STRUCTURES	0.86	247,044	2,125	(1,927.52)	197.06
3	351.30	MEASURING AND REGULATING STATION STRUCTURES	0.80	241,515	1,932	(789.48)	1,142.64
5	351.40	OTHER STRUCTURES	0.25	2,724,063	6,810	(6,190.60)	619.56
4	352.00	WELLS	0.07	14,414,024	10,090	(9,144.58)	945.24
6	352.30	NONRECOVERABLE NATURAL GAS	1.54	5,399,799	83,157	(75,485.24)	7,671.66
5	353.00	LINES	0.30	21,116,863	63,351	(49,122.12)	14,228.47
7	354.00	COMPRESSOR STATION EQUIPMENT	0.70	4,062,360	28,437	(19,836.32)	8,600.20
6	355.00	MEASURING AND REGULATING STATION EQUIPMENT	0.45	2,315,122	10,418	(9,486.92)	931.13
8	356.00	PURIFICATION EQUIPMENT	0.19	10,247,070	19,469	(14,553.34)	4,916.09
7	357.00	OTHER EQUIPMENT	3.27	1,012,302	33,102	(28,725.60)	4,376.88
9		TOTAL UNDERGROUND STORAGE PLANT	0.35	<u>\$ 62,367,265</u>	<u>\$ 262,711</u>	<u>\$ (218,730)</u>	<u>\$ 43,981</u>
8		OTHER STORAGE PLANT					
9	361.00	STRUCTURES AND IMPROVEMENTS	0.22	9,779,820	21,516	(14,969)	6,547
10	362.10	GAS HOLDERS	0.04	17,915,656	7,166	(6,428)	738
11	363.00	PURIFICATION EQUIPMENT	0.06	1,674,419	1,005	(865)	139
12	363.10	LIQUEFACTION EQUIPMENT	0.11	7,903,309	8,694	(6,971)	1,722
13	363.20	VAPORIZING EQUIPMENT	0.29	5,018,243	14,553	(13,041)	1,512
14	363.30	COMPRESSOR EQUIPMENT	0.39	1,985,874	7,745	(4,877)	2,867
15	363.40	MEASURING AND REGULATING EQUIPMENT	1.04	1,269,274	13,200	(12,081)	1,120
16	363.50	OTHER EQUIPMENT	1.22	2,237,850	27,302	(22,282)	5,020
17		TOTAL OTHER STORAGE PLANT	0.19	<u>\$ 47,784,445</u>	<u>\$ 101,180</u>	<u>\$ (81,515)</u>	<u>\$ 19,665</u>
18		TRANSMISSION PLANT					
19	365.20	LAND RIGHTS	1.93	10,931,580	210,979	(140,327)	70,652
20	366.20	MEASURING AND REGULATING STATION STRUCTURES	1.02	3,814,724	38,910	(24,323)	14,588
21	366.30	OTHER STRUCTURES	2.19	287,101	6,288	(5,784)	503
22	367.00	MAINS	1.25	325,998,144	4,074,977	(2,107,854)	1,967,123
23	369.00	MEASURING AND REGULATING STATION EQUIPMENT	1.66	55,741,687	925,312	(629,890)	295,422
24	371.00	OTHER EQUIPMENT	0.99	214,258	2,121.16	(436)	1,685
25		TOTAL TRANSMISSION PLANT	1.34	<u>\$ 396,987,493</u>	<u>\$ 5,258,587</u>	<u>\$ (2,908,615)</u>	<u>\$ 2,349,973</u>
26		DISTRIBUTION PLANT					
27	374.20	LAND RIGHTS	1.57	1,204,997	18,918	(16,693)	2,225
28	375.00	STRUCTURES AND IMPROVEMENTS	1.01	3,179,948	32,117	(26,627.98)	5,489.50
29	376.00	MAINS	1.41				
30	376.10	MAINS - STEEL	1.41	278,247,904	3,923,295	(2,851,398.38)	1,071,897.06
31	376.20	MAINS - PLASTIC	1.41	535,049,337	7,544,196	(5,627,777.54)	1,916,418.11
32	378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERA	1.67	43,876,994	732,746	(496,714.64)	236,031.16
33	380.00	SERVICES	2.27				
34	380.10	SERVICES - STEEL	2.27	80,490,461	1,827,133	(1,330,436)	496,697
35	380.20	SERVICES - PLASTIC	2.27	505,640,023	11,478,029	(9,465,840)	2,012,188
36	381.00	METERS	1.62	147,301,933	2,386,291	(2,109,155)	277,137
37	382.00	METER INSTALLATIONS	0.22	132,261,456	290,975	(236,899)	54,077
38	383.00	HOUSE REGULATORS	0.99	93,345,543	924,121	(710,932)	213,189
39	384.00	HOUSE REGULATOR INSTALLATIONS	0.35	3,241,540	11,345	(10,297)	1,048
40	385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPME	1.47	52,331,904	769,279	(673,853)	95,426
41	386.00	OTHER PROPERTY ON CUSTOMER PREMISES	8.03	25,262	2,029	(1,795)	234
42		TOTAL DISTRIBUTION PLANT	1.62	<u>\$ 1,876,197,301</u>	<u>\$ 29,940,475</u>	<u>\$ (23,558,418)</u>	<u>\$ 6,382,057</u>

Northern Indiana Public Service Company
Calculation of 2017 Depreciation Expense - 2017 Original Cost Gross Plant at 2009 Depreciation Rates
Twelve Months Ending December 31, 2017

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Line No.	FERC Account	ACCOUNT	ANNUAL ACCRUAL RATE (2009) A	December 31, 2017 ORIGINAL COST B	2017 ANNUAL ACCRUAL \$ @ 2009 RATES C = A x B	Depreciation Credit D	Twelve Months Ended December 31, 2017 Depreciation Expense E
43		GENERAL PLANT					
44	389.20	LAND RIGHTS	0.00	2,095,915	-	-	-
45	390.00	STRUCTURES AND IMPROVEMENTS					
46		GAS OPERATIONS CENTER	2.81	2,953,961	83,006		
47		SOUTH BEND OPERATIONS HEADQUARTERS	2.77	5,330,949	147,667		
48		ELKHART OPERATIONS HEADQUARTERS	2.88				
49		CENTRAL GAS METER SHOP	3.38	1953529.42	66,029		
50		PERU OPERATIONS HEADQUARTERS	2.75	948,836	26,093		
51		FORT WAYNE OPERATIONS HEADQUARTERS	2.70	4,466,575	120,598		
52		OTHER MISCELLANEOUS STRUCTURES	3.19	8,465,500	270,049		
53		TOTAL STRUCTURES AND IMPROVEMENTS	2.89	<u>\$ 24,119,350</u>	<u>\$ 713,443</u>	<u>\$ (559,754)</u>	<u>\$ 153,689</u>
54	391.10	OFFICE FURNITURE AND EQUIPMENT					
55		FULLY ACCRUED	0.00	3,222,151	-		
56		AMORTIZED	5.00	940,593	47,030		
57		TOTAL OFFICE FURNITURE AND EQUIPMENT	2.30	<u>\$ 4,162,744</u>	<u>\$ 47,030</u>	<u>\$ (82,687)</u>	
58							
59	391.20	COMPUTER EQUIPMENT					
60		FULLY ACCRUED	0.00	2,233,301	-		
61		AMORTIZED	14.29	1,089,312	155,663		
62		TOTAL COMPUTER EQUIPMENT	2.67	<u>\$ 3,322,613</u>	<u>\$ 155,663</u>	<u>\$ (82,281)</u>	
63		TOTAL ACCOUNT 391	2.40	<u>\$ 7,485,356</u>	<u>\$ 202,692</u>	<u>\$ (164,967)</u>	<u>\$ 37,725</u>
64		TRANSPORTATION EQUIPMENT					
65	392.10	AUTOS	2.45	8,886	218		
66	392.20	TRAILERS	10.00	7,285	729		
67	392.30	TRUCKS < 13,000 #	9.66	70,223	6,784		
68	392.40	TRUCKS > 13,000 #	7.07	405,431	28,664		
69		TOTAL TRANSPORTATION EQUIPMENT	8.25	<u>\$ 491,824</u>	<u>\$ 36,394</u>	<u>\$ (661)</u>	<u>\$ 35,732</u>
70	393.00	STORES EQUIPMENT					
71		FULLY ACCRUED	0.00	201,816	-		
72		AMORTIZED	3.33	92,709	3,087		
73		TOTAL STORES EQUIPMENT	1.17	<u>\$ 294,525</u>	<u>\$ 3,087</u>	<u>\$ (3,090)</u>	<u>\$ (2)</u>
74	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT					
75		FULLY ACCRUED	0.00	7,272,782	-		
76		AMORTIZED	4.00	16,643,251	665,730		
77		TOTAL TOOLS, SHOP AND GARAGE EQUIPMENT	3.36	<u>\$ 23,916,033</u>	<u>\$ 665,730</u>	<u>\$ (678,626)</u>	<u>\$ (12,896)</u>
78	395.00	LABORATORY EQUIPMENT					
79		FULLY ACCRUED	0.00	202,499	-		
80		AMORTIZED	5.00	1,821,798	91,090		
81		TOTAL LABORATORY EQUIPMENT	4.46	<u>\$ 2,024,297</u>	<u>\$ 91,090</u>	<u>\$ (84,385)</u>	<u>\$ 6,705</u>
82	396.00	POWER OPERATED EQUIPMENT	11.88	1,137,120	135,090	-	135,090
83	397.00	COMMUNICATION EQUIPMENT					
84		FULLY ACCRUED	0.00	2,971,845	-		
85		AMORTIZED	6.67	2,601,757	173,537		
86		TOTAL COMMUNICATION EQUIPMENT	2.49	<u>\$ 5,573,602</u>	<u>\$ 173,537</u>	<u>\$ (98,469)</u>	<u>\$ 75,069</u>
87	398.00	MISCELLANEOUS EQUIPMENT					
88		FULLY ACCRUED	0.00	298,253	-		
89		AMORTIZED	5.00	405,527	20,276		
90		TOTAL MISCELLANEOUS EQUIPMENT	4.33	<u>\$ 703,779</u>	<u>\$ 20,276</u>	<u>\$ (42,771)</u>	<u>\$ (22,494)</u>
91		TOTAL GENERAL PLANT	4.73	<u>\$ 67,841,802</u>	<u>\$ 2,041,339</u>	<u>\$ (1,632,722)</u>	<u>\$ 408,617</u>
92		TOTAL DEPRECIABLE PLANT	1.81	<u>\$ 2,451,178,307</u>	<u>\$ 37,604,293</u>	<u>\$ (28,400,000)</u> [2]	<u>\$ 9,204,293</u> [2]

Northern Indiana Public Service Company
Calculation of 2018 Depreciation Expense - 2018 Original Cost Gross Plant at 2009 Depreciation Rates
Twelve Months Ending December 31, 2018

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Line No.	FERC Account	ACCOUNT	ANNUAL ACCRUAL RATE (2009) A	Dec. 31, 2018 ORIGINAL COST B	2018 ANNUAL ACCRUAL \$ @ 2009 RATES C = A x B	Depreciation Credit D	Twelve Months Ended Dec. 31, 2018 Depreciation Expense E
1		DEPRECIABLE PLANT					
2		UNDERGROUND STORAGE PLANT					
3	350.20	LEASEHOLDS	0.17	\$ 381,490	\$ 649	\$ (589)	\$ 60
3	350.40	RIGHTS OF WAY	1.57	186,818	2,933	(2,662)	271
2	351.10	WELL STRUCTURES	1.27	18,796	239	(217)	22
4	351.20	COMPRESSOR STATION STRUCTURES	0.86	247,044	2,125	(1,928)	197
3	351.30	MEASURING AND REGULATING STATION STRUCTURES	0.80	241,515	1,932	(789)	1,143
5	351.40	OTHER STRUCTURES	0.25	2,724,063	6,810	(6,191)	620
4	352.00	WELLS	0.07	14,414,024	10,090	(9,145)	945
6	352.30	NONRECOVERABLE NATURAL GAS	1.54	5,399,799	83,157	(75,485)	7,672
5	353.00	LINES	0.30	21,532,055	64,596	(49,122)	15,474
7	354.00	COMPRESSOR STATION EQUIPMENT	0.70	4,781,187	33,468	(19,836)	13,632
6	355.00	MEASURING AND REGULATING STATION EQUIPMENT	0.45	2,315,122	10,418	(9,487)	931
8	356.00	PURIFICATION EQUIPMENT	0.19	10,364,386	19,692	(14,553)	5,139
7	357.00	OTHER EQUIPMENT	3.27	1,012,302	33,102	(28,726)	4,377
9		TOTAL UNDERGROUND STORAGE PLANT	0.35	\$ 63,618,600	\$ 269,211	\$ (218,730)	\$ 50,481
8		OTHER STORAGE PLANT					
9	361.00	STRUCTURES AND IMPROVEMENTS	0.22	9,893,685	21,766	(14,969)	6,797
10	362.10	GAS HOLDERS	0.04	17,915,656	7,166	(6,428)	738
11	363.00	PURIFICATION EQUIPMENT	0.06	1,674,419	1,005	(865)	139
12	363.10	LIQUEFACTION EQUIPMENT	0.11	7,903,309	8,694	(6,971)	1,722
13	363.20	VAPORIZING EQUIPMENT	0.29	5,018,243	14,553	(13,041)	1,512
14	363.30	COMPRESSOR EQUIPMENT	0.39	1,985,874	7,745	(4,877)	2,867
15	363.40	MEASURING AND REGULATING EQUIPMENT	1.04	1,269,274	13,200	(12,081)	1,120
16	363.50	OTHER EQUIPMENT	1.22	2,622,726	31,997	(22,282)	9,715
17		TOTAL OTHER STORAGE PLANT	0.19	\$ 48,283,186	\$ 106,126	\$ (81,515)	\$ 24,611
18		TRANSMISSION PLANT					
19	365.20	LAND RIGHTS	1.93	10,944,149	211,222	(140,327)	70,895
20	366.20	MEASURING AND REGULATING STATION STRUCTURES	1.02	3,814,724	38,910	(24,323)	14,588
21	366.30	OTHER STRUCTURES	2.19	302,005	6,614	(5,784)	829
22	367.00	MAINS	1.25	515,056,491	6,438,206	(2,107,854)	4,330,352
23	369.00	MEASURING AND REGULATING STATION EQUIPMENT	1.66	63,870,621	1,060,252	(629,890)	430,362
24	371.00	OTHER EQUIPMENT	0.99	310,935	3,078.26	(436)	2,642
25		TOTAL TRANSMISSION PLANT	1.34	\$ 594,298,924	\$ 7,758,283	\$ (2,908,615)	\$ 4,849,668
26		DISTRIBUTION PLANT					
27	374.20	LAND RIGHTS	1.57	1,261,634	19,808	(16,693)	3,115
28	375.00	STRUCTURES AND IMPROVEMENTS	1.01	3,212,012	32,441	(26,628)	5,813
29	376.00	MAINS	1.41				
30	376.10	MAINS - STEEL	1.41	328,001,169	4,624,816	(2,851,398)	1,773,418
31	376.20	MAINS - PLASTIC	1.41	535,049,337	7,544,196	(5,627,778)	1,916,418
32	378.00	MEASURING AND REGULATING STATION EQUIPMENT - GEN	1.67	49,655,496	829,247	(496,715)	332,532
33	380.00	SERVICES	2.27				
34	380.10	SERVICES - STEEL	2.27	108,390,069	2,460,455	(1,330,436)	1,130,018
35	380.20	SERVICES - PLASTIC	2.27	505,640,023	11,478,029	(9,465,840)	2,012,188
36	381.00	METERS	1.62	147,301,933	2,386,291	(2,109,155)	277,137
37	382.00	METER INSTALLATIONS	0.22	132,790,643	292,139	(236,899)	55,241
38	383.00	HOUSE REGULATORS	0.99	99,858,094	988,595	(710,932)	277,663
39	384.00	HOUSE REGULATOR INSTALLATIONS	0.35	3,241,798	11,346	(10,297)	1,049
40	385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUI	1.47	52,526,724	772,143	(673,853)	98,290
41	386.00	OTHER PROPERTY ON CUSTOMER PREMISES	8.03	26,513	2,129	(1,795)	334
42		TOTAL DISTRIBUTION PLANT	1.62	\$ 1,966,955,445	\$ 31,441,635	\$ (23,558,418)	\$ 7,883,217

Northern Indiana Public Service Company
Calculation of 2018 Depreciation Expense - 2018 Original Cost Gross Plant at 2009 Depreciation Rates
Twelve Months Ending December 31, 2018

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Line No.	FERC Account	ACCOUNT	ANNUAL ACCRUAL RATE (2009) A	Dec. 31, 2018 ORIGINAL COST B	2018 ANNUAL ACCRUAL \$ @ 2009 RATES C = A x B	Depreciation Credit D	Twelve Months Ended Dec. 31, 2018 Depreciation Expense E
43		GENERAL PLANT					
44	389.20	LAND RIGHTS	0.00	2,095,915	-	-	-
45	390.00	STRUCTURES AND IMPROVEMENTS					
46		GAS OPERATIONS CENTER	2.81	2,953,961	83,006		
47		SOUTH BEND OPERATIONS HEADQUARTERS	2.77	5,330,949	147,667		
48		ELKHART OPERATIONS HEADQUARTERS	2.88				
49		CENTRAL GAS METER SHOP	3.38	1,953,529	66,029		
50		PERU OPERATIONS HEADQUARTERS	2.75	948,836	26,093		
51		FORT WAYNE OPERATIONS HEADQUARTERS	2.70	4,466,575	120,598		
52		OTHER MISCELLANEOUS STRUCTURES	3.19	8,465,500	270,049		
53		TOTAL STRUCTURES AND IMPROVEMENTS	2.89	<u>\$ 24,119,350</u>	<u>\$ 713,443</u>	<u>\$ (559,754)</u>	<u>\$ 153,689</u>
54	391.10	OFFICE FURNITURE AND EQUIPMENT					
55		FULLY ACCRUED	0.00	3,268,294	-		
56		AMORTIZED	5.00	894,450	44,722		
57		TOTAL OFFICE FURNITURE AND EQUIPMENT	2.30	<u>\$ 4,162,744</u>	<u>\$ 44,722</u>	<u>\$ (82,687)</u>	
58							
59	391.20	COMPUTER EQUIPMENT					
60		FULLY ACCRUED	0.00	2,416,108	-		
61		AMORTIZED	14.29	906,505	129,540		
62		TOTAL COMPUTER EQUIPMENT	2.67	<u>\$ 3,322,613</u>	<u>\$ 129,540</u>	<u>\$ (82,281)</u>	
63		TOTAL ACCOUNT 391	2.40	<u>\$ 7,485,356</u>	<u>\$ 174,262</u>	<u>\$ (164,967)</u>	<u>\$ 9,295</u>
64		TRANSPORTATION EQUIPMENT					
65	392.10	AUTOS	2.45	8,886	218		
66	392.20	TRAILERS	10.00	7,285	729		
67	392.30	TRUCKS < 13,000 #	9.66	70,223	6,784		
68	392.40	TRUCKS > 13,000 #	7.07	405,431	28,664		
69		TOTAL TRANSPORTATION EQUIPMENT	8.25	<u>\$ 491,824</u>	<u>\$ 36,394</u>	<u>\$ (661)</u>	<u>\$ 35,732</u>
70	393.00	STORES EQUIPMENT					
71		FULLY ACCRUED	0.00	201,816	-		
72		AMORTIZED	3.33	92,709	3,087		
73		TOTAL STORES EQUIPMENT	1.17	<u>\$ 294,525</u>	<u>\$ 3,087</u>	<u>\$ (3,090)</u>	<u>\$ (2)</u>
74	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT					
75		FULLY ACCRUED	0.00	7,797,593	-		
76		AMORTIZED	4.00	16,118,439	644,738		
77		TOTAL TOOLS, SHOP AND GARAGE EQUIPMENT	3.36	<u>\$ 23,916,033</u>	<u>\$ 644,738</u>	<u>\$ (678,626)</u>	<u>\$ (33,888)</u>
78	395.00	LABORATORY EQUIPMENT					
79		FULLY ACCRUED	0.00	280,526	-		
80		AMORTIZED	5.00	1,743,771	87,189		
81		TOTAL LABORATORY EQUIPMENT	4.46	<u>\$ 2,024,297</u>	<u>\$ 87,189</u>	<u>\$ (84,385)</u>	<u>\$ 2,803</u>
82	396.00	POWER OPERATED EQUIPMENT	11.88	1,137,120	135,090	-	135,089.82
83	397.00	COMMUNICATION EQUIPMENT					
84		FULLY ACCRUED	0.00	3,016,914	-		
85		AMORTIZED	6.67	2,556,688	170,531		
86		TOTAL COMMUNICATION EQUIPMENT	2.49	<u>\$ 5,573,602</u>	<u>\$ 170,531</u>	<u>\$ (98,469)</u>	<u>\$ 72,062</u>
87	398.00	MISCELLANEOUS EQUIPMENT					
88		FULLY ACCRUED	0.00	298,253	-		
89		AMORTIZED	5.00	405,527	20,276		
90		TOTAL MISCELLANEOUS EQUIPMENT	4.33	<u>\$ 703,779</u>	<u>\$ 20,276</u>	<u>\$ (42,771)</u>	<u>\$ (22,494)</u>
91		TOTAL GENERAL PLANT	4.73	<u>\$ 65,745,887</u>	<u>\$ 1,985,009</u>	<u>\$ (1,632,722)</u>	<u>\$ 352,287</u>
92		TOTAL DEPRECIABLE PLANT	1.81	<u>\$ 2,740,997,957</u>	<u>\$ 41,560,264</u> [1.2]	<u>\$ (28,400,000)</u> [1.2]	<u>\$ 13,160,264</u> [1.2]

Northern Indiana Public Service Company
Calculation of 2018 Depreciation Expense - 2018 Original Cost Gross Plant at NEW Depreciation Rates
Twelve Months Ending June 30, 2018

Line No.	FERC Account	ACCOUNT A	SD CALCULATED ANNUAL ACCRUAL AMOUNT B	Settlement CALCULATED ANNUAL ACCRUAL AMOUNT C	Increase/Decrease D = C - B
1		DEPRECIABLE PLANT			
2		UNDERGROUND STORAGE PLANT			
1	350.20	LEASEHOLDS	\$ 485	\$ 489	\$ 4
3	350.40	RIGHTS OF WAY	8,425	8,376	(49)
2	351.10	WELL STRUCTURES	296	296	(1)
4	351.20	COMPRESSOR STATION STRUCTURES	1,125	1,136	11
3	351.30	MEASURING AND REGULATING STATION STRUCTURES	11,239	5,054	(6,185)
5	351.40	OTHER STRUCTURES	14,900	20,305	5,405
4	352.00	WELLS	15,859	16,133	274
6	352.30	NONRECOVERABLE NATURAL GAS	54,949	55,078	129
5	353.00	LINES	441,824	428,548	(13,276)
7	354.00	COMPRESSOR STATION EQUIPMENT	196,428	128,207	(68,221)
6	355.00	MEASURING AND REGULATING STATION EQUIPMENT	29,722	35,082	5,360
8	356.00	PURIFICATION EQUIPMENT	194,424	194,517	93
7	357.00	OTHER EQUIPMENT	2,055	2,026	(29)
9		TOTAL UNDERGROUND STORAGE PLANT	\$ 971,731	\$ 895,244	\$ (76,487)
8		OTHER STORAGE PLANT			
9	361.00	STRUCTURES AND IMPROVEMENTS	278,633	267,514	(11,119)
10	362.10	GAS HOLDERS	12,316	12,860	544
11	363.00	PURIFICATION EQUIPMENT	33,702	33,873	171
12	363.10	LIQUEFACTION EQUIPMENT	111,453	108,628	(2,825)
13	363.20	VAPORIZING EQUIPMENT	26,533	26,597	64
14	363.30	COMPRESSOR EQUIPMENT	61,374	61,364	(10)
15	363.40	MEASURING AND REGULATING EQUIPMENT	20,929	20,903	(26)
16	363.50	OTHER EQUIPMENT	120,818	112,726	(8,092)
17		TOTAL OTHER STORAGE PLANT	\$ 665,758	\$ 644,462	\$ (21,296)
18		TRANSMISSION PLANT			
19	365.20	LAND RIGHTS	249,491	249,947	456
20	366.20	MEASURING AND REGULATING STATION STRUCTURES	107,062	141,349	34,287
21	366.30	OTHER STRUCTURES	5,791	19,750	13,959
22	367.00	MAINS	7,663,579	5,082,347	(2,581,232)
23	369.00	MEASURING AND REGULATING STATION EQUIPMENT	1,579,356	1,570,561	(8,795)
24	371.00	OTHER EQUIPMENT	12,470	4,806	(7,664)
25		TOTAL TRANSMISSION PLANT	\$ 9,617,749	\$ 7,068,760	\$ (2,548,989)
26		DISTRIBUTION PLANT			
27	374.20	LAND RIGHTS	19,824	21,812	1,988
28	375.00	STRUCTURES AND IMPROVEMENTS	48,283	57,811	9,528
29	376.10	MAINS - STEEL	5,856,835	4,671,523	(1,185,312)
30	376.20	MAINS - PLASTIC	10,330,582	11,093,756	763,174
31	378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	1,289,626	1,103,124	(186,502)
32	380.10	SERVICES - STEEL	3,361,490	2,214,659	(1,146,831)
33	380.20	SERVICES - PLASTIC	15,517,816	16,398,788	880,972
34	381.00	METERS	6,491,129	6,561,116	69,987
35	382.00	METER INSTALLATIONS	683,062	710,587	27,525
36	383.00	HOUSE REGULATORS	1,334,688	1,277,889	(56,799)
37	384.00	HOUSE REGULATOR INSTALLATIONS	13,880	14,091	211
38	385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	1,150,016	1,176,010	25,994
39	386.00	OTHER PROPERTY ON CUSTOMER PREMISES	1,202	1,592	390
40		TOTAL DISTRIBUTION PLANT	\$ 46,098,433	\$ 45,302,759	\$ (795,674)

