
VERIFIED SETTLEMENT TESTIMONY OF JEFFREY D. NEWCOMB

1 **Q1. Please state your name, business address, and title.**

2 A1. My name is Jeffrey D. Newcomb. My business address is 801 East 86th
3 Avenue, Merrillville, Indiana 46410. I am employed by NiSource Corporate
4 Services Company ("NCSC"), and my title is Manager, Regulatory – Rate
5 Case Optimization.

6 **Q2. On whose behalf are you submitting this settlement testimony?**

7 A2. I am submitting this testimony on behalf of Northern Indiana Public Service
8 Company LLC ("NIPSCO" or "the Company").

9 **Q3. Are you the same Jeffrey D. Newcomb who previously prefiled direct**
10 **testimony in this Cause?**

11 A3. Yes.

12 **Q4. What is the purpose of your settlement testimony?**

13 A4. The purpose of my settlement testimony is to support the Stipulation and
14 Settlement Agreement entered into as of the 2nd day of March, 2022, by and
15 between NIPSCO, NIPSCO Industrial Group, and the Indiana Office of

1 Utility Consumer Counselor (collectively the "Settling Parties") (the
2 "Settlement"). I address each of the revenue requirement settlement
3 changes from NIPSCO's proposal in its filed case-in-chief position.

4 **Q5. Are you sponsoring any attachments to your settlement testimony?**

5 A5. Yes. I am sponsoring Attachment 3-A-S2-S through Attachment 3-C-S2-S,
6 all of which were prepared by me or under my direction and supervision.
7 I also sponsor the workpapers included in Petitioner's Confidential Exhibit
8 No. 19-S2-S.

9 **Q6. Please summarize what your attachments show.**

10 A6. The Settling Parties agreed to the following process for the implementation
11 of rates:

12 Step 1 Rates. The first change in rates will be based on the agreed
13 revenue requirement as adjusted to reflect the actual original cost of
14 NIPSCO's rate base, actual capital structure, and associated
15 annualized depreciation and amortization expense as of June 30,
16 2022 ("Phase 1"). Following issuance of a Final Order in this Cause
17 approving this Agreement, Phase 1 rates will go into effect upon
18 submission on an interim subject to refund basis pending the 60-day
19 review process as described herein. NIPSCO will certify its actual
20 total rate base, capital structure, and associated annualized
21 depreciation and amortization expenses as of June 30, 2022 and
22 implement base rates using the forecasted results of operation for the
23 test year as found in the Order. If needed to resolve any objections,
24 the Commission will conduct a hearing and rates would be tried up,

1 retroactive to the date such rates were put into place.

2 Step 2 Rates. NIPSCO will certify its actual total rate base, actual
3 capital structure, and associated annualized depreciation and
4 amortization expenses at test-year end (December 31, 2022). Step 2
5 rates will be based on the agreed revenue requirement as of
6 December 31, 2022, as adjusted for this certification and reflecting
7 the lesser of (a) NIPSCO's forecasted test-year-end Total Utility Plant
8 as updated in its direct evidence (\$4,004,668,454 – Pet. Ex. No. 3,
9 Attachment 3-B-S2 RB Module), or (b) NIPSCO's certified test-year-
10 end Total Utility Plant as of December 31, 2022. Step 2 rates would
11 take effect immediately upon filing on an interim-subject-to-refund
12 basis, with other parties being offered a period of 60 days to review
13 and present any objections. If needed to resolve any objections, the
14 Commission will conduct a hearing and rates would be trued up,
15 retroactive to the date such rates were put into place. To the extent
16 any additions to Utility Plant are excluded from net original cost rate
17 base because NIPSCO's total Utility Plant exceeds \$4,004,668,454,
18 NIPSCO shall include with its submission a list of the work orders
19 which have been placed in service but which are not being included
20 in rate base in this Cause. For purposes of this Paragraph B.7.,
21 "certify" means NIPSCO has determined that it has completed the
22 amount of plant indicated in its certification and the corresponding
23 plant additions have been placed in service and are used and useful
24 in providing utility service as of the date of certification. NIPSCO
25 will serve all Settling Parties with its certification.

26 Attachment 3-A-S2-S through Attachment 3-C-S2-S demonstrate the
27 calculation of Step 2 Rates based upon the Settlement Agreement revenue
28 requirement using the projected rate base and capital structure at the end
29 of the test year. Step 1 Rates will be different in that they will be based on
30 the Settlement Agreement revenue requirement as adjusted for the actual

1 original cost of NIPSCO's rate base, actual capital structure, and associated
2 annualized depreciation and amortization expense as of June 30, 2022.

3 **Q7. Please briefly describe the settlement adjustments agreed to by the**
4 **Settling Parties.**

5 A7. The Settling Parties agreed to several adjustments resulting in differences
6 from NIPSCO's case-in-chief positions. I describe each of these settlement
7 adjustments below. For purposes of this testimony, the settlement
8 adjustments are denoted by -S, or S2-S, for Settlement Step 2. All other
9 adjustments are supported in NIPSCO's case-in-chief.

10 **Step 2**

11 **Q8. Please summarize the settled revenue requirement.**

12 A8. The Settling Parties have agreed that NIPSCO's rates should be calculated
13 to recover the gross revenue amount of \$886,319,992, which reflects a
14 revenue increase of \$71,800,282 as compared to test year pro forma results
15 based on current rates. This will provide NIPSCO the opportunity to earn
16 net operating income of \$158,422,828. The agreed revenue requirement of
17 \$886,319,992 reflects a reduction of \$37,867,109 from NIPSCO's case-in-chief

1 proposal of \$924,187,101. Support for the Step 2 revenue requirement is
2 presented in Attachment 3-A-S2-S through Attachment 3-C-S2-S.

3 **Q9. Please describe Attachment 3-A-S2-S through Attachment 3-C-S2-S**
4 **supporting the Step 2 revenue requirement.**

5 A9. Attachment 3-A-S2-S through Attachment 3-C-S2-S represent the schedules
6 supporting the calculation of NIPSCO's revenue requirement based on the
7 12-month period ending December 31, 2022. NIPSCO has provided
8 updated schedules for all figures that have been updated since its case-in-
9 chief filing. A description of each of these attachments follows:

Exhibit Name	Exhibit Description
Attachment 3-A-S2-S	Pages 1 and 2 are NIPSCO's Statement of Operating Income for the Forward Test Year shown on a forecasted basis, with pro forma adjustments to arrive at current and proposed rates; Page 3 shows the net operating income associated with the requested rates, which will provide the opportunity to earn a return equal to the weighted cost of capital as applied to the Forward Test Year original cost rate base; Page 4 is a summary of Rate Base; and Page 5 is a summary of the capital structure.
Attachment 3-B-S2-S	This attachment includes the major components that changed during settlement of the revenue requirement (e.g. Operating Revenue, Operations and Maintenance

Exhibit Name	Exhibit Description
	Expense, etc.) with detail for each major "subcomponent."
Attachment 3-C-S2-S	This attachment shows, by subcomponent, the settlement changes between the Historic Base Period and the Forward Test Year including a listing of each normalization, budget and ratemaking adjustment.

