

Northern Indiana Public Service Company LLC

Cause No. 45967

**FILED**  
October 25, 2023  
**INDIANA UTILITY  
REGULATORY COMMISSION**

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**VERIFIED DIRECT TESTIMONY OF RICHARD D. WEATHERFORD**

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

2 A1. My name is Richard D. Weatherford. 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 Lead Regulatory Analyst,  
5 Regulatory – Rate Case Execution.

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

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

9 **Q3. Please briefly describe your educational and professional background.**

10 A3. I graduated from Virginia Commonwealth University School of Business  
11 with a Bachelor of Science in Accounting in 2016. My professional career  
12 started with CFO Professional Services, as an Associate from 2016-2017. In  
13 December of 2017, I accepted a position with the Virginia State Corporation  
14 Commission as a Utility Accountant. During my tenure with the Virginia  
15 State Corporation Commission, I accepted the role of Senior Utility  
16 Specialist (January 2020) and Principal Utility Specialist (April 2021) where  
17 I worked on numerous different public utility rate applications as a  
18 Revenue Requirement witness. My career at NiSource Inc. ("NiSource")

1 began in April 2022 as a Lead Regulatory Analyst in Regulatory, Rate Case  
2 Execution.

3 **Q4. What are your responsibilities as Lead Regulatory Analyst, Regulatory –**  
4 **Rate Case Execution?**

5 A4. As Lead Regulatory Analyst, Regulatory – Rate Case Execution, I am  
6 responsible for providing regulatory support for NiSource and its  
7 operating companies, including NIPSCO. My responsibilities include  
8 planning, preparing, and oversight of the revenue requirement and cost of  
9 service for base rate proceedings. My role also entails standardization and  
10 continuous improvement within the regulatory department.

11 **Q5. Have you previously testified before the Indiana Utility Regulatory**  
12 **Commission (“Commission”) or any other regulatory commission?**

13 A5. I have not previously testified before the Commission. I have previously  
14 submitted testimony or staff reports before the Virginia State Corporation  
15 Commission (the “Virginia Commission”) in Docket Nos. PUR-2018-00145,  
16 PUR-2018-00194, PUR-2019-00046, PUR-2019-00090, PUR-2020-00106, PUR-  
17 2021-00058, PUR-2021-00144, and PUR-2021-00301 on behalf of the Division  
18 of Utility Accounting and Finance of the Virginia Commission.

1   **Q6. What is the purpose of your direct testimony in this proceeding?**

2   A6. The primary purpose of my direct testimony is to present the results of  
3   NIPSCO's gas operations ("NIPSCO Gas") for the period beginning January  
4   1, 2022 and ending December 31, 2022 (the "Historic Base Period"), and the  
5   projected results for the period beginning January 1, 2024 and ending  
6   December 31, 2024 (the "Forward Test Year"), adjusted on a pro forma basis  
7   for the normalization and annualization of certain amounts included in  
8   these periods. I show that retail gas revenues at current rates do not and  
9   will not produce a level of net operating income sufficient to provide a fair  
10   return on the net original cost of NIPSCO's property, plant, and equipment  
11   owned, operated, and serving jurisdictional gas customers. I also quantify  
12   the amount by which retail gas revenues should be increased so that the  
13   Company may have the opportunity to recover its expenses and earn a fair  
14   and reasonable return. Specifically, my testimony:

- 15       • Provides an explanation of the Company's use of a historical base  
16       period and forward looking test year;
- 17       • Briefly discusses the application of General Administrative Order  
18       2013-5 ("GAO 2013-5) and Minimum Standard Filing Requirements  
19       ("MSFRs");
- 20       • Discusses the Company's proposed rate relief in this proceeding;
- 21       • Provides an overview of the attachments sponsored in this Cause;

1           and

- 2           • Supports normalization/annualization adjustments made to the  
3           Historic Base Period, forecast adjustments to the 2023 Forecast  
4           Period and Forward Test Year, and ratemaking adjustments made to  
5           the Forward Test Year to support the Company's proposed basic  
6           rates and charges.

7   **Q7. Are you sponsoring any attachments to your direct testimony in this**  
8   **Cause?**

9   A7. Yes. I am sponsoring Attachments 3-A-S1 through Attachment 3-C-S1 and  
10   Attachments 3-A-S2 through Attachment 3-C-S2, Attachment 3-D,  
11   Attachment 3-E, and Attachment 3-F, all of which were prepared by me or  
12   under my direction and supervision. The reference to "S1" represents the  
13   attachments for Step 1 rates (based on projected rate base, related  
14   depreciation and amortization expense, and capital structure as of the June  
15   30, 2024 proposed cutoff date). The reference to "S2" represents the  
16   attachments for Step 2 rates (based on projected rate base, related  
17   depreciation and amortization expense, and capital structure as of the  
18   December 31, 2024 Forward Test Year cutoff date). The attachments  
19   designated "S1" are provided for informational purposes, as the Step 1  
20   compliance filing will be derived from actual rate base as of June 30, 2024  
21   (rather than the projected). The attachments designated "S2" support

1 NIPSCO's request as of the end of the Forward Test Year in this filing. As  
2 further described below, I also sponsor a portion of the workpapers  
3 included in Petitioner's Confidential Exhibit No. 19-X (S1, S2). I am also  
4 sponsoring Attachment A to the Verified Petition, which is the form of Net  
5 Operating Income Statement at present and proposed rates that I  
6 understand has been recommended by the Commissions' General  
7 Administrative Order 2020-05 ("GAO 2020-05").

8 **Q8. Please describe Petitioner's Confidential Exhibit No. 19-X (S1, S2).**

9 A8. Petitioner's Confidential Exhibit No. 19-S2 includes an Adjustment Matrix  
10 that shows each of the Company's adjustments and the witness supporting  
11 the adjustment. The Adjustment Matrix is followed by workpapers that  
12 support each of the adjustments. These workpapers are organized by and  
13 are aligned with the individual adjustments included in Attachment 3-C-  
14 S2. Petitioner's Confidential Exhibit No. 19-S1 provides the same  
15 information, however, only for the adjustments that changed between Step  
16 1 (S1) and Step 2 (S2).

17 **Test Year**

18 **Q9. Please state the test year NIPSCO is proposing for use in setting rates in**  
19 **this proceeding.**

1 A9. NIPSCO's proposed rates are based on a forward looking test year  
2 beginning January 1, 2024 and ending December 31, 2024. This is consistent  
3 with Ind. Code § 8-1-2-42.7, which states that the Commission shall approve  
4 a test period that is "(1) A forward looking test period determined on the  
5 basis of projected data for the twelve (12) month period beginning not later  
6 than twenty-four (24) months after the date on which the utility petitions  
7 the commission for a change in its basic rates and charges." The beginning  
8 of the Forward Test Year is less than 24 months after the date on which the  
9 petition in this case was filed.

10 **Q10. Has the Company provided information supporting a comparable**  
11 **historic base period?**

12 A10. Yes. The Company has provided information for the Historic Base Period.  
13 Additionally, the Company is providing information for the period  
14 beginning January 1, 2023 and ending December 31, 2023 (the "2023  
15 Forecast Period") for comparison purposes.

16 **Q11. Has the Company made any adjustments to the Historic Base Period or**  
17 **the Forward Test Year?**

1 A11. Yes. The Company has proposed both ratemaking and forward looking  
2 adjustments to the Historic Base Period and Forward Test Year to support  
3 the forecasted amounts for the Forward Test Year as well as the  
4 normalization and annualization of these periods. Each of these  
5 adjustments is sponsored by a NIPSCO witness and is supported by  
6 attachments and workpapers as further described below.