Northern Indiana Public Service Company
Calculation of 2018 Depreciation Expense - 2018 Original Cost Gross Plant at NEW Depreciation Rates
Twelve Months Ending June 30, 2018

Line No.	FERC Account	ACCOUNT A	SD CALCULATED ANNUAL ACCRUAL AMOUNT B	Settlement CALCULATED ANNUAL ACCRUAL AMOUNT C	Increase/Decrease D = C - B
41		GENERAL PLANT			
42	389.20	LAND RIGHTS	45,189	45,272	83
43	390.00	STRUCTURES AND IMPROVEMENTS			
44		GAS OPERATIONS CENTER	135,922	135,922	-
45		SOUTH BEND OPERATIONS HEADQUARTERS	268,730	268,730	-
46		CENTRAL GAS METER SHOP	158,471	158,471	-
47		PERU OPERATIONS HEADQUARTERS	89,717	89,717	-
48		FORT WAYNE OPERATIONS HEADQUARTERS	236,024	236,024	-
49		OTHER MISCELLANEOUS STRUCTURES	310,430	302,932	(7,498)
50		TOTAL STRUCTURES AND IMPROVEMENTS	\$ 1,199,294	\$ 1,191,796	\$ (7,498)
51	391.10	OFFICE FURNITURE AND EQUIPMENT			
52		FULLY ACCRUED	-	-	-
53		AMORTIZED	44,754	46,682	1,928
54		TOTAL OFFICE FURNITURE AND EQUIPMENT	\$ 44,754	\$ 46,682	\$ 1,928
55	391.20	COMPUTER EQUIPMENT			
56		FULLY ACCRUED	-	-	-
57		AMORTIZED	129,557	129,135	(422)
58		TOTAL COMPUTER EQUIPMENT	\$ 129,557	\$ 129,135	\$ (422)
59		TOTAL ACCOUNT 391	\$ 174,311	\$ 175,817	\$ 1,506
60	392.10	TRANSPORTATION EQUIPMENT			
61		AUTOS	-	-	-
62		TRAILERS	-	-	-
63		TRUCKS < 13,000 #	-	-	-
64		TRUCKS > 13,000 #	-	-	-
65		TOTAL TRANSPORTATION EQUIPMENT	\$ -	\$ -	\$ -
66	393.00	STORES EQUIPMENT			
67		FULLY ACCRUED	-	-	-
68		AMORTIZED	3,091	2,826	(265)
69		TOTAL STORES EQUIPMENT	\$ 3,091	\$ 2,826	\$ (265)
70	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT			
71		FULLY ACCRUED	-	-	-
72		AMORTIZED	644,952	653,073	8,121
73		TOTAL TOOLS, SHOP AND GARAGE EQUIPMENT	\$ 644,952	\$ 643,302	\$ 8,121
74	395.00	LABORATORY EQUIPMENT			
75		FULLY ACCRUED	-	-	-
76		AMORTIZED	87,229	84,880	(2,349)
77		TOTAL LABORATORY EQUIPMENT	\$ 87,229	\$ 84,880	\$ (2,349)
78	396.00	POWER OPERATED EQUIPMENT			
79	397.00	COMMUNICATION EQUIPMENT			
80		FULLY ACCRUED	-	-	-
81		AMORTIZED	170,460	142,467	(27,993)
82		TOTAL COMMUNICATION EQUIPMENT	\$ 170,460	\$ 142,467	\$ (27,993)
83	398.00	MISCELLANEOUS EQUIPMENT			
84		FULLY ACCRUED	-	-	-
85		AMORTIZED	20,275	18,494	(1,781)
86		TOTAL MISCELLANEOUS EQUIPMENT	\$ 20,275	\$ 18,494	\$ (1,781)
87		TOTAL GENERAL PLANT	\$ 2,344,801	\$ 2,304,854	\$ (30,176)
UNRECOVERED RESERVE ADJUSTMENT FOR AMORTIZATION					
88	391.10		75,567	75,567	-
89	391.20		676,503	676,503	-
90	393.00		6,953	6,953	-
91	394.00		725,054	725,054	-
92	395.00		126,205	126,205	-
93	397.00		325,879	325,879	-
94	398.00		(25,952)	(25,952)	-
95		TOTAL DEPRECIABLE PLANT ¹	\$ 61,608,681	\$ 58,126,288 ^[.2]	\$ (3,472,622)

Footnote 1: Model available upon request

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending June 30, 2018

This pro forma adjusts the twelve months ended December 31, 2016 common depreciation expense to reflect budgeted changes in common asset depreciation expense for the twelve months ending December 31, 2017 and June 30, 2018.

Line No.	Description	Attachment 3-C-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Gas Common Depreciation Expense for the Twelve Months Ended December 31,	Sch. DEPR 2-S1		\$ 5,709,995	[.2]
2	2017 Forecasted Gas Common Depreciation Expense				
3	Increase/(Decrease) in Historical Base Period 2016 to Forward 2017 Period	Sch. DEPR 2-S1	DEPR 2-S1-17	(3,812,032)	
4	Gas Common Depreciation Expense - Forecasted Jan-Dec 2017 (Line 1 + 3)	Sch. DEPR 2-S1		\$ 1,897,963	[.3]
5	2018 Forecasted Gas Common Depreciation Expense				
6	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year	Sch. DEPR 2-S1	DEPR 2-S1-18	142,105	
7	Gas Common Depreciation Expense for the twelve months ending June 30, 2018 (Line 4 + 6)	Sch. DEPR 2-S1		\$ 2,040,068	[.4]
8	2018 Ratemaking Gas Common Depreciation Expense				
9	<u>Ratemaking Adjustments</u>				
10	Rebuttal True Up	Sch. DEPR 2-S1	DEPR 2-R-18R	(120,511)	
11	Settlement True Up	Sch. DEPR 2-S1	DEPR 2-S1-18R	(147,520)	
12	2018 Ratemaking Increase/(Decrease)			\$ (268,031)	
13	2018 Ratemaking Gas Common Depreciation Expense	Sch. DEPR 2-S1		\$ 1,772,037	[.5]

Northern Indiana Public Service Company
Gas Common Depreciation Expense
Account 40300000 - Common Allocated
Twelve Months Ended December 31, 2016

Line No.	Segment	Account	Cost Element	2016												Twelve Months Ended December 31, 2016	
				January	February	March	April	May	June	July	August	September	October	November	December		
1	G	40300000	9310 - Other Depreciation	\$ 492,667	\$ 497,526	\$ 536,736	\$ 630,729	\$ 630,567	\$ 630,614	\$ 630,673	\$ 627,338	\$ 627,413	\$ 135,097	\$ 135,312	\$ 135,322	\$ 5,709,995	[.1]
2			Total Common Asset Depreciation	\$ 492,667	\$ 497,526	\$ 536,736	\$ 630,729	\$ 630,567	\$ 630,614	\$ 630,673	\$ 627,338	\$ 627,413	\$ 135,097	\$ 135,312	\$ 135,322	\$ 5,709,995	

Northern Indiana Public Service Company
Calculation of 2017 Common Depreciation Expense
2017 Original Cost Gross Plant at Cause No. 44688 Depreciation Rates
Twelve Months Ending December 31, 2017

Line No.	ACCOUNT	ANNUAL ACCRUAL RATE Cause No. 44688 A	December 31, 2017 ORIGINAL COST B	2017 ANNUAL Depreciation Expense Cause No. 44688 Rates C = A x B
1	COMMON DEPRECIABLE PLANT			
2	GENERAL PLANT			
3	389.10 38910 Land, Common	0.00%	\$ 487,858	\$ -
4	389.20 38920 Land Rights, Common	0.00%	7,270	-
5	389.30 38930 Indiana Rights of Way, Common	0.00%	1,452,744	-
6	390.00 39000 Structures & Improvement, Com	3.00%	20,239,257	607,178
7	390.10 39010 Struct Leased To Others, Com	3.00%	A 550,100	16,503
8	391.10 39110 Office Furniture & Equip, Com	0.67%	1,274,190	8,537
9	391.20 39120 Computer Equipment, Common	12.06%	5,397,690	650,961
10	392.10 39210 Trns Eq - Autos, Common	0.00%	B 13,973	-
11	392.20 39220 Trns Eq - Trailers, Common	6.34%	B 358,995	22,760
12	392.30 39230 Trns Eq - Truck < 13000, Com	0.00%	B 5,254	-
13	392.40 39240 Trns Eq - Truck > 13000, Com	0.00%	B 56,137	-
14	392.80 39280 Trns Eq - Helicopter, Common	0.00%	B 101,153	-
15	393.00 39300 Stores Equipment, Common	4.47%	840,146	37,555
16	394.00 39400 Tools, Shop, Garage Eq, Com	3.70%	1,542,217	57,062
17	395.00 39500 Laboratory Equipment, Common	11.12%	233,433	25,958
18	396.00 39600 Power Operated Equip, Common	0.00%	164,394	-
19	397.00 39700 Communication Equip, Common	7.48%	875,513	65,488
20	397.10 39710 Communication Equip, Common	7.48%	1,311,528	98,102
21	397.20 39720 Microwave Equipment, Common	7.48%	3,726,450	278,738
22	398.00 39800 Com Miscellaneous Equip	4.51%	645,683	29,120
23	TOTAL GENERAL PLANT		\$ 39,283,984	\$ 1,897,963

- A Assets from group 390.1 were transferred to group 390 in 2017 and then depreciated at the corresponding 3.00% rate. The 3.00% rate was then applied to this group for the 2017 forecast year.
- B The 392 common group accounts were not studied as part of the 44688 case. The rate used in the 392.2 account is from the fixed asset system of record.

[.1]

Northern Indiana Public Service Company
Calculation of 2018 Common Depreciation Expense
2018 Original Cost Forecasted Gross Plant at Cause No. 44688 Depreciation Rates
Twelve Months Ending December 31, 2018

Line No.	ACCOUNT	ANNUAL ACCRUAL RATE Cause No. 44688 A	December 31, 2018 ORIGINAL COST B	2018 ANNUAL Depreciation Expense Cause No. 44688 Rates C = A x B
1	COMMON DEPRECIABLE PLANT			
2	GENERAL PLANT			
3	389.10 38910 Land, Common	0.00%	\$ 487,858	\$ -
4	389.20 38920 Land Rights, Common	0.00%	7,270	-
5	389.30 38930 Indiana Rights of Way, Common	0.00%	1,452,744	-
6	390.00 39000 Structures & Improvement, Com	3.00%	20,656,521	619,696
7	390.10 39010 Struct Leased To Others, Com	3.00%	A 550,100	16,503
8	391.10 39110 Office Furniture & Equip, Com	0.67%	1,274,190	8,537
9	391.20 39120 Computer Equipment, Common	12.06%	6,472,208	780,548
10	392.10 39210 Trns Eq - Autos, Common	0.00%	B 13,973	-
11	392.20 39220 Trns Eq - Trailers, Common	6.34%	B 358,995	22,760
12	392.30 39230 Trns Eq - Truck < 13000, Com	0.00%	B 5,254	-
13	392.40 39240 Trns Eq - Truck > 13000, Com	0.00%	B 56,137	-
14	392.80 39280 Trns Eq - Helicopter, Common	0.00%	B 101,153	-
15	393.00 39300 Stores Equipment, Common	4.47%	840,146	37,555
16	394.00 39400 Tools, Shop, Garage Eq, Com	3.70%	1,542,217	57,062
17	395.00 39500 Laboratory Equipment, Common	11.12%	233,433	25,958
18	396.00 39600 Power Operated Equip, Common	0.00%	164,394	-
19	397.00 39700 Communication Equip, Common	7.48%	875,513	65,488
20	397.10 39710 Communication Equip, Common	7.48%	1,311,528	98,102
21	397.20 39720 Microwave Equipment, Common	7.48%	3,726,450	278,738
22	398.00 39800 Com Miscellaneous Equip	4.51%	645,683	29,120
23	TOTAL GENERAL PLANT		\$ 40,775,766	\$ 2,040,068 [1]

A Assets from group 390.1 were transferred to group 390 in 2017 and then depreciated at the corresponding 3.00% rate. The 3.00% rate was then applied to this group for the 2017 forecast year.

B The 392 common group accounts were not studied as part of the 44688 case. The rate used in the 392.2 account is from the fixed asset system of record.

Northern Indiana Public Service Company
Calculation of 2018 Common Depreciation Expense
2018 Original Cost Forecasted Gross Plant at Cause No. 44688 Depreciation Rates
Twelve Months Ending June 30, 2018

Line No.	ACCOUNT	ANNUAL ACCRUAL RATE Cause No. 44688 A	December 31, 2018 ORIGINAL COST B	2018 ANNUAL Depreciation Expense Cause No. 44688 Rates C = A x B
1	COMMON DEPRECIABLE PLANT			
2	GENERAL PLANT			
3	389.10 38910 Land, Common	0.00%	\$ 482,307	\$ -
4	389.20 38920 Land Rights, Common	0.00%	7,270	-
5	389.30 38930 Indiana Rights of Way, Common	0.00%	1,452,744	-
6	390.00 39000 Structures & Improvement, Com	3.00%	21,160,817	634,825
7	390.10 39010 Struct Leased To Others, Com	3.00%	A -	-
8	391.10 39110 Office Furniture & Equip, Com	0.67%	1,317,056	8,824
9	391.20 39120 Computer Equipment, Common	12.06%	4,734,935	571,033
10	392.10 39210 Trns Eq - Autos, Common	0.00%	B -	-
11	392.20 39220 Trns Eq - Trailers, Common	6.34%	B 38,150	2,419
12	392.30 39230 Trns Eq - Truck < 13000, Com	0.00%	B -	-
13	392.40 39240 Trns Eq - Truck > 13000, Com	0.00%	B 44,790	-
14	392.80 39280 Trns Eq - Helicopter, Common	0.00%	B 53,714	-
15	393.00 39300 Stores Equipment, Common	4.47%	643,644	28,771
16	394.00 39400 Tools, Shop, Garage Eq, Com	3.70%	1,428,931	52,870
17	395.00 39500 Laboratory Equipment, Common	11.12%	219,029	24,356
18	396.00 39600 Power Operated Equip, Common	0.00%	163,831	-
19	397.00 39700 Communication Equip, Common	7.48%	392,817	29,383
20	397.10 39710 Communication Equip, Common	7.48%	1,339,768	100,215
21	397.20 39720 Microwave Equipment, Common	7.48%	3,851,626	288,102
22	398.00 39800 Com Miscellaneous Equip	4.51%	692,676	31,240
23	TOTAL GENERAL PLANT		\$ 38,024,106	\$ 1,772,037 [1]

A Assets from group 390.1 were transferred to group 390 in 2017 and then depreciated at the corresponding 3.00% rate. The 3.00% rate was then applied to this group for the 2017 forecast year.

B The 392 common group accounts were not studied as part of the 44688 case. The rate used in the 392.2 account is from the fixed asset system of record.

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending June 30, 2018

This pro forma adjustment decreases the twelve months ended December 31, 2016 amortization expense to reflect changes in gas plant amortization expense for the twelve months ending December 31, 2017 and June 30, 2018.

Line No.	Description	Attachment 3-C-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Gas Plant Amortization for the Twelve Months Ended December 31, 2016	Sch. AMTZ 1-S1		\$ 1,584,765	[.2]
2	2017 Gas Plant Assets Amortization Expense	Sch. AMTZ 1-S1	AMTZ 1-S1-17	(40,525)	[.3]
3	2018 Gas Plant Assets Amortization Expense	Sch. AMTZ 1-S1	AMTZ 1-S1-18	32,458	[.4]
4	2018 Rebuttal True Up	Sch. AMTZ 1-S1	AMTZ 1-R-18R	(141,121)	[.4]
5	2018 Settlement True Up	Sch. AMTZ 1-S1	AMTZ 1-S1-18R	-	[.4]
6	Increase (Decrease) in Gas Plant Assets Amortization Expense (Lines 2 + 3 + 4)			<u>\$ (149,188)</u>	
7	Gas Plant Amortization Expense for the Twelve Months Ending June 30, 2018 (Lines 1 + 5)	Sch. AMTZ 1-S1		<u>\$ 1,435,577</u>	

Northern Indiana Public Service Company
2016 Gas Plant Amortization Expense Actuals
Twelve Months Ended December 31, 2016

Line No.	Segment	Account	Description	2016												Twelve Months Ended December 31, 2016	
				January	February	March	April	May	June	July	August	September	October	November	December		
1	G	40420000	Underground Storage Rights	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 60
2	G	40430000	Amortization Exp-Other	107,592	149,825	128,646	128,646	128,646	128,646	134,172	134,172	134,172	134,172	134,172	134,172	134,172	1,577,033
3	G	40500000	Amortization of Oth Plant	642	642	642	642	642	642	642	642	642	642	642	627	627	7,672
4			Amortization Expense - Gas Assets	\$ 108,239	\$ 150,472	\$ 129,292	\$ 129,292	\$ 129,292	\$ 129,292	\$ 134,819	\$ 134,819	\$ 134,819	\$ 134,819	\$ 134,804	\$ 134,804	\$ 134,804	\$ 1,584,765

[.3] [.5]

Northern Indiana Public Service Company
Calculation of 2017 Gas Plant Assets Amortization Expense
Twelve Months Ending December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Gas Plant Account 303g</u>
1	Gas Plant Asset Amortization Expense Projection - Month ending December 2017	\$ 128,687 [.5]
2	Multiplied by 12	<u>12</u>
3	Gas Plant Asset Amortization Expense Projection - Twelve Months ending December 2017	\$ 1,544,240 [.4]
4	Gas Plant Asset Amortization Expense Actuals - Twelve Months Ended December 2016	<u>1,584,765 [.2]</u>
5	Pro forma Adjustment to annualize for Gas Plant Asset Amortization Expense	<u>\$ (40,525) [.1]</u>

Northern Indiana Public Service Company
Calculation of 2018 Gas Plant Assets Amortization Expense
Twelve Months Ending June 30, 2018

Line No.	Description	Supplemental Direct Gas Plant Account 303g B	Settlement Gas Plant Account 303g C	Settlement True Up Gas Plant Account 303g D = C - B
1	Gas Plant Asset Amortization Expense Projection - Month ending December 2018	\$ 131,391 [.5]	\$ 119,631 [.5]	\$ (11,760) [.5]
2	Multiplied by 12	12	12	12
3	Gas Plant Asset Amortization Expense Projection - Twelve Months ending June 30, 2018	\$ 1,576,698	\$ 1,435,577	\$ (141,121)
4	Gas Plant Asset Amortization Expense Projection - Twelve Months ending December 31, 2017	1,544,240 [.3]		
5	Pro forma Adjustment to Annualize for Gas Plant Asset Amortization Expense (Line 3 - 4)	\$ 32,458 [.1]		
6	LESS: Rebuttal True-up			(141,121) [.1]
7	Settlement True-up			\$ - [.1]

Northern Indiana Public Service Company
Rate Base - Gas Plant Account Amortization Expense Model Excerpt
December 31, 2016 & 2017 and June 30, 2018

Note: Detailed model available upon request

Line No	FERC Account	Intangible Account	12/31/2016	1/31/2017	2/28/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017
1	303g	GAS ASSET - INTANGIBLES	\$ 1,584,765 [2]	\$ 120,358	\$ 120,946	\$ 122,013	\$ 122,516	\$ 123,174	\$ 123,728	\$ 123,945	\$ 124,743	\$ 125,427	\$ 126,389	\$ 127,121	\$ 128,687 [3]

Line No	FERC Account	Utility Plant		1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	Expense based on 6/30/18 Gross Plant
2	303g	GAS ASSET - INTANGIBLES	SD Filing	\$ 128,904	\$ 129,079	\$ 129,398	\$ 129,548	\$ 129,745	\$ 129,910	\$ 131,391 [4]
			Settlement	119,631	119,631	119,631	119,631	119,631	119,631	119,631 [4]
			Settlement True Up	\$ (9,272)	\$ (9,448)	\$ (9,766)	\$ (9,917)	\$ (10,113)	\$ (10,279)	\$ (11,760) [4]

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending June 30, 2018

This pro forma adjustment increases the twelve months ended December 31, 2016 amortization expenses for additional expenses due to growth in intangible assets for the twelve months ending December 31, 2017 and June 30, 2018.

Line No.	Description	Attachment 3-C-S1 Reference	Adjustment	Amount	Page Reference
	A	B	C	D	E
1	Gas Common Assets Amortization for the Twelve Months Ended December 31, 2016	Sch. AMTZ 2-S1		\$ 3,066,069	[.2]
2	2017 Common Asset Amortization Expense	Sch. AMTZ 2-S1	AMTZ 2-S1-17	586,855	[.3]
3	2018 Common Asset Amortization Expense	Sch. AMTZ 2-S1	AMTZ 2-S1-18	570,256	[.4]
4	2018 Rebuttal True Up	Sch. AMTZ 2-S1	AMTZ 2-R-18R	(497,397)	[.4]
5	2018 Settlement True Up	Sch. AMTZ 2-S1	AMTZ 2-S1-18R	(286,062)	[.4]
6	Increase in Gas Common Assets Amortization Expense (Lines 2 + 3 + 4)			\$ 373,652	
7	Gas Common Assets Amortization Expense for the Twelve Months Ending June 30, 2018 (Lines 1 + 5)	Sch. AMTZ 2-S1		\$ 3,439,721	

**Northern Indiana Public Service Company
2016 Gas Common Assets Amortization Expense Actuals
Twelve Months Ended December 31, 2016**

Line No.	Account	Description	Twelve Months Ended	
			Dec. 31, 2016	
1	303.00	COMMON ASSET - INTANGIBLES	\$	1,831,242 [.3]
2	303.00	COMMON ASSET - GL SOFTWARE		1,190,357 [.3]
3	303.00	COMMON ASSET - OTHER		- [.3]
4	390.20	COMMON ASSET - LEASEHOLDS		44,470 [.3]
5		TOTAL COMMON AMORTIZATION EXPENSE	\$	<u>3,066,069</u> [.1]

Northern Indiana Public Service Company
Calculation of 2017 Gas Common Assets Amortization Expense
Twelve Months Ending December 31, 2017

Line No.	Description	Gas Common Account 303	Gas Common Account 303	Gas Common Account 303	Gas Common Account 390.20	Gas Common Accounts
		Intangibles	General Ledger Software	Other	Leaseholds	Total
		A	B	C	D	E = A thru D
1	Gas Common Asset Amortization Expense Projection - Month ending December 2017	\$ 199,987	\$ 100,648	\$ -	\$ 3,776	\$ 304,410 [.5]
2	Multiplied by 12	12	12	12	12	12
3	Gas Common Asset Amortization Expense Actuals - Twelve Months ending December 2017	\$ 2,399,838	\$ 1,207,774	\$ -	\$ 45,312	\$ 3,652,924 [.4]
4	Gas Common Asset Amortization Expense Actuals - Twelve Months Ended December 2016	1,831,242	1,190,357	-	44,470	3,066,069 [.2]
5	Pro forma Adjustment to annualize for Gas Common Asset Amortization Expense (Line 3 - 4)	\$ 568,596	\$ 17,417	\$ -	\$ 842	\$ 586,855 [.1]

Northern Indiana Public Service Company
Calculation of 2018 Gas Common Assets Amortization Expense
Twelve Months Ending June 30, 2018

Line No.	Description	Gas Common Account 303	Gas Common Account 303	Gas Common Account 303	Gas Common Account 390.20	Supplemental Direct Gas Common Accounts	Settlement Gas Common Accounts	Settlement True Up Gas Common Accounts
		Intangibles	General Ledger Software	Other	Leaseholds	Total	Total	Total
		A	B	C	D	E	F	G = F - E
1	Gas Common Asset Amortization Expense Projection - Month ending December 2018	\$ 247,508	\$ 100,648	\$ -	\$ 3,776	\$ 351,932 [.5]	\$ 286,643 [.5]	\$ (65,288) [.5]
2	Multiplied by 12	12	12	12	12	12	12	12
3	Gas Common Asset Amortization Expense Actuals - Twelve Months ending June 30, 2018	\$ 2,970,094	\$ 1,207,774	\$ -	\$ 45,312	\$ 4,223,180	\$ 3,439,721	\$ (783,459)
4	Gas Common Asset Amortization Expense Actuals - Twelve Months ending December 31, 2017	2,399,838	1,207,774	-	45,312	3,652,924 [.3]		
5	Pro forma Adjustment to annualize for Gas Common Asset Amortization Expense (Line 3 - 4)	\$ 570,256	\$ -	\$ -	\$ -	\$ 570,256 [.1]		
6	LESS: Rebuttal True-up							(497,397) [.1]
7	Settlement True-up							\$ (286,062) [.1]

Northern Indiana Public Service Company
Rate Base - Gas Common Account Amortization Expense Model Excerpt
December 31, 2016 & 2017 and June 30, 2018

Note: Detailed model available upon request

Supplemental Direct Model															
Line No	FERC Account	Intangible Account	12/31/2016	1/31/2017	2/28/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017
2	303.00	COMMON ASSET - INTANGIBLES	\$ 1,831,242 [2]	\$ 151,467	\$ 155,034	\$ 160,433	\$ 163,482	\$ 167,468	\$ 170,830	\$ 172,144	\$ 176,980	\$ 181,122	\$ 186,955	\$ 191,389	\$ 199,987 [3]
3	303.00	COMMON ASSET - GL SOFTWARE	1,190,357 [2]	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648 [3]
4	303.00	COMMON ASSET - OTHER	- [2]	-	-	-	-	-	-	-	-	-	-	-	- [3]
5	390.20	COMMON ASSET - LEASEHOLDS	44,470 [2]	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776 [3]
6	TOTAL INTANGIBLE AMORTIZATION EXPENSE		\$ 3,066,069 [1]	\$ 255,891	\$ 259,458	\$ 264,856	\$ 267,906	\$ 271,892	\$ 275,254	\$ 276,568	\$ 281,404	\$ 285,546	\$ 291,379	\$ 295,813	\$ 304,410 [3]

Supplemental Direct Model															Expense based on	
Line No	FERC Account	Utility Plant	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	12/31/2018	12/31/18 Gross Plant	
11	303.00	COMMON ASSET - INTANGIBLES	\$ 195,317	\$ 199,971	\$ 208,400	\$ 211,348	\$ 216,548	\$ 220,780	\$ 222,494	\$ 223,532	\$ 228,935	\$ 236,546	\$ 242,329	\$ 247,508	\$ 247,508	[4]
12	303.00	COMMON ASSET - GL SOFTWARE	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	100,648	[4]
13	303.00	COMMON ASSET - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	[4]
14	390.20	COMMON ASSET - LEASEHOLDS	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	[4]
15	TOTAL INTANGIBLE AMORTIZATION EXPENSE		\$ 299,741	\$ 304,395	\$ 312,823	\$ 315,772	\$ 320,972	\$ 325,204	\$ 326,918	\$ 327,955	\$ 333,359	\$ 340,969	\$ 346,753	\$ 351,932	\$ 351,932	[4]

Settlement Model															Expense based on	
Line No	FERC Account	Utility Plant	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018							6/30/18 Gross Plant	
11	303.00	COMMON ASSET - INTANGIBLES	\$ 139,855	\$ 144,034	\$ 151,602	\$ 155,320	\$ 164,864	\$ 182,220							\$ 182,220	[4]
12	303.00	COMMON ASSET - GL SOFTWARE	100,648	100,648	100,648	100,648	100,648	100,648							100,648	[4]
13	303.00	COMMON ASSET - OTHER	-	-	-	-	-	-							-	[4]
14	390.20	COMMON ASSET - LEASEHOLDS	3,776	3,776	3,776	3,776	3,776	3,776							3,776	[4]
15	TOTAL INTANGIBLE AMORTIZATION EXPENSE		\$ 244,279	\$ 248,458	\$ 256,026	\$ 259,744	\$ 269,288	\$ 286,643							\$ 286,643	[4]
															Change	\$ (65,288) [4]

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending June 30, 2018

This pro forma adjustment increases the twelve months ending December 31, 2018 amortization expense to include the annual amortization of the Transmission, Distribution, and Storage System Improvement Charge (TDSIC) pro forma regulatory asset which is included in the proposed rate base as of June 30, 2018.