1

2 **Settlement Adjustments**

3 **Q10. Please explain Settlement Adjustment REV 12-22R-S.**

4 A10. Settlement Adjustment REV 12-22R-S on Attachment 3-C-S2-S increases
5 Gas Rent Revenue by \$24,578 from \$133,857 to \$158,435 as proposed by the
6 OUCC.

7 **Q11. Please explain Settlement Adjustment OM 2E-22R-S.**

8 A11. Settlement Adjustment OM 2E-22R-S on Attachment 3-C-S2-S decreases
9 O&M expenses in the amount of \$1,275,000 to address the OUCC's proposal
10 to decrease Adjustment OM 2A (Line Locates / Mitigate Damages) and
11 Adjustment OM 2B (Gas Measurement & Transmission), resulting in a
12 decrease to OM 2 Gas Operations O&M expense from \$45,092,165 to
13 \$43,817,165.

1 **Q12. Please explain Settlement Adjustment OM 11-22R-S.**

2 A12. Settlement Adjustment OM 11-22R-S on Attachment 3-C-S2-S decreases
3 Uncollectibles O&M expense in the amount of \$60,116 from \$2,374,129 to
4 \$2,314,013 as proposed by the OUCC.

5 **Q13. Please explain Settlement Adjustment OM 21-22R-S.**

6 A13. Settlement Adjustment OM 21-22R-S on Attachment 3-C-S2-S decreases
7 O&M expenses in the amount of \$1,623,486 to reflect the agreed removal of
8 the entire Fee Free Transaction adjustment, to address the OUCC's
9 concerns.

10 **Q14. Please explain Settlement Adjustment DEPR 1-22R-S2-S.**

11 A14. Settlement Adjustment DEPR 1-22R-S2-S on Attachment 3-C-S2-S decreases
12 depreciation expenses in the amount of \$20,873,803 to reflect the agreed to
13 depreciation accrual rates using the Average Life Group ("ALG")
14 procedure for the calculation of depreciation rates and an average service
15 life of 68 years for gas distribution services (Account 380), resulting in a
16 decrease to Gas Plant Asset depreciation expense from \$96,395,705 to
17 \$75,521,903.

18 **Q15. Please explain Settlement Adjustment AMTZ 6-22R-S.**

1 A15. Settlement Adjustment AMTZ 6-22R-S on Attachment 3-C-S2-S decreases
2 amortization expenses in the amount of \$684,345 for the amortization of the
3 COVID Regulatory Asset of \$2,737,381 over four (4) years, resulting in a
4 decrease to COVID Regulatory Asset amortization expense from \$1,368,690
5 to \$684,345. The Company proposed a two-year amortization period in its
6 case-in-chief, which resulted in amortization expense of \$1,368,690. If not
7 already addressed by an intervening base rate case order, after the
8 completion of the four (4) year period, NIPSCO agrees to make a tariff filing
9 that will reflect the reduction in amortization expense.

10 **Q16. Please explain Settlement Adjustment AMTZ 7-22R-S.**

11 A16. Settlement Adjustment AMTZ 7-22R-S on Attachment 3-C-S2-S decreases
12 amortization expenses in the amount of \$469,538 for the amortization of Gas
13 Rate Case Expense of \$1,352,043 over four (4) years, resulting in a decrease
14 to Gas Rate Case Expense amortization expense from \$807,549 to \$338,011.
15 The Company proposed Gas Rate Case Expense of \$1,615,098 and a two-
16 year amortization period in its case-in-chief, which resulted in amortization
17 expense of \$807,549. In accordance with the terms of the Settlement, Gas
18 Rate Case Expenses have been reduced to \$1,352,043 to be amortized over

1 a period of four (4) years. If not already addressed by an intervening base
2 rate case order, after the completion of the four (4) year period, NIPSCO
3 agrees to make a tariff filing that will reflect the reduction in amortization.

4 **Q17. Please explain Settlement Adjustment OTX 4-22R-S.**

5 A17. Settlement Adjustment OTX 4-22R-S on Attachment 3-C-S2-S increases
6 utility receipts tax ("URT") expense in the amount of \$878 to reflect the
7 appropriate level of URT expense. This increase in URT is due to the
8 \$24,578 Settlement Adjustment REV 12-22R-S and the \$60,166 Settlement
9 Adjustment OM 11-22R-S described above.

10 **Q18. Please explain Settlement Adjustment OTX 5-22R-S.**

11 A18. Settlement Adjustment OTX 5-22R-S on Attachment 3-C-S2-S increases
12 public utility fee ("PUF") expense in the amount of \$76 to reflect the
13 appropriate level of PUF expense. This increase in PUF is due to the \$24,578
14 Settlement Adjustment REV 12-22R-S and the \$60,166 Settlement
15 Adjustment OM 11-22R-S described above.

16 **Q19. Please explain Settlement Adjustment ITX 1-22R-S2-S.**

17 A19. Settlement Adjustment ITX 1-22R-S2-S on Attachment 3-C-S2-S increases
18 Forward Test Year federal and state income taxes in the amount of

1 \$16,524,183. The \$4,842,342 difference in pro forma income taxes from
2 NIPSCO's case-in-chief is driven by adjustments agreed to in the
3 Settlement. The \$2,049,880 passback of Indiana excess accumulated
4 deferred income taxes ("EADIT") (protected and unprotected) over a four-
5 year period, an increase of \$1,744,143 in the annual state tax passback from
6 \$305,737 to \$2,049,880, is also included in the calculation of this adjustment.
7 Upon completion of the passback of Indiana (protected and unprotected)
8 EADIT and unprotected federal EADIT approved in Cause No. 44988
9 (\$6,120,309), NIPSCO will make compliance filings in this Cause to increase
10 rates to reflect the cessation of amortization upon the passback of all
11 Indiana EADIT and unprotected federal EADIT, as the case may be.