7 **Q12. Please explain how the adjustments between the Historic Base Period**  
8 **and the Forward Test Year are shown in the revenue requirements**  
9 **schedules.**

10 A12. Each pro forma adjustment is shown as follows:

- 11 • Historic Base Period 2022
- 12 • Normalization Adjustment/Annualization Adjustment (Adjustment  
13 XX-22)
- 14 • Normalized Historic Base Period 2022
- 15 • Forecast Adjustment (for 2023) (Adjustment XX-23)
- 16 • 2023 Forecast Period
- 17 • Forecast Adjustment (for 2024) (Adjustment XX-24)
- 18 • Forward Test Year 2024
- 19 • Ratemaking Adjustment (Adjustment XX-24R)
- 20 • Pro forma Forward Test Year 2024

1           If there is more than one adjustment, those adjustments would include an  
2           “A” (first adjustment) or “B” (second adjustment) designation. For  
3           example, if there are two Normalization Adjustments to the Historic Base  
4           Period 2022, they would be designated as Adjustment XX-1A-22 and  
5           Adjustment XX-1B-22.

6           **MSFRs and GAO 2013-5**

7           **Q13. Has NIPSCO filed the information that would be required under the**  
8           **Commission's final rules on the MSFRs (170 IAC 1-5-1 through 16)?**

9           A13. Yes. In its Petition filed in this Cause, NIPSCO provided notice of its intent  
10           to file information required under the MSFRs in this proceeding –  
11           recognizing, of course, that the MSFRs were designed with historic test  
12           years in mind, so that the MSFRs are not a perfect fit with a projected test  
13           year rate case. Based on this, as recommended by GAO 2013-5, NIPSCO  
14           used the MSFRs as guidance as to the categories of information to include  
15           in its case in chief and supporting documentation. Also, for certain of the  
16           MSFRs, NIPSCO provided a reference to where the information can be  
17           found in its Case-in-Chief for the Forward Test Year.

18           **Q14. Has NIPSCO followed Appendix B to the Commission's Recommended**  
19           **Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7**

1           **(GAO 2013-5) as it relates to the MSFRs?**

2    A14.   Yes. Appendix B, Page 2, Footnote 1, states that the “[h]istoric base period  
3           is the most recent twelve-month period of available data with an ending  
4           date that mirrors the . . . future test year ending date.” In preparing the data  
5           responsive to the MSFRs for this proceeding, NIPSCO has provided all data  
6           for the Historic Base Period (calendar year 2022). In accordance with 170  
7           IAC 1-5-14(1), NIPSCO has provided historic information by month for the  
8           months of January 2022 through July 2023, the latest date for which such  
9           historic information is available at the time of the petition filing. As  
10          additional information becomes available, NIPSCO will supplement its  
11          response through the date of the final hearing. Additionally, NIPSCO has  
12          provided supporting models and calculations supporting amounts  
13          included in the Forward Test Year. As further described above, this  
14          information can be found in Petitioner's Confidential Exhibit No. 19-X (S1  
15          and S2).

16    **Q15. Has NIPSCO followed Appendix B to the Commission's Recommended**  
17    **Best Practices for Rate Cases Submitted under Ind. Code § 8-1-2-42.7**  
18    **(GAO 2013-5) as it relates to the supporting documentation for changes**  
19    **between the Historic Base Period and the Forward Test Year?**

1 A15. Yes. NIPSCO witnesses have provided various attachments and  
2 workpapers to support and document the Forward Test Year. Specifically,  
3 each change between the Historic Base Period and the Forward Test Year is  
4 reflected as an individual adjustment in the revenue requirement  
5 attachments and explained in testimony. These attachments are explained  
6 in further detail below.

7 **Rate Relief Requested**

8 **Q16. What relief is NIPSCO requesting in this proceeding?**

9 A16. As shown in Attachment 3-A-S2, the Company is requesting that retail gas  
10 rates be designed to recover through base rates the gross retail gas revenue  
11 amount of \$1,155,872,300 (Page 1, Line 2, Column H). This amount is an  
12 increase of \$161,897,007 (Page 1, Line 2, Column F) over the forecasted test  
13 year pro forma results based on current rates. All else being equal, rates  
14 based upon this level of annual retail gas revenue requirement will provide  
15 NIPSCO with an opportunity to earn annual jurisdictional net operating  
16 income of \$260,663,791 (Page 2, Line 50, Column H). NIPSCO's proposed  
17 rates have been calculated using NIPSCO's requested return on the  
18 Forward Test Year original cost rate base and capital structure.

1           Calculations supporting this request are presented in Attachment 3-A-S2  
2           through Attachment 3-C-S2.

3   **Q17. Please describe how NIPSCO will ensure that the basic rates and charges**  
4           **that are implemented in this proceeding will reflect rate base that is used**  
5           **and useful.**

6   A17. NIPSCO's proposed base rates in this proceeding are calculated based on  
7           the forecasted rate base and capital structure for the Forward Test Year.  
8           NIPSCO is proposing to implement the requested rate relief in this  
9           proceeding in a two-step process to reasonably reflect the utility property  
10           that is used and useful at the time rates are placed into effect. As such,  
11           NIPSCO proposes to adjust the basic rates and charges in two distinct steps.  
12           As part of "Step 1," in anticipation of receiving an order within the 300-day  
13           rate case standard procedural schedule as described in GAO 2013-5  
14           (August 20, 2024), NIPSCO is proposing to update its requested relief to be  
15           effective subsequent to the receipt of the Commission's Final Order (the  
16           "Order") based upon an actual rate base and capital structure cutoff date of  
17           June 30, 2024. As part of its compliance filing, in addition to any other  
18           changes identified in the Order, NIPSCO will update its basic rates and  
19           charges to reflect actual rate base, related annualized depreciation and

1           amortization expense, and actual capital structure based on the June 30,  
2           2024 cutoff date. Based on a 300-day procedural schedule, NIPSCO  
3           anticipates a Commission Order would be received August 20, 2024, with  
4           Step 1 rates becoming effective no later than September 1, 2024 and remain  
5           in effect until replaced by Commission-approved rates resulting from  
6           NIPSCO's proposed second compliance filing as part of "Step 2."

7           As part of "Step 2," NIPSCO is proposing to file a second compliance filing  
8           subsequent to the end of the Forward Test Year. In Step 2, NIPSCO will  
9           update its basic rates and charges to reflect actual rate base, related  
10          annualized depreciation and amortization expense, and actual capital  
11          structure based on the December 31, 2024 Forward Test Year cutoff date.  
12          NIPSCO is proposing that these rates will become effective as soon as  
13          possible after the end of the test year, which is estimated to be on or about  
14          March 1, 2025. Consistent with the Commission's prior orders in future test  
15          year rate cases, NIPSCO proposes that the Step 1 and Step 2 rates would  
16          take effect immediately upon filing on an interim-subject-to-refund basis,  
17          with other parties being offered a period of sixty (60) days to review and  
18          present any objections. If needed to resolve any objections, NIPSCO would  
19          propose the Commission conduct a hearing and rates would be tried up

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

2 **Q18. Has NIPSCO presented a revenue requirement for both "Step 1" and**  
3 **"Step 2" in this filing?**

4 A18. Yes. Attachment 3-A-S1 through Attachment 3-C-S1 detail the "Step 1"  
5 revenue requirement. Attachment 3-A-S2 through Attachment 3-C-S2  
6 detail the "Step 2" revenue requirement. As noted above, the attachments  
7 denoted "S1" are being provided for informational purposes.