Line No.	Description	Attachment 3-C-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Gas TDSIC Non-Trackable Regulatory Asset Balance as of the Twelve Months Ended December 31, 2016			\$ 7,542,387	[.2]
2	2016 Adjustment to remove tax gross-up for amount in excess of 2% (TDSIC 4)			\$ (555,111)	[.3]
3	2017 TDSIC Deferrals			\$ 5,679,471	[.2]
4	2018 TDSIC Deferrals			\$ 4,268,024	[.5]
5	2018 Equity Tax Gross-up			\$ 3,169,446	[.4]
6	Increase (Decrease) in TDSIC Regulatory Asset (Lines 2 + 3 + 4 + 5)			<u>\$ 12,561,831</u>	
7	Gas TDSIC Regulatory Asset as of the Twelve Months Ending June 30, 2018 (Lines 1 + 6)			\$ 20,104,218	
8	TDSIC Regulatory Asset amortization period (in years)			<u>7</u>	
9	Pro forma Increase for Gas TDSIC Amortization Expense for the Twelve Months Ending June 30, 2018 (Line 8 divided by Line 9)	Sch. AMTZ 3-S1	AMTZ 3-S1-18R	<u>\$ 2,872,031</u>	

**Northern Indiana Public Service Company
TDSIC Regulatory Asset
Actuals as of December 31, 2016, 2017**

Account Number: 18235625	As of Dec. 31, 2016	As of Dec. 31, 2017	2% Gross Up Correcting Entry	2017 TDSIC Deferrals
TDSIC Non-Trackable Regulatory Asset	\$ 7,542,387	\$ 12,666,747	\$ (555,111)	\$ 5,679,471
	[.1]	[.5]	[.3]	[.1]

**Northern Indiana Public Service Company
Rate Base - TDSIC Regulatory Asset
Normalization as of December 31, 2016**

Line	Description	As of Dec. 31, 2016	
1	Return on Capital - Equity	\$	380,205 [.6]
2	Post In-Service Carrying Costs - Equity		174,905 [.6]
3	Pro-Forma Adjustment to Normalize the balance as of December 31, 2016	\$	555,111 [.1] [.2]

Northern Indiana Public Service Company
TDSIC Regulatory Asset Equity Tax Gross-up
December 31, 2016 & 2017 and June 30, 2018

Line No.	Description	12/31/2016	12/31/2017	6/30/2018
1	TDSIC Equity Reg Asset	\$ 2,915,192	\$ 6,350,510	\$ 8,636,234 [.5] A
2	Revenue Requirement Conversion Factor			1.367
3	TDSIC Equity Reg Asset Tax Gross-up			\$ 11,805,680 B
4				
5	Change			\$ 3,169,446 [.1] =B-A

Northern Indiana Public Service Company
Rate Base - TDSIC Regulatory Asset Model Excerpt
As of June 30, 2018

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									Change from
									12/31/2017 to
Line									06/30/2018
No	TDSIC Gas Non-Trackable	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	I = H - B
	A	B	C	D	E	F	G	H	
1	Reg Asset - Debt	\$ -	\$ 1,823,159	\$ 1,936,808	\$ 2,052,250	\$ 2,170,512	\$ 2,289,895	\$ 2,416,187	
2	Reg Asset - Equity	\$ -	6,860,158	7,202,212	7,550,667	7,908,107	8,272,007	8,636,234	[.4]
3	Reg Asset - Expense	-	5,160,711	5,302,140	5,444,752	5,589,504	5,735,266	5,882,350	
4	Total 20% Reg Asset	\$12,666,747	\$ 13,844,028	\$ 14,441,161	\$ 15,047,669	\$ 15,668,122	\$ 16,297,168	\$ 16,934,772	\$ 4,268,024 [.1]
		[.2]							

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

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NORTHERN INDIANA PUBLIC SERVICE CO.
Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

	(A)	(B)	(C)	(D)	(E)
Calculated 100% Semi-Annual Revenue Requirement					
Line No.	Type	Transmission	Distribution	Storage	Total (Col.B + Col.C + Col.D)
1	Return on Capital	\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
2	Post In-Service Carrying Costs	\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
3	Subtotal Capital Revenue Requirement	\$ 3,543,566	\$ 6,263,744	\$ 276,523	\$ 10,083,833
4	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
5	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement

6	Return on Capital (Line 1 / Line 5 Col. E)	21.71%	36.92%	1.98%	60.60%
7	Post In-Service Carrying Costs (Line 2 / Line 5 Col. E)	9.44%	18.14%	0.45%	28.03%
8	Return of Expense Revenue Requirement (Line 4 / Line 5 Col. E)	1.72%	9.61%	0.03%	11.36%
9	Semi-Annual Revenue Requirement Total Cap Adjustment Percentage	32.86%	64.67%	2.46%	100.00%

Amount in Excess of 2% Cap Allocated

10	Return on Capital (Line 6 * Line 13 Col. E)	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
11	Post In-Service Carrying Costs (Line 7 * Line 13 Col. E)	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
12	Return of Expense Revenue Requirement (Line 8 * Line 13 Col. E)	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
13	Subtotal Semi-Annual Revenue Requirement Adjustment for Excess of 2% Cap	\$ 632,464	\$ 1,244,543	\$ 47,431	\$ 1,924,438

Calculation of Adjusted Semi-Annual Revenue Requirement

14	Original 80% Recoverable Revenue Requirement - Capital	\$ 2,834,853	\$ 4,639,705	\$ 221,218	\$ 7,695,777
15	Original 80% Recoverable Revenue Requirement - Expense	\$ 156,256	\$ 874,814	\$ 3,096	\$ 1,034,166
16	Original 80% Recoverable Revenue Requirement - Total	\$ 2,991,109	\$ 5,514,519	\$ 224,314	\$ 8,729,942
17	Adjusted Semi-Annual Revenue Requirement - Capital (Line 14 less Line 10 & Line 11)	\$ 2,235,429	\$ 3,580,140	\$ 174,442	\$ 5,990,011
18	Adjusted Semi-Annual Revenue Requirement - Expense (Line 15 less Line 12)	\$ 123,216	\$ 689,836	\$ 2,441	\$ 815,493
19	Adjusted Semi-Annual Revenue Requirement - Total (Line 17 plus Line 18)	\$ 2,358,645	\$ 4,269,976	\$ 176,883	\$ 6,805,505

Calculated 100% Semi-Annual Revenue Requirement

	Type	Transmission	Distribution	Storage	Total
100%	Return on Capital - Debt	\$ 458,869	\$ 780,337	\$ 41,764	\$ 1,280,971
100%	Return on Capital - Equity	\$ 2,010,945	\$ 3,419,742	\$ 183,027	\$ 5,613,714
		\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
100%	Post In-Service Carrying Costs - Debt	\$ 202,226	\$ 394,696	\$ 9,761	\$ 606,683
100%	Post In-Service Carrying Costs - Equity	\$ 871,526	\$ 1,668,969	\$ 41,971	\$ 2,582,465
		\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
100%	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
100%	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

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NORTHERN INDIANA PUBLIC SERVICE CO.
Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

(A)	(B)	(C)	(D)	(E)
Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	4.03%	6.86%	0.37%	11.26%
Return on Capital - Equity	17.68%	30.06%	1.61%	49.34%
	<u>21.71%</u>	<u>36.92%</u>	<u>1.98%</u>	<u>60.60%</u>
Post In-Service Carrying Costs - Debt	1.78%	3.47%	0.09%	5.33%
Post In-Service Carrying Costs - Equity	7.66%	14.67%	0.37%	22.70%
	<u>9.44%</u>	<u>18.14%</u>	<u>0.45%</u>	<u>28.03%</u>
Return of Expense Revenue Requirement	1.72%	9.61%	0.03%	11.36%
Subtotal Semi-Annual Revenue Requirement	<u>32.86%</u>	<u>64.67%</u>	<u>2.46%</u>	<u>100.00%</u>

Amount in Excess of 2% Cap Allocated with Tax Adjustment				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	\$ 77,622	\$ 132,001	\$ 7,065	\$ 216,687
Return on Capital - Equity	<u>\$ 340,168</u>	<u>\$ 578,478</u>	<u>\$ 30,961</u>	<u>\$ 949,607</u> A
	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
Post In-Service Carrying Costs - Debt	\$ 34,208	\$ 66,766	\$ 1,651	\$ 102,626
Post In-Service Carrying Costs - Equity	<u>\$ 147,426</u>	<u>\$ 282,320</u>	<u>\$ 7,100</u>	<u>\$ 436,846</u> B
	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
Return of Expense Revenue Requirement	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
Subtotal Semi-Annual Revenue Requirement	<u>\$ 632,464</u>	<u>\$ 1,244,543</u>	<u>\$ 47,431</u>	<u>\$ 1,924,438</u>

Tax Adjustments				
Type	Transmission	Distribution	Storage	
Revenue Conversion Factor - Debt	1.016272	1.016272	1.016272	
Revenue Conversion Factor - Equity	1.667728	1.667728	1.667728	
PUF & URT Rate	1.01515971	1.01515971	1.01515971	

Amount in Excess of 2% Cap Allocated without Tax Adjustment				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	\$ 76,379	\$ 129,887	\$ 6,952	\$ 213,217
Return on Capital - Equity	<u>\$ 203,971</u>	<u>\$ 346,866</u>	<u>\$ 18,565</u>	<u>\$ 569,402</u> C
	\$ 280,350	\$ 476,753	\$ 25,516	\$ 782,619
Post In-Service Carrying Costs - Debt	\$ 33,661	\$ 65,697	\$ 1,625	\$ 100,982
Post In-Service Carrying Costs - Equity	<u>\$ 88,399</u>	<u>\$ 169,284</u>	<u>\$ 4,257</u>	<u>\$ 261,941</u> D
	\$ 122,060	\$ 234,981	\$ 5,882	\$ 362,923
Return of Expense Revenue Requirement	\$ 32,547	\$ 182,215	\$ 645	\$ 215,407
Subtotal Semi-Annual Revenue Requirement	<u>\$ 434,956</u>	<u>\$ 893,950</u>	<u>\$ 32,043</u>	<u>\$ 1,360,949</u>

Equity Tax Adjustment	
A - C =	\$ 380,205
	\$ 380,205 [3]
B - D =	\$ 174,905
	\$ 174,905 [3]
	\$ 555,111 [3]

Northern Indiana Public Service Company
Pro forma Adjustment to Income Taxes
For the Twelve Month Period Ending June 30, 2018

This pro forma adjusts the twelve months ended December 31, 2016 federal and state income tax expense to reflect budgeted and ratemaking changes for the twelve months ending December 31, 2017 and June 30, 2018.

Line No.	Description A	Attachment 3-A-S1 Reference	Adjustments	Amount B	Page Reference
1	Federal and State Income Taxes:				
2	Actual at Test Year Base Rates	Col B		\$ 21,354,892	[.2]
3	Pro Forma at Test Year Base Rates	Col C	ITX 1-S1-18	(23,200,450)	
4	Increase/ (Decrease) in Pro forma Test Year Federal and State Income Taxes	Col E		<u>\$ (1,845,558)</u>	[.3]

Northern Indiana Public Service Company
Twelve Months Ended December 31, 2016
Utility Income Taxes

Line No.	Segment	Account	Description	2016												Twelve Months Ended December 31, 2016	Adjustments	Adjusted Twelve Months Ended December 31, 2016
				January	February	March	April	May	June	July	August	September	October	November	December			
1	G	40912000	Util Cur ST Exp	\$ 622,413	\$ 371,057	\$ (269,525)	\$ (535,815)	\$ (1,235,169)	\$ (801,015)	\$ (748,211)	\$ (905,265)	\$ (1,064,930)	\$ (6,235,871)	\$ 555,872	\$ 4,252,379	\$ (5,994,082)	\$ 663,776	\$ (5,330,306.00)
2	G	40911000	Util Cur Fed Exp	2,707,744	1,410,291	(1,911,923)	(3,259,229)	(6,854,050)	(4,622,409)	(4,350,987)	(5,158,277)	(5,978,985)	(30,841,975)	2,932,235	22,173,415	(33,754,150)	3,135,415	(30,618,735)
3	G	41011000	Util Def Fed Exp-Dr	5,646,039	6,529,484	8,030,001	7,473,790	6,663,565	5,896,616	6,583,716	6,484,462	12,186,366	39,908,068	14,774,502	68,732,147	188,908,755	(837,881)	188,070,874
4	G	41012000	Util Def ST Exp-Dr	1,034,343	1,155,227	1,748,389	1,244,442	1,133,336	1,020,079	1,119,710	1,102,921	1,867,798	7,182,054	2,419,578	9,132,027	30,159,905	-	30,159,905
5	G	41111000	Util Def Fed Exp-Cr	(2,187,445)	(2,569,585)	(2,994,712)	(1,894,742)	(1,545,107)	(2,385,498)	(2,028,102)	(2,216,059)	(7,601,629)	(12,774,528)	(17,205,768)	(85,558,441)	(140,961,614)	1,499,736	(139,461,879)
6	G	41112000	Util Def ST Exp-Cr	(327,102)	(375,802)	(854,181)	(272,418)	(229,160)	(351,500)	(298,635)	(324,835)	(1,041,532)	(2,366,653)	(2,283,450)	(12,739,700)	(21,464,967)	-	(21,464,967)
7			Utility Income Tax Total	\$ 7,495,993	\$ 6,520,672	\$ 3,748,050	\$ 2,756,028	\$ (2,066,586)	\$ (1,243,727)	\$ 277,491	\$ (1,017,052)	\$ (1,632,912)	\$ (5,128,905)	\$ 1,192,968	\$ 5,991,827	\$ 16,893,846	\$ 4,461,046	\$ 21,354,892 [-1]

Northern Indiana Public Service Company
Calculation Of Federal and State Income Taxes
Pro Forma At Test Year Base Rates and Proposed Base Rates
For the Twelve Month Period Ending June 30, 2018

Line No.	Description	Actual	Pro Forma	Pro Forma Based on Revenue Requirement Deficiency	Pro Forma
		At Test Year Base Rates A	At Test Year Base Rates B	Requirement Deficiency C	At Proposed Base Rates D
1	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (7,680,441)	84,937,363	77,256,923
2	State Income Tax Deductible	3,364,632	1,020,846	5,061,237	6,082,083
3	Pre-Federal Income Taxes	\$ 50,341,414	\$ (8,701,287)	\$ 79,876,126	\$ 71,174,840
4	Taxes at 35%	\$ 17,619,495			
5	Taxes at 21%		(1,827,270)	16,773,987	14,946,717
6	<u>Statutory Adjustments</u>				
7	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	(245,450)	(234,047)	-	(234,047)
8	2018 Tax Reform FT Change	-	(526,898) [.4]	-	(526,898)
9	Deficiency for Flow Through of AFUDC Equity	-	19,949	-	19,949
10	Prior Year Adjustments	14,585	-	-	-
11	Non Deductible Expenses	(238,175)	35,399	-	35,399
12	Other Adjustments - See supporting schedule	839,805	-	-	-
13	Muncie Remand Method	-	(29,692)	-	(29,692)
14	Investment Tax Credit	-	(303,845)	-	(303,845)
15	Total Federal Income Tax Expense	\$ 17,990,260	\$ (2,866,404)	\$ 16,773,987	\$ 13,907,583
16	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (7,680,441)	\$ 84,937,363	\$ 77,256,923
17	Indiana State Income Taxes (2016 Actuals @ 6.375%)	6.375% 3,423,760	-	-	-
18	Indiana State Income Taxes (2018 Proforma @ 5.875%)	5.875% -	(451,226)	4,990,070	4,538,844
19	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	1,335	922,889	-	922,889
21	Deficiency for Flow Through of AFUDC Equity	-	3,349	-	3,349
22	Prior Year Adjustments	(43,382)	-	-	-
23	Non Deductible Expenses	(421,914)	9,903	-	9,903
24	Other Adjustments - See supporting schedule	(53,363)	35,888	-	35,888
25	Non-Deductible Utility Receipts Tax	458,196	500,043	71,167	571,210
26	Total State Income Taxes Before Gross Up	\$ 3,364,632	\$ 1,020,846	\$ 5,061,237	\$ 6,082,083
27	Total Income Tax Expense	\$ 21,354,892 [.2]	\$ (1,845,558) [.1]	\$ 21,835,224	\$ 19,989,667

**Northern Indiana Public Service Company
Amortization of Excess Deferred Income Taxes
Phase I Base Rate Implementation**

Line No.	Description	Excess	Composite Rate	2018 Excess Amortization
1	Protected Property	(28,666,115)	2.180%	(624,921)
2	Unprotected Property	(73,443,711)	0.000%	-
3	Non Property	(300,213)	0.000%	-
4	NOL	4,496,466	2.180%	98,023
5	Total	(97,913,573)		(526,898) [.3]

Northern Indiana Public Service Company
Pro Forma Adjustment to Support the Utility Plant Assets
As of June 30, 2018

This pro forma adjustment increases the utility plant assets as of December 31, 2016 to reflect the amounts as of June 30, 2018.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	D
1	Utility Plant Asset Balance Twelve Months Ended December 31, 2016		\$ 2,336,817,920	[.2]
2	2017 Actual Utility Plant Assets			
3	Utility Plant Increase in 2017 Adjustments	RB 1-S1-17	162,863,910	
4	Utility Plant Asset Balance Twelve Months Ended December 31, 2017 (Line 1 + 3)		<u>\$ 2,499,681,830</u>	[.2]
5	2018 Forecasted Utility Plant Assets			
6	Utility Plant Increase in 2018 Adjustments	RB 1-S1-18	73,016,586	
7	Utility Plant Asset Balance Twelve Months Ended December 31, 2018 (Line 4 + 6)		<u><u>\$ 2,572,698,416</u></u>	[.2]
8	Common Allocated Asset Balance Twelve Months Ended December 31, 2016		\$ 118,539,164	[.2]
9	2017 Actual Common Allocated Plant Assets			
10	Common Allocated Increase in 2017 Adjustments	RB 1-S1-17	620,218	
11	Common Allocated Asset Balance Twelve Months Ended December 31, 2017 (Line 8 + 10)		<u>\$ 119,159,382</u>	[.2]
12	2018 Forecasted Common Allocated Plant Assets			
13	Common Allocated Increase in 2018 Adjustments	RB 1-S1-18	3,224,646	
14	Common Allocated Asset Balance Twelve Months Ended June 30, 2018 (Line 11 + 13)		<u><u>\$ 122,384,028</u></u>	[.2]

Northern Indiana Public Service Company
Rate Base - Utility Plant Asset Model Excerpt
As of December 31, 2016 & 2017 and June 30, 2018

Workpaper RB 1-51
Page [.2]

Note: Detailed model available upon request

Line No	FERC Account	Utility Plant									Change from
			12/31/2016	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	12/31/2017 to 06/30/18
			A	B	C	D	E	F	G	H	I = H - B
1	35X	Underground Storage Plant	\$ 61,504,218	\$ 62,139,730	\$ 62,274,905	\$ 62,384,431	\$ 62,582,809	\$ 62,676,438	\$ 62,798,837	\$ 62,902,074	
2	36X	Other Storage Plant	48,622,685	48,418,752	48,566,795	48,686,748	48,904,012	49,006,554	49,140,606	49,253,672	
3	365.2-371	Transmission Plant	324,993,550	393,250,071	399,466,022	404,502,556	413,624,898	417,930,383	423,558,902	428,306,226	
4	374.2, 375-386	Distribution Plant	1,800,597,210	1,895,050,298	1,901,357,423	1,906,467,833	1,915,723,980	1,920,092,617	1,925,803,694	1,930,620,651	
5	389.2 and 39X	General Plant	64,616,633	66,459,247	66,598,935	66,712,119	66,917,122	67,013,877	67,140,364	67,247,049	
6	301-303	Intangibles	36,483,624	34,363,732	34,364,621	34,365,341	34,366,645	34,367,261	34,368,065	34,368,744	
7		Subtotal Utility Plant	\$2,336,817,920	\$2,499,681,830	\$2,512,628,700	\$2,523,119,028	\$2,542,119,466	\$2,551,087,130	\$2,562,810,470	\$2,572,698,416	\$ 73,016,586
8		Common Allocated Utility Plant	118,539,164	119,159,382	119,731,157	120,194,444	121,033,564	121,429,605	121,947,345	122,384,028	\$ 3,224,646
9		Total Utility Plant	\$2,455,357,084	\$2,618,841,212	\$2,632,359,857	\$2,643,313,472	\$2,663,153,030	\$2,672,516,734	\$2,684,757,815	\$2,695,082,444	\$ 76,241,232

Northern Indiana Public Service Company
Pro Forma Adjustment to Support the Accumulated Depreciation and Amortization
As of June 30, 2018

This pro forma adjustment increases the accumulated depreciation and amortization for utility plant assets as of December 31, 2016 to reflect the amounts as of June 30, 2018.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	D
1	Accumulated Depreciation and Amortization Balance Twelve Months Ended December 31, 2016		\$ (1,483,194,192)	[2]
2	2017 Actual Accumulated Depreciation and Amortization			
3	Accumulated Depreciation and Amortization Decrease in 2017 Adjustments	RB 2-S1-17	25,636,444	
4	Accumulated Depreciation and Amortization Balance Twelve Months Ended December 31, 2017 (Line 1 + 3)		\$ (1,457,557,747)	[2]
5	2018 Forecasted Accumulated Depreciation and Amortization			
6	Accumulated Depreciation and Amortization Decrease in 2018 Adjustments	RB 2-S1-18	6,955,876	[2]
7	Accumulated Depreciation and Amortization Balance Twelve Months Ended December 31, 2018 (Line 4 + 6)		<u>\$ (1,450,601,872)</u>	[2]
8	Common Allocated Asset Balance Twelve Months Ended December 31, 2016		(89,619,225)	[2]
9	2017 Actual Common Allocated Accumulated Depreciation and Amortization			
10	Common Allocated Increase in 2017 Adjustments	RB 2-S1-17	(598,377)	
11	Common Allocated Asset Balance Twelve Months Ended December 31, 2017 (Line 8 + 10)		\$ (90,217,602)	[2]
12	2018 Forecasted Common Allocated Accumulated Depreciation and Amortization			
13	Common Allocated Increase in 2018 Adjustments	RB 2-S1-18	(2,052,134)	[2]
14	Common Allocated Asset Balance Twelve Months Ended June 30, 2018 (Line 11 + 13)		<u>\$ (92,269,736)</u>	[2]

Northern Indiana Public Service Company
Rate Base - Accumulated Depreciation and Amortization Model Excerpt
As of December 31, 2016 & 2017 and June 30, 2018