12 **Proposed Revenue Increase**

13 **Q20. Please explain Settlement Adjustment PF-1-S2-S through PF-5-S2-S.**

14 A20. Settlement Adjustment PF-1-S2-S on Attachment 3-C-S2-S shows the
15 calculation of the settlement increase in gross revenue from base rates in the
16 amount of \$71,800,282, which is calculated to provide NIPSCO the
17 opportunity to earn a return of 6.55% on net original cost rate base of
18 \$2,418,669,134. The revenue requirement is calculated by first determining

1 the requested increase in operating income. Attachment 3-A-S2-S, Page 3
2 demonstrates that the requested level of operating income is equal to the
3 proposed rate of return applied to the net original cost rate base. The
4 required net operating income is \$158,422,828, which results in an increase
5 of \$52,892,604 when compared to the pro forma results based on current
6 rates of \$105,530,224. When this amount is adjusted for (a) uncollectible
7 accounts (PF-2-S2-S), (b) Utility Receipts Tax (PF-3-S2-S), (c) Public Utility
8 Fee (PF-4-S2-S), and (d) federal and state income taxes (PF-5-S2-S) ("PF
9 Adjustments"), the overall increase is \$71,800,282.

10 **Q21. Are all the Settlement Adjustments discussed above for Step 2 the same**
11 **for Step 1?**

12 A21. All of the revenue, O&M, amortization, and taxes other than income
13 Settlement Adjustments discussed above for Step 2 are applicable to Step 1.
14 The Step 1 revenue requirement will be based on the Company's actual total
15 original cost rate base, actual capital structure, and associated annualized
16 depreciation and amortization expenses at June 30, 2022; therefore, the
17 depreciation, amortization, and the federal and state income taxes

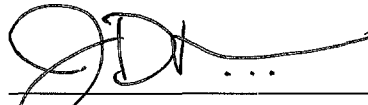
1 adjustments, as well as the PF Adjustments (including return), will be
2 different for Step 1.

3 **Q22. Does this conclude your prepared settlement testimony?**

4 A22. Yes.

VERIFICATION

I, Jeffrey D. Newcomb, Manager, Regulatory – Rate Case Optimization, for NiSource Corporate Services Company, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Jeffrey D. Newcomb

Date: March 2, 2022

Northern Indiana Public Service Company LLC
Statement of Operating Income
Actual, Pro forma, and Proposed
For the Twelve Month Period Ending December 31, 2022

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B-S2 Reference ¹	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C-S2-S Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
1	<u>Operating Revenue</u>							
2	Revenue (Actual / Pro Forma)	\$ 711,775,365		REV, Col A	\$ 814,519,710	71,800,282	PF-1-S2-S	\$ 886,319,992
3	Pro forma Adjustments December 31, 2020		21,042,617	REV, Col B				
4	Budget Adjustments December 31, 2021		39,127,033	REV, Col D				
5	Budget Adjustments December 31, 2022		5,535,979	REV, Col F				
6	Ratemaking Adjustments December 31, 2022		37,014,138	REV, Col H				
7	Settlement Ratemaking Adjustments December 31, 2022		24,578	REV, Col J ²				
8	Total Operating Revenue	\$ 711,775,365	\$ 102,744,345		\$ 814,519,710	\$ 71,800,282		\$ 886,319,992
9	<u>Gas Costs (Trackable)</u>							
10	Gas Cost (Actual / Pro Forma)	\$ 272,995,605		COGS, Col A	\$ 348,721,758	-		\$ 348,721,758
11	Pro forma Adjustments December 31, 2020		13,038,036	COGS, Col B				
12	Budget Adjustments December 31, 2021		28,170,131	COGS, Col D				
13	Budget Adjustments December 31, 2022		(11,826,877)	COGS, Col F				
14	Ratemaking Adjustments December 31, 2022		46,344,863	COGS, Col H				
15	Total Gas Costs	\$ 272,995,605	\$ 75,726,153		\$ 348,721,758	\$ -		\$ 348,721,758
16	Gross Margin	\$ 438,779,760	\$ 27,018,192		\$ 465,797,952	\$ 71,800,282		\$ 537,598,234
17	<u>Operations and Maintenance Expenses</u>							
18	Operations and Maintenance Expenses (Actual / Pro Forma)	\$ 226,187,401		O&M, Col A	\$ 220,463,202	203,981	PF-2-S2-S	\$ 220,667,183
19	Pro forma Adjustments December 31, 2020		3,840,998	O&M, Col B				
20	Budget Adjustments December 31, 2021		(3,522,408)	O&M, Col D				
21	Budget Adjustments December 31, 2022		(4,040,584)	O&M, Col F				
22	Ratemaking Adjustments December 31, 2022		956,397	O&M, Col H				
23	Settlement Ratemaking Adjustments December 31, 2022		(2,958,602)	O&M, Col J ²				
24	Total Operations and Maintenance Expense	\$ 226,187,401	\$ (5,724,199)		\$ 220,463,202	\$ 203,981		\$ 220,667,183
25	<u>Depreciation Expense</u>							
26	Depreciation Expense (Actual / Pro Forma)	\$ 67,838,244		DEPR, Col A	\$ 76,632,613			\$ 76,632,613
27	Pro forma Adjustments December 31, 2020		(314,778)	DEPR, Col B				
28	Budget Adjustments December 31, 2021		10,012,814	DEPR, Col D				
29	Budget Adjustments December 31, 2022		6,229,000	DEPR, Col F				
30	Ratemaking Adjustments December 31, 2022		13,741,136	DEPR, Col H				
31	Settlement Ratemaking Adjustments December 31, 2022		(20,873,803)	DEPR, Col J ²				
32	Total Depreciation Expense	\$ 67,838,244	\$ 8,794,369		\$ 76,632,613	\$ -		\$ 76,632,613

Northern Indiana Public Service Company LLC
Statement of Operating Income
Actual, Pro forma, and Proposed
For the Twelve Month Period Ending December 31, 2022