8 **Revenue Requirement**

9 **Q19. Please describe the attachments that support NIPSCO's revenue**  
10 **requirement.**

11 A19. Attachment 3-A-S2 (pages 1 and 2) is NIPSCO's Statement of Operating  
12 Income for the Forward Test Year shown on a forecasted basis, with pro  
13 forma adjustments, to arrive at operating income at current and proposed  
14 rates. Attachment 3-A-S2 (page 3) shows the calculation of the required net  
15 operating income. NIPSCO is requesting that rates be calculated to afford  
16 the opportunity to earn a return equal to the weighted average cost of  
17 capital as applied to the Forward Test Year original cost rate base. NIPSCO  
18 is satisfied that this will afford NIPSCO the opportunity to earn a fair return  
19 on the Company's net original cost rate base. Attachment 3-A-S2 (page 4)

1 is a summary of Rate Base. Attachment 3-A-S2 (page 5) is a summary of the  
2 capital structure. Attachment 3-B-S2 includes the major components of the  
3 revenue requirement (e.g., Operating Revenue, Gas Costs, Operations and  
4 Maintenance Expense, etc.) with detail for each major “subcomponent,” as  
5 well as the actual and projected rate base and capital structure as of  
6 December 31, 2022, December 31, 2023, and December 31, 2024. Attachment  
7 3-C-S2 shows, by subcomponent, the changes between the Historic Base  
8 Period and the Forward Test Year including a listing of each individual  
9 normalization, forecast, and ratemaking adjustment. This reconciliation  
10 from the Historic Base Period to the Forward Test Year is discussed further  
11 below. Finally, Petitioner's Confidential Exhibit No. 19-S2 shows the  
12 witness supporting each of the adjustments and includes the workpapers  
13 supporting each adjustment.

14 **Q20. How did you develop the revenue requirement for the Forward Test**  
15 **Year?**

16 A20. At a high level, the proposed revenue requirement is based on 2022 Historic  
17 Base Year actuals that are forecasted for changes that are reasonably  
18 anticipated to occur before the end of the Forward Test Year. In this filing,  
19 for each revenue requirement component, NIPSCO provides support and

1 models to describe the changes from the 2022 actual results to the 2024  
2 forecasted amounts which are used for ratemaking purposes. This  
3 documentation supports the proposed 2022 and 2024 normalization,  
4 annualization, and ratemaking adjustments, and where applicable, the 2023  
5 and 2024 forecast adjustments. Since this is substantially the same level of  
6 detail that was provided in NIPSCO's gas retail base rate requests in Cause  
7 Nos. 44988 and 45621 and NIPSCO electric retail base rate requests in Cause  
8 Nos. 45159 and 45772, all using a future or projected test period, the  
9 Commission and stakeholders should be familiar with this approach.

10 **Q21. Please describe how your attachments are organized to walk through the**  
11 **development of the future test year revenue requirement.**

12 A21. Attachment 3-A-S2 (pages 1 and 2) is NIPSCO's Statement of Operating  
13 Income for the Forward Test Year shown on a forecasted basis, with pro  
14 forma adjustments at current and proposed rates. This attachment serves  
15 as a summary of the revenue requirement and also serves as a map with  
16 references to the supporting attachments and workpapers that support the  
17 forecast adjustments, pro forma adjustments, and required net operating  
18 income included in this filing. Specifically, Column B shows the actual  
19 results for the Historic Base Period, the twelve months ended December 31,

1           2022. Column C shows the proposed pro forma, forecast and ratemaking  
2           adjustments. Column D shows the schedule reference to each of the line  
3           items in Column C. Column E shows the pro forma Forward Test Year  
4           (twelve months ended December 31, 2024) results based on current rates.  
5           Column F shows the pro forma adjustments necessary to produce the  
6           required net operating income. Column G shows the pro forma reference  
7           to each of the line items in Column F. Column H reflects the resulting pro  
8           forma results based on proposed rates.

9   **Q22. Please explain the references in Attachment 3-A-S2 (pages 1 and 2),**  
10   **Columns D and G.**

11   A22. The revenue requirement as shown on Attachment 3-A-S2 is divided into a  
12   number of subsections. These subsections include Operating Revenue  
13   (Line 7), Gas Costs or Cost of Gas Sold ("COGS") (Line 14), Operations and  
14   Maintenance Expenses (Line 22), Depreciation Expense (Line 29),  
15   Amortization Expense (Line 36), Taxes Other Than Income (Line 44), and  
16   Income Taxes (Line 47). These groupings are generally consistent with 170  
17   IAC 1-5-8(a)(1)(C). NIPSCO has created "modules" for each of these major  
18   groupings to provide additional transparency and detail which support the  
19   pro forma adjustments and forecast adjustments related to these groupings.

1           The reference to these modules, which are included in Attachment 3-B-S2,  
2           are shown in Column D unless otherwise noted. The references in Column  
3           G are to Attachment 3-C-S2, where detail support can be found for the pro  
4           forma adjustments necessary to produce the required net operating income.

5   **Q23. Please explain the module concept in more detail.**

6   A23. As described above, the module for each grouping is referenced in Column  
7           D of Attachment 3-A-S2. Each module represents a “drill-down” into the  
8           subcomponents of the overall grouping. These modules are included in  
9           Attachment 3-B-S2. For example, in the Operating Revenue subsection in  
10           Attachment 3-A-S2, Column D references the REV Module, Col X. Those  
11           references are found in Attachment 3-B-S2. The REV Module is the drill-  
12           down detail for “Operating Revenues” consisting of multiple  
13           “subcomponents” as shown in Column A. Column C of Attachment 3-A-  
14           S2 provides a summary of the total value of the normalization,  
15           annualization, forecast, and ratemaking adjustments related to each  
16           individual subcomponent.

17   **Q24. Please explain how the documentation is organized under each**  
18           **individual subcomponent in Attachment 3-B-S2.**

1 A24. There are certain "subcomponents" that are impacted by multiple pro  
2 forma adjustments. Therefore, to summarize this information, NIPSCO  
3 created a reconciliation for each subcomponent that steps through the  
4 following categories:

- 5 • Column A - Historic Base Period (twelve months ended December  
6 31, 2022)
- 7 • Column B - Normalization Adjustments (identified throughout as  
8 Adjustment "XX-22")<sup>1</sup>
- 9 • Column C - Normalized Historic Base Period (ending December 31,  
10 2022)
- 11 • Column D - Forecast Adjustments which represent adjustments to  
12 transition from the Historic Base Period to the 2023 Forecast Period  
13 (identified throughout as Adjustment "XX-23")
- 14 • Column E - 2023 Forecast Period (ending December 31, 2023)
- 15 • Column F - Forecast Adjustments which represent adjustments to  
16 transition from the 2023 Forecast Period to the 2024 Forward Test  
17 Year (identified throughout as Adjustment "XX-24")
- 18 • Column G - Forward Test Year (ending December 31, 2024)
- 19 • Column H - Ratemaking Adjustments (identified throughout as  
20 Adjustment "XX-24R")
- 21 • Column I - Pro forma Forward Test Year (ending December 31, 2024)  
22 at current rates (proposed revenue requirement for ratemaking  
23 purposes in this case)

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<sup>1</sup> The Revenue Module and Cost of Gas Sold Module both include a Column C to reflect Annualization Adjustments (REV 1-D and COGS 1-D), as further described below.

1 The reconciliation related to each of the subcomponents and individual  
2 adjustments is included in Attachment 3-C-S2. For example, Retail Sales is  
3 the first subcomponent of Operating Revenues shown on Attachment 3-B-  
4 S2, REV Module, Line 1. The reconciliation related to this subcomponent,  
5 which details the amounts listed, is found in Attachment 3-C-S2, REV 1.  
6 Finally, the workpapers supporting each adjustment shown in Column B in  
7 Attachment 3-C-S2 can be found in Petitioner's Confidential Exhibit No. 19-  
8 S2.

9 **Q25. Are there certain pro forma adjustments that impact multiple**  
10 **subcomponents?**

11 A25. Yes. For example, pro forma Adjustment REV 1A-22 impacts REV 1, REV  
12 2, and REV 6. Therefore, in an effort to show how the pro forma  
13 adjustments impact each subcomponent, NIPSCO has included in  
14 Attachment 3-B-S2, a matrix for Revenue and Gas Costs or COGS that  
15 summarizes the impact of each normalization and ratemaking adjustment  
16 on the individual subcomponents.