Note: Detailed model available upon request

Line No	FERC Account	Utility Plant									Change from
			12/31/2016	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	12/31/2016 to 06/30/17
			A	B	C	D	E	F	G	H	I = H - B
1	35X	Underground Storage Plant	\$ (58,867,282)	\$ (57,056,381)	\$ (57,041,818)	\$ (57,030,653)	\$ (57,007,932)	\$ (56,998,957)	\$ (56,986,262)	\$ (56,976,113)	
2	36X	Other Storage Plant	(45,286,626)	(45,191,535)	(45,174,629)	(45,161,267)	(45,135,862)	(45,124,787)	(45,109,837)	(45,097,542)	
3	365.2-371	Transmission Plant	(143,245,214)	(141,985,932)	(141,200,201)	(140,605,734)	(139,377,171)	(138,912,312)	(138,244,992)	(137,721,632)	
4	374.2, 375-386	Distribution Plant	(1,179,333,856)	(1,159,845,795)	(1,159,202,987)	(1,158,795,512)	(1,157,608,808)	(1,157,361,175)	(1,156,864,845)	(1,156,545,677)	
5	389.2 and 39X	General Plant	(25,768,988)	(24,504,305)	(24,513,368)	(24,525,876)	(24,527,980)	(24,543,215)	(24,555,234)	(24,569,884)	
6	301-303	Intangibles	(30,692,226)	(28,973,801)	(29,093,332)	(29,212,882)	(29,332,366)	(29,451,928)	(29,571,469)	(29,691,024)	
7		Subtotal Utility Plant	\$ (1,483,194,192) [1.1]	\$ (1,457,557,747) [1.1]	\$ (1,456,226,334)	\$ (1,455,331,924)	\$ (1,452,990,119)	\$ (1,452,392,374)	\$ (1,451,332,639)	\$ (1,450,601,872)	[1.1] \$ 6,955,876 [1.1]
8		Common Allocated Utility Plant	(89,619,225) [1.1]	(90,217,602) [1.1]	(90,534,802)	(90,870,237)	(91,172,244)	(91,530,665)	(91,886,129)	(92,269,736)	[1.1] \$ (2,052,134) [1.1]
9		Total Utility Plant	\$ (1,572,813,416)	\$ (1,547,775,350)	\$ (1,546,761,137)	\$ (1,546,202,162)	\$ (1,544,162,362)	\$ (1,543,923,038)	\$ (1,543,218,767)	\$ (1,542,871,608)	\$ 4,903,742

Northern Indiana Public Service Company
Pro Forma Adjustment to Support the TDSIC Regulatory Asset
As of June 30, 2018

This pro forma adjustment increases the TDSIC regulatory asset as of December 31, 2016 to reflect the amounts as of June 30, 2018.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	D
1	TDSIC Non-Trackable Regulatory Asset Balance Twelve Months Ended December 31, 2016		\$ 7,542,387	[.2]
2	2016 Adjustment to remove tax gross-up for amount in excess of 2% (TDSIC 4)		(555,111)	[.3]
3	2016 Adjustment to remove 112th Street Deferral		(462,836)	[.4]
4	Increase/(Decrease) in 2016 Adjustments (Line 2 + 3)	RB 3-S1-16	(1,017,947)	
5	TDSIC Regulatory Asset Normalized Balance at December 31, 2016 (Line 1 + 4)		<u>\$ 6,524,440</u>	
6	2017 Forecasted TDSIC Regulatory Asset			
7	2017 TDSIC Deferrals		5,679,471	[.2]
8	2017 Adjustment to remove 112th Street Deferral		(276,181)	[.4]
9	Increase/(Decrease) in 2017 Adjustments (Line 7 + 8)	RB 3-S1-17	5,403,289	
10	TDSIC Regulatory Asset Balance Forecasted at December 31, 2017 (Line 5 + 9)		<u>\$ 11,927,729</u>	
11	2018 Forecasted TDSIC Regulatory Asset			
12	2018 TDSIC Deferrals		4,268,024	[.5]
13	2018 Adjustment to remove 112th Street Deferral		(141,627)	[.4]
14	Increase/(Decrease) in 2018 Adjustments (Line 12 + 13)	RB 3-S1-18	4,126,397	
15	TDSIC Regulatory Asset Balance Forecasted at June 30, 2018 (Line 10 + 14)		<u>\$ 16,054,127</u>	

Northern Indiana Public Service Company
 TDSIC Regulatory Asset
 Actuals as of December 31, 2016 & 2017

Account Number: 18235625	As of Dec. 31, 2016	As of Dec. 31, 2017	2% Gross Up Correcting Entry	2017 TDSIC Deferrals
TDSIC Non-Trackable Regulatory Asset	\$ 7,542,387	\$ 12,666,747	\$ (555,111)	\$ 5,679,471
	[.1]	[.5]	[.3]	[.1]

**Northern Indiana Public Service Company
Rate Base - TDSIC Regulatory Asset
Normalization as of December 31, 2016**

Line No.	Description	As of Dec. 31, 2016	
1	Return on Capital - Equity	\$	380,205 [.6]
2	Post In-Service Carrying Costs - Equity		174,905 [.6]
3	Pro-Forma Adjustment to Normalize the balance as of December 31, 2016	\$	555,111 [.1]

**Northern Indiana Public Service Company
Rate Base - TDSIC Regulatory Asset
TDSIC 112th Street Project Deferral
As of December 31, 2016 & 2017, and June 30, 2018**

Workpaper RB 3-S1
Page [4]

**112th Street Project Deferral
Depreciation and Property Tax Expenses**

Line No.	Month	Depreciation Expense	Property Tax Expense	Total Expense (Col.B + Col.C)
1	Prior 112th Street Project Deferred Balance	\$ 198,976	\$ 128,397	\$ 327,372
2	7/31/2016	15,345	7,235	22,580
3	8/31/2016	15,342	7,235	22,577
4	9/30/2016	15,342	7,235	22,577
5	10/31/2016	15,342	7,235	22,577
6	11/30/2016	15,342	7,235	22,577
7	12/31/2016	15,342	7,235	22,577
8				Subtotal 2016 \$ 462,836 [1]
9	1/31/2017	15,342	7,082	22,425
10	2/28/2017	15,342	7,082	22,425
11	3/31/2017	15,342	7,082	22,425
12	4/30/2017	15,342	7,082	22,425
13	5/31/2017	15,345	7,082	22,427
14	6/30/2017	15,345	7,082	22,427
15	7/31/2017	15,345	8,260	23,605
16	8/31/2017	15,345	8,260	23,605
17	9/30/2017	15,345	8,260	23,605
18	10/31/2017	15,345	8,260	23,605
19	11/30/2017	15,345	8,260	23,605
20	12/31/2017	15,345	8,260	23,605
21				Subtotal 2017 \$ 276,181 [1]
22	1/31/2018	15,345	8,260	23,605
23	2/28/2018	15,345	8,260	23,605
24	3/31/2018	15,345	8,260	23,605
25	4/30/2018	15,345	8,260	23,605
26	5/31/2018	15,345	8,260	23,605
27	6/30/2018	15,345	8,260	23,605
28				Subtotal \$ 141,627 [1]
29	7/31/2018	15,345	8,260	23,605
30	8/31/2018	15,345	8,260	23,605
31	9/30/2018	15,345	8,260	23,605
32	10/31/2018	15,345	8,260	23,605
33	11/30/2018	15,345	8,260	23,605
34	12/31/2018	15,345	8,260	23,605
35				Subtotal 2018 \$ 283,254

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

NORTHERN INDIANA PUBLIC SERVICE CO.

Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

(A)	(B)	(C)	(D)	(E)	
Calculated 100% Semi-Annual Revenue Requirement					
Line No.	Type	Transmission	Distribution	Storage	Total (Col.B + Col.C + Col.D)
1	Return on Capital	\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
2	Post In-Service Carrying Costs	\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
3	Subtotal Capital Revenue Requirement	\$ 3,543,566	\$ 6,263,744	\$ 276,523	\$ 10,083,833
4	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
5	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement

6	Return on Capital (Line 1 / Line 5 Col. E)	21.71%	36.92%	1.98%	60.60%
7	Post In-Service Carrying Costs (Line 2 / Line 5 Col. E)	9.44%	18.14%	0.45%	28.03%
8	Return of Expense Revenue Requirement (Line 4 / Line 5 Col. E)	1.72%	9.61%	0.03%	11.36%
9	Semi-Annual Revenue Requirement Total Cap Adjustment Percentage	32.86%	64.67%	2.46%	100.00%

Amount in Excess of 2% Cap Allocated

10	Return on Capital (Line 6 * Line 13 Col. E)	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
11	Post In-Service Carrying Costs (Line 7 * Line 13 Col. E)	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
12	Return of Expense Revenue Requirement (Line 8 * Line 13 Col. E)	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
13	Subtotal Semi-Annual Revenue Requirement Adjustment for Excess of 2% Cap	\$ 632,464	\$ 1,244,543	\$ 47,431	\$ 1,924,438

Calculation of Adjusted Semi-Annual Revenue Requirement

14	Original 80% Recoverable Revenue Requirement - Capital	\$ 2,834,853	\$ 4,639,705	\$ 221,218	\$ 7,695,777
15	Original 80% Recoverable Revenue Requirement - Expense	\$ 156,256	\$ 874,814	\$ 3,096	\$ 1,034,166
16	Original 80% Recoverable Revenue Requirement - Total	\$ 2,991,109	\$ 5,514,519	\$ 224,314	\$ 8,729,942
17	Adjusted Semi-Annual Revenue Requirement - Capital (Line 14 less Line 10 & Line 11)	\$ 2,235,429	\$ 3,580,140	\$ 174,442	\$ 5,990,011
18	Adjusted Semi-Annual Revenue Requirement - Expense (Line 15 less Line 12)	\$ 123,216	\$ 689,836	\$ 2,441	\$ 815,493
19	Adjusted Semi-Annual Revenue Requirement - Total (Line 17 plus Line 18)	\$ 2,358,645	\$ 4,269,976	\$ 176,883	\$ 6,805,505

Calculated 100% Semi-Annual Revenue Requirement

	Type	Transmission	Distribution	Storage	Total
100%	Return on Capital - Debt	\$ 458,869	\$ 780,337	\$ 41,764	\$ 1,280,971
100%	Return on Capital - Equity	\$ 2,010,945	\$ 3,419,742	\$ 183,027	\$ 5,613,714
		\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
100%	Post In-Service Carrying Costs - Debt	\$ 202,226	\$ 394,696	\$ 9,761	\$ 606,683
100%	Post In-Service Carrying Costs - Equity	\$ 871,526	\$ 1,668,969	\$ 41,971	\$ 2,582,465
		\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
100%	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
100%	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

NORTHERN INDIANA PUBLIC SERVICE CO.

Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

(A)	(B)	(C)	(D)	(E)
Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	4.03%	6.86%	0.37%	11.26%
Return on Capital - Equity	17.68%	30.06%	1.61%	49.34%
	21.71%	36.92%	1.98%	60.60%
Post In-Service Carrying Costs - Debt	1.78%	3.47%	0.09%	5.33%
Post In-Service Carrying Costs - Equity	7.66%	14.67%	0.37%	22.70%
	9.44%	18.14%	0.45%	28.03%
Return of Expense Revenue Requirement	1.72%	9.61%	0.03%	11.36%
Subtotal Semi-Annual Revenue Requirement	32.86%	64.67%	2.46%	100.00%

Amount in Excess of 2% Cap Allocated with Tax Adjustment				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	\$ 77,622	\$ 132,001	\$ 7,065	\$ 216,687
Return on Capital - Equity	\$ 340,168	\$ 578,478	\$ 30,961	\$ 949,607 A
	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
Post In-Service Carrying Costs - Debt	\$ 34,208	\$ 66,766	\$ 1,651	\$ 102,626
Post In-Service Carrying Costs - Equity	\$ 147,426	\$ 282,320	\$ 7,100	\$ 436,846 B
	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
Return of Expense Revenue Requirement	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
Subtotal Semi-Annual Revenue Requirement	\$ 632,464	\$ 1,244,543	\$ 47,431	\$ 1,924,438

Tax Adjustments				
Type	Transmission	Distribution	Storage	
Revenue Conversion Factor - Debt	1.016272	1.016272	1.016272	
Revenue Conversion Factor - Equity	1.667728	1.667728	1.667728	
PUF & URT Rate	1.01515971	1.01515971	1.01515971	

Amount in Excess of 2% Cap Allocated without Tax Adjustment					Equity Tax Adjustment	
Type	Transmission	Distribution	Storage	Total		
Return on Capital - Debt	\$ 76,379	\$ 129,887	\$ 6,952	\$ 213,217		
Return on Capital - Equity	\$ 203,971	\$ 346,866	\$ 18,565	\$ 569,402 C	A - C =	\$ 380,205
	\$ 280,350	\$ 476,753	\$ 25,516	\$ 782,619		\$ 380,205 [.3]
Post In-Service Carrying Costs - Debt	\$ 33,661	\$ 65,697	\$ 1,625	\$ 100,982		
Post In-Service Carrying Costs - Equity	\$ 88,399	\$ 169,284	\$ 4,257	\$ 261,941 D	B - D =	\$ 174,905
	\$ 122,060	\$ 234,981	\$ 5,882	\$ 362,923		\$ 174,905 [.3]
Return of Expense Revenue Requirement	\$ 32,547	\$ 182,215	\$ 645	\$ 215,407		
Subtotal Semi-Annual Revenue Requirement	\$ 434,956	\$ 893,950	\$ 32,043	\$ 1,360,949		\$ 555,111 [.3]

Northern Indiana Public Service Company
Pro forma Adjustment to Total Current Assets Materials and Supplies
As of June 30, 2018

This pro forma adjustment increases the total current assets materials and supplies as of December 31, 2016 to reflect the amounts as of June 30, 2018.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	D
1	Materials and Supplies Twelve Months Ended December 31, 2016			
2	NIPSCO Materials and Supplies - As of December 31, 2016		\$ 96,685,344	[.2]
3	2016 Percentage related to Gas		<u>11.12%</u>	
4	Materials and Supplies at December 31, 2016 (Line 2 * 3)		<u>\$ 10,746,967</u>	
5	2017 Actuals NIPSCO Materials and Supplies			
6	NIPSCO Materials and Supplies - As of December 31, 2017		\$ 100,162,742	[.2]
7	2017 Percentage related to Gas		<u>11.57%</u>	A
8	2017 Gas Materials and Supplies (Line 6 * 7)		<u>\$ 11,586,703</u>	
9	Increase in Base Year to 2017 (Line 8 - 4)	RB 4-S1-17	<u><u>\$ 839,736</u></u>	
10	2018 Forecasted NIPSCO Materials and Supplies			
11	NIPSCO Materials and Supplies - Forecasted as of June 30, 2018		\$ 103,864,775	[.2]
12	2017 Percentage related to Gas		<u>11.57%</u>	A
13	2018 Gas Materials and Supplies (Line 11 * 12)		<u>\$ 12,014,949</u>	
14	Increase in 2017 to 2018 (Line 13 - 8)	RB 4-S1-18	<u><u>\$ 428,247</u></u>	

A Gas Allocation Percentage in RB 4 [.3]

Northern Indiana Public Service Company
Budget Details
Rate Base: Materials and Supplies
As of December 31, 2016 & 2017 and June 30, 2018

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Symbol	Description	December 31, 2016	December 31, 2017	June 30, 2018
MATERIALS	Materials and Supplies	\$ 96,685,344 [.1]	\$ 100,162,742 [.1] [.3]	\$ 103,864,775 [.1]

Northern Indiana Public Service Company
Inventory Subledger to PeopleSoft Reconciliation
Materials & Supplies
As of December 31, 2017

Workpaper RB 4-S1
Page [.3]

Line No.	Inventory Account 154 Location Utility Defined	Common Materials	Electric Materials	Gas Materials	Grand Total
1	Common Inventory Location	\$ 825,293.78 [.4]	\$ 15,374,305.89 [.4]	\$ 7,887,704.28 [.4]	\$ 24,087,303.95
2	Allocated Common (Ratio O&M)	\$ (825,293.78)			\$ (825,293.78)
3	Electric Allocation Percentage 75%		\$ 619,795.63		\$ 619,795.63
4	Gas Allocation Percentage 25%			\$ 205,498.15	\$ 205,498.15
5					
6	Electric Inventory Location	\$ 3,986,051.92 [.4]	\$ 60,305,600.91 [.4]	\$ 1,016,963.30 [.4]	\$ 65,308,616.13
7	Allocated Common & Gas (100% Elec)	\$ (3,986,051.92)		\$ (1,016,963.30)	\$ (5,003,015.22)
8	Electric Allocation Percentage 100%		\$ 3,986,051.92		\$ 3,986,051.92
9	Gas Allocation Percentage 0%		\$ 1,016,963.30		\$ 1,016,963.30
10					
11	Gas Inventory Location	\$ 696,326.15 [.4]	\$ 326,162.80 [.4]	\$ 2,024,565.74 [.4]	\$ 3,047,054.69
12	Allocated Common & Electric (100% Gas)	\$ (696,326.15)	\$ (326,162.80)		\$ (1,022,488.95)
13	Electric Allocation Percentage 100%			\$ 696,326.15	\$ 696,326.15
14	Gas Allocation Percentage 0%			\$ 326,162.80	\$ 326,162.80
15	Total 154 M&S Query Balance	\$ -	\$ 81,302,717.65	\$ 11,140,257.12	\$ 92,442,974.77
16					
17	Difference from M&S Query vs GL Balance	\$ 2,570,695.41			\$ 2,570,695.41
18	Known Reconciling adjustments per recon		\$ 3,199,323.41	\$ -	\$ 3,199,323.41
19	Remainder to allocate	\$ (628,628.00)			\$ (628,628.00)
20	Allocated Difference Using Ratio O&M	\$ 628,628.00			\$ 628,628.00
21	Electric Allocation Percentage 75%		\$ (472,099.63)		\$ (472,099.63)
22	Gas Allocation Percentage 25%			\$ (156,528.37)	\$ (156,528.37)
23					
24		\$ -	\$ 2,727,223.78	\$ (156,528.37)	\$ 2,570,695.41
25					
26	Per GL Balance	\$ - A	\$ 84,029,941.43 B	\$ 10,983,728.75 C	\$ 95,013,670.18 D
27					
28	1540000 Plant Materials-Oth Supplies				\$ 95,013,670.18

Northern Indiana Public Service Company
Inventory Subledger to PeopleSoft Reconciliation
Materials & Supplies
As of December 31, 2017

Workpaper RB 4-S1
Page [.3]

Line No.	Inventory Account 155 Location Utility Defined	Common Materials	Electric Materials	Gas Materials	Grand Total
1	Common Inventory Location			\$ 3,871.54 [.5]	\$ 3,871.54
2	Allocated Common (Ratio O&M)				
3	Electric Allocation Percentage	75%			
4	Gas Allocation Percentage	25%			
5	Total 155 M&S Query Balance	\$ -	\$ -	\$ 3,871.54	\$ 3,871.54
6					
7	Difference from M&S Query vs GL Balance	\$ 4,423.62			\$ 4,423.62
9	Allocated Difference Using 100% Gas	\$ (4,423.62)			\$ (4,423.62)
10	Electric Allocation Percentage	0%		\$ 4,423.62	\$ 4,423.62
11	Gas Allocation Percentage	100%			\$ -
12		\$ -	\$ -	\$ 4,423.62	\$ 4,423.62
13					
14	Per GL Balance	\$ - A	\$ - B	\$ 8,295.16 C	\$ 8,295.16 D
15					
16	15500000 Merchandise				\$ 8,295.16
17					
18					
19					
20	Allocate Stores Account 163	Common Materials	Electric Materials	Gas Materials	Grand Total
21	Inventory Account 154	\$ -	\$ 84,029,941.43	\$ 10,983,728.75	\$ 95,013,670.18
22	Inventory Account 155	\$ -	\$ -	\$ 8,295.16	\$ 8,295.16
23		\$ -	\$ 84,029,941.43	\$ 10,992,023.91	\$ 95,021,965.34
24		Sum of A	Sum of B	Sum of C	Sum of D
25					
26					
27	16300000 Stores Exp Undistributed	\$ 49,240,069.32			\$ 49,240,069.32
28	16300080 Stores Expense Credit	\$ (44,099,292.78)			\$ (44,099,292.78)
29	Net Balance to Allocate on SFH rate	\$ 5,140,776.54	\$ 4,546,097.84	\$ 594,678.70	\$ 5,140,776.54
30					
31	Stores Freight & Handling rate	5.41%			
32	Total M&S		\$ 88,576,039.27	\$ 11,586,702.61	\$ 100,162,741.88 [.2]
33	Electric/Gas Split		88%	11.57% [.1]	

Northern Indiana Public Service Company
Inventory Subledger
Account 155, Merchandise
As of December 31, 2017

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Location Utility Defined
Account

Common
155

Sum of Inventory Value

Item Class Utility

Location	Gas	Grand Total
070-Plymouth LOA	\$ 26.82	\$ 26.82
100-Monticello LOA	\$ 42.29	\$ 42.29
150-Gary LOA	\$ 178.82	\$ 178.82
940-Central Warehouse - Valpo	\$ 3,623.61	\$ 3,623.61
Grand Total	\$ 3,871.54	\$ 3,871.54 [.3]

Northern Indiana Public Service Company
Pro forma Adjustment to Total Current Assets
As of June 30, 2018

This pro forma adjustment increases the total current assets gas storage as of December 31, 2016 to reflect the amounts as of June 30, 2018.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	D
1	Gas Storage - Actual 13 month average for twelve months ended December 31, 2016		\$ 71,742,530	[3]
2	2017 Actuals Gas Storage			
3	Gas Storage - Actuals 13 month average Dec 2016-Dec 2017		<u>64,910,774</u>	[3]
4	Increase in Base year to 2017 (Line 3 - 1)	RB 5-S1-17	<u>\$ (6,831,756)</u>	
5	2018 Forecasted Gas Storage			
6	Gas Storage - Forecasted 13 month average June 2017-June 2018		<u>62,522,819</u>	[3]
7	Decrease in 2017 to 2018 (Line 6 - 3)	RB 5-S1-18	<u><u>\$ (2,387,955)</u></u>	

Northern Indiana Public Service Company
Budget Annual Summary
Gas in Storage Inventory
As of December 31, 2016 & 2017 and June 30, 2018

Workpaper RB 5-S1
Page [2]

Reference	Description		December 31, 2016		2017		June 30, 2018
GASSTRGTOT	Gas Storage Total	\$	90,722,168	\$	97,074,276	\$	58,956,268
			[.3]		[.3]		[.3]

Northern Indiana Public Service Company
Budget Monthly Detail
Gas in Storage Inventory
As of December 31, 2016 & 2017 and June 30, 2018

Workpaper RB 5-S1
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Symbol	Description	2015	2016												13 Month		
		December	January	February	March	April	May	June	July	August	September	October	November	December	Average		
GASSTRGTOT	Gas Storage Total	\$ 103,801,431	\$ 73,916,150	\$ 50,124,658	\$ 38,251,922	\$ 41,736,840	\$ 47,354,963	\$ 53,668,895	\$ 64,525,225	\$ 73,313,721	\$ 83,247,578	\$ 99,896,101	\$ 112,093,236	\$ 90,722,168	[.2]	\$ 71,742,530	[.1]
Symbol	Description	2016	2017												13 Month		
		December	January	February	March	April	May	June	July	August	September	October	November	December	Average		
GASSTRGTOT	Gas Storage Total	\$ 90,722,168	\$ 65,521,555	\$ 46,555,898	\$ 25,588,754	\$ 32,548,734	\$ 38,993,499	\$ 49,355,237	\$ 57,062,110	\$ 65,521,207	\$ 77,745,603	\$ 89,841,610	\$ 107,309,414	\$ 97,074,276	[.2]	\$ 64,910,774	[.1]
Symbol	Description	2016	2017						2018						13 Month		
		December	January	February	March	April	May	June	July	August	September	October	November	December	Average		
GASSTRGTOT	Gas Storage Total	\$ 49,355,237	\$ 57,062,110	\$ 65,521,207	\$ 77,745,603	\$ 89,841,610	\$ 107,309,414	\$ 97,074,276	\$ 65,084,069	\$ 40,965,518	\$ 25,199,961	\$ 31,566,504	\$ 47,114,873	\$ 58,956,268	[.2]	\$ 62,522,819	[.1] [4]

Northern Indiana Public Service Company
 Gas in Storage Inventory Detailed View
 As of December 31, 2017 and June 30, 2018

Workpaper RB 5-S1
 Page [4]