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B-S2 Reference ¹	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C-S2-S Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
33	<u>Amortization Expense</u>							
34	Amortization Expense (Actual / Pro Forma)	\$ 5,832,272		AMTZ, Col A	\$ 23,408,115			\$ 23,408,115
35	Pro forma Adjustments December 31, 2020		2,420,052	AMTZ, Col B				
36	Budget Adjustments December 31, 2021		1,606,828	AMTZ, Col D				
37	Budget Adjustments December 31, 2022		2,713,535	AMTZ, Col F				
38	Ratemaking Adjustments December 31, 2022		11,989,311	AMTZ, Col H				
39	Settlement Ratemaking Adjustments December 31, 2022		(1,153,883)	AMTZ, Col J ²				
40	Total Amortization Expense	\$ 5,832,272	\$ 17,575,843		\$ 23,408,115	\$ -		\$ 23,408,115
41	<u>Taxes</u>							
42	<u>Taxes Other than Income</u>							
43	Taxes Other than Income (Actual / Pro Forma)	\$ 31,241,852		OTX, Col A	\$ 29,754,919			\$ 29,754,919
44	Pro forma Adjustments December 31, 2020		120,001	OTX, Col B				
45	Budget Adjustments December 31, 2021		(285,860)	OTX, Col D				
46	Budget Adjustments December 31, 2022		2,209,933	OTX, Col F		\$ 1,048,284	PF-3-S2-S	\$ 1,048,284
47	Ratemaking Adjustments December 31, 2022		(3,531,961)	OTX, Col H		\$ 91,623	PF-4-S2-S	\$ 91,623
48	Settlement Ratemaking Adjustments December 31, 2022		954	OTX, Col J ²				
49	Total Taxes Other Than Income	\$ 31,241,852	\$ (1,486,933)		\$ 29,754,919	\$ 1,139,907		\$ 30,894,826
50	Operating Income Before Income Taxes	107,679,991	\$ 7,859,112		115,539,103	\$ 70,456,394		\$ 185,995,497
51	<u>Income Taxes</u>							
52	Federal and State Taxes (Actual / Pro Forma)	\$ (6,245,304)	16,254,183	Attachment 3-C-S2-S, ITX 1	\$ 10,008,879	17,563,790	PF-5-S2-S	\$ 27,572,669
53	Total Taxes	\$ 24,996,548	14,767,250		\$ 39,763,798	\$ 18,703,697		\$ 58,467,495
54	Total Operating Expenses including Income Taxes	\$ 324,854,465	\$ 35,413,263		\$ 360,267,728	\$ 18,907,678		\$ 379,175,406
55	Required Net Operating Income	\$ 113,925,295	\$ (8,395,071)		\$ 105,530,224	\$ 52,892,604		\$ 158,422,828

Footnote 1 - Unless otherwise noted

Footnote 2 - Attachment 3-B-S2-S Reference

Northern Indiana Public Service Company LLC
Calculation of Proposed Revenue Increase
Based on Pro forma Operating Results
Original Cost Rate Base Estimated at December 31, 2022

Line No.	Description	Revenue Deficiency			
1	Net Original Cost Rate Base	\$	2,418,669,134		
2	Rate of Return		6.55%		
3	Net Operating Income		158,422,828		
4	Pro forma Net Operating Income		105,530,224		
5	Increase in Net Operating Income (NOI Shortfall)		52,892,604		
6	Effective Incremental Revenue/ NOI Conversion Factor		73.666%		
7	Increase in Revenue Requirement (Based on Net Original Cost Rate Base) (Line 5 / Line 6)	\$	71,800,281		
8	One	1.000000			
9	Less: Public Utility Fee	0.001276			
10	Less: Bad Debt	0.002841			
11	State Taxable Income		0.995883		
12	One	1.000000			
13	Less: IN Utilities Receipts Tax	0.014600			
14	Taxable Adjusted Gross Income Tax	0.995883			
15	Adjusted Gross Income Tax Rate	0.049000			
16	Adjusted Gross Income Tax		0.048798		
17	Line 11 less line 13 less line 16			0.932485	
18	One		1.000000		
19	Less: Federal Income Tax Rate		0.210000		
20	One Less Federal Income Tax Rate			0.790000	
21	Effective Incremental Revenue / NOI Conversion Factor				73.666%

Northern Indiana Public Service Company LLC
Summary of Rate Base
As Of December 31, 2022

Line No.	Description	Pro forma As Of December 31, 2022	Attachment 3-B-S2 Reference
	<u>Rate Base</u>		
1	Utility Plant	\$ 3,815,305,221	RB, Col I
2	Common Allocated	189,363,233	RB, Col I
	Total Utility Plant	\$ 4,004,668,454	RB, Col I
3	Accumulated Depreciation and Amortization	\$ (1,578,834,102)	RB, Col I
4	Common Allocated	(124,923,724)	RB, Col I
	Total Accumulated Depreciation and Amortization	\$ (1,703,757,826)	RB, Col I
	Net Utility Plant	\$ 2,300,910,628	RB, Col I
5	Cause No. 44988 Regulatory Assets	\$ 6,195,174	RB, Col I
6	TDSIC Regulatory Asset	11,652,922	RB, Col I
7	FMCA Regulatory Asset	14,584,863	RB, Col I
8	Materials & Supplies	13,684,877	RB, Col I
9	Gas Stored Underground - Current A/C 164 (13-mo avg)	66,691,249	RB, Col I
10	Gas Stored Underground - Non-Current A/C 117	4,949,422	RB, Col I
	Total Rate Base	\$ 2,418,669,134	RB, Col I

Northern Indiana Public Service Company LLC
Capital Structure
As Of December 31, 2022

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 3,807,197,234	49.47%	9.85%	4.87%
2	Long-Term Debt	2,793,901,786	36.30%	4.52%	1.64%
3	Customer Deposits	64,944,910	0.84%	4.64%	0.04%
4	Deferred Income Taxes	1,436,388,185	18.66%	0.00%	0.00%
5	Post-Retirement Liability	26,333,943	0.34%	0.00%	0.00%
6	Prepaid Pension Asset	(433,959,232)	-5.64%	0.00%	0.00%
7	Post-1970 ITC	909,368	0.01%	7.59%	0.00%
8	Totals	\$ 7,695,716,194	100.00%		6.55%

Cost of Investor Supplied Capital

	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
9	Common Equity	\$ 3,807,197,234	57.68%	9.85%	5.68%
10	Long-Term Debt	2,793,901,786	42.32%	4.52%	1.91%
11	Totals	\$ 6,601,099,020	100.00%		7.59%

Petitioner's Exhibit No. 3
Attachment 3-B-S2-S
REV Module

Northern Indiana Public Service Company LLC
Summary Statement of Revenue
Twelve Months Ended December 31, 2020, thru Pro forma Twelve Months Ending December 31, 2022