17 **Q26. In the context of a future or projected test period, what standards or**  
18 **decision criteria did you use in making normalization, forecast, and**

1        **ratemaking adjustments?**

2        A26. Normalization, forecast, and ratemaking adjustments were made as  
3        necessary to reflect NIPSCO's judgment as to revenues and costs that will  
4        be incurred in 2024 and will occur on an ongoing basis, including the impact  
5        of ratemaking decisions coming out of this rate case proceeding.

6        **Operating Revenue**

7        **Q27. Please describe how the Operating Revenue Adjustments are organized.**

8        A27. Attachment 3-A-S2 (Page 1, Lines 2 through 6) shows the total Operating  
9        Revenue as of December 31, 2022, Pro forma Adjustments at December 31,  
10       2022; Forecast Adjustments at December 31, 2023; and December 31, 2024,  
11       and Ratemaking Adjustments at December 31, 2024. Column D provides a  
12       reference for each line item to Attachment 3-B-S2, REV Module, and  
13       Column G shows the Attachment 3-C-S2 pro forma reference to each of the  
14       line items in Column F. Attachment 3-B-S2, REV Module, shows the  
15       subcomponent detail for the 2023 and 2024 forecasted Operating Revenues.  
16       Attachment 3-C-S2, REV 1 through REV 12, include the detailed  
17       reconciliation showing the individual adjustments for each subcomponent.  
18       This attachment also shows the 2023 and 2024 forecasted Operating  
19       Revenues. Petitioner's Confidential Exhibit No. 19-S2 shows the witness

1 supporting each of the Revenue Adjustments and includes the workpapers  
2 supporting each adjustment included in the REV Module.

3 **Q28. Please provide a summary of the normalization, annualization, forecast,**  
4 **and ratemaking pro forma adjustments related to revenue.**

5 A28. Attachment 3-B-S2 includes a Revenue Matrix ("REV Matrix") that  
6 summarizes the pro forma adjustments related to revenue. NIPSCO has  
7 provided this matrix for the revenue adjustments because certain revenue  
8 normalization, annualization, and ratemaking adjustments impact multiple  
9 subcomponents within revenue. The adjustments shown in Attachment 3-  
10 B-S2, REV Module and REV Matrix, are included in individual adjustments  
11 and reconciliations in Attachment 3-C-S2. Additionally, the supporting  
12 workpapers can be found in Petitioner's Confidential Exhibit No. 19-S2.

13 Attachment 3-B-S2, REV Module and REV Matrix, includes the  
14 normalization, annualization, forecast, and ratemaking adjustments  
15 sponsored by NIPSCO Witness Davis listed in the table below.

16

Description	Adjustment	Amount
<b>Attachment 3-C-S2, REV 1 – Retail Sales</b>		
Weather Normalization	REV 1A-22	\$(3,793,031)

Guaranteed Minimum	REV 1B-22	\$(454,378)
Rate Migration	REV 1C-22	\$1,072,353
Annualization of Cause No. 45621 Step 2 Rates	REV 1D-22	\$(76,586,989)
Forecasted 2023	REV 1-23	\$34,054,396
Forecasted 2024	REV 1-24	\$(61,754,616)
Rate 234 Customers	REV 1-24R	\$327,865
<b>Attachment 3-C-S2, REV 2 – ARP</b>		
Normalization <sup>2</sup>	REV 2-22	\$(77,589)
Annualization <sup>3</sup>	REV 2-22	\$(5,115,929)
Forecasted 2023	REV 2-23	\$(872,553)
Forecasted 2024	REV 2-24	\$(2,902,539)
Forward Test Year	REV 2-24R	\$(7,803,388)
<b>Attachment 3-C-S2, REV 5 – DSM</b>		
Forecasted 2023	REV 5-23	\$508,872
Forecasted 2024	REV 5-24	\$(233,287)
Forward Test Year	REV 5-24R	\$(728,218)
<b>Attachment 3-C-S2, REV 6 - Transportation</b>		
Normalization <sup>4</sup>	REV 6-22	\$(520,269)
Annualization <sup>5</sup>	REV 6-22	\$14,693,903
Forecasted 2023	REV 6-23	\$(2,200,667)
Forecasted 2024	REV 6-24	\$4,239,473

<sup>2</sup> Represents Weather Normalization from REV 1A-22.

<sup>3</sup> Represents Annualization of Cause No. 45621 Step 2 Rates from REV 1D-22.

<sup>4</sup> Represents Weather Normalization from REV 1A-22 (\$543,532) and Rate Migration from REV 1C-22 (\$23,263).

<sup>5</sup> Represents Annualization of Cause No. 45621 Step 2 Rates from REV 1D-22.

<b>Attachment 3-C-S2, REV 8 – Other Gas</b>		
Forecasted 2023	REV 8-23	\$(190,357)
Forecasted 2024	REV 8-24	\$96,757
Forward Test Year	REV 8-24R	\$2,006,669
<b>Attachment 3-C-S2, REV 9 – InterDept Sales</b>		
Forecasted 2023	REV 9-23	\$(28,671)
Forecasted 2024	REV 9-24	\$(38,523)
<b>Attachment 3-C-S2, REV 10 – Forfeited Discounts</b>		
Forecasted 2023	REV 10-23	\$(1,016,907)
<b>Attachment 3-C-S2, REV 11 – Misc Service</b>		
Forecasted 2023	REV 11-23	\$(282,773)
<b>Attachment 3-C-S2, REV 12 – Rent from Gas Property</b>		
Forecasted 2023	REV 12-23	\$151

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Attachment 3-B-S2, REV Module and REV Matrix, includes the forecast and ratemaking adjustments sponsored by NIPSCO Witness Robles listed in the table below.

<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
<b>Attachment 3-C-S2, REV 7 – Off System Displacements</b>		
Forecasted 2023	REV 7-23	\$95,943
Forward Test Year	REV 7-24R	\$(98,543)

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**Q29. Please provide a summary of the TDSIC Revenues adjustments shown on Attachment 3-B-S2, REV Module, Line 3.**

1 A29. Adjustment REV 3 is to adjust 2023 Forecast Period, 2024 Forecast Period,  
2 and Forward Test Year gas operating revenues by the amounts shown in  
3 the table below to reflect growth in Transmission, Distribution, and Storage  
4 System Improvement Charge ("TDSIC") revenues to reflect filings that are  
5 anticipated to occur subsequent to the Historic Base Period. I sponsor each  
6 of the following adjustments. If these adjustments are not included,  
7 Forward Test Year gas operating revenues would be understated.

<b>Attachment 3-C-S2, REV 3 Adjustments</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Forecasted 2023	REV 3-23	\$929,002
Forecasted 2024	REV 3-24	\$22,744,702
Forward Test Year	REV 3-24R	\$24,438,848

8  
9 **Q30. Please provide a summary of the FMCA Revenues adjustments shown on**  
10 **Attachment 3-B-S2, REV Module, Line 4.**

11 A30. Adjustment REV 4 is to adjust 2023 Forecast Period, 2024 Forecast Period,  
12 and Forward Test Year gas operating revenues by the amounts shown in  
13 the table below to reflect the anticipated growth in Federally Mandated  
14 Cost Adjustments ("FMCA") revenues as a result of anticipated filings that  
15 will be made subsequent to the Historic Base Period. I sponsor each of the

1 following adjustments. If these adjustments are not included, Forward Test  
2 Year gas operating revenues would be overstated.