FINANCIAL 2016 0+12 Database												
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Beginning Balance (000Dth)	28698	17706	10798	7587	9423	14391	18038	21602	25675	31329	36467	35985
Total Inj (000Dth) Net of Inj Fuel	0	0	0	2314	5323	4012	4046	4509	6042	5273	1355	0
Total With (000Dth) Net of W/D Fuel	11692	7557	3391	295	66	57	50	50	48	50	1947	7022
CHOICE Storage Bank Activity (000Dth)	700	649	179	-183	-288	-309	-432	-386	-340	-86	110	386
442A Activity (000Dth)	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance (000Dth)	17706	10798	7587	9423	14391	18038	21602	25675	31329	36467	35985	29349
Trans Fuel (000Dth)	229	223	212	163	140	107	115	120	135	207	216	227
Inj Fuel (000Dth)	0	0	0	31	75	48	64	62	75	69	23	0
With Fuel (000Dth)	33	20	6	4	0	0	0	0	0	0	0	23
Total Purchases \$ (000) GROSS	18654.48	20190.65	22449.31	23990.54	25067.29	16716.83	16556.23	18166.71	24444.61	30694.84	25748.89	23758.88
Total Purchases \$ GROSS	\$ 18,654,483	\$ 20,190,651	\$ 22,449,308	\$ 23,990,540	\$ 25,067,291	\$ 16,716,828	\$ 16,556,234	\$ 18,166,705	\$ 24,444,610	\$ 30,694,840	\$ 25,748,891	\$ 23,758,885
Volume purchased (000Dth) GROSS	4939	6442	7257	7812	8230	5466	5290	5798	7819	9751	8024	7104
Total Purchases \$	\$ 18,654,483	\$ 20,190,651	\$ 22,449,308	\$ 23,990,540	\$ 25,067,291	\$ 16,716,828	\$ 16,556,234	\$ 18,166,705	\$ 24,444,610	\$ 30,694,840	\$ 25,748,891	\$ 23,758,885
Volume purchased (000Dth)	4938.536842	6442.107956	7256.99807	7811.890862	8229.912795	5466.270327	5289.856203	5797.919248	7819.325068	9750.903238	8023.855499	7104.157593
Monthly Purchase WACOG	\$ 3,777	\$ 3,134	\$ 3,093	\$ 3,071	\$ 3,046	\$ 3,058	\$ 3,130	\$ 3,133	\$ 3,126	\$ 3,148	\$ 3,209	\$ 3,344
Beginning Inventory Dollars	\$ 90,390,761	\$ 56,610,238	\$ 34,880,119	\$ 24,592,813	\$ 31,337,447	\$ 49,012,062	\$ 62,936,633	\$ 76,976,773	\$ 92,689,504	\$ 113,347,323	\$ 131,835,312	\$ 130,610,025
Beginning Inventory Volume (DTH)	28,698,337	17,706,479	10,798,420	7,586,526	9,422,734	14,391,439	18,037,626	21,601,917	25,675,466	31,329,408	36,466,688	35,985,358
Current Month Purchased Gas Dollars	\$ 25,334,485	\$ 26,602,008	\$ 28,562,538	\$ 28,133,478	\$ 29,192,315	\$ 20,711,051	\$ 20,600,696	\$ 22,225,669	\$ 28,551,532	\$ 35,095,577	\$ 31,979,112	\$ 30,395,898
Current Month Purchased Gas Volume (DTH)	4,938,537	6,442,108	7,256,998	7,811,891	8,229,913	5,466,270	5,289,856	5,797,919	7,819,325	9,750,903	8,023,855	7,104,158
Current Month WACOG	\$ 5,130	\$ 4,129	\$ 3,936	\$ 3,601	\$ 3,547	\$ 3,789	\$ 3,894	\$ 3,833	\$ 3,651	\$ 3,599	\$ 3,986	\$ 4,279
Nymex FOM Price	\$ 3.930	\$ 3.285	\$ 3.288	\$ 3.256	\$ 3.261	\$ 3.295	\$ 3.327	\$ 3.326	\$ 3.308	\$ 3.326	\$ 3.371	\$ 3.485
Current Month Injection Volume (DTH)	700,055	649,067	179,352	2,314,292	5,323,045	4,011,890	4,046,076	4,508,932	6,041,538	5,273,158	1,465,608	385,551
Current Month Injection Volume @ Current Month WACOG	\$ 3,591,253	\$ 2,680,252	\$ 705,905	\$ 8,334,614	\$ 18,881,368	\$ 15,200,577	\$ 15,756,945	\$ 17,284,483	\$ 22,060,109	\$ 18,979,219	\$ 5,841,187	\$ 1,649,621
Cost of Gas Available for Sale	\$ 93,991,014	\$ 59,290,490	\$ 35,586,024	\$ 32,927,427	\$ 50,218,816	\$ 64,212,639	\$ 78,693,578	\$ 94,261,256	\$ 114,749,613	\$ 132,326,543	\$ 137,676,499	\$ 132,259,646
Volume of Gas Available for Sale	29,398,392	18,355,546	10,977,772	9,900,819	14,745,779	18,403,329	22,083,702	26,110,849	31,717,004	36,602,566	37,932,296	36,370,909
Current Month YTD WACOG	\$ 3.197	\$ 3.230	\$ 3.242	\$ 3.326	\$ 3.406	\$ 3.489	\$ 3.563	\$ 3.610	\$ 3.618	\$ 3.615	\$ 3.630	\$ 3.636
Current Month Withdrawal Volume (DTH)	11,691,912	7,557,126	3,391,246	478,085	354,340	365,703	481,785	435,383	387,595	135,878	1,946,938	7,022,082
Current Month Withdrawal Volume @ Current Month YTD WACOG	\$ 37,380,776	\$ 24,410,371	\$ 10,993,211	\$ 1,589,979	\$ 1,206,754	\$ 1,276,006	\$ 1,716,805	\$ 1,571,752	\$ 1,402,289	\$ 491,231	\$ 7,066,474	\$ 25,535,192
Inj Cost (\$000)	\$ -	\$ -	\$ -	\$ 12.00	\$ 56.78	\$ 26.04	\$ 34.86	\$ 37.95	\$ 52.57	\$ 48.82	\$ 37.36	\$ -
With Cost (\$000)	\$ 110.67	\$ 70.99	\$ 34.44	\$ 9.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.31	\$ 68.07
Demand (D1) (\$000)	\$ 488.64	\$ 488.64	\$ 488.64	\$ 488.64	\$ 366.58	\$ 366.58	\$ 366.58	\$ 366.58	\$ 366.58	\$ 366.58	\$ 366.58	\$ 488.64
Demand (D2) (\$000)	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89
Storage Demand \$	\$ 2,369,534	\$ 2,369,534	\$ 2,369,534	\$ 2,369,534	\$ 2,247,467	\$ 2,247,467	\$ 2,247,467	\$ 2,247,467	\$ 2,247,467	\$ 2,247,467	\$ 2,247,467	\$ 2,369,534
Total Storage Cost \$	\$ 2,480,207	\$ 2,403,971	\$ 2,304,971	\$ 2,391,033	\$ 2,304,248	\$ 2,273,506	\$ 2,282,325	\$ 2,285,416	\$ 2,300,040	\$ 2,296,282	\$ 2,294,139	\$ 2,437,603
Transport Demand (\$000)	5719.63	5635.09	5377.10	3583.18	3636.38	3621.20	3636.38	3636.38	3621.20	3675.86	5457.67	5797.36
Transport Variable (\$000)	97.20	77.62	81.15	58.33	63.23	46.26	47.72	47.79	62.44	72.14	79.28	80.21
Transport Demand \$	\$ 5,816,833	\$ 5,712,710	\$ 5,458,246	\$ 3,641,514	\$ 3,699,606	\$ 3,667,456	\$ 3,684,096	\$ 3,684,172	\$ 3,683,635	\$ 3,747,999	\$ 5,536,950	\$ 5,877,565
Transportation Fuel Cost \$	\$ 863,169	\$ 698,646	\$ 654,984	\$ 501,424	\$ 425,418	\$ 326,767	\$ 360,367	\$ 374,791	\$ 423,288	\$ 652,738	\$ 693,271	\$ 759,448
Total Transportation Cost \$	\$ 6,680,002	\$ 6,411,357	\$ 6,113,230	\$ 4,142,939	\$ 4,125,024	\$ 3,994,223	\$ 4,044,462	\$ 4,058,963	\$ 4,106,923	\$ 4,400,737	\$ 6,230,221	\$ 6,637,013
For Regulatory Systems												
Total Commodity Cost (incl. transport fuel)	\$ 19,517,652	\$ 20,889,297	\$ 23,104,292	\$ 24,491,964	\$ 25,492,709	\$ 17,043,596	\$ 16,916,600	\$ 18,541,496	\$ 24,867,898	\$ 31,347,579	\$ 26,442,162	\$ 24,518,333
Total Commodity Cost per Dth purchased	\$ 3.95	\$ 3.24	\$ 3.18	\$ 3.14	\$ 3.10	\$ 3.12	\$ 3.20	\$ 3.20	\$ 3.18	\$ 3.21	\$ 3.30	\$ 3.45
Injection Cost (valued @ monthly purchase WACOG)	\$ (3,591,253)	\$ (2,680,252)	\$ (705,905)	\$ (8,447,452)	\$ (19,147,400)	\$ (15,383,503)	\$ (16,005,086)	\$ (17,521,415)	\$ (22,334,677)	\$ (19,226,265)	\$ (5,932,643)	\$ (1,649,621)
Withdrawal Cost (valued @ Monthly WACOG)	\$ 37,487,406	\$ 24,474,304	\$ 11,011,877	\$ 1,603,113	\$ 1,206,754	\$ 1,276,006	\$ 1,716,805	\$ 1,571,752	\$ 1,402,289	\$ 491,231	\$ 7,066,474	\$ 25,620,560
Total Storage Cost and Usage	\$ 61,710,845	\$ 50,836,587	\$ 41,272,481	\$ 23,680,173	\$ 13,555,917	\$ 8,877,060	\$ 8,594,740	\$ 8,561,422	\$ 9,919,185	\$ 18,656,826	\$ 35,407,082	\$ 56,804,441
Ending Inventory Dollars	\$ 56,610,238	\$ 34,880,119	\$ 24,592,813	\$ 31,337,447	\$ 49,012,062	\$ 62,936,633	\$ 76,976,773	\$ 92,689,504	\$ 113,347,323	\$ 131,835,312	\$ 130,610,025	\$ 106,724,454
Ending Inventory Volume (DTH)	17,706,479	10,798,420	7,586,526	9,422,734	14,391,439	18,037,626	21,601,917	25,675,466	31,329,408	36,466,688	35,985,358	29,348,827

Northern Indiana Public Service Company
Gas in Storage Inventory Detailed View
As of December 31, 2017 and June 30, 2018

Workpaper RB 5-S1
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FINANCIAL 2016 0+12 Database						
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Beginning Balance (000Dth)	29349	17745	11096	6809	8838	13962
Total Inj (000Dth) Net of Inj Fuel	0	0	0	2397	5478	3950
Total W/ith (000Dth) Net of W/D Fuel	12304	7298	4466	185	66	48
CHOICE Storage Bank Activity (000Dth)	700	649	179	-183	-288	-309
442A Activity (000Dth)	0	0	0	0	0	0
Ending Balance (000Dth)	17745	11096	6809	8838	13962	17555
Trans Fuel (000Dth)	228	218	197	118	139	104
Inj Fuel (000Dth)	0	0	0	34	77	47
W/ith Fuel (000Dth)	37	21	6	1	0	0
Total Purchases \$ (000) GROSS	15032.21	22766.99	20297.19	21990.32	21942.08	14288.42
Total Purchases \$ GROSS	\$ 15,032,207	\$ 22,766,994	\$ 20,297,187	\$ 21,990,323	\$ 21,942,075	\$ 14,288,421
Volume purchased (000Dth) GROSS	4362	6726	6216	7992	8400	5421
Total Purchases \$	\$ 15,032,207	\$ 22,766,994	\$ 20,297,187	\$ 21,990,323	\$ 21,942,075	\$ 14,288,421
Volume purchased (000Dth)	4361.892921	6725.635788	6215.851891	7992.352475	8399.864192	5421.065409
Monthly Purchase WACOG	\$ 3,446	\$ 3,385	\$ 3,265	\$ 2,751	\$ 2,612	\$ 2,636
Beginning Inventory Dollars	\$ 106,724,454	\$ 65,084,069	\$ 40,965,518	\$ 25,199,961	\$ 31,566,504	\$ 47,114,873
Beginning Inventory Volume (DTH)	29,348,827	17,745,262	11,095,866	6,809,005	8,837,699	13,961,758
Current Month Purchased Gas Dollars	\$ 21,717,057	\$ 29,294,422	\$ 26,470,833	\$ 25,614,364	\$ 25,673,242	\$ 17,895,893
Current Month Purchased Gas Volume (DTH)	4,361,893	6,725,636	6,215,852	7,992,352	8,399,864	5,421,065
Current Month WACOG	\$ 4,979	\$ 4,356	\$ 4,259	\$ 3,205	\$ 3,056	\$ 3,301
Nymex FOM Price	\$ 3.572	\$ 3.523	\$ 3.426	\$ 2.911	\$ 2.847	\$ 2.866
Current Month Injection Volume (DTH)	700,055	649,067	179,352	2,396,970	5,478,399	3,950,023
Current Month Injection Volume @ Current Month WACOG	\$ 3,485,444	\$ 2,827,098	\$ 763,789	\$ 7,681,951	\$ 16,744,112	\$ 13,039,722
Cost of Gas Available for Sale	\$ 110,209,898	\$ 67,911,166	\$ 41,729,307	\$ 32,881,911	\$ 48,310,616	\$ 60,154,596
Volume of Gas Available for Sale	30,048,882	18,394,328	11,275,218	9,205,974	14,316,098	17,911,781
Current Month YTD WACOG	\$ 3,668	\$ 3,692	\$ 3,701	\$ 3,572	\$ 3,375	\$ 3,358
Current Month Withdrawal Volume (DTH)	12,303,620	7,298,462	4,466,213	368,276	354,340	366,817
Current Month Withdrawal Volume @ Current Month YTD WACOG	\$ 45,125,829	\$ 26,945,648	\$ 16,529,346	\$ 1,315,407	\$ 1,195,743	\$ 1,198,328
Inj Cost (\$000)	\$ -	\$ -	\$ -	\$ 16.05	\$ 56.78	\$ 24.08
W/ith Cost (\$000)	\$ 122.83	\$ 71.56	\$ 35.93	\$ 2.73	\$ -	\$ -
Demand (D1) (\$000)	\$ 488.64	\$ 488.64	\$ 488.64	\$ 488.64	\$ 366.58	\$ 366.58
Demand (D2) (\$000)	\$ 1,880.89	\$ 1,880.89	\$ 1,880.89	\$ 1,893.41	\$ 1,893.41	\$ 1,893.41
Storage Demand \$	\$ 2,369,534	\$ 2,369,534	\$ 2,369,534	\$ 2,382,054	\$ 2,259,987	\$ 2,259,987
Total Storage Cost \$	\$ 2,492,360	\$ 2,441,095	\$ 2,405,463	\$ 2,400,833	\$ 2,316,768	\$ 2,284,067
Transport Demand (\$000)	5797.36	5712.81	5454.83	3252.38	3305.57	3290.39
Transport Variable (\$000)	101.76	77.78	74.07	46.30	63.15	43.56
Transport Demand \$	\$ 5,899,117	\$ 5,790,595	\$ 5,528,898	\$ 3,298,676	\$ 3,368,719	\$ 3,333,954
Transportation Fuel Cost \$	\$ 785,732	\$ 736,833	\$ 644,748	\$ 325,365	\$ 362,448	\$ 273,518
Total Transportation Cost \$	\$ 6,684,849	\$ 6,527,428	\$ 6,173,646	\$ 3,624,041	\$ 3,731,167	\$ 3,607,472
For Regulatory Systems						
Total Commodity Cost (incl. transport fuel)	\$ 15,817,939	\$ 23,503,826	\$ 20,941,935	\$ 22,315,688	\$ 22,304,523	\$ 14,561,940
Total Commodity Cost per Dth purchased	\$ 3.63	\$ 3.49	\$ 3.37	\$ 2.79	\$ 2.66	\$ 2.69
Injection Cost (valued @ monthly purchase WACOG)	\$ (3,485,444)	\$ (2,827,098)	\$ (763,789)	\$ (7,789,654)	\$ (16,979,805)	\$ (13,196,470)
Withdrawal Cost (valued @ Monthly WACOG)	\$ 45,261,219	\$ 27,024,719	\$ 16,552,776	\$ 1,319,462	\$ 1,195,743	\$ 1,198,328
Total Storage Cost and Usage	\$65,985,191	\$55,933,138	\$44,665,282	\$21,545,005	\$12,205,948	\$8,181,817
Ending Inventory Dollars	\$ 65,084,069	\$ 40,965,518	\$ 25,199,961	\$ 31,566,504	\$ 47,114,873	\$ 58,956,268
Ending Inventory Volume (DTH)	17,745,262	11,095,866	6,809,005	8,837,699	13,961,758	17,554,964

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma adjusts the budgeted prepaid pension asset as of June 30, 2018 to reflect changes in OPEB cumulative expense and cash contributions based on the most recently available actuarial report.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted OPEB Liability	Cap Sch 4-S1		\$ 86,709,212	[.9]
2	Change in cumulative OPEB expense			(214,719)	[.9]
3	Change in cumulative OPEB cash contributions			<u>848,820</u>	[.9]
4	Pro Forma Adjustment	Cap Sch 4-S1	CS 5-S1-18R	<u>\$ 634,101</u>	[.9]
5	2018 Pro Forma Adjusted OPEB Liability	Cap Sch 4-S1		<u>\$ 87,343,313</u>	[.9]

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma adjusts the budgeted prepaid pension asset as of June 30, 2018 to reflect regulatory asset amortization and pension expense included in the most recently available actuarial report.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted Prepaid Pension Asset	Cap Sch 4-S1		\$ (453,261,447)	[.10]
2	Decrease in FAS158 Regulatory Asset			13,063,923	[.10]
3	Decrease in Pension Liability			<u>6,149,076</u>	[.10]
4	Pro Forma Adjustment	Cap Sch 4-S1	CS 6-S1-18R	<u>\$ 19,213,000</u>	[.10]
5	2018 Pro Forma Adjusted Prepaid Pension Asset	Cap Sch 4-S1		<u>\$ (434,048,447)</u>	[.10]

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma increases the Post 1970 Investment Tax Credit Liability as of June 30, 2018 to reflect a budget true-up for electric amortization and restart gas amortization.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted Post 1970 Investment Tax Credit	Cap Sch 4-S1		\$ 2,633,411	[.11]
2	Pro Forma Adjustment	Cap Sch 4-S1	CS 7-S1-18R	<u>167,162</u>	
3	2018 Pro Forma Post 1970 Investment Tax Credit	Cap Sch 4-S1		<u>\$ 2,800,573</u>	[.11]

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma adjusts the budgeted common equity as of June 30, 2018.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted Common Equity	Cap Sch 4-S1		\$ 2,589,832,246	
2	Pro Forma Adjustment	Cap Sch 4-S1	CS 1-S1-18R	\$ <u>20,429,691</u>	
3	2018 Pro Forma Common Equity	Cap Sch 4-S1		\$ <u>2,610,261,937</u>	

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma adjusts the budgeted customer deposits as of June 30, 2018.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted Customer Deposits	Cap Sch 4-S1		\$ 82,923,713	[.7]
2	Pro Forma Adjustment	Cap Sch 4-S1	CS 3-S1-18R	<u>\$ (11,762,615)</u>	
3	2018 Pro Forma Customer Deposits	Cap Sch 4-S1		<u>\$ 71,161,098</u>	[.7]

Northern Indiana Public Service Company
Pro Forma Adjustment to Capital Structure
As of June 30, 2018

This pro forma adjusts the budgeted deferred income taxes as of June 30, 2018.

Line No.	Description	Attachment 3-F-S1		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Budgeted Deferred Income Taxes	Cap Sch 4-S1		\$ 1,259,443,146	[.8]
2	Pro Forma Adjustment	Cap Sch 4-S1	CS 4-S1-18R	<u>\$ (59,878,150)</u>	
3	2018 Pro Forma Deferred Income Taxes	Cap Sch 4-S1		<u>\$ 1,199,564,996</u>	[.8]

Northern Indiana Public Service Company
December 31, 2016
Capital Structure

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 2,335,770,300 [.5]	48.37%	9.85%	4.76%
2	Long-Term Debt	1,570,632,945 [.6]	32.52%	5.39% [.6A]	1.75%
3	Customer Deposits	70,395,268 [.7]	1.46%	4.61% [.7A]	0.07%
4	Deferred Income Taxes	1,023,648,346 [.8]	21.20%	0.00%	0.00%
5	Post-Retirement Liability	108,734,093 [.9]	2.25%	0.00%	0.00%
6	Prepaid Pension Asset	(282,773,632) [.10]	-5.86%	0.00%	0.00%
7	Post-1970 ITC	<u>3,038,277</u> [.11]	<u>0.06%</u>	8.06% A	<u>0.01%</u>
8	Totals	\$ <u>4,829,445,597</u>	<u>100.00%</u>		<u>6.59%</u>

Cost of Investor Supplied Capital

Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost	
A	B	C	D	E	
9	Common Equity	\$ 2,335,770,300	59.79%	9.85%	5.89%
10	Long-Term Debt	<u>1,570,632,945</u>	<u>40.21%</u>	5.39%	<u>2.17%</u>
11	Totals	\$ <u>3,906,403,245</u>	<u>100.00%</u>		<u>8.06%</u> A

Northern Indiana Public Service Company
December 31, 2017
Capital Structure

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 2,511,770,582 [.5]	49.35%	9.85%	4.86%
2	Long-Term Debt	1,693,751,785 [.6]	33.28%	5.17%	[.6A] 1.72%
3	Customer Deposits	71,161,098 [.7]	1.40%	4.78%	[.7A] 0.07%
4	Deferred Income Taxes	1,151,324,030 [.8]	22.62%	0.00%	0.00%
5	Post-Retirement Liability	93,649,339 [.9]	1.84%	0.00%	0.00%
6	Prepaid Pension Asset	(434,568,447) [.10]	-8.54%	0.00%	0.00%
7	Post-1970 ITC	<u>2,930,107</u> [.11]	<u>0.06%</u>	7.96%	B 0.00%
8	Totals	\$ <u>5,090,018,494</u>	<u>100.00%</u>		<u>6.65%</u>

Cost of Investor Supplied Capital

Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost	
A	B	C	D	E	
9	Common Equity	\$ 2,511,770,582	59.73%	9.85%	5.88%
10	Long-Term Debt	<u>1,693,751,785</u>	<u>40.27%</u>	5.17%	<u>2.08%</u>
11	Totals	\$ <u>4,205,522,366</u>	<u>100.00%</u>		<u>7.96%</u> B

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Northern Indiana Public Service Company
June 30, 2018
Capital Structure

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	2,610,261,937 [.5]	45.91%	9.85%	4.52%
2	Long-Term Debt	2,147,947,014 [.6]	37.78%	4.83% [.6A]	1.82%
3	Customer Deposits	71,161,098 [.7]	1.25%	4.91% [.7A]	0.06%
4	Deferred Income Taxes	1,199,564,996 [.8]	21.10%	0.00%	0.00%
5	Post-Retirement Liability	87,343,313 [.9]	1.54%	0.00%	0.00%
6	Prepaid Pension Asset	(434,048,447) [.10]	-7.63%	0.00%	0.00%
7	Post-1970 ITC	<u>2,800,573</u> [.11]	<u>0.05%</u>	7.58% C	<u>0.00%</u>
8	Totals	<u>\$ 5,685,030,483</u>	<u>100.00%</u>		<u>6.40%</u>

Cost of Investor Supplied Capital

Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost	
A	B	C	D	E	
9	Common Equity	\$ 2,610,261,937	54.86%	9.85%	5.40%
10	Long-Term Debt	<u>2,147,947,014</u>	<u>45.14%</u>	4.83%	<u>2.18%</u>
11	Totals	<u>\$ 4,758,208,950</u>	<u>100.00%</u>		<u>7.58%</u> C

Northern Indiana Service Company
Weighted Average Cost of Capital
Equity Calculation
December 31, 2016 & 2017 and June 30, 2018

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Line.	Description	Balance		
		2016	2017	6/30/18
1	Common Stock	\$ 859,487,917	\$ 859,487,917	\$ 859,487,917
2	Additional Paid in Capital	89,369,307	89,369,307	89,369,307
3	APIC Tax savings alloc	117,351,852	117,351,852	117,351,852
4	Retained Earnings	1,094,070,691	1,260,695,558	1,479,957,443
5	Retained Earnings - Current Period	166,624,867	219,261,885	69,135,349
6	Capital Stock Expense	(469,622)	(469,622)	(469,622)
7	Common Stock Dividends Declared	-	(50,000,000)	(25,000,000)
8		<u>\$ 2,326,435,012</u>	<u>\$ 2,495,696,897</u>	<u>\$ 2,589,832,246</u>
9	GAAP-to-FERC Adjustments			
10	Capital Trackers - Return on Equity	8,683,191	14,009,326	18,365,332 {a} [.5A]
11	Economic Development Rider	632,097	2,044,359	2,044,359 {b}
12	Capital Stock Expense	20,000	20,000	20,000
13	Common Equity	<u>\$ 2,335,770,300</u>	<u>\$ 2,511,770,582</u>	<u>\$ 2,610,261,937</u>
		[.4]	[.4]	[.4]

NOTES:

{a} FERC to GAAP adjustment is due to capital tracker return on equity, which is recorded on the FERC books, but not on the GAAP books.

{b} FERC to GAAP adjustment is due to Electric Rider 677, which provided a credit in the form of an economic development rider to certain companies. The contracts and credit, which are for five years, are a reduction in revenues for NIPSCO. In Cause No. 44688 the IURC authorized NIPSCO to defer, as a regulatory asset, the discounted revenue associated with the economic development rider contracts that were in effect during the test year that continue beyond October 1, 2016, that date of new, effective basic rates.

Northern Indiana Public Service Company
Capital Structure - Equity Component
FERC-to-GAAP Adjustment
TDSIC Return on Equity

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Line	Category	Type	6/30/18
1	TDSIC Gas	20% FERC-to-GAAP Adjustment	\$ 8,636,234
2	TDSIC Electric	20% FERC-to-GAAP Adjustment	2,994,262
3	TDSIC Electric	1A 100% FERC-to-GAAP Adjustment	<u>12,814,567</u>
4		Pre-Tax	24,445,063
5		Tax Adjustment	<u>(6,079,732) [.8]</u>
6		Total FERC-to-GAAP Adjustment	<u><u>\$ 18,365,332 [.5]</u></u>

Footnote: Additional Support available upon request.