		CASE-IN-CHIEF									SETTLEMENT	
Line No.	Subcomponent	Twelve Months Ended	Normalization	Normalized Twelve Months Ended	Budget	Budget Twelve Months Ending	Budget	Budget Twelve Months Ending	Ratemaking	Pro forma Twelve Months Ending	Settlement Adjustments	Settlement Twelve Months Ending
		December 31, 2020	Adjustments	December 31, 2020	Adjustments	December 31, 2021	Adjustments	December 31, 2022	Adjustments	December 31, 2022	December 31, 2022	December 31, 2022
		A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H	J	K = I + J
Adjustment Reference		REV <X>-20		REV <X>-21		REV <X>-22		REV <X>-22R		REV<X>-22R-S		
1	Retail Sales	\$ 575,599,911	\$ 19,021,969	\$ 594,621,880	\$ 19,028,515	\$ 613,650,394	\$ (8,664,351)	\$ 604,986,044	\$ 56,106,948	\$ 661,092,991	\$ -	\$ 661,092,991
2	ARP Revenues	20,188,388	608,153	20,796,541	2,154,559	22,951,100	(231,091)	22,720,009	(13,201,984)	9,518,025	-	9,518,025
3	TDSIC Revenues	(2,001,464)	-	(2,001,464)	9,983,235	7,981,771	12,212,156	20,193,927	1,009,328	21,203,255	-	21,203,255
4	FMCA Revenues	14,628,843	-	14,628,843	1,036,512	15,665,355	2,177,454	17,842,809	-	17,842,809	-	17,842,809
5	DSM Revenues	1,119,400	-	1,119,400	(740,520)	378,880	-	378,880	(378,880)	-	-	-
6	Transportation Revenues	92,787,197	1,412,495	94,199,692	6,232,386	100,432,078	(50,401)	100,381,677	(6,960,493)	93,421,184	-	93,421,184
7	Off-system Displacements	25,650	-	25,650	126,856	152,506	-	152,506	(152,506)	-	-	-
8	Other Gas Revenues	6,108,227	-	6,108,227	(257,032)	5,851,195	92,212	5,943,407	144,405	6,087,813	-	6,087,813
9	InterDept Sales	100,803	-	100,803	(100,803)	-	-	-	192,320	192,320	-	192,320
10	Forfeited Discounts	1,751,843	-	1,751,843	1,156,070	2,907,913	-	2,907,913	255,000	3,162,913	-	3,162,913
11	Misc Service Revenue	1,383,030	-	1,383,030	456,936	1,839,966	-	1,839,966	-	1,839,966	-	1,839,966
12	Rent from Gas Property	83,538	-	83,538	50,319	133,857	-	133,857	-	133,857	24,578	158,435
13	Total Revenue	\$ 711,775,365	\$ 21,042,617	\$ 732,817,982	\$ 39,127,033	\$ 771,945,015	\$ 5,535,979	\$ 777,480,995	\$ 37,014,138	\$ 814,495,133	\$ 24,578	\$ 814,519,711

Northern Indiana Public Service Company LLC
Revenue Normalization and Ratemaking Adjustments Summary

Petitioner's Exhibit No. 3
Attachment 3-B-S2-S
REV Matrix

Line No.	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Pro forma Adj. Description	Weather Normalization	Guaranteed Minimum	Rate Migration	Total Normalization Adjustments	Update Forecast / 20 Year Average Weather Normalization	ARP Removal	TDSIC Revenue Budget Adjustment	DSM Lost Revenue Staying in Tracker	Off-System Displacements	C&I Balancing	Forfeited Discounts	Total Ratemaking Adjustments REV Module Column H	Rent from Gas Property	Total Settlement Ratemaking Adjustments REV Module Column J
	Subcomponent	Att. 3-B / Att. 3-C	REV 1A-20	REV 1B-20	REV 1C-20	REV Module Column B	REV 1-22R	REV 2-22R	REV 3-22R	REV 5-22R	REV 7-22R	REV 8-22R	REV 10-22R	REV Module Column H	REV 12-22R-S	REV Module Column J
1	Retail Sales	REV 1	\$ 20,188,213	\$ (291,343)	\$ (874,901)	\$ 19,021,969	\$ 56,106,948							\$ 56,106,948		\$ -
2	ARP Revenues	REV 2	\$ 608,153			\$ 608,153	\$ 1,563,464	\$ (14,765,448)						\$ (13,201,984)		\$ -
3	TDSIC Revenues	REV 3				\$ -			\$ 1,009,328					\$ 1,009,328		\$ -
4	FMCA Revenues	REV 4				\$ -								\$ -		\$ -
5	DSM Revenues	REV 5				\$ -				\$ (378,880)				\$ (378,880)		\$ -
6	Transportation Revenues	REV 6	\$ 1,177,017	\$ 20,486	\$ 214,992	\$ 1,412,495	\$ (6,960,493)							\$ (6,960,493)		\$ -
7	Off-system Displacements	REV 7				\$ -					\$ (152,506)			\$ (152,506)		\$ -
8	Other Gas Revenues	REV 8				\$ -						\$ 144,405		\$ 144,405		\$ -
9	InterDept Sales	REV 9				\$ -	\$ 192,320							\$ 192,320		\$ -
10	Forfeited Discounts	REV 10				\$ -							\$ 255,000	\$ 255,000		\$ -
11	Misc Service Revenue	REV 11				\$ -								\$ -		\$ -
12	Rent from Gas Property	REV 12				\$ -								\$ -	\$ 24,578	\$ 24,578
	TOTAL		\$ 21,973,383	\$ (270,857)	\$ (659,909)	\$ 21,042,617	\$ 50,902,238	\$ (14,765,448)	\$ 1,009,328	\$ (378,880)	\$ (152,506)	\$ 144,405	\$ 255,000	\$ 37,014,138	\$ 24,578	\$ 24,578

Northern Indiana Public Service Company LLC
Summary Statement of Operations and Maintenance Expense
Twelve Months Ended December 31, 2020, thru Pro forma Twelve Months Ending December 31, 2022