<b>Attachment 3-C-S2, REV 4 Adjustments</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Forecasted 2023	REV 4-23	\$8,690,419
Forecasted 2024	REV 4-24	\$(1,698,441)
Forward Test Year	REV 4-24R	\$(9,043,988)

3

4 **Expense Adjustments**

COGS Expense Adjustments

5 **Q31. Please describe how the COGS Adjustments are organized?**

6 A31. Attachment 3-A-S2 (Page 1, Lines 9 through 13) shows the total Gas Costs  
7 as of December 31, 2022, Pro forma Adjustments at December 31, 2022;  
8 Forecast Adjustments at December 31, 2023; and December 31, 2024, and  
9 Ratemaking Adjustments at December 31, 2024. Column D provides a  
10 reference for each line item to Attachment 3-B-S2, COGS Module, and  
11 Column G shows the Attachment 3-C-S2 pro forma reference to each of the  
12 line items in Column F. Attachment 3-B-S2, COGS Module, shows the  
13 subcomponent detail for the 2023 and 2024 forecasted Gas Costs.  
14 Attachment 3-C-S2, COGS 1 through COGS 5, include the detailed  
15 reconciliation showing the individual adjustments for each subcomponent.

1 This attachment also shows the 2023 and 2024 forecasted Gas Costs. The  
2 major assumptions used in the development of the forecasted 2024 costs of  
3 gas sold were the forecasted natural gas usage, the forecasted amounts of  
4 natural gas in storage (net of purchases and transportation for  
5 injection/withdrawal activity), and the Weighted Average Cost of Gas  
6 ("WACOG") of the amount of natural gas in storage. Since the biggest  
7 driver of cost of gas sold is the commodity itself, the cost of the gas  
8 purchased is based upon the forward curve. NIPSCO Witness Robles  
9 discusses the development of the forecasted 2024 costs of gas sold, and the  
10 assumptions used in developing such forecast, in greater detail. Included  
11 within the costs of gas sold component are various subcomponents that are  
12 detailed in Petitioner's Exhibit No. 3, Attachment 3-B-S2, COGS. The  
13 information, including calculations, supporting the Cost of Goods Sold is  
14 included in Petitioner's Confidential Exhibit No. 19-S2. Petitioner's  
15 Confidential Exhibit No. 19-S2 shows the witness supporting each of the  
16 COGS Adjustments and includes the workpapers supporting each  
17 adjustment.

18 **Q32. Please provide a summary of the normalization, annualization, forecast,**  
19 **and ratemaking pro forma adjustments related to cost of gas sold.**

1 A32. Attachment 3-B-S2 includes a COGS Matrix that summarizes the pro forma  
2 adjustments related to cost of gas sold. NIPSCO has provided this matrix  
3 for the COGS adjustments because certain cost of gas sold normalization  
4 and annualization adjustments impact multiple subcomponents within cost  
5 of gas sold. The adjustments shown in Attachment 3-B-S2 the COGS  
6 Module and COGS Matrix are included in individual adjustments and  
7 reconciliations in Attachment 3-C-S2. Additionally, the supporting  
8 workpapers can be found in Petitioner’s Confidential Exhibit No. 19-S2.

9 Attachment 3-B-S2, COGS Module and COGS Matrix, includes the  
10 normalization, annualization, forecast, and ratemaking adjustments  
11 sponsored by NIPSCO Witness Davis listed in the table below.

Description	Adjustment	Amount
<b>Attachment 3-C-S2, COGS 1 – Retail Sales</b>		
Weather Normalization	COGS 1A-22	\$(618,437)
Rate Migration	COGS 1C-22	\$944,904
Annualization of Cause No. 45621 Step 2 Rates	COGS 1D-22	\$(114,571,690)
Forecasted 2023	COGS 1-23	\$20,758,054
Forecasted 2024	COGS 1-24	\$(60,739,059)
Rate 234 Customers	COGS 1-24R	\$258,413
<b>Attachment 3-C-S2, COGS 2 – ARP</b>		

Normalization <sup>6</sup>	COGS 2-22	\$(13,404)
Annualization <sup>7</sup>	COGS 2-22	\$1,156,258
Forecasted 2023	COGS 2-23	\$(375,844)
Forecasted 2024	COGS 2-24	\$(2,094,886)
<b>Attachment 3-C-S2, COGS 3 - Transportation</b>		
Normalization <sup>8</sup>	COGS 3-22	\$133,464
Annualization <sup>9</sup>	COGS 3-22	\$(1,125,377)
<b>Attachment 3-C-S2, COGS 4 – InterDept Sales</b>		
Forecasted 2023	COGS 4-23	\$(23,934)
Forecasted 2024	COGS 4-24	\$(38,523)
<b>Attachment 3-C-S2, COGS 5 – Other Gas</b>		
Forecasted 2023	COGS 5-23	\$(2,006,669)
Forward Test Year	COGS 5-24R	\$2,006,669

1

Operations and Maintenance (O&M) Expense Adjustments

2 **Q33. Please describe how the O&M Expense adjustments are organized.**

3 A33. Attachment 3-A-S2 (Page 1, Lines 17 through 21) shows the total O&M  
4 Expenses as of December 31, 2022; Pro forma Adjustments at December 31,  
5 2022; Forecasted Adjustments at December 31, 2023; and December 31,  
6 2024, and Ratemaking Adjustments at December 31, 2024. Column D

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<sup>6</sup> Represents Weather Normalization from COGS 1A-22.

<sup>7</sup> Represents Annualization of Cause No. 45621 Step 2 Rates from COGS 1D-22.

<sup>8</sup> Represents Rate Migration from COGS 1C-22.

<sup>9</sup> Represents Annualization of Cause No. 45621 Step 2 Rates from COGS 1D-22.

1 provides a reference for each line item to Attachment 3-B-S2, O&M Module,  
2 and Column G shows the Attachment 3-C-S2 pro forma reference to each  
3 of the line items in Column F. Attachment 3-B-S2, O&M Module, shows the  
4 subcomponent detail for the 2023 and 2024 forecasted O&M Expenses.  
5 Attachment 3-C-S2, OM 1 through OM 21, include the detailed  
6 reconciliation showing the individual adjustments for each subcomponent.  
7 This attachment also shows the 2023 and 2024 forecasted O&M Expenses.  
8 Petitioner's Confidential Exhibit No. 19-S2 shows the witness supporting  
9 each of the O&M Adjustments and includes the workpapers supporting  
10 each adjustment.

11 **Q34. Please provide a summary of the normalization, forecast, and ratemaking**  
12 **pro forma adjustments related to O&M.**

13 A34. Attachment 3-B-S2 includes an O&M Module that summarizes the pro  
14 forma adjustments related to O&M. The adjustments shown in Attachment  
15 3-B-S2, O&M Module are included in individual adjustments and  
16 reconciliations in Attachment 3-C-S2. The level of operating and  
17 maintenance expense reflected for the Historic Base Period (Column A,  
18 Line 22) was higher than what is reflected in current base rates. The  
19 projected level of operating and maintenance expense reflected for the

1 Forward Test Year (Column I, Line 22) is less than 4%. Additionally, the  
 2 supporting workpapers can be found in Petitioner’s Confidential Exhibit  
 3 No. 19-S2.

4 Attachment 3-B-S2, O&M Module, includes the forecast adjustments  
 5 sponsored by NIPSCO Witnesses Cocker and Smith listed in the table  
 6 below.