Northern Indiana Service Company
Weighted Average Cost of Capital
Debt Calculation
December 31, 2016 & 2017 and June 30, 2018

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Line	Description	Balance		
		2016	2017	6/30/18
1	Long-Term Debt - Pollution Control Bonds	\$ 109,000,000	\$ 109,000,000	\$ 68,000,000
2	Current Portion of Other Long Term Debt Transfers	55,000,000	-	41,000,000
3	Current Portion of Long Term Notes	27,500,000	-	-
4	Current Portion of Long Term Notes - Intercompany	-	80,000,000	-
5	Long term Debt - Affiliates	1,463,000,000	1,585,500,000	2,080,500,000
6	Total Long Term Debt	\$ 1,654,500,000	\$ 1,774,500,000	\$ 2,189,500,000
7	Less Current Portion of Long Term Debt	(82,500,000)	(80,000,000)	(41,000,000)
8	Subtotal Long Term Debt	\$ 1,572,000,000	\$ 1,694,500,000	\$ 2,148,500,000
9	Unamortized Premium/Discount on Long-term Debt	(216,562)	(177,606)	(182,033)
10	Unamortized Reacquisition Premium on Debt	(415,171)	(171,297)	-
11	Unamortized reacquisition prem on debt - Current	(735,322)	(399,312)	(370,953)
12	Long Term Debt included in Capital Structure	\$ 1,570,632,945	\$ 1,693,751,785	\$ 2,147,947,014
13		[.4] [.6A]	[.4] [.6A]	[.4] [.6A]

Northern Indiana Public Service Company
Internal Interest Payment Schedule

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Line No.	Yield	Series	Date Issued	Final Maturity	Principal Debt as of 12/31/16	2016	2016 Cost Rate	Principal Debt as of 12/31/17	2017	2017 Cost Rate	Principal Debt as of 6/30/18	6/30/18	6/30/18 Cost Rate
						Normalized ¹ Interest Requirement			Normalized ¹ Interest Requirement			Normalized ¹ Interest Requirement	
A	B	C	D	E	F = A * E	G = F / E	H	I = A * H	J = I / H	H	I = A * H	J = I / H	
Pollution Control Bonds													
1	5.60%	Series 1988 Notes Series A	08/25/08	11/01/16									
2	5.60%	Series 1988 Notes Series B	08/25/08	11/01/16									
3	5.60%	Series 1988 Notes Series C	08/25/08	11/01/16									
4	5.70%	Series 2003 C Notes	08/25/08	07/01/17	55,000,000	3,135,000							
5	5.85%	Series 1994 C Notes	08/25/08	04/01/19	41,000,000	2,398,500		41,000,000	2,398,500		41,000,000	2,398,500	
Medium Term Notes													
6	7.69%	Series E	06/06/97	06/06/27	20,000,000	1,538,000		20,000,000	1,538,000		20,000,000	1,538,000	
7	7.59%	Series E	06/10/97	06/12/17	22,500,000	1,707,750							
8	7.69%	Series E	06/06/97	06/27/27	33,000,000	2,537,700		33,000,000	2,537,700		33,000,000	2,537,700	
9	7.02%	Series E	08/04/97	08/04/17	5,000,000	351,000							
10	7.16%	Series E	08/04/97	08/04/27	5,000,000	358,000		5,000,000	358,000		5,000,000	358,000	
11	7.40%	Series E	08/26/97	08/30/22	10,000,000	740,000		10,000,000	740,000		10,000,000	740,000	
Intercompany Notes from Nisource Finance Corp.													
12	5.42%	Intercompany Debt	06/28/05	06/26/20	137,500,000	7,452,500		137,500,000	7,452,500		137,500,000	7,452,500	
13	5.99%	Intercompany Debt	09/19/05	09/18/25	75,000,000	4,488,750		75,000,000	4,488,750		75,000,000	4,488,750	
14	6.53%	Intercompany Debt	06/06/08	06/06/23	80,000,000	5,220,000		80,000,000	5,220,000		80,000,000	5,220,000	
15	6.09%	Intercompany Debt	06/06/08	06/06/18	80,000,000	4,872,000		80,000,000	4,872,000		-	-	
16	6.41%	Other Debt	12/04/09	12/04/29	120,000,000	7,692,000		120,000,000	7,692,000		120,000,000	7,692,000	
17	4.53%	FGD	12/19/12	12/21/37	55,000,000	2,491,500		55,000,000	2,491,500		55,000,000	2,491,500	
18	4.83%	FGD	12/19/12	12/19/42	95,000,000	4,588,500		95,000,000	4,588,500		95,000,000	4,588,500	
19	5.17%	FGD	07/31/13	07/26/38	89,000,000	4,601,300		89,000,000	4,601,300		89,000,000	4,601,300	
20	5.43%	FGD	07/31/13	07/24/43	95,000,000	5,158,500		95,000,000	5,158,500		95,000,000	5,158,500	
21	4.99%	FGD	02/01/14	02/15/44	66,000,000	3,293,400		66,000,000	3,293,400		66,000,000	3,293,400	
22	4.35%	FGD	12/01/14	12/16/44	82,000,000	3,567,000		82,000,000	3,567,000		82,000,000	3,567,000	
23	4.55%	Intercompany Debt	06/01/15	06/26/35	93,750,000	4,265,625		93,750,000	4,265,625		93,750,000	4,265,625	
24	4.99%	Intercompany Debt	06/01/15	06/26/45	93,750,000	4,678,125		93,750,000	4,678,125		93,750,000	4,678,125	
25	4.70%	Additional Capital Projects	12/01/15	12/30/45	91,000,000	4,277,546		91,000,000	4,277,546		91,000,000	4,277,546	
26	4.36%	Additional Capital Projects	12/01/16	11/30/46	210,000,000	9,156,000		210,000,000	9,156,000		210,000,000	9,156,000	
27	4.16%	Additional Capital Projects	06/01/17	05/31/47				11,500,000	478,527		11,500,000	478,527	
28	4.16%	CPCN Projects	06/01/17	05/31/47				28,500,000	1,185,914		28,500,000	1,185,914	
29	4.11%	Additional Capital Projects	08/01/17	07/01/47				162,500,000	6,682,488		162,500,000	6,682,488	
30	4.30%	Intercompany Debt	06/01/18	06/01/48							245,000,000	10,535,000	
31	4.30%	Additional Capital Projects	06/01/18	06/01/48							250,000,000	10,750,000	
32		Pollution Control Bonds			\$96,000,000	\$5,533,500		\$ 41,000,000	\$ 2,398,500		\$ 41,000,000	\$ 2,398,500	
33		Medium Term Notes			95,500,000	7,232,450		68,000,000	5,173,700		68,000,000	5,173,700	
34		Intercompany Notes - Affiliates			1,463,000,000	\$75,802,746		1,665,500,000	84,158,074		2,080,500,000	100,571,074	
35		Total Debt			\$ 1,654,500,000	\$88,568,696		\$ 1,774,500,000	\$ 91,730,274		\$ 2,189,500,000	\$ 108,143,274	
36		less Current portion of Long-Term Debt			(82,500,000)	(5,193,750)		(80,000,000)	(4,872,000)		(41,000,000)	(4,872,000)	
37		Subtotal			\$ 1,572,000,000	\$ 83,374,946		\$ 1,694,500,000	\$ 86,858,274		\$ 2,148,500,000	\$ 103,271,274	
38													
39													
40		Def Chrgs-Unamortized Debt Exp											
41		Unamortized Premium/Discount on Long-term Debt			(216,562)			(177,606)			(183,492)		
42		Unamortized Reacquisition Premium on Debt			(415,171)			(171,297)			(19,969)		
43		Unamortized reacquisition prem on debt - Current			(735,322)			(399,312)			(384,260)		
44		Amortization of Debt Discount and Expense				27,816			22,431			35,063	
45		Amortization of Call Premiums on Early Redemption of Long Term Debt				1,269,731			618,655			404,229	
46													
47		Total Long-Term Debt Used to Calculate Weighted Cost			\$ 1,570,632,945	\$ 84,672,493	5.39%	\$ 1,693,751,785	\$ 87,499,359	5.17%	\$ 2,147,912,279	\$ 103,710,566	4.83%
					[.6]		[.4]	[.6]		[.4]	[.6]		[.4]

Footnote 1: Interest expense was normalized to exclude interest expense related to the Current portion of long term debt and to reflect a full year of interest expense for notes issued during the year.
Footnote 2: Issued in June 2017 with an actual interest rate of 4.1611%

NOTE: The downward trending Cost Rate is attributable to External Debt (i.e., Pollution Control Bonds and Medium Term Notes) not being replaced. Planning's assumption is that as Intercompany Debt matures, it is replaced with new issuances.

Northern Indiana Service Company
Weighted Average Cost of Capital
Customer Deposits
December 31, 2016 & 2017 and June 30, 2018

Description	Balance		
	Actual 2016	Actual 2017	Budget 6/30/18
Customer Deposits	\$ 70,395,268	\$ 71,161,098	\$ 82,923,713
Rate-making Adjustment			\$ (11,762,615)
Rate-making Balance			\$ 71,161,098
	A [-.4][.7A]	[-.4] [-.7A]	[-.4]
Balance Per Budget	\$ 70,395,268	A	
Balance Per WACC	<u>70,395,268</u>		
Variance	\$ -		

Northern Indiana Public Service Company
Weighted Average Cost of Capital
Cost of Customer Deposits
December 31, 2016 & 2017 and June 30, 2018

Workpaper CS-S1
Page [.7A]

Description	Balance		
	2016	2017	2018
Gas	\$ 17,373,876	\$ 17,290,163	\$ 17,290,163
Elec	30,968,247	\$ 32,045,208	\$ 32,045,208
Combo	21,710,529	\$ 21,823,469	\$ 21,823,469
Total Deposit amt. per CIS	\$ 70,052,652	\$ 71,158,840	\$ 71,158,840
Total Deposit amt. per PS	\$ 70,395,268	[.7] \$ 71,161,098	
Variance	\$ 342,616	{a} \$ 2,258	

Description	Interest Rates		
	2016	2017	2018
Gas	0.50%	1.00%	1.50%
Electric	6.00%	6.00%	6.00%
Combination	6.00%	6.00%	6.00%

Description	Cost of Customer Deposits		
	2016	2017	2018
Gas	\$ 86,869	\$ 172,902	\$ 259,352
Electric	1,858,095	1,922,712	1,922,712
Combination	1,302,632	1,309,408	1,309,408
Total	\$ 3,247,596	\$ 3,405,022	\$ 3,491,473

Cost of Customer Deposits	4.61%	4.78%	4.91%
	[.4]	[.4]	[.4]

NOTE:

{a} An immaterial reconciling variance was noted between PeopleSoft and CIS (billing subledger). PeopleSoft reports the balance as of December 31, 2016, while the CIS report is generated on the second business day of the month.

Northern Indiana Service Company
Weighted Average Cost of Capital
Equity Calculation
December 31, 2016 & 2017 and June 30, 2018

Description	Balance		
	2016	2017	6/30/2018
Deferred Income Taxes	\$ 1,015,277,787	\$ 584,608,121	\$ 711,813,934
Regulatory Affect of Adopting SFAS 96	1,876,837	1,810,017	-
Regulatory Affect of Adopting ASC 740	-	-	-
SFAS 109 - Noncurrent	776,664	555,027,505	547,629,212
Deferred Tax Assets	-	-	-
Deferred Tax Asset Noncurrent	-	-	-
Negative Def Inc Tax Reclass	-	-	-
SFAS 133 Fed Tax	2,364	1,333	-
SFAS 133 St Tax	-	(152)	-
Subtotal Budget	\$ 1,017,933,651	\$ 1,141,446,823	\$ 1,259,443,146
Rate-making Adjustment			\$ (65,957,882)
Subtotal Rate-making			\$ 1,193,485,264
GAAP-to-FERC Adjustments			
Federal and State ADIT	5,714,695	9,877,207	6,079,732
Total Deferred Income Taxes	\$ 1,023,648,346 [.4]	\$ 1,151,324,030 [.4]	\$ 1,199,564,996 [.4]

NOTES:

{a} FERC to GAAP adjustment is due to capital tracker return on equity, which is recorded on the FERC books, but not on the GAAP books.

Footnote: Additional Support available upon request.

Northern Indiana Service Company
Weighted Average Cost of Capital
Other Post Retirement Benefits
December 31, 2016, December 31, 2017 and June 30, 2018

Workpaper CS-S1
Page [.9]

Description	Actual 12/31/2016	2017 Activity	Actual 12/31/2017	Budget Activity Jan-June 2018	Pre-Adjusted 6/30/18	Ratemaking Adjustments	Pro forma 6/30/18
Cumulative Post Retirement Benefits Exp - FAS 106	\$ 477,219,898		\$ 485,700,786		\$ 490,309,786		\$ 490,206,786
Annual Expense:		\$ 8,480,888 A		\$ 4,609,000		\$ (103,000)	
Capitalization Ratio	23.41%	27.61% [.9E]	23.49%	24.09%	23.49%		23.52%
Post Retirement Benefits, net of capitalization	111,735,294	2,341,644	114,076,938	1,110,308	115,187,246	111,719	115,298,965
Post Retirement Benefits, net of capitalization, cumulative	365,484,604		371,623,848		375,122,540	(214,719)	374,907,821
Amort of Reg Assets/Liab Expense (FAS 106), Cumulative	88,948,004	-	88,948,004	-	88,948,004	-	88,948,004
Total Cumulative OPEB Expense	454,432,608		460,571,852		464,070,544	(214,719)	463,855,825
						[.1]	
LESS							
Retiree Medical Payments, Cumulative	345,698,515		366,922,513		377,361,332	(848,820)	376,512,512
Estimated Annual Retiree Medical Payments (based on 16')		21,223,998 [.9E]		10,438,820		[.1]	
Post Retirement Liability*	\$ 108,734,093		\$ 93,649,339		\$ 86,709,212	\$ 634,101	\$ 87,343,313
	[.4]		[.4]		[.1]	[.1]	[.1],[.4]

OPEB Expense	Per CL 16-08	Per CL17-07	Percentage Increase	Hewitt Alloc. May 17' Update
Retiree Medical (offset OCI)	(2,619,077)	(3,061,691) [.10A]		(3,253,428)
Retiree Life (offset OCI)	110,547	113,252 [.10A]		120,344
Retiree Medical (offset liability)	12,693,821	10,052,574 [.10A]		10,682,112
Retiree Life (offset Liability)	1,585,816	1,376,753 [.10A]		1,462,972
Net Expense before capitalization	11,771,107	8,480,888 A, [.10A]	6.26%	9,012,000
Hewitt May Update Expense (rounded)				9,012,000

AonHewitt Allocation May 2017 Update

Pre-65 Retiree Medical				
Union				(413,000) [.9A]
Non-union				664,000 [.9A]
Post-65 Retiree Medical				
Union				4,639,000 [.9B]
Non-union				2,637,000 [.9B]
Retiree Life Insurance				
Union				907,000 [.9C]
Non-union				578,000 [.9C]
Total				9,012,000

Expense Capitalization Update

Net Expense before capitalization	9,012,000
2016 Average Rate	27.12% [.9E]
Capitalization Amount based on 2016 Average Rate (27.12%)	2,444,054

AonHewitt Allocation May 2017 Update

Forecasted Medical and Life payments	19,180,000	[.9D]
--------------------------------------	------------	--------------



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Page [.9A]

NiSource Inc.
Pre-65 Retiree Medical
Estimated 2017-2022 ASC 715-60 Ongoing Expense Components (\$000)

	<u>2017</u>	<u>2018</u>
NIPSCO Union		
Service Cost	\$ 768	\$ 748
Interest Cost	1,080	989
Other	<u>(2,126)</u>	<u>(2,150)</u>
Total Expense	\$ (278)	\$ (413) [.9]
NIPSCO Nonunion		
Service Cost	\$ 276	\$ 281
Interest Cost	365	368
Other	<u>(83)</u>	<u>15</u>
Total Expense	\$ 558	\$ 664 [.9]



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Workpaper CS-S1
Page [.9B]

NiSource Inc.
Post-65 Retiree Medical
Estimated 2017-2022 ASC 715-60 Ongoing Expense Components (\$000)

	<u>2017</u>	<u>2018</u>
NIPSCO Union		
Service Cost	\$ 802	\$ 794
Interest Cost	5,210	5,374
Other	(1,856)	(1,529)
Total Expense	\$ 4,156	\$ 4,639 [.9]
NIPSCO Nonunion		
Service Cost	\$ 198	\$ 176
Interest Cost	1,935	1,927
Other	422	534
Total Expense	\$ 2,555	\$ 2,637 [.9]



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**NiSource Inc.
Retiree Life Insurance
Estimated 2017-2022 ASC 715-60 Ongoing Expense Components (\$000)**

**Workpaper CS-S1
Page [.9C]**

	<u>2017</u>	<u>2018</u>
NIPSCO Union		
Service Cost	\$ 136	\$ 141
Interest Cost	623	630
Other	136	136
Total Expense	<u>\$ 895</u>	<u>\$ 907</u> [.9]
NIPSCO Nonunion		
Service Cost	\$ 30	\$ 26
Interest Cost	588	571
Other	(23)	(19)
Total Expense	<u>\$ 595</u>	<u>\$ 578</u> [.9]

NiSource Inc. Benefit Plans for the Period 2017 through 2022 (\$000)
Northern Indiana Energy (NIPSCO)

Workpaper CS-S1
Page [.9D]

Line No.	A	B		C		D		E	
		2017				2018			
		Prior	Current	Prior	Current	Prior	Current	Prior	Current
1									
2	Cash Estimates by Plan:								
3	Retirement	\$ 51	\$ 47	\$ 50,214	\$ 31,940				
4	D.C.	10,477	10,177	10,792	10,483				
5	Medical Active*	34,361	36,073	38,054	39,511				
6	Medical Retiree	17,593	17,236 A	17,911	17,423 B				
7	Dental	2,457	2,429	2,531	2,501				
8	Group Life Active	553	739	570	756				
9	Group Life Retiree	1,663	1,723 A	1,698	1,757 B				
10	Long Term Disability	1,180	1,246	1,215	1,283				
11	Value Options**	46	46	46	46				
12	Opt Out Credits	254	257	254	257				
13	Vision	559	563	559	563				
14	Total	\$ 69,194	\$ 70,536	\$ 123,844	\$ 106,520				

Sum of A = 18,959
Multiplied by 1,000 18,959,000 **[.9]**

Sum of B = \$ 19,180
Multiplied by 1,000 19,180,000 **[.9]**

Line No.	A	B		C		D		E	
		2017				2018			
		Prior	Current	Prior	Current	Prior	Current	Prior	Current
15									
16	Expense Estimates by Plan:								
17	Retirement	\$ 15,542	\$ 14,056	\$ 12,828	\$ 11,840				
18	Qualified	15,431	13,994	12,735	11,749				
19	Settlements	50	-	39	39				
20	SERP	61	62	54	52				
21	D.C.	10,504	10,204	10,819	10,510				
22	Savings Plan Match	9,600	9,290	9,888	9,568				
23	Profit Sharing	904	914	931	942				
24	Medical	41,869	43,064	45,799	47,038				
25	Active*	34,361	36,073	38,054	39,511				
26	Retiree	7,508	6,991	7,745	7,527				
27	Dental	2,457	2,429	2,531	2,501				
28	Group Life	2,030	2,229	2,043	2,241				
29	Active	553	739	570	756				
30	Retiree	1,477	1,490	1,473	1,485				
31	Long Term Disability	1,180	1,246	1,215	1,283				
32	Value Options**	46	46	46	46				
33	Opt Out Credits	254	257	254	257				
34	Vision	559	563	559	563				
35	TOTAL	\$ 74,441	\$ 74,094	\$ 76,094	\$ 76,279				

36 * Includes Rx, HSA, and administrative expenses.

37 ** Includes EAP, Work Life, and mental health costs.

Northern Indiana Public Service Company
Summary of Post Retirement Liability - SFAS 106
February 28, 1997 - December 31, 2017

Workpaper CS-S1
Page [.9E]

Line	Period	OPEB Expense	Cap. Ratio	Cap. Amount	Net Expense	SFAS 106	Less Benefits	Total
						Trans.	Paid	
	A	B	C	D = (B*C)	E = (B-D)	F	G	H = (E+F-G)
1	YTD (1997 - 2015)	\$ 465,448,791	23.32%	\$ 108,542,658	\$ 356,906,133	\$ 88,948,004	\$ 324,820,876	\$ 121,033,261
2	Jan 2016	998,743	26.52%	264,867	733,877	-	1,539,274	(805,397)
3	Feb 2016	963,108	26.42%	254,453	708,655	-	2,210,636	(1,501,981)
4	Mar 2016	980,926	27.12%	266,027	714,899	-	1,489,323	(774,424)
5	Apr 2016	980,926	29.46%	288,981	691,945	-	1,713,845	(1,021,900)
6	May 2016	980,926	29.50%	289,373	691,553	-	2,021,802	(1,330,250)
7	Jun 2016	980,926	28.84%	282,899	698,027	-	1,456,973	(758,946)
8	Jul 2016	980,926	25.26%	247,782	733,144	-	1,514,066	(780,922)
9	Aug 2016	980,926	26.86%	263,477	717,449	-	1,965,262	(1,247,813)
10	Sep 2016	980,926	26.95%	264,359	716,566	-	1,919,968	(1,203,402)
11	Oct 2016	980,926	27.45%	269,264	711,662	-	1,769,926	(1,058,264)
12	Nov 2016	980,926	27.00%	264,850	716,076	-	1,528,996	(812,921)
13	Dec 2016	980,926	24.09%	236,305	744,621	-	1,747,567	(1,002,947)
14	Jan 2017	706,741	26.23%	185,378	521,363	-	1,672,225	(1,150,863)
15	Feb 2017	706,741	27.05%	191,173	515,567	-	2,095,776	(1,580,208)
16	Mar 2017	706,741	25.15%	177,745	528,995	-	2,019,209	(1,490,213)
17	Apr 2017	706,741	28.21%	199,372	507,369	-	1,989,317	(1,481,948)
18	May 2017	706,741	29.05%	205,308	501,433	-	1,456,803	(955,371)
19	Jun 2017	706,741	29.04%	205,237	501,503	-	1,462,097	(960,594)
20	Jul 2017	706,741	26.69%	188,629	518,112	-	1,630,219	(1,112,108)
21	Aug 2017	706,741	29.62%	209,337	497,404	-	2,045,808	(1,548,404)
22	Sep 2017	706,741	29.10%	205,662	501,079	-	1,549,614	(1,048,535)
23	Oct 2017	706,741	28.30%	200,008	506,733	-	1,835,257	(1,328,524)
24	Nov 2017	706,741	27.87%	196,969	509,772	-	1,822,126	(1,312,354)
25	Dec 2017	706,741	25.02%	176,827	529,914	-	1,645,546	(1,115,632)
26	Totals	\$ 485,700,786		\$ 114,076,938	\$ 371,623,848	\$ 88,948,004	\$ 366,922,513	\$ 93,649,339

[.9]

- 27 B) OPEB Expense as per SFAS 106 Postretirement Benefit Expense.
- 28 C) Capitalization Ratio is a percentage of labor being capitalized.
- 29 D) Capitalization Amount is the amount of OPEB being capitalized by applying the Capitalization Ratio.
- 30 E) Total OPEB less the Capitalized Portion of OPEB Expense.
- 31 F) SFAS 106
- 32 G) OPEB paid out.