		CASE-IN-CHIEF									SETTLEMENT	
Line No.	Subcomponent	Twelve Months Ended	Normalization	Normalized Twelve Months Ended	Budget	Budget Twelve Months Ending	Budget	Budget Twelve Months Ending	Pro forma Twelve Months Ending	Settlement	Settlement Twelve Months Ending	
		December 31, 2020	Adjustments	December 31, 2020	Adjustments	December 31, 2021	Adjustments	December 31, 2022	Adjustments	December 31, 2022	Adjustments	December 31, 2022
		A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H	J	K = I + J
Adjustment Reference		OM<X>-20		OM<X>-21		OM<X>-22		OM<X>-22R		OM<X>-22R-S		
1	Labor	\$ 65,354,160	\$ -	\$ 65,354,160	\$ (4,450,603)	\$ 60,903,557	\$ (2,084,194)	\$ 58,819,362	\$ -	\$ 58,819,362	\$ -	\$ 58,819,362
2	Gas Operations	36,310,952	125,000	36,435,952	6,123,671	42,559,623	(4,405,163)	38,154,460	6,937,705	45,092,165	(1,275,000)	43,817,165
3	Other Departments	21,352,621	-	21,352,621	(529,133)	20,823,488	(29,812)	20,793,676	(607,451)	20,186,225	-	20,186,225
4	FMC	9,834,541	-	9,834,541	(4,856,222)	4,978,318	(4,978,318)	-	348,000	348,000	-	348,000
5	TDSIC	70,610	(70,610)	-	-	-	-	-	-	-	-	-
6	Nonrecoverable Expenses	-	-	-	-	-	-	-	(978,542)	(978,542)	-	(978,542)
7	Corporate Service Bill	55,204,741	4,872,570	60,077,311	1,239,464	61,316,775	(127,912)	61,188,863	(702,723)	60,486,140	-	60,486,140
8	Corporate Insurance	7,582,423	-	7,582,423	352,916	7,935,338	200,590	8,135,928	1,200,243	9,336,171	-	9,336,171
9	Rents & Leases	2,697,458	2,781,520	5,478,978	2,307,783	7,786,762	449	7,787,211	(2,014,476)	5,772,735	-	5,772,735
10	Environmental Reserve	4,478,759	(4,478,759)	-	-	-	-	-	-	-	-	-
11	Uncollectibles	3,801,798	-	3,801,798	86,677	3,888,475	1,122,740	5,011,215	(2,637,086)	2,374,129	(60,116)	2,314,013
12	CIP	3,753,005	2,902,974	6,655,979	(1,061,688)	5,594,291	167,829	5,762,119	469,142	6,231,261	-	6,231,261
13	Pension	(309,371)	-	(309,371)	(6,478,955)	(6,788,325)	4,673,047	(2,115,278)	757,125	(1,358,153)	-	(1,358,153)
14	OPEB	2,893,962	-	2,893,962	(436,443)	2,457,519	510,641	2,968,159	(439,622)	2,528,537	-	2,528,537
15	Medical Benefits	5,171,652	-	5,171,652	4,426,245	9,597,897	675,260	10,273,157	(2,902,393)	7,370,764	-	7,370,764
16	Other Benefits	2,274,000	(1,902,636)	371,364	(210,355)	161,009	243	161,252	17,643	178,895	-	178,895
17	Other Employee Benefits	4,235,554	-	4,235,554	(282,096)	3,953,458	115,236	4,068,694	164,255	4,232,949	-	4,232,949
18	LTIP	302,451	126,687	429,138	(8,866)	420,272	109,546	529,818	31,530	561,348	-	561,348
19	Profit Sharing	154,817	-	154,817	245,911	400,728	9,235	409,963	(409,963)	-	-	-
20	Benefits Administration	570,020	-	570,020	(53,213)	516,807	-	516,807	99,524	616,331	-	616,331
21	Fee Free Transaction Program	-	-	-	-	-	-	-	1,623,486	1,623,486	(1,623,486)	-
22	Cause No. 44988 Amortization	453,249	(453,249)	-	-	-	-	-	-	-	-	-
23	Total Operations and Maintenance Expense	\$ 226,187,401	\$ 3,903,498	\$ 230,090,899	\$ (3,584,908)	\$ 226,505,991	\$ (4,040,584)	\$ 222,465,408	\$ 956,397	\$ 223,421,804	\$ (2,958,602)	\$ 220,463,202

Northern Indiana Public Service Company LLC
Summary Statement of Depreciation Expense
Twelve Months Ended December 31, 2020, thru Pro forma Twelve Months Ending December 31, 2022

CASE-IN-CHIEF											SETTLEMENT	
Line No.	Subcomponent	Twelve Months Ended December 31, 2020 A	Normalization Adjustments B DEPR<X>-20	Normalized Twelve Months Ended December 31, 2020 C = A + B	Projected Adjustments D DEPR<X>-21	Projected Twelve Months Ending December 31, 2021 E = C + D	Projected Adjustments F DEPR<X>-22	Projected Twelve Months Ending December 31, 2022 G = E + F	Ratemaking Adjustments H DEPR<X>-22R	Pro forma Twelve Months Ending December 31, 2022 I = G + H	Settlement Adjustments J DEPR<X>-22R-S2-S	Settlement Twelve Months Ending December 31, 2022 K = I + J
1	Gas Plant Asset Depreciation	\$ 66,941,429	\$ (314,778)	\$ 66,626,651	\$ 9,877,996	\$ 76,504,647	\$ 6,149,923	\$ 82,654,569	\$ 13,741,136	\$ 96,395,705	\$ (20,873,803)	\$ 75,521,903
2	Gas Common Depreciation Expense	896,815	-	896,815	134,818	1,031,633	79,077	1,110,710	-	1,110,710	-	1,110,710
3	Total Depreciation Expense	\$ 67,838,244	\$ (314,778)	\$ 67,523,466	\$ 10,012,814	\$ 77,536,280	\$ 6,229,000	\$ 83,765,279	\$ 13,741,136	\$ 97,506,415	\$ (20,873,803)	\$ 76,632,613

Northern Indiana Public Service Company LLC
Summary Statement of Amortization Expense
Twelve Months Ended December 31, 2020 thru Pro forma Twelve Months Ending December 31, 2022

		CASE-IN-CHIEF									SETTLEMENT	
Line No.	Subcomponent	Twelve Months Ended	Normalization	Normalized Twelve Months Ended	Projected	Projected Twelve Months Ending	Projected	Projected Twelve Months Ending	Ratemaking	Pro forma Twelve Months Ending	Settlement	Settlement Twelve Months Ending
		December 31, 2020	Adjustments	December 31, 2020	Adjustments	December 31, 2021	Adjustments	December 31, 2022	Adjustments	December 31, 2022	Adjustments	December 31, 2022
	Adjustment Reference	A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H	J	K = I + J
			AMTZ<X>-20		AMTZ<X>-21		AMTZ<X>-22		AMTZ<X>-22R		AMTZ<X>-22R-S	
1	Gas Plant Asset Amortization	\$ 1,284,387	\$ -	\$ 1,284,387	\$ (82,024)	\$ 1,202,363	\$ (1,196,198)	\$ 6,165	\$ -	\$ 6,165	\$ -	\$ 6,165
2	Gas Common Amortization	4,547,885	-	4,547,885	1,688,852	6,236,737	3,909,733	10,146,470	1,782,420	11,928,890	-	11,928,890
3	TD SIC Regulatory Asset	-	-	-	-	-	-	-	3,513,780	3,513,780	-	3,513,780
4	FMCA Regulatory Asset	-	-	-	-	-	-	-	4,102,438	4,102,438	-	4,102,438
5	Cause No. 44988 Amortization	-	2,420,052	2,420,052	-	2,420,052	-	2,420,052	414,433	2,834,485	-	2,834,485
6	COVID Regulatory Asset	-	-	-	-	-	-	-	1,368,690	1,368,690	(684,345)	684,345
7	Gas Rate Case Expense	-	-	-	-	-	-	-	807,549	807,549	(469,538)	338,011
8	Total Amortization Expense	\$ 5,832,272	\$ 2,420,052	\$ 8,252,324	\$ 1,606,828	\$ 9,859,152	\$ 2,713,535	\$ 12,572,687	\$ 11,989,311	\$ 24,561,998	\$ (1,153,883)	\$ 23,408,114