<b>Attachment 3-C-S2, OM 2 – Gas Operations</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Forecasted 2024	OM 2-24	\$1,969,092

7  
 8 **Q35. Please provide a summary of the Labor normalization, forecast, and**  
 9 **ratemaking adjustments shown on Attachment 3-B-S2, O&M Module,**  
 10 **Line 1.**

11 A35. The labor adjustments shown on Attachment 3-B-S2, O&M Module, Line 1,  
 12 are to increase/(decrease) gas operating expenses to Historic Base Period,  
 13 2023 Forecast Period, and Forward Test Year labor expense as follows:

<b>Attachment 3-C-S2, OM 1 – Labor</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Normalization	OM-1-22	\$(254,712)
Forecast	OM-1-23	\$2,298,213

Forecast	OM-1-24	\$1,972,071
Ratemaking	OM-1-24R	\$3,150,585

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These adjustments are made to reflect the following:

3

- Removal of expense associated with Union contract signing bonuses to normalize the Historic Base Period;

4

5

- Average 2022 Salaries, exclusive of spot bonuses, education reimbursement, and Union contract signing bonuses applied against NIPSCO's September 30, 2023, actual headcount;

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7

8

- Merit increases that will occur in 2023 and 2024;

9

- A three-year average (12-months ended December 31, 2020-2022) level of special pays expense (e.g., spot bonuses, Union contract signing bonuses, and education reimbursement);

10

11

- An incremental level of additional Labor expense associated with open positions expected to be filled by the beginning of or during the Forward Test Year; and

12

13

14

- A gas allocation percentage and labor expense percentage based on 2022 actual labor.

15

16

17

If these adjustments are not made, the Future Test Year labor expense

18

would be understated.

19

**Q36. Please provide a summary of the Gas Operations adjustment shown on**

20

**Attachment 3-B-S2, O&M Module, Line 2.**

21

A36. The Gas Operations adjustment shown on Attachment 3-B-S2, O&M

22

Module, Line 2, reflects the projected Gas Operations expense the Company

1 expects to incur in the 2024 Forward Test Year. This adjustment increases  
2 the Historic Base Period by \$1,969,092. NIPSCO Witness Smith sponsors  
3 the amounts associated with Line Locates. NIPSCO Witness Cocking  
4 sponsors the amounts associated with Materials and Supplies,  
5 Miscellaneous Direct, Outside Services - Leak Survey and Repair, Outside  
6 Services - Other, and LNG.

7 **Q37. Please provide a summary of the FMC adjustments shown on Attachment**  
8 **3-B-S2, O&M Module, Line 4.**

9 A37. Adjustments OM 4-23 and OM 4-24 are to increase Historic Base Period gas  
10 operating expense by \$1,815,670 and \$6,009,309, respectively. Adjustment  
11 OM 4-24R is to decrease Forward Test Year operating expenses in the  
12 amount of \$12,717,842 to remove the ongoing and expanded levels of  
13 federally mandated operations and maintenance expenses associated with  
14 NIPSCO's approved FMCA compliance projects that will continue to be  
15 recovered through NIPSCO's FMCA mechanism.

16 **Q38. Please provide a summary of the Nonrecoverable adjustments shown on**  
17 **Attachment 3-B-S2, O&M Module, Line 6.**

1 A38. These adjustments are to decrease Forward Test Year gas operating  
2 expenses in the amount of \$940,647 to remove the following expenses:

<b>Adjustment</b>	<b>Amount</b>	<b>Cost Type</b>
6A-24R	\$(372,434)	Lobbying expenses
6B-24R	\$(54,082)	Non-recoverable advertising expenses
6C-24R	\$(359,701)	Certain expenses that NIPSCO is not seeking recovery
6D-24R	\$(154,430)	ARP (GCIM, Capacity Release, Optional Storage Service, Price Protection Service and Depend-a-Bill) expenses

3  
4 A summary of these adjustments can also be found on Attachment 3-C-S2,  
5 OM 6. If these adjustments are not included, the Forward Test Year gas  
6 operating expenses would be overstated.

7 **Q39. Please provide a summary of the Corporate Service Bill adjustments**  
8 **shown on Attachment 3-B-S2, O&M Module, Line 7.**

9 A39. Adjustments OM 7-22, OM 7-23, and OM 7-24 are to increase Historic Base  
10 Period gas operating expenses in the amount of \$504,033, \$657,690, and  
11 \$677,421, respectively. These adjustments are made to normalize NCSC  
12 Corporate Service Bill expenses and forecast NCSC Corporate Service Bill  
13 expenses. Additionally, Adjustment OM-7-24R increases the Forward Test  
14 Year operating expenses by \$423,561 to reflect various adjustments and the

1 removal of profit sharing. If these adjustments are not included, the  
2 Forward Test Year gas operating expenses would be understated. NIPSCO  
3 Witness Gode sponsors Adjustment OM 7-22 and NIPSCO Witness Bly  
4 sponsors Adjustments OM 7-23, OM 7-24, and OM 7-24R.

5 **Q40. Please provide a summary of the Corporate Insurance adjustment shown**  
6 **on Attachment 3-B-S2, O&M Module, Line 8.**

7 A40. Adjustment OM 8-24R is to increase Forward Test Year gas operating  
8 expenses in the amount of \$166,800 to reflect the level of corporate  
9 insurance expense based on 2022 actual gas allocation and increases in  
10 premiums for policies that were renewed after the close of the Historic Base  
11 Period, or will be renewed before the end of the Forward Test Year. If this  
12 adjustment is not included, Forward Test Year gas operating expenses  
13 would be understated.

14 **Q41. Please provide a summary of the Rents & Leases adjustments shown on**  
15 **Attachment 3-B-S2, O&M Module, Line 9.**

16 A41. Adjustment OM 9-22 is to decrease Historic Base Period gas operating  
17 expenses in the amount of \$270,000 to normalize rents and leases to reflect  
18 the removal of a one-time expense associated with a lease to own condition

1 for GM&T vehicles that occurred in 2022. If this adjustment is not included,  
2 Historic Base Period gas operating expenses would be overstated.  
3 Adjustment OM 9-24R is to increase the Forward Test Year in the amount  
4 of \$2,764,585 to reflect the level of rents and leases based on 2022  
5 normalized gas allocation and reflect 100% of the annualized level of the  
6 updated 134<sup>th</sup> Street Project minimum lease payment,<sup>10</sup> which NIPSCO will  
7 begin to record on its books beginning in November 2024. The updated  
8 134<sup>th</sup> Street minimum lease payment reconciles the originally projected  
9 lease costs against the actual costs incurred to implement the 134<sup>th</sup> Street  
10 Project, as contractually agreed to between NIPSCO and its third-party  
11 vendor. If this adjustment is not included, Forward Test Year gas operating  
12 expenses would be understated.

13 **Q42. Please provide a summary of the Environmental Reserve adjustment**  
14 **shown on Attachment 3-B-S2, O&M Module, Line 10.**

15 A42. Adjustment OM 10-22 is to decrease Historic Base Period gas operating  
16 expenses in the amount of \$6,533,874 related to environmental expenses

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<sup>10</sup> The minimum lease payments under a lease relating to the Natural Gas Pipeline Company of America – NIPSCO 134<sup>th</sup> Street Project that are recorded as interest expense and depreciation expense; thus, it is treated as an operating expense for ratemaking purposes.

1           that NIPSCO is not seeking to recover in base rates. If this adjustment is  
2           not included, the Historic Base Period gas operating expenses would be  
3           overstated.

4   **Q43. Please provide a summary of the Uncollectibles adjustments shown on**  
5           **Attachment 3-B-S2, O&M Module, Line 11.**

6   A43. Adjustments OM 11-23 and OM 11-24 are to decrease Historic Base Period  
7           Uncollectibles expense by \$849,171 and \$194,556, respectively, to reflect a  
8           seven-year average of NIPSCO Gas write-offs applied to NIPSCO Gas  
9           residential and commercial revenue and 2022 actual gas allocation.  
10          Adjustment OM 11-24R is to decrease Forward Test Year gas operating  
11          expenses in the amount of \$1,643,629 (an increase of \$25,955 to reflect bad  
12          debt (uncollectibles) expense based on a seven year average of NIPSCO Gas  
13          write-offs applied to residential and commercial revenue and 2022 actual  
14          gas allocation, and a decrease of \$1,669,584 to remove bad debt  
15          (uncollectibles) expense allocable to gas cost because NIPSCO is proposing  
16          no change to its previously authorized recovery of bad debt expense  
17          associated with the cost of gas through the Gas Cost Adjustment ("GCA").  
18          As NIPSCO removes from base rates 100 percent of the gas costs to be  
19          recovered entirely in the GCA, it is necessary to remove the bad debt

1 expense associated with the gas cost. The bad debt expense associated with  
2 the non-gas cost portion remains in base rates. If this adjustment is not  
3 included, Forward Test Year gas operating expenses would be overstated.