	2016 Expense	Avg. Rate	Capitalization
Avg. 2016 Rate	11,771,107	27.12%	3,192,636

[.9]

	2017 Expense	Avg. Rate	Capitalization
Avg. 2017 Rate	8,480,888	27.61%	2,341,644

[.9]

Northern Indiana Service Company
Weighted Average Cost of Capital
Prepaid Pension Asset
December 31, 2016, December 31, 2017 and June 30, 2018

Workpaper CS-S1
Page [.10]

Description	Actual 12/31/2016	2017 Activity	Actual 12/31/2017	Budget Activity Jan-June 2018	Pre-Adjusted 6/30/2018	Ratemaking Adjustments	Pro forma 6/30/2018
SFAS 158 Pension OCI Reg Asset	\$ 521,934,761		\$ 490,817,079		\$ 490,817,079		\$ 477,753,156
Adjust 2018 beginning balance							
2017 amortization		(31,117,682) A		- D			
Adjust for no 2018 amortization in budget						(13,063,923) J-D	
SFAS 158 Pension OCI Reg Asset	\$ 521,934,761	\$ (31,117,682)	\$ 490,817,079	\$ -	\$ 490,817,079	\$ (13,063,923) [.2]	\$ 477,753,156
LESS:							
Pension Liability							
Accrued LT Pension Cost - Qualified	\$ 238,815,206		\$ 55,848,253		\$ 37,155,253		\$ 43,281,468
Pension Expense recognition		(17,117,411) B		(18,693,000) E			
September 14, 2017 Pension Plan Contribution		(165,672,532)					
2017 Pension Liability Transfers and Other		(177,010)					
Adj 2018 Budget Expense to Hewitt Update						11,506,715 G-E	
Adj 2018 Expense for '17 Pension Contribution						(5,380,500) K-J	
Accrued LT Pension Cost - Nonqualified	308,623	54,456 C	363,079	- F	363,079		385,941
Adj for Expense per CL 17-07						22,862 H	
Accrued ST Pension Costs - Nonqualified	37,300	- C	37,300	- F	37,300		37,300
Pension Liability	\$ 239,161,129	\$ (182,912,497)	\$ 56,248,632	\$ (18,693,000)	\$ 37,555,632	\$ 6,149,076 [.2]	\$ 43,704,708
Prepaid Pension Asset:	\$ 282,773,632	\$ 151,794,815 [.10D]	\$ 434,568,447	\$ 18,693,000	\$ 453,261,447	\$ (19,213,000)	\$ 434,048,447
	[.4]		[.4]		[.2]	[.2]	[.2],[.4]

Pension Expense Update	Per CL 16-08	Per CL17-07	Percentage Increase	Hewitt Alloc. May 17' Update
Qualified Pension (offset liability)	(10,637,208)	(17,117,411) B,[.10A]		(14,372,571) G
Non-Qualified Pension (offset liability)	51,017	54,456 C,[.10A]		45,724 H
	(10,586,191)	(17,062,955)		(14,326,847)
Qualified Pension (offset OCI)	36,881,179	31,110,883 [.10A]		26,122,138
Non-Qualified Pension (offset OCI)	5,683	6,799 [.10A]		5,709
	36,886,862	31,117,682 A		26,127,847 I
Net Expense before capitalization	26,300,671	14,054,727 [.10A]	-16.04%	11,801,000
AonHewitt May Update Expense (rounded)				11,801,000 J
Proforma 2018 Expense per Attachment FA-2				1,040,000 K
AonHewitt Allocation May 2017 Update (rounded)				
Qualified Pension				
Union				9,698,000 [.10B]
Non-union				2,051,000 [.10B]
Qualified Pension				
Union				- [.10C]
Non-union				52,000 [.10C]
Total				11,801,000 J



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**NiSource Inc.
Qualified Pension
Estimated 2017-2022 ASC 715-30 Ongoing Expense Components (\$000)**

**Workpaper CS-S1
Page [.10B]**

	<u>2017</u>	<u>2018</u>
NIPSCO Union		
Service Cost	\$ 11,749	\$ 11,675
Interest Cost	28,593	28,125
Other	<u>(29,213)</u>	<u>(30,102)</u>
Total Expense	\$ 11,129	\$ 9,698 [.10]
NIPSCO Nonunion		
Service Cost	\$ 3,173	\$ 2,961
Interest Cost	13,685	12,855
Other	<u>(13,993)</u>	<u>(13,765)</u>
Total Expense	\$ 2,865	\$ 2,051 [.10]



Empower Results®

**NiSource Inc.
Nonqualified Pension
Estimated 2017-2022 ASC 715-30 Ongoing Expense Components (\$000)**

**Workpaper CS-S1
Page [.10C]**

	<u>2017</u>	<u>2018</u>
NIPSCO Union		
Service Cost	\$ 0	\$ 0
Interest Cost	0	0
Other	<u>0</u>	<u>0</u>
Total Expense	\$ 0	\$ 0 [.10]
NIPSCO Nonunion		
Service Cost	\$ 44	\$ 38
Interest Cost	11	9
Other	<u>7</u>	<u>5</u>
Total Expense	\$ 62	\$ 52 [.10]

**Northern Indiana Public Service Co.
Pre-paid Pension Asset
As of December 31, 2017**

	<u>Description</u>	<u>PS Acct #</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>2017 Activity</u>
Assets:	NC Reg Asset FAS 158 Pension	18235115	521,934,761.00	443,494,371.00	(78,440,390.00)
Liabilities:	Accd Liab ST Non-Qual Pension	24206000	(37,300.00)	(58,500.00)	(21,200.00)
	SFAS 158 Pension OCI Reg Liab - NC	254xxxxx	-	-	-
	Accum Prov LT PenCost Non-Qual	22838020	(308,623.00)	(473,240.00)	(164,617.00)
	Accum Provisions Pen Cost Qual	22838000	(238,815,206.00)	(8,394,184.00)	230,421,022.00
	Net Pension Assets		282,773,632.00	434,568,447.00	151,794,815.00
				[.10]	[.10]

Northern Indiana Service Company
Weighted Average Cost of Capital
Investment Tax Credits
December 31, 2016, December 31, 2017 and June 30, 2018

Workpaper CS-S1
Page [.11]

Description	Actual 2016	Balance Actual 2017	Budget 6/30/2018
Deferred Investment Tax Credits	\$ 3,038,277	\$ 2,930,107	\$ 2,633,411
Ratemaking Adjustment			\$ 167,162
Ratemaking Balance	\$ 3,038,277	\$ 2,930,107	\$ 2,800,573
	[.4]	[.4]	[.4]

Northern Indiana Public Service Company
Pro forma Adjustment to Income Taxes
For the Twelve Month Period Ending December 31, 2018

This pro forma adjusts the twelve months ended December 31, 2016 federal and state income tax expense to reflect budgeted and ratemaking changes for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Attachment 3-A-S2 Reference	Adjustments	Amount	Page Reference
	A			B	
1	Federal and State Income Taxes:				
2	Actual at Test Year Base Rates	Col B		\$ 21,354,892	[.2]
3	Pro Forma at Test Year Base Rates	Col C	ITX 1-S2-18R	(25,758,320)	A
4	Increase/ (Decrease) in Pro forma Test Year Federal and State Income Taxes	Col E		<u>\$ (4,403,428)</u>	[.3]
5	Federal and State Income Taxes Roll-forward:				
6	Step 3 - Federal and State Income Taxes			\$ (31,903,647)	
7	Unprotected Excess Accumulated Deferred Income Taxes			<u>6,145,327</u>	[.5]
8	Step 2 - Federal and State Income Taxes			<u>\$ (25,758,320)</u>	A

Northern Indiana Public Service Company
Twelve Months Ended December 31, 2016
Utility Income Taxes

Line No.	Segment	Account	Description	2016												Twelve Months Ended December 31, 2016	Adjustments	Adjusted Twelve Months Ended December 31, 2016
				January	February	March	April	May	June	July	August	September	October	November	December			
1	G	40912000	Util Cur ST Exp	\$ 622,413	\$ 371,057	\$ (269,525)	\$ (535,815)	\$ (1,235,169)	\$ (801,015)	\$ (748,211)	\$ (905,265)	\$ (1,064,930)	\$ (6,235,871)	\$ 555,872	\$ 4,252,379	\$ (5,994,082)	\$ 663,776	\$ (5,330,306.00)
2	G	40911000	Util Cur Fed Exp	2,707,744	1,410,291	(1,911,923)	(3,259,229)	(6,854,050)	(4,622,409)	(4,350,987)	(5,158,277)	(5,978,985)	(30,841,975)	2,932,235	22,173,415	(33,754,150)	3,135,415	(30,618,735)
3	G	41011000	Util Def Fed Exp-Dr	5,646,039	6,529,484	8,030,001	7,473,790	6,663,565	5,896,616	6,583,716	6,484,462	12,186,366	39,908,068	14,774,502	68,732,147	188,908,755	(837,881)	188,070,874
4	G	41012000	Util Def ST Exp-Dr	1,034,343	1,155,227	1,748,389	1,244,442	1,133,336	1,020,079	1,119,710	1,102,921	1,867,798	7,182,054	2,419,578	9,132,027	30,159,905	-	30,159,905
5	G	41111000	Util Def Fed Exp-Cr	(2,187,445)	(2,569,585)	(2,994,712)	(1,894,742)	(1,545,107)	(2,385,498)	(2,028,102)	(2,216,059)	(7,601,629)	(12,774,528)	(17,205,768)	(85,558,441)	(140,961,614)	1,499,736	(139,461,879)
6	G	41112000	Util Def ST Exp-Cr	(327,102)	(375,802)	(854,181)	(272,418)	(229,160)	(351,500)	(298,635)	(324,835)	(1,041,532)	(2,366,653)	(2,283,450)	(12,739,700)	(21,464,967)	-	(21,464,967)
7			Utility Income Tax Total	\$ 7,495,993	\$ 6,520,672	\$ 3,748,050	\$ 2,756,028	\$ (2,066,586)	\$ (1,243,727)	\$ 277,491	\$ (1,017,052)	\$ (1,632,912)	\$ (5,128,905)	\$ 1,192,968	\$ 5,991,827	\$ 16,893,846	\$ 4,461,046	\$ 21,354,892 [-1]

Northern Indiana Public Service Company
Calculation Of Federal and State Income Taxes
Pro Forma At Test Year Base Rates and Proposed Base Rates
For the Twelve Month Period Ending December 31, 2018

Line No.	Description	Actual	Pro Forma	Pro Forma Based on Revenue Requirement Deficiency	Pro Forma
		At Test Year Base Rates A	At Test Year Base Rates B	C	At Proposed Base Rates D
1	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (17,656,044)	113,602,805	95,946,762
2	State Income Tax Deductible	3,364,632	434,779	6,769,350	7,204,129
3	Pre-Federal Income Taxes	\$ 50,341,414	\$ (18,090,823)	\$ 106,833,455	\$ 88,742,633
4	Taxes at 35%	\$ 17,619,495			
5	Taxes at 21%		(3,799,073)	22,435,027	18,635,953
6	<u>Statutory Adjustments</u>				
7	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	(245,450)	(234,047)	-	(234,047)
8	2018 Tax Reform FT Change	-	(526,898) [.4]	-	(526,898)
9	Deficiency for Flow Through of AFUDC Equity	-	19,949	-	19,949
10	Prior Year Adjustments	14,585	-	-	-
11	Non Deductible Expenses	(238,175)	35,399	-	35,399
12	Other Adjustments - See supporting schedule	839,805	-	-	-
13	Muncie Remand Method	-	(29,692)	-	(29,692)
14	Investment Tax Credit	-	(303,845)	-	(303,845)
15	Total Federal Income Tax Expense	\$ 17,990,260	\$ (4,838,207)	\$ 22,435,027	\$ 17,596,819
16	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (17,656,044)	\$ 113,602,805	\$ 95,946,762
17	Indiana State Income Taxes (2016 Actuals @ 6.375%)	6.375% 3,423,760	-	-	-
18	Indiana State Income Taxes (2018 Proforma @ 5.875%)	5.875% -	(1,037,293)	6,674,165	5,636,872
19	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	1,335	922,889	-	922,889
21	Deficiency for Flow Through of AFUDC Equity	-	3,349	-	3,349
22	Prior Year Adjustments	(43,382)	-	-	-
23	Non Deductible Expenses	(421,914)	9,903	-	9,903
24	Other Adjustments - See supporting schedule	(53,363)	35,888	-	35,888
25	Non-Deductible Utility Receipts Tax	458,196	500,043	95,185	595,228
26	Total State Income Taxes Before Gross Up	\$ 3,364,632	\$ 434,779	\$ 6,769,350	\$ 7,204,129
27	Total Income Tax Expense	\$ 21,354,892 [.2]	\$ (4,403,428) [.1]	\$ 29,204,376	\$ 24,800,948

**Northern Indiana Public Service Company
Amortization of Excess Deferred Income Taxes
Phase II Base Rate Implementation**

Line No.	Description	Excess	Composite Rate	2018 Excess Amortization
1	Protected Property	(28,666,115)	2.180%	(624,921)
2	Unprotected Property	(73,443,711)	0.000%	-
3	Non Property	(300,213)	0.000%	-
4	NOL	4,496,466	2.180%	98,023
5	Total	(97,913,573)		(526,898) [.3]

Northern Indiana Public Service Company
Amortization of Excess Deferred Income Taxes
Unprotected Excess Accumulated Deferred Income Taxes

Line No.	Description	Excess	Composite Rate	2018 Excess Amortization	Unprotected Excess Accumulated Deferred Income Taxes
1	Protected Property	(28,666,115)	2.180%	(624,921)	
2	Unprotected Property	(73,443,711)	8.333%	(6,120,309)	(6,120,309)
3	Non Property	(300,213)	8.333%	(25,018)	(25,018)
4	NOL	4,496,466	2.180%	98,023	
5	Total	<u>(97,913,573)</u>		<u>(6,672,225)</u>	<u>(6,145,327)</u> [.1]

Northern Indiana Public Service Company
Pro forma Adjustment to Operating Revenue
Twelve Months Ending December 31, 2018

This pro forma adjustment increases the twelve months ending December 31, 2018 operating revenue to reflect the Settlement Adjustment to revenue.

Line No.	Description	Attachment 3-C-S3		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	2018 Settlement Adjustment Revenue				
2	<u>Settlement Adjustment</u>				
	Adjustment per the terms of the Settlement				
3	2018 Settlement Increase/(Decrease)	Sch. REV 4-S3	Rev 11-S3-18R	\$ 4,012,115	
4	2018 Settlement Adjustment Revenue	Sch. REV 4-S3		<u>\$ 4,012,115</u>	

Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018

This pro forma decreases the twelve months ended December 31, 2018 O&M expenses for budgeted increases in federally mandated compliance costs for transmission risk modeling, legacy cross bore inspection, MAOP distribution, MAOP transmission, and test station casing per the Settlement.

Line No.	Description	Attachment 3-C-S3		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Budgeted expenses for the twelve months ending December 31, 2018			\$ 3,206,200	[.2]
2	Settlement adjustment to remove certain federally mandated compliance costs for the twelve months ending December 31, 2018	OM 2-S3 Matrix	OM 2V-S3-18R	\$ (3,206,200)	
3	Settlement expenses for the twelve months ending December 31, 2018			\$ -	

Northern Indiana Public Service Company
 Additional Federally Mandated Compliance Costs
 Twelve Months Ending December 31, 2018

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Line No.	Description	OM 2D Transmission Risk Modeling	OM 2F Legacy Cross Bore Inspection	OM 2H MAOP Distribution	OM 2I MAOP Transmission	OM 2R Test Station Casing	Total Budget for Additional Federally Mandated Compliance Costs
	A	B	C	C	D	D	E
1	12/31/2016 Actuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Increase/Decrease for Budget	300,000	368,000	-	-	-	668,000
3	12/31/2017 Budget	\$ 300,000	\$ 368,000	\$ -	\$ -	\$ -	\$ 668,000
4	Increase over 12/31/2017 Budget	-	438,200	500,000	1,250,000	350,000	2,538,200
5	12/31/2018 Budget	\$ 300,000	\$ 806,200	\$ 500,000	\$ 1,250,000	\$ 350,000	\$ 3,206,200 [1]

Northern Indiana Public Service Company
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2018

This pro forma adjustment decreases the twelve months ending December 31, 2018 operations and maintenance expense to reflect the O&M adjustment per the Settlement.

Line No.	Description	Attachment 3-C-S3 Reference	Adjustment	Amount	Page Reference
	A	B	C	D	E
1	2018 Ratemaking Operations and Maintenance Expense				
2	<u>Settlement Adjustment</u>				
	Adjustment per the terms of the Settlement			(5,942,203)	
3	2018 Settlement Increase/(Decrease)	Sch. OM 4-S3	OM 23-S3-18R	\$ (5,942,203)	
4	2018 Ratemaking Operations and Maintenance Expense	Sch. OM 4-S3		<u>\$ (5,942,203)</u>	

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending December 31, 2018

This pro forma adjustment increases the twelve months ending December 31, 2018 amortization expense to include the annual amortization of the Transmission, Distribution, and Storage System Improvement Charge (TDSIC) pro forma regulatory asset which is included in the proposed rate base as of December 31, 2018.

Line No.	Description	Attachment 3-C-S3		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Gas TDSIC Non-Trackable Regulatory Asset Balance as of the Twelve Months Ended December 31, 2016			\$ 7,542,387	[.2]
2	2016 Adjustment to remove tax gross-up for amount in excess of 2% (TDSIC 4)			\$ (555,111)	[.3]
3	2017 TDSIC Deferrals			\$ 5,679,471	[.2]
4	2018 TDSIC Deferrals			\$ 8,505,703	[.5]
5	2018 Equity Tax Gross-up			\$ 4,062,796	[.4]
6	Increase (Decrease) in TDSIC Regulatory Asset (Lines 2 + 3 + 4 + 5)			\$ 17,692,859	
7	Gas TDSIC Regulatory Asset as of the Twelve Months Ending December 31, 2018 (Lines 1 + 6)			\$ 25,235,246	
8	TDSIC Regulatory Asset amortization period (in years)			<u>7</u>	
9	Pro forma Increase for Gas TDSIC Amortization Expense for the Twelve Months Ending December 31, 2018 (Line 8 divided by Line 9)	Sch. AMTZ 3-S3	AMTZ 3-S3-18R	\$ 3,605,035	

**Northern Indiana Public Service Company
TDSIC Regulatory Asset
Actuals as of December 31, 2016, 2017**

Account Number: 18235625	As of Dec. 31, 2016	As of Dec. 31, 2017	2% Gross Up Correcting Entry	2017 TDSIC Deferrals
TDSIC Non-Trackable Regulatory Asset	\$ 7,542,387	\$ 12,666,747	\$ (555,111)	\$ 5,679,471
	[.1]	[.5]	[.3]	[.1]

**Northern Indiana Public Service Company
Rate Base - TDSIC Regulatory Asset
Normalization as of December 31, 2016**

Line	Description	As of Dec. 31, 2016	
1	Return on Capital - Equity	\$	380,205 [.6]
2	Post In-Service Carrying Costs - Equity		174,905 [.6]
3	Pro-Forma Adjustment to Normalize the balance as of December 31, 2016	\$	555,111 [.1][.2]

Northern Indiana Public Service Company
TDSIC Regulatory Asset Equity Tax Gross-up
December 31, 2016, 2017 and 2018

Line No.	Description	12/31/2016	12/31/2017	12/31/2018
1	TDSIC Equity Reg Asset	\$ 2,915,192	\$ 6,350,510	\$ 11,070,470 [.5] A
2	Revenue Requirement Conversion Factor			1.367
3	TDSIC Equity Reg Asset Tax Gross-up			\$ 15,133,265 B
4				
5	Change			\$ 4,062,796 [.1] =B-A

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

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NORTHERN INDIANA PUBLIC SERVICE CO.

Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

(A)	(B)	(C)	(D)	(E)	
Calculated 100% Semi-Annual Revenue Requirement					
Line No.	Type	Transmission	Distribution	Storage	Total (Col.B + Col.C + Col.D)
1	Return on Capital	\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
2	Post In-Service Carrying Costs	\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
3	Subtotal Capital Revenue Requirement	\$ 3,543,566	\$ 6,263,744	\$ 276,523	\$ 10,083,833
4	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
5	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement

6	Return on Capital (Line 1 / Line 5 Col. E)	21.71%	36.92%	1.98%	60.60%
7	Post In-Service Carrying Costs (Line 2 / Line 5 Col. E)	9.44%	18.14%	0.45%	28.03%
8	Return of Expense Revenue Requirement (Line 4 / Line 5 Col. E)	1.72%	9.61%	0.03%	11.36%
9	Semi-Annual Revenue Requirement Total Cap Adjustment Percentage	32.86%	64.67%	2.46%	100.00%

Amount in Excess of 2% Cap Allocated

10	Return on Capital (Line 6 * Line 13 Col. E)	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
11	Post In-Service Carrying Costs (Line 7 * Line 13 Col. E)	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
12	Return of Expense Revenue Requirement (Line 8 * Line 13 Col. E)	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
13	Subtotal Semi-Annual Revenue Requirement Adjustment for Excess of 2% Cap	\$ 632,464	\$ 1,244,543	\$ 47,431	\$ 1,924,438

Calculation of Adjusted Semi-Annual Revenue Requirement

14	Original 80% Recoverable Revenue Requirement - Capital	\$ 2,834,853	\$ 4,639,705	\$ 221,218	\$ 7,695,777
15	Original 80% Recoverable Revenue Requirement - Expense	\$ 156,256	\$ 874,814	\$ 3,096	\$ 1,034,166
16	Original 80% Recoverable Revenue Requirement - Total	\$ 2,991,109	\$ 5,514,519	\$ 224,314	\$ 8,729,942
17	Adjusted Semi-Annual Revenue Requirement - Capital (Line 14 less Line 10 & Line 11)	\$ 2,235,429	\$ 3,580,140	\$ 174,442	\$ 5,990,011
18	Adjusted Semi-Annual Revenue Requirement - Expense (Line 15 less Line 12)	\$ 123,216	\$ 689,836	\$ 2,441	\$ 815,493
19	Adjusted Semi-Annual Revenue Requirement - Total (Line 17 plus Line 18)	\$ 2,358,645	\$ 4,269,976	\$ 176,883	\$ 6,805,505

Calculated 100% Semi-Annual Revenue Requirement

	Type	Transmission	Distribution	Storage	Total
100%	Return on Capital - Debt	\$ 458,869	\$ 780,337	\$ 41,764	\$ 1,280,971
100%	Return on Capital - Equity	\$ 2,010,945	\$ 3,419,742	\$ 183,027	\$ 5,613,714
		\$ 2,469,814	\$ 4,200,079	\$ 224,792	\$ 6,894,685
100%	Post In-Service Carrying Costs - Debt	\$ 202,226	\$ 394,696	\$ 9,761	\$ 606,683
100%	Post In-Service Carrying Costs - Equity	\$ 871,526	\$ 1,668,969	\$ 41,971	\$ 2,582,465
		\$ 1,073,752	\$ 2,063,665	\$ 51,732	\$ 3,189,148
100%	Return of Expense Revenue Requirement	\$ 195,320	\$ 1,093,517	\$ 3,870	\$ 1,292,707
100%	Subtotal Semi-Annual Revenue Requirement	\$ 3,738,887	\$ 7,357,261	\$ 280,393	\$ 11,376,540

Northern Indiana Public Service Company
DA - TDSIC Regulatory Asset
Amount in Excess of 2% Equity Tax Gross-up
As of December 31, 2016

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NORTHERN INDIANA PUBLIC SERVICE CO.
Schedule of Total Revenue Requirement
Adjustment to Semi-Annual Revenue Requirement Relating to Amounts in Excess of 2% Cap
June - November 2016

(A)	(B)	(C)	(D)	(E)
Pro-Rata Allocation Percentage for Amount in Excess of 2% Cap based on 100% Semi-Annual Revenue Requirement				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	4.03%	6.86%	0.37%	11.26%
Return on Capital - Equity	17.68%	30.06%	1.61%	49.34%
	<u>21.71%</u>	<u>36.92%</u>	<u>1.98%</u>	<u>60.60%</u>
Post In-Service Carrying Costs - Debt	1.78%	3.47%	0.09%	5.33%
Post In-Service Carrying Costs - Equity	7.66%	14.67%	0.37%	22.70%
	<u>9.44%</u>	<u>18.14%</u>	<u>0.45%</u>	<u>28.03%</u>
Return of Expense Revenue Requirement	1.72%	9.61%	0.03%	11.36%
Subtotal Semi-Annual Revenue Requirement	<u>32.86%</u>	<u>64.67%</u>	<u>2.46%</u>	<u>100.00%</u>

Amount in Excess of 2% Cap Allocated with Tax Adjustment				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	\$ 77,622	\$ 132,001	\$ 7,065	\$ 216,687
Return on Capital - Equity	<u>\$ 340,168</u>	<u>\$ 578,478</u>	<u>\$ 30,961</u>	<u>\$ 949,607</u> A
	\$ 417,790	\$ 710,479	\$ 38,025	\$ 1,166,294
Post In-Service Carrying Costs - Debt	\$ 34,208	\$ 66,766	\$ 1,651	\$ 102,626
Post In-Service Carrying Costs - Equity	<u>\$ 147,426</u>	<u>\$ 282,320</u>	<u>\$ 7,100</u>	<u>\$ 436,846</u> B
	\$ 181,634	\$ 349,086	\$ 8,751	\$ 539,471
Return of Expense Revenue Requirement	\$ 33,040	\$ 184,978	\$ 655	\$ 218,672
Subtotal Semi-Annual Revenue Requirement	<u>\$ 632,464</u>	<u>\$ 1,244,543</u>	<u>\$ 47,431</u>	<u>\$ 1,924,438</u>

Tax Adjustments				
Type	Transmission	Distribution	Storage	
Revenue Conversion Factor - Debt	1.016272	1.016272	1.016272	
Revenue Conversion Factor - Equity	1.667728	1.667728	1.667728	
PUF & URT Rate	1.01515971	1.01515971	1.01515971	

Amount in Excess of 2% Cap Allocated without Tax Adjustment				
Type	Transmission	Distribution	Storage	Total
Return on Capital - Debt	\$ 76,379	\$ 129,887	\$ 6,952	\$ 213,217
Return on Capital - Equity	<u>\$ 203,971</u>	<u>\$ 346,866</u>	<u>\$ 18,565</u>	<u>\$ 569,402</u> C
	\$ 280,350	\$ 476,753	\$ 25,516	\$ 782,619
Post In-Service Carrying Costs - Debt	\$ 33,661	\$ 65,697	\$ 1,625	\$ 100,982
Post In-Service Carrying Costs - Equity	<u>\$ 88,399</u>	<u>\$ 169,284</u>	<u>\$ 4,257</u>	<u>\$ 261,941</u> D
	\$ 122,060	\$ 234,981	\$ 5,882	\$ 362,923
Return of Expense Revenue Requirement	\$ 32,547	\$ 182,215	\$ 645	\$ 215,407
Subtotal Semi-Annual Revenue Requirement	<u>\$ 434,956</u>	<u>\$ 893,950</u>	<u>\$ 32,043</u>	<u>\$ 1,360,949</u>

Equity Tax Adjustment	
A - C =	\$ 380,205
	\$ 380,205 [3]
B - D =	\$ 174,905
	\$ 174,905 [3]
	\$ 555,111 [3]

Northern Indiana Public Service Company
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending December 31, 2018

This pro forma adjustment increases the twelve months ending December 31, 2018 amortization expense for current gas rate case costs amortized over a four year period.