Northern Indiana Public Service Company LLC
Summary Statement of Taxes Other Than Income Expense
Twelve Months Ended December 31, 2020, thru Pro forma Twelve Months Ending December 31, 2022

Line No.	Subcomponent	CASE-IN-CHIEF									SETTLEMENT	
		Twelve Months Ended December 31, 2020 A	Normalization Adjustments B OTX<X>-20	Normalized Twelve Months Ended December 31, 2020 C = A + B	Budget Adjustments D OTX<X>-21	Budget Twelve Months Ending December 31, 2021 E = C + D	Budget Adjustments F OTX<X>-22	Budget Twelve Months Ending December 31, 2022 G = E + F	Rate-making Adjustments H OTX<X>-22R	Pro forma Twelve Months Ending December 31, 2022 I = G + H	Settlement Adjustments J OTX<X>-22R-S	Settlement Twelve Months Ending December 31, 2022 K = I + J
1	Property Tax	\$ 14,865,435	\$ (110,793)	\$ 14,754,642	\$ 1,190,553	\$ 15,945,195	\$ 1,355,324	\$ 17,300,519	\$ (480,519)	\$ 16,820,000	\$ -	\$ 16,820,000
2	Payroll Taxes	5,468,961	222,077	5,691,038	(762,458)	4,928,580	145,024	5,073,604	342,858	5,416,462	-	5,416,462
3	Sales Tax	(8,717)	8,717	-	-	-	-	-	-	-	-	-
4	URT Total	9,941,418	-	9,941,418	(699,101)	9,242,317	703,480	9,945,797	(3,450,056)	6,495,741	878	6,496,619
5	Public Utility Fee Total	974,756	-	974,756	(14,854)	959,901	6,105	966,006	55,756	1,021,763	76	1,021,839
6	Total Taxes Other than Income	\$ 31,241,852	\$ 120,001	\$ 31,361,854	\$ (285,860)	\$ 31,075,993	\$ 2,209,933	\$ 33,285,926	\$ (3,531,961)	\$ 29,753,966	\$ 954	\$ 29,754,920

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Operating Revenue
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, revenue for rent from gas property to reflect normalization adjustment(s), budget changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2020		\$ 83,538
2	Normalization Adjustment N/A		\$ -
3	Normalized revenue for the twelve months ended December 31, 2020		<u>\$ 83,538</u>
4	ending December 31, 2021	REV 12-21	<u>50,319</u>
5	Budgeted revenue for the twelve months ending December 31, 2021		<u>\$ 133,857</u>
6	ending December 31, 2022	REV 12-22	<u>-</u>
7	Budgeted revenue for the twelve months ending December 31, 2022		<u>\$ 133,857</u>
8	Pro Forma adjustment N/A		\$ -
9	Ratemaking revenue for the twelve months ending December 31, 2022		<u>\$ 133,857</u>
10	Settlement Adjustment Increase/(Decrease) for 2022	REV 12-22R-S	24,578
11	Settlement Ratemaking revenue for the twelve months ending December 31, 2022		<u>\$ 158,435</u>

8	<u>Gas Operations Reasonableness:</u>
9	Pro Forma Twelve Months Ended December 31, 2022
10	Normalized Twelve Months Ended December 31, 2020
11	<hr/> \$ Change (Ln8 - Ln9)
12	% Change
13	Inflation

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2022

This pro forma adjustment decreases the twelve months ending December 31, 2022, operations and maintenance expense to reflect the Gas Operations O&M adjustment per the Settlement.

Line No.	Description	Adjustment	Amount
	A	B	C
1	2022 Ratemaking Operations and Maintenance Expense		
2	<u>Settlement Adjustment</u>		
	Adjustment per the terms of the Settlement	OM 2E-22R-S	(1,275,000)
3	2022 Settlement Increase/(Decrease)		\$ (1,275,000)
4	2022 Ratemaking Operations and Maintenance Expense		<u>\$ (1,275,000)</u>

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas O&M expenses for uncollectibles to reflect normalization adjustment(s), budget changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ 3,801,798
2	Normalization Adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2020		<u>\$ 3,801,798</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	OM 11-21	<u>86,677</u>
5	Budgeted expense for the twelve months ending December 31, 2021		<u>\$ 3,888,475</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022.	OM 11-22	<u>1,122,740</u>
7	Budgeted expense for the twelve months ending December 31, 2022		<u>\$ 5,011,215</u>
8	Pro Forma adjustment to Increase / (Decrease) Bad Debt expense for Ratemaking based on seven year average write-offs and gas allocations based on 2020 actuals		(1,127,646)
9	Pro Forma adjustment to Increase / (Decrease) Bad Debt expense for Ratemaking for Bad Debt expense recovered through the GCA		(1,509,440)
		OM 11-22R	<u>(2,637,086)</u>
10	Ratemaking expense for the twelve months ending December 31, 2022		<u>\$ 2,374,129</u>
11	Settlement Adjustment Increase/(Decrease) for 2022	OM 11-22R-S	(60,116)
12	Settlement Ratemaking expense for the twelve months ending December 31, 2022		\$ 2,314,013

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Operations and Maintenance Expense
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas O&M expenses for the Fee Free Transaction Program to reflect normalization adjustment(s), budget changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ -
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2020		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021		-
5	Budgeted expense for the twelve months ending December 31, 2021	OM 21-21	<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022		-
7	Budgeted expense for the twelve months ending December 31, 2022	OM 21-22	<u>\$ -</u>
8	Pro Forma adjustment to Increase / (Decrease) expense for Ratemaking for the Fee Free Transaction Program	OM 21-22R	<u>1,623,486</u>
9	Ratemaking expense for the twelve months ending December 31, 2022		<u><u>\$ 1,623,486</u></u>
10	Settlement Adjustment Increase/(Decrease) for 2022	OM 21-22R-S	(1,623,486)
11	Settlement Ratemaking expense for the twelve months ending December 31, 2022		\$ -