4 **Q44. Please provide a summary of the Short-Term Incentive Compensation**  
5 **("STI") adjustments shown on Attachment 3-B-S2, O&M Module, Line**  
6 **12.**

7 A44. Adjustment OM 12-22 is to increase Historic Base Period gas operating  
8 expenses in the amount of \$819,347 to normalize NIPSCO's STI expenses to  
9 reflect a payout consistent with target levels. Adjustment OM 12-23 is to  
10 decrease Historic Base Period gas operating expenses in the amount of  
11 \$214,160 to reflect payout at the 2023 target levels. NIPSCO Witness Eyre  
12 discusses the reasonableness and competitiveness of NIPSCO wages and  
13 salaries, including incentive compensation. If this adjustment is not  
14 included, the Historic Base Period gas operating expenses would be  
15 understated.

16 **Q45. Please provide a summary of the Pension adjustments shown on**  
17 **Attachment 3-B-S2, O&M Module, Line 13.**

1 A45. Adjustments OM 13-23 and OM 13-24 are to increase and decrease Historic  
2 Base Period gas operating expense based upon the July 2022 Aon actuary  
3 report and 2022 actual gas allocations by \$6,297,247 and \$130,499,  
4 respectively. Adjustment OM 13-24R increases Forward Test Year  
5 operating expenses in the amount of \$1,572,306 related to NIPSCO's  
6 pension plan to reflect the updated July 2023 Aon actuary report and 2022  
7 actual gas allocations and capitalization. If this adjustment is not included,  
8 Forward Test Year gas operating expenses would be understated.

9 **Q46. Please provide a summary of the Other Post Employment Benefits**  
10 **("OPEB") adjustments shown on Attachment 3-B-S2, O&M Module, Line**  
11 **14.**

12 A46. Adjustments OM 14-23 and OM 14-24 are to increase and decrease Historic  
13 Base Period gas operating expense based upon the July 2022 Aon actuary  
14 report and 2022 actual gas allocations by \$1,315,136 and \$53,571,  
15 respectively. Adjustment OM 14-24R is to increase Forward Test Year  
16 operating expenses in the amount of \$527,501 related to NIPSCO's OPEB  
17 plan to reflect the updated July 2023 Aon actuary report and 2022 actual gas  
18 allocation and capitalization. If this adjustment is not included, Forward  
19 Test Year gas operating expenses would be understated. NIPSCO is

1            requesting deferral accounting authority associated with Pension and  
2            OPEB expenses as discussed later in my testimony.

3    **Q47. Please provide a summary of the Medical Benefits adjustments shown on**  
4            **Attachment 3-B-S2, O&M Module, Line 15.**

5    A47. Adjustments OM 15-23 and OM 15-24 are to increase Historic Base Period  
6            gas operating expenses by \$302,649 and \$553,099, respectively, utilizing the  
7            July 2022 Aon actuarial report related to NIPSCO's employee medical  
8            benefits. The adjustments also utilize the 2022 actual gas allocation and  
9            capitalization. OM 15-24R utilizes 2024 headcount as detailed in  
10           Adjustment OM-1 and the July 2023 Aon actuarial report to increase  
11           Forward Test Year gas operating expenses in the amount of \$526,408 related  
12           to NIPSCO's employee medical benefits. The adjustment also reflects the  
13           2022 actual gas allocation and capitalization. If these adjustments are not  
14           included, Forward Test Year gas operating expenses would be understated.

15   **Q48. Please provide a summary of the Other Benefits adjustment shown on**  
16            **Attachment 3-B-S2, O&M Module, Line 16.**

17   A48. Adjustment OM 16-22 is to increase Historic Base Period gas operating  
18            expenses in the amount of \$393,178 to normalize other benefits expense by

1 removing non-recurring severance payments. NIPSCO made severance  
2 payouts, although it was discovered that a corresponding entry was not  
3 recorded on the books to draw down the associated severance liability. As  
4 a result of that discovery, there was a debit entry made to the severance  
5 liability to recognize the payouts that had already occurred, which  
6 decreases the liability on the books, and a corresponding credit made to  
7 expense, which decreases expense on the books. As a result, in the Historic  
8 Base Period, there is a net credit, or negative balance, to expense associated  
9 with severance on the books. NIPSCO removes all non-recurring severance  
10 activity for ratemaking purposes and as a result of removing the net credit  
11 to expense, an increase to expense occurs. If this adjustment is not included,  
12 Historic Base Period gas operating expenses would be understated.

13 **Q49. Please provide a summary of the Other Employee Benefits adjustments**  
14 **shown on Attachment 3-B-S2, O&M Module, Line 17.**

15 A49. Adjustments OM 17-23 and OM 17-24 are to increase Historic Base Period  
16 gas operating expenses by \$351,061 and \$129,763, respectfully, utilizing the  
17 July 2022 Aon actuarial report related to NIPSCO's other employee benefits.  
18 The adjustments also reflect 2022 actual gas allocation and capitalization.  
19 Adjustment OM 17-24R utilizes 2024 headcount as detailed in Adjustment

1 OM-1 and the July 2023 Aon actuarial report to increase Forward Test Year  
2 operating expenses in the amount of \$192,522 related to NIPSCO's other  
3 employee benefits. The adjustment also reflects 2022 actual gas allocation  
4 and capitalization. If these adjustments are not included, Forward Test  
5 Year gas operating expenses would be understated.

6 **Q50. Please provide a summary of the Long Term Incentive Plan ("LTIP")**  
7 **adjustments shown on Attachment 3-B-S2, O&M Module, Line 18.**

8 A50. Adjustment OM 18-22 is to decrease Historical Base Period gas operating  
9 expenses in the amount of \$6,435 related to NIPSCO's LTIP expense to  
10 reflect a payout consistent with 2022 target levels. Adjustment OM 18-23 is  
11 to increase 2023 Forecast Period gas operating expenses by \$59,740 to reflect  
12 a payout consistent with 2023 target levels. NIPSCO Witness Eyre discusses  
13 the reasonableness and competitiveness of NIPSCO wages and salaries,  
14 including incentive compensation. If these adjustments are not included,  
15 Forward Test Year gas operating expenses would be understated.

16 **Q51. Please provide a summary of the Profit-Sharing adjustment shown on**  
17 **Attachment 3-B-S2, O&M Module, Line 19.**

1 A51. Adjustment OM 19-24R is to decrease Forward Test Year gas operating  
2 expenses in the amount of \$316,613 to remove profit sharing expenses in  
3 the Forward Test Year. NIPSCO is not seeking recovery of these amounts  
4 in this proceeding. If this adjustment is not included, Forward Test Year  
5 gas operating expenses would be overstated.

6 **Q52. Please provide a summary of the Benefits Administration adjustment**  
7 **shown on Attachment 3-B-S2, O&M Module, Line 20.**

8 A52. Adjustment OM 20-23 is to decrease Historic Base Period gas operating  
9 expenses in the amount of \$48,966 related to NIPSCO's benefit  
10 administration expense to reflect 2022 actual gas allocation. If this  
11 adjustment is not included, Forward Test Year gas operating expenses  
12 would be overstated.