Line No.	Description	Attachment 3-C-S3		Amount	Page Reference
		Reference	Adjustment		
	A	B	C	D	E
1	Pro forma 2018 gas rate case expenses			\$ 1,160,000	[.2]
2	Gas rate case expenses pro forma amortization period (years)			<u>7</u>	[.2]
3	Increase in Pro forma Twelve Months Ending December 31, 2018 Depreciation and Amortization Expense	Sch. AMTZ 4-S3	AMTZ 4-S3-18R	<u>\$ 165,714</u>	[.2]

**Northern Indiana Public Service Company
Gas Rate Case Expense**

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Vendor	Gas Rate Case Estimate	
Concentric - RCNLD Study	\$	62,500
Black & Veatch - COS Study		115,500
Gannett Fleming LLC - Depreciation Study		42,500
Ice Miller - Legal Counsel		260,000
ScottMadden		45,000
Adecco - Temporary Employees		97,806
Pricewaterhouse Coopers		70,000
Customer Notification - Print & Postage		10,000
Billing System New Rate Implementation (4,523 hrs)		420,000
Witness Travel		17,270 [.3]
Employee Travel (ERS)		19,424 [.4]
TOTAL PRO FORMA RATE CASE EXPENSES	Total	\$ 1,160,000 [.1]
	Years	7 [.1]
	Amortization	\$ 165,714 [.1]

**Northern Indiana Public Service Company
Individuals Testifying Meals / Lodging / Mileage expense
Twelve Month Ending December 31, 2017 and December 31, 2018**

<u>Individuals Testifying</u>	<u>Days of Travel</u>	<u>Meals (\$100/day)</u>	<u>Hotel (\$150/day)</u>	<u>Total Meals and Hotel</u>	<u>Mileage</u>	<u>IRS Rate</u>	<u>Total Mileage</u>	<u>Total Meals, Hotel, and Mileage</u>
Weather Norm Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	\$ 1,652
Financial Witness	9	\$ 100	\$ 150	\$ 2,250	284	\$0.535	\$ 152	2,402
Tax Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
Benefits Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
Policy Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
Operations Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
Co. Overview Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
NCS Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
Tariff Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
LT Debt Witness	6	\$ 100	\$ 150	\$ 1,500	284	\$0.535	\$ 152	1,652
								<u>\$ 17,270</u> [.2]

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**Northern Indiana Public Service Company
Employees Mileage expense
Twelve Month Ending December 31, 2017 and December 31, 2018**

	Days of Travel	Mileage	IRS Rate	Total Mileage	Total Meals, Hotel, and Mileage
Staff Person 1	26	284	\$0.535	\$ 152	\$ 3,952
Staff Person 2	18	284	\$0.535	\$ 152	2,736
Staff Person 3	18	284	\$0.535	\$ 152	2,736
Additional Support Staff (as needed)					10,000
					<u>\$ 19,424 [.2]</u>

Northern Indiana Public Service Company
Pro forma Adjustment to Taxes Other Than Income
Twelve Months Ending December 31, 2018

This pro forma adjustment normalizes the twelve months ended December 31, 2016 taxes other than income expense, and reflects budgeted and ratemaking Utility Gross Receipts Tax for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Attachment 3-C-S3 Reference	Adjustment	Amount	Page Reference
	A	B	C	D	E
1	2016 Utility Receipts Tax	Sch. OTX 5-S3		\$ 7,167,386	[.2]
2	<u>Normalization Adjustment</u>				
3	2015 Utility Receipts Tax Adjustment	Sch. OTX 5-S3	OTX-5-S3-16	430,232	[.2]
4	Total Normalization Adjustments	Sch. OTX 5-S3		\$ 430,232	
5	2016 Normalized Utility Receipts Tax	Sch. OTX 5-S3		<u>\$ 7,597,618</u>	
6	2017 Forecasted Utility Receipts Tax				
7	Increase/(Decrease) in Historical Base Period 2016 to Forward 2017 Period	Sch. OTX 5-S3	OTX-5-S3-17	\$ 1,413,849	
8	Utility Receipts Tax - Forecasted Jan-Dec 2017	Sch. OTX 5-S3		<u>\$ 9,011,467</u>	[.3]
9	2018 Forecasted Utility Receipts Tax				
10	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year	Sch. OTX 5-S3	OTX-5-S3-18	(15,378)	
11	Utility Receipts Tax - Forecasted Jan-Dec 2018	Sch. OTX 5-S3		<u>\$ 8,996,089</u>	[.3]
12	2018 Ratemaking Utility Receipts Tax				
13	<u>Ratemaking Adjustments</u>				
14	Reduction of Utility Receipts Tax	Sch. OTX 5-S3	OTX-5-S3-18R	(484,723)	[.3]
15	2018 Ratemaking Increase/(Decrease)	Sch. OTX 5-S3		\$ (484,723)	
16	2018 Ratemaking Utility Receipts Tax	Sch. OTX 5-S3		<u>\$ 8,511,366</u>	[.3] [.5]

Northern Indiana Public Service Company - Benefit Detail
Twelve Months Ended December 31, 2016
Account 40813400 - Tax Exp-Gross Receipts

Workpaper OTX 5-S3
Page [2]

Line No.	Segment	Cost Element	2016												Twelve Months Ended December 31, 2016			
			January	February	March	April	May	June	July	August	September	October	November	December				
1	G	9601 - Gross Receipts Tax ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (430,232)	\$ -	\$ -	\$ (430,232)	[.1]
2	G	9601 - Gross Receipts Tax	114,201	1,101,182	820,305	605,393	393,104	305,387	375,482	338,527	344,205	425,747	627,270	1,146,815	7,313,857			
3		Grand Total	\$ 1,114,201	\$ 1,101,182	\$ 820,305	\$ 605,393	\$ 393,104	\$ 305,387	\$ 375,482	\$ 338,527	\$ 344,205	\$ (4,485)	\$ 627,270	\$ 1,146,815	\$ 7,167,386			[.1] [.3]

Footnote 1: Utility Receipts Tax - Return Entry for Tax Year Ended 12/31/2015

Northern Indiana Public Service Company
 Budget
 Taxes Other Than Income: URT Tax
 December 31, 2016, 2017 and 2018

Line No.	Symbol	Segment	Description	12/31/2016	12/31/2017	12/31/2018
	A	B	C	D	E	F
1	PROPTAX	NIPSCO	Property Tax	\$ 7,167,386 [.2]	\$ 9,011,467 A [.1]	\$ 8,996,089 B [.1]

Description	2017	2018
2 Eligible Operating Revenues	\$ 648,886,258 [.4]	\$ 647,771,142 [.4]
3 URT Expense	1.400%	1.400%
4 URT Expense	\$ 9,084,408	\$ 9,068,796
5 Per Budget	9,011,467 A	8,996,089 B,C
6 Variance	\$ (72,941)	\$ (72,707)

Gas Utility Receipts Tax	\$ 8,511,366 [.5] [.1]
Per Budget	8,996,089 C
Variance	\$ (484,723) [.1]

Northern Indiana Public Service Company
Calculation of URT Tax
December 31, 2016, 2017 and 2018

Line No.	Symbol	Description	Actual 2016	Budget 2017	Budget 2018
	A	B	C	D	E
1	RGASREST	Gas Residential Revenue - Tariff	\$ 330,754,770	\$ 357,509,462	\$ 355,196,875
2	RGASCOMT	Gas Commercial Revenue - Tariff	113,378,336.79	121,584,175.72	119,969,186.15
3	RGASINDT	Gas Small Industrial Revenue - Tariff	23,341,678.88	26,674,600.41	25,954,395.00
4	RGASCOMIS	GAS COMMERCIAL REVENUE-INTERRUPTIBLE SALES	3,338,425.89	223,018.51	223,970.82
5	RGASINDIS	Gas Small Industrial Revenue - Interruptible Sales	660,662.44	153,332.29	153,332.29
6	REVBDRS	Bad Debt Recovery Mechanism Residential	1,230,393.26	1,429,696.04	1,412,050.58
7	REVURTRES	URT Recovery Mechanism Residential	2,496,742.55	3,317,958.72	3,291,685.64
8	RGASCUSTCH	Gas Customer Charge Revenue-Residential	-	1,088,691.00	1,088,691.00
9	REVBDCOM	Bad Debt Recovery Mechanism Commercial	462,615.95	547,283.88	539,728.67
10	REVURTCOM	URT Recovery Mechanism Commercial	1,011,129.55	1,316,105.99	1,303,072.57
11	RGURTADJI	Gas Small Industrial Revenue Adjustment	-	750,000.00	-
12	REVBIND	Bad Debt Recovery Mechanism Industrial	114,131.00	156,438.04	152,271.56
13	REVURTIND	URT Recovery Mechanism Industrial	248,056.94	368,455.88	360,084.45
14		URT Recovery Mechanism Interruptible	13,026.30	-	-
15		Total	\$ 477,049,969.25	\$ 515,119,218.29	\$ 509,645,344.08
16					
17	RGASRESCAP	Gas Residential Revenue - CAP	3,563,574.13	18,264,017.53	17,384,689.18
18	RGASRESPPS	Gas Residential Revenue - PPS	17,064,567.37	4,998,647.60	5,058,251.12
19	RGASRPICP	GAS RESIDENTIAL MARGIN-PPS FIXED	3,315,983.90	3,073,897.98	2,894,690.85
20	RGASRPICC	GAS RESIDENTIAL MARGIN-PPS CAP	441,375.59	332,321.88	319,781.42
21	RGASROFPPS	GAS RESIDENTIAL MARGIN OFFSET-PPS FIXED	(3,315,983.90)	-	-
22	RGASROFCAP	GAS RESIDENTIAL MARGIN OFFSET-PPS CAP	(441,375.59)	-	-
23	RGASRESDB	Gas Residential Revenue - DependaBill	2,471,634.17	2,118,047.20	1,678,364.31
24	RGASCOMPPS	Gas Commercial Revenue - PPS	1,096,506.02	1,216,961.34	1,135,687.04
25	RGASCOMCAP	Gas Commercial Revenue - CAP	294,189.12	443,703.64	442,483.95
26	RGASCPRICP	GAS COMMERCIAL MARGIN-PPS FIXED	218,128.16	54,996.18	51,789.93
27	RGASCPRICC	GAS COMMERCIAL MARGIN-PPS CAP	34,680.20	8,839.16	8,505.61
28	RGASCOFPPS	GAS COMMERCIAL MARGIN OFFSET-PPS FIXED	(218,128.16)	-	-
29	RGASCOFCAP	GAS COMMERCIAL MARGIN OFFSET-PPS CAP	(34,680.20)	-	-
30	RGASCOMDB	Gas Commercial Revenue - DependaBill	64,834.58	-	-
31	RGASINDCAP	Gas Small Industrial Revenue - CAP	975.37	-	-
32	RGASINDPPS	Gas Small Industrial Revenue - PPS	142,283.16	-	-
33	RGASIPRICP	GAS SM INDUSTRIAL MARGIN-PPS FIXED	30,307.57	2,535.55	2,387.72
34	RGASIPRICC	GAS SM INDUSTRIAL MARGIN-PPS CAP	90.09	59.03	56.80
35	RGASIOFPPS	GAS SM INDUSTRIAL MARGIN OFFSET-PPS FIXED	(30,307.57)	-	-
36	RGASIOFCAP	GAS SM INDUSTRIAL MARGIN OFFSET-PPS CAP	(90.09)	-	-
37	RGASINDDB	Gas Small Industrial Revenue - DependaBill	2,268.03	-	-
38		Total	\$ 24,700,831.95	\$ 30,514,027.08	\$ 28,976,687.92
39			\$ 702,015.71		
40	MGASPIPEEERM	TDSIC Expense Tracker	2,716,697.48	5,233,319.41	6,766,466.22
41	MGASPIPETR	TDSIC Capital Tracker	10,487,157.61	26,495,187.24	31,509,174.76
42		Total	\$ 13,203,855.09	\$ 31,728,506.65	\$ 38,275,640.97
43					
44	RGASRESC	Gas Residential Revenue - Choice	15,563,554.80	15,753,824.03	15,808,333.30
45	RGASCOMC	Gas Commercial Revenue - Choice	15,548,076.70	15,903,551.82	15,941,979.77
46	RGASCOMTR	Gas Commercial Revenue - Transport	1,690,492.66	2,219,890.42	2,219,633.79
47	RGASINDC	Gas Small Industrial Revenue - Choice	3,985,101.62	3,923,933.17	3,921,049.34
48	RGASINDTR	Gas Small Industrial Revenue - Transport	26,841,597.05	2,114,201.16	2,114,201.16
49	RGASINDMTR	Gas Major Industrial Revenue - Transport	-	24,134,564.50	24,134,564.50
50		Total	\$ 63,628,822.83	\$ 64,049,965.10	\$ 64,139,761.86
51					
52	RGINTDEPT	Gas Interdepartmental Revenue	117,052.00	232,359.00	222,991.00
53			-	-	-
54	MGCIM	GCIM Margin	2,168,286.00	-	-
55	RGASRHEDGC	GAS RESIDENTIAL HEDGE-PPS CAP	-	-	-
56	RGASCHEDGC	GAS COMMERCIAL HEDGE-PPS CAP	-	-	-
57	RGASIHEDGC	GAS SM INDUSTRIAL HEDGE-PPS CAP	-	-	-
58	RGASINDBAL	Gas Industrial Revenue - Balancing	3,367,966.84	1,727,330.00	1,727,330.00
59	MPRKLN	Parks and Loans Margin	565,386.72	284,570.00	284,570.00
60	ROFFSYS		(2,168,286.00)	-	-
61	DISPREV	Displacement Revenue	44,051.17	293,000.00	293,000.00
62	MGASRENT	Gas Rent Margin	147,906.32	138,000.00	138,000.00
63	MGASFD	Gas Forfeited Discounts Margin	2,502,477.91	3,255,693.05	3,236,158.71
64	MGASNSF	Gas NSF Margin	167,301.22	165,000.00	165,000.00
65	MGASRECON	Gas Reconnect Charges Margin	637,398.47	771,860.92	771,860.92
66		PPS & DependaBill Hedge	10,267.00	-	-
67	MSPLAGSVC	Supplier Aggregation - Choice	881,197.75	912,000.00	912,000.00
68	MSPLAGTRAN	Supplier Aggregation - Transport	949,354.66	912,000.00	912,000.00
69	MGASCSC	Gas Choice Program Revenue Fee	833,987.11	798,740.00	798,740.00
70	RGASOTH		-	-	-
71	RCTDSICR	TDSIC Revenue Credit for Residential	(316,976.81)	(1,357,105.31)	(1,812,486.93)
72	RCTDSICC	TDSIC Revenue Credit for Commercial	(238,744.24)	(658,906.68)	(915,456.75)
73	RCTDSICI	TDSIC Revenue Credit for Industrial	(11,742.17)	-	-
74	MGASPIPETR	TDSIC Capital Tracker	(1,504,116.09)	-	-
75		Total	\$ 8,035,715.86	\$ 7,242,181.99	\$ 6,510,715.96
76					
77		Total Longview Code	\$ 586,736,247	\$ 648,886,258	\$ 647,771,142 [3]
78		Per Operating Revenue Actuals	588,904,533		
79		Variance	\$ 2,168,286		

**Northern Indiana Public Service Company
Calculation of URT Tax
Ratemaking Adjustment
Twelve Months Ended December 31, 2018**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	A	B
1	Pro forma Revenue (12 M/E December 31, 2018)	\$ 619,371,092
	Add:	
2	Construction Advances and Contribution in Aid	770,153
	Less:	
3	InterDept Sales	222,991
4	Bad Debt Expense	1,870,157
5	Rent from Gas Properties	138,000
6	Other Gas Revenues	5,750,413
7	Sales for Resale	-
8	Revenue subject to taxation as Special Fuels	430,180
9	Exempt Sales	750,363
10	Demand Side Management - Utility Receipt Tax *	<u>3,024,452</u>
11	Taxable Amount	\$ 607,954,689
12	Utility Receipts Tax Rate	<u>1.40%</u>
13	Gas Utility Receipts Tax	<u>\$ 8,511,366</u> [.1] [.3]

Northern Indiana Public Service Company
Pro forma Adjustment to Taxes Other Than Income
Twelve Months Ending December 31, 2018

This pro forma adjusts the twelve months ended December 31, 2016 taxes other than income expense to reflect budgeted and ratemaking changes in public utility fees for the twelve months ending December 31, 2017 and December 31, 2018.

Line No.	Description	Attachment 3-C-S3		Amount	Page Reference
		Reference	Adjustments		
	A	B	C	D	E
1	2016 Public Utility Fee	Sch. OTX 6-S3		\$ 857,122	[2]
2	2017 Forecasted Public Utility Fee				
3	Increase/(Decrease) in Historical Base Period 2016 to Forward 2017 Period	Sch. OTX 6-S3	OTX 6-S3-17	(39,349)	
4	Public Utility Fee - Forecasted Jan-Dec 2017	Sch. OTX 6-S3		\$ 817,773	[3]
5	2018 Forecasted Public Utility Fee				
6	Increase/(Decrease) in Forward 2017 Period to Forward 2018 Test Year	Sch. OTX 6-S3	OTX 6-S3-18	-	
7	Public Utility Fee - Forecasted Jan-Dec 2018	Sch. OTX 6-S3		\$ 817,773	[3]
8	2018 Ratemaking Public Utility Fee				
9	<u>Ratemaking Adjustments</u>				
10	Public Utility Fee Expense	Sch. OTX 6-S3	OTX 6-S3-18R	(10,711)	[4]
11	2018 Ratemaking Increase/(Decrease)			\$ (10,711)	
12	2018 Ratemaking Public Utility Fee	Sch. OTX 6-S3		\$ 807,062	[4]

Northern Indiana Public Service Company
Budget
Taxes Other Than Income: Public Utility Tax
December 31, 2016, 2017 and 2018

Workpaper OTX 6-S3
Page [.3]

Line no.	Symbol	Segment	Description	12/31/2016		12/31/2017		12/31/2018	
	A	B	C	D		E		F	
1	PUF	NIPSCO	Public Utility Tax	\$ 849,584	[.2]	\$ 817,773	[.1]	\$ 817,773	A [.1] [.4]

Public Utility Fee	\$	817,773	[.1]
Per Budget		<u>817,773</u>	A
Variance	\$	-	

Northern Indiana Public Service Company
 Pro forma Adjustment to Taxes Other Than Income
 For the Twelve Month Period Ending December 31, 2018

Line No.	Description	Amount	
	A	B	
1	Pro forma Revenue (12 M/E December 31, 2018)	\$ 619,371,092	
	Less:		
2	Sales for Resale	-	
3	InterDept Sales	222,991	
4	Forfeited Discounts	3,236,159	
5	Misc Service Revenue	1,735,601	
6	Rent from Gas Properties	138,000	
7	Other Gas Revenues	5,750,413	
8	Bad Debt Expense	1,870,157	
9	Taxable Amount	\$ 606,417,771	
10	Public Utility Fee Rate	<u>0.1330868%</u>	
11	Public Utility Fee at pro forma revenue	\$ 807,062	[.1]
12	Less: Actual Public Utility Fee Expense (12 M/E December 31, 2018)	<u>\$ 817,773</u>	[.3]
13	Increase / (Decrease) in Pro forma Test Year Taxes Other Than Income	<u>\$ (10,711)</u>	[.1]
14	2016 Filing		
15	Public Utility Fee Amount	707,168	
16	Total Intra-State Revenue	<u>531,358,464</u>	
17	Public Utility Rate	<u>0.1330868%</u>	

Northern Indiana Public Service Company
Pro forma Adjustment to Income Taxes
For the Twelve Month Period Ending May 31, 2018

This pro forma adjusts the twelve months ended December 31, 2016 federal and state income tax expense to reflect budgeted and ratemaking changes for the twelve months ending December 31, 2017 and May 31, 2018.

Line No.	Description	Attachment 3-A-S3 Reference	Adjustments	Amount	Page Reference
	A			B	
1	Federal and State Income Taxes:				
2	Actual at Test Year Base Rates	Col B		\$ 21,354,892	[.2]
3	Pro Forma at Test Year Base Rates	Col C	ITX 1-S3-18	(31,903,647)	
4	Increase/ (Decrease) in Pro forma Test Year Federal and State Income Taxes	Col E		<u>\$ (10,548,755)</u>	[.3]

Northern Indiana Public Service Company
Twelve Months Ended December 31, 2016
Utility Income Taxes

Line No.	Segment	Account	Description	2016												Twelve Months Ended December 31, 2016	Adjustments	Adjusted Twelve Months Ended December 31, 2016
				January	February	March	April	May	June	July	August	September	October	November	December			
1	G	40912000	Util Cur ST Exp	\$ 622,413	\$ 371,057	\$ (269,525)	\$ (535,815)	\$ (1,235,169)	\$ (801,015)	\$ (748,211)	\$ (905,265)	\$ (1,064,930)	\$ (6,235,871)	\$ 555,872	\$ 4,252,379	\$ (5,994,082)	\$ 663,776	\$ (5,330,306.00)
2	G	40911000	Util Cur Fed Exp	2,707,744	1,410,291	(1,911,923)	(3,259,229)	(6,854,050)	(4,622,409)	(4,350,987)	(5,158,277)	(5,978,985)	(30,841,975)	2,932,235	22,173,415	(33,754,150)	3,135,415	(30,618,735)
3	G	41011000	Util Def Fed Exp-Dr	5,646,039	6,529,484	8,030,001	7,473,790	6,663,565	5,896,616	6,583,716	6,484,462	12,186,366	39,908,068	14,774,502	68,732,147	188,908,755	(837,881)	188,070,874
4	G	41012000	Util Def ST Exp-Dr	1,034,343	1,155,227	1,748,389	1,244,442	1,133,336	1,020,079	1,119,710	1,102,921	1,867,798	7,182,054	2,419,578	9,132,027	30,159,905	-	30,159,905
5	G	41111000	Util Def Fed Exp-Cr	(2,187,445)	(2,569,585)	(2,994,712)	(1,894,742)	(1,545,107)	(2,385,498)	(2,028,102)	(2,216,059)	(7,601,629)	(12,774,528)	(17,205,768)	(85,558,441)	(140,961,614)	1,499,736	(139,461,879)
6	G	41112000	Util Def ST Exp-Cr	(327,102)	(375,802)	(854,181)	(272,418)	(229,160)	(351,500)	(298,635)	(324,835)	(1,041,532)	(2,366,653)	(2,283,450)	(12,739,700)	(21,464,967)	-	(21,464,967)
7			Utility Income Tax Total	\$ 7,495,993	\$ 6,520,672	\$ 3,748,050	\$ 2,756,028	\$ (2,066,586)	\$ (1,243,727)	\$ 277,491	\$ (1,017,052)	\$ (1,632,912)	\$ (5,128,905)	\$ 1,192,968	\$ 5,991,827	\$ 16,893,846	\$ 4,461,046	\$ 21,354,892 [-1]

Northern Indiana Public Service Company
Calculation Of Federal and State Income Taxes
Pro Forma At Test Year Base Rates and Proposed Base Rates
For the Twelve Month Period Ending May 31, 2018

Line No.	Description	Actual	Pro Forma	Pro Forma Based on Revenue Requirement Deficiency	Pro Forma
		At Test Year Base Rates A	At Test Year Base Rates B	C	At Proposed Base Rates D
1	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (17,656,044)	105,331,012	87,674,968
2	State Income Tax Deductible	3,364,632	434,779	6,276,451	6,711,230
3	Pre-Federal Income Taxes	\$ 50,341,414	\$ (18,090,823)	\$ 99,054,561	\$ 80,963,738
4	Taxes at 35%	\$ 17,619,495			
5	Taxes at 21%		(3,799,073)	20,801,458	17,002,385
6	<u>Statutory Adjustments</u>				
7	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	(245,450)	(234,047)	-	(234,047)
8	2018 Tax Reform FT Change	-	(6,672,225) [4]	-	(6,672,225)
9	Deficiency for Flow Through of AFUDC Equity	-	19,949	-	19,949
10	Prior Year Adjustments	14,585	-	-	-
11	Non Deductible Expenses	(238,175)	35,399	-	35,399
12	Other Adjustments - See supporting schedule	839,805	-	-	-
13	Muncie Remand Method	-	(29,692)	-	(29,692)
14	Investment Tax Credit	-	(303,845)	-	(303,845)
15	Total Federal Income Tax Expense	\$ 17,990,260	\$ (10,983,534)	\$ 20,801,458	\$ 9,817,924
16	Pre-Tax Income Before Income Taxes	\$ 53,706,046	\$ (17,656,044)	\$ 105,331,012	\$ 87,674,968
17	Indiana State Income Taxes (2016 Actuals @ 6.375%)	6.375% 3,423,760	-	-	-
18	Indiana State Income Taxes (2018 Proforma @ 5.875%)	5.875% -	(1,037,293)	6,188,197	5,150,904
19	Net Excess for Method, Basis and Life Differences for Tax Rate Changes	1,335	922,889	-	922,889
21	Deficiency for Flow Through of AFUDC Equity	-	3,349	-	3,349
22	Prior Year Adjustments	(43,382)	-	-	-
23	Non Deductible Expenses	(421,914)	9,903	-	9,903
24	Other Adjustments - See supporting schedule	(53,363)	35,888	-	35,888
25	Non-Deductible Utility Receipts Tax	458,196	500,043	88,254	588,297
26	Total State Income Taxes Before Gross Up	\$ 3,364,632	\$ 434,779	\$ 6,276,451	\$ 6,711,230
27	Total Income Tax Expense	\$ 21,354,892 [2]	\$ (10,548,755) [1]	\$ 27,077,909	\$ 16,529,154

**Northern Indiana Public Service Company
Amortization of Excess Deferred Income Taxes
Phase III Base Rate Implementation**

Line No.	Description	Excess	Composite Rate	2018 Excess Amortization
1	Protected Property	(28,666,115)	2.180%	(624,921)
2	Unprotected Property	(73,443,711)	8.333%	(6,120,309)
3	Non Property	(300,213)	8.333%	(25,018)
4	NOL	4,496,466	2.180%	98,023
5	Total	(97,913,573)		(6,672,225) [.3]