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas depreciation expenses for gas plant assets to reflect normalization adjustment(s), projected changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ 66,941,429
2	Normalization adjustment to Increase / (Decrease) expense to reclassify depreciation expense related to 44988 regulatory asset amortization expense - AMTZ 5	DEPR 1-20	(314,778)
3	Normalized expense for the twelve months ended December 31, 2020		<u>\$ 66,626,651</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	DEPR 1-21	<u>9,877,996</u>
5	Projected expense for the twelve months ending December 31, 2021		<u>\$ 76,504,647</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022	DEPR 1-22	<u>6,149,923</u>
7	Projected expense for the twelve months ending December 31, 2022		<u>\$ 82,654,569</u>
8	Pro Forma adjustment to Increase / (Decrease) depreciation expense for Ratemaking to reflect the implementation of the new depreciation accrual rates	DEPR 1-22R	13,741,136
9	Ratemaking expense for the twelve months ending December 31, 2022		<u>\$ 96,395,705</u>
10	Pro Forma adjustment to increase / (decrease) depreciation expense for Settlement to reflect the implementation of the new ALG depreciation rates	DEPR 1-22R-S2-S	(20,873,803)
11	Settlement 2022 Proforma Gas Depreciation Expense		<u>\$ 75,521,903</u>

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas amortization expenses for the COVID Regulatory Asset to reflect normalization adjustment(s), projected changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ -
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2020		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	AMTZ 6-21	-
5	Projected expense for the twelve months ending December 31, 2021		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022	AMTZ 6-22	-
7	Projected expense for the twelve months ending December 31, 2022		<u>\$ -</u>
8	Pro Forma adjustment to Increase / (Decrease) amortization expense for Ratemaking to recover the COVID Regulatory Asset balance	AMTZ 6-22R	<u>1,368,690</u>
9	Ratemaking expense for the twelve months ending December 31, 2022		<u>\$ 1,368,690</u>
10	Settlement Adjustment Increase/(Decrease) for 2022	AMTZ 6-22R-S	(684,345)
11	Settlement 2022 Proforma Gas Amortization Expense (Line 9 - Line 10)		<u>\$ 684,345</u>

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Depreciation and Amortization Expense
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas amortization expenses for the current gas rate case to reflect normalization adjustment(s), projected changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ -
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2020		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	AMTZ 7-21	-
5	Projected expense for the twelve months ending December 31, 2021		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022	AMTZ 7-22	-
7	Projected expense for the twelve months ending December 31, 2022		<u>\$ -</u>
8	Pro Forma adjustment to Increase / (Decrease) amortization expense for Ratemaking to recover gas rate case expense	AMTZ 7-22R	807,549
9	Ratemaking expense for the twelve months ending December 31, 2022		<u><u>\$ 807,549</u></u>
10	Settlement Adjustment Increase/(Decrease) for 2022	AMTZ 7-22R-S	(469,538)
11	Settlement 2022 Proforma Gas Amortization Expense (Line 9 - Line 10)		<u><u>\$ 338,011</u></u>

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Taxes Other Than Income
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas Taxes Other than Income for Utility Receipts Tax to reflect normalization adjustment(s), budget changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ 9,941,418
2	Normalization adjustment N/A		\$ -
3	Normalized expense for the twelve months ended December 31, 2020		\$ 9,941,418
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	OTX 4-21	\$ (699,101)
5	Budgeted expense for the twelve months ending December 31, 2021		\$ 9,242,317
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022	OTX 4-22	703,480
7	Budgeted expense for the twelve months ending December 31, 2022		\$ 9,945,797
8	Pro Forma adjustment to Increase / (Decrease) URT expense for Ratemaking to reflect the appropriate level of URT expense based on the pro forma results based on current rates.	OTX 4-22R	(3,450,056)
9	Ratemaking expense for the twelve months ending December 31, 2022		\$ 6,495,741
10	Settlement Adjustment Increase/(Decrease) for 2022	OTX 4-22R-S	878
11	Settlement Ratemaking expense for the twelve months ending December 31, 2022		\$ 6,496,619

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Taxes Other Than Income
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, gas Taxes Other than Income for Public Utility Fee to reflect normalization adjustment(s), budget changes for the twelve months ending December 31, 2021, and December 31, 2022, and ratemaking adjustment(s) for the twelve months ending December 31, 2022, as described below.

Line No.	Description	Adjustments	Amount
	A	B	C
1	Actual Expense - December 31, 2020		\$ 974,756
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2020		974,756
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2021	OTX 5-21	(14,854)
5	Budgeted expense for the twelve months ending December 31, 2021		\$ 959,901
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2022	OTX 5-22	6,105
7	Budgeted expense for the twelve months ending December 31, 2022		\$ 966,006
8	Pro Forma adjustment to Increase / (Decrease) Public Utility Fee expense for Ratemaking to reflect the appropriate level of PUF expense based on the pro forma results based on current rates	OTX 5-22R	55,756
9	Ratemaking expense for the twelve months ending December 31, 2022		\$ 1,021,763
10	Settlement Adjustment Increase/(Decrease) for 2022	OTX 5-22R-S	76
11	Settlement Ratemaking expense for the twelve months ending December 31, 2022		\$ 1,021,839

Northern Indiana Public Service Company LLC
Pro forma Adjustment to Income Taxes
For the Twelve Month Period Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2020, federal and state income tax expense to reflect income tax expense based on pro forma current revenues. Additionally, this adjustment shows the PF adjustment to reflect income tax at the proposed revenue requirement.

Line No.	Description	Adjustments	Amount
	A	B	C
1	Actual Federal and State Income Taxes - December 31, 2020		\$ (6,245,304)
2	Pro Forma adjustment to Increase / (Decrease) expense for Current Rates	ITX 1-22R-S2-S	16,254,183
3	Federal and State Income Taxes at Pro Forma Current Rates		\$ 10,008,879
4	Pro Forma adjustment to Increase / (Decrease) expense for Proposed Revenue	PF-5-S2-S	17,563,790
5	Federal and State Income Taxes at Proposed Revenue		\$ 27,572,669

Northern Indiana Public Service Company LLC
Pro forma Adjustment Based on Proposed Rates
For the Twelve Month Period Ending December 31, 2022

The proposed adjustments increase twelve months ending December 31, 2022, test year Revenue (PF-1) and Expense (PF-2 through PF-5) to reflect uncollectible, utility receipts tax, public utility fees, and income taxes based on the proposed revenue requirement.

Line No.	Description	Amount				
		B	C	D	E	F
	A	PF-1-S2-S	PF-2-S2-S	PF-3-S2-S	PF-4-S2-S	PF-5-S2-S
		Revenue Requirement	Uncollectible Accounts	Utility Receipts Tax	Public Utility Fee Rate	Fed/State Income Taxes
1	Revenue Requirement Deficiency	\$ 52,892,604	\$ 71,800,282	\$ 71,800,282	\$ 71,800,282	71,800,282
2	Rate	135.7472979%	0.284095%	1.4600000%	0.1276080%	19.5821790% Fed 4.8798270% State
3	Increase in Pro forma Test Year Revenue and O&M Expense Based on Proposed Rates	\$ 71,800,282	\$ 203,981	\$ 1,048,284	\$ 91,623	\$ 17,563,790