13 **Q53. Please provide a summary of the Cause No. 44988 and 45621 Amortization**  
14 **adjustment shown on Attachment 3-B-S2, O&M Module, Line 21.**

15 A53. Adjustment OM 21-22 is to decrease Historic Base Period gas operating  
16 expenses in the amount of \$1,384,822 to reclassify the O&M expense related  
17 to the 44988 and 45621 regulatory asset amortization associated with prior  
18 rate case expense, prior TDSIC and FMCA 20% regulatory assets, and

1 COVID costs, to amortization expense for ratemaking, which is included in  
2 AMTZ 5. A related adjustment was made to amortization expense in  
3 Adjustment AMTZ 5-22. If this adjustment is not included, Historic Base  
4 Period gas operating expenses would be overstated.

5 **Depreciation and Amortization Adjustments**

6 **Q54. Please describe how the Depreciation ("DEPR") and Amortization**  
7 **("AMTZ") adjustments are organized.**

8 A54. Attachment 3-A-S2 (Pages 1 and 2, Lines 24 through 28 and Lines 31  
9 through 35) shows the total Depreciation and Amortization Expense as of  
10 December 31, 2022, Pro forma Adjustments at December 31, 2022, Forecast  
11 Adjustments at December 31, 2023, and December 31, 2024, and  
12 Ratemaking Adjustments at December 31, 2024. Column D provides a  
13 reference for each line item to Attachment 3-B-S2, DEPR Module and  
14 AMTZ Module, and Column G shows the Attachment 3-C-S2 pro forma  
15 reference to each of the line items in Column F. Attachment 3-B-S2, DEPR  
16 Module and AMTZ Module, shows the subcomponent detail for the 2023  
17 and 2024 forecasted Depreciation and Amortization. Attachment 3-C-S2,  
18 DEPR 1 and 2 and AMTZ 1 through 6, include the detailed reconciliations  
19 showing the individual adjustments for each subcomponent. This

1 attachment also shows the 2023 and 2024 projected Depreciation and  
2 Amortization. I discuss each normalization and ratemaking adjustment,  
3 making reference to other Company witnesses where necessary. NIPSCO  
4 Witness Dousias sponsors each of the projected utility plant in service  
5 components related to Depreciation and Amortization Expenses, as well as  
6 the overall forecasting process relating to these amounts. Petitioner's  
7 Confidential Exhibit No. 19-S2 shows the witness supporting each of the  
8 Depreciation and Amortization Adjustments and includes the workpapers  
9 supporting each adjustment.

10 **Q55. Are the depreciation amounts included in Attachment 3-B-S2, DEPR**  
11 **Module and Attachment 3-C-S2, DEPR 1 and DEPR 2, obtained from**  
12 **NIPSCO's 2023 and 2024 forecast?**

13 A55. Yes. These projected balances as of December 31, 2023 and December 31,  
14 2024, were calculated by multiplying NIPSCO's projected utility plant in  
15 service, as calculated and included in Attachment 3-B-S2, RB Module, by  
16 NIPSCO's currently approved depreciation rates. NIPSCO Witness  
17 Dousias sponsors the projected utility plant in service on which currently  
18 approved depreciation rates are being applied.

1 Q56. Please provide a summary of the Gas Plant Asset Depreciation  
2 adjustments shown on Attachment 3-B-S2, DEPR Module, Line 1.

3 A56. The adjustments shown on line 1 of Attachment 3-B-S2, DEPR Module,  
4 represent the following:

- 5 • Adjustment DEPR 1-22 is to decrease Historic Base Period  
6 depreciation expense by \$485,698 to reclassify the depreciation  
7 expense related to Cause No. 44988 and 45621 amortization, which  
8 is included in AMTZ 5 and a related adjustment is made thereto;
- 9 • Adjustment DEPR 1-23 is to increase 2023 Forecast Period  
10 depreciation expense by \$6,505,694 to reflect NIPSCO's currently  
11 approved depreciation accrual rates applied against forecasted plant  
12 in service as of December 31, 2023;
- 13 • Adjustment DEPR 1-24 is to increase 2024 Forecast Period  
14 depreciation expense by \$14,770,122 to reflect NIPSCO's currently  
15 approved depreciation accrual rates applied against forecasted plant  
16 in service as of December 31, 2024; and
- 17 • Adjustment DEPR 1-24R is to increase Forward Test Year  
18 depreciation expense by \$22,729,836 to reflect NIPSCO's proposed  
19 depreciation accrual rates, in accordance with the proposed  
20 depreciation study, applied against Forward Test Year projected  
21 plant in service.

22 NIPSCO Witness Dousias sponsors the projected utility plant in service  
23 balances on which NIPSCO's currently approved and proposed  
24 depreciation rates are being applied. NIPSCO Witness Spanos sponsors the  
25 proposed depreciation study that includes the proposed depreciation  
26 accrual rates in which projected Forward Test Year plant in service balances

1 are being applied. If these adjustments are not included, Forward Test Year  
2 depreciation expense would be understated.

3 **Q57. Please provide a summary of the Gas Common Depreciation adjustments**  
4 **shown on Attachment 3-B-S2, DEPR Module, Line 2.**

5 A57. Adjustment DEPR 2-23 and DEPR 2-24 are to increase common  
6 depreciation expense in the amount of \$1,581,518 for the 2023 Forecast  
7 Period and \$1,335,514 for the 2024 Forecast Period. These adjustments are  
8 calculated by applying NIPSCO's currently approved common  
9 depreciation accrual rates to the forecasted plant in service balances at the  
10 end of the 2023 Forecast Period and 2024 Forecast Period. NIPSCO Witness  
11 Dousias sponsors the projected utility plant in service on which NIPSCO's  
12 currently approved common depreciation rates are being applied. If these  
13 adjustments are not included, the Forward Test Year gas common  
14 depreciation expenses would be understated.

15 **Q58. Please provide a summary of the Gas Plant Asset Amortization**  
16 **adjustments shown on Attachment 3-B-S2, AMTZ Module, Line 1.**

17 A58. The adjustments shown on line 1 of Attachment 3-B-S2, AMTZ Module,  
18 represent the following:

- 1           • Adjustment AMTZ 1-23 is to increase 2023 Forecast Period gas  
2           amortization expense by \$503,717 to reflect the application of  
3           NIPSCO's amortization rates to forecasted 2023 Gas plant;
- 4           • Adjustment AMTZ 1-24 is to increase 2024 Forecast Period gas  
5           amortization expense by \$475,991 to reflect the application of  
6           NIPSCO's amortization rates to forecasted 2024 Gas plant; and
- 7           • Adjustment AMTZ 1-24R is to decrease Forward Test Year gas  
8           amortization expense by \$24,421 to reflect the annualization of the  
9           December 31, 2024, level of amortization expense.

10           NIPSCO Witness Dousias sponsors the projected utility plant in service on  
11           which NIPSCO's amortization table is being applied. If these adjustments  
12           are not included Forward Test Year amortization expense would be  
13           understated.

14   **Q59. Please provide a summary of the Gas Common Amortization**  
15   **adjustments shown on Attachment 3-B-S2, AMTZ Module, Line 2.**

16   A59. The adjustments shown on line 2 of Attachment 3-B-S2, AMTZ Module,  
17   represent the following:

- 18           • Adjustment AMTZ 2-23 is to increase 2023 Projected Period gas  
19           amortization expense by \$3,373,394 to reflect the application of  
20           NIPSCO's amortization rates to forecasted 2023 Gas common plant;
- 21           • Adjustment AMTZ 2-24 is to increase 2024 Projected Period gas  
22           amortization expense by \$4,088,853 to reflect the application of  
23           NIPSCO's amortization rates to forecasted 2024 Gas common plant;  
24           and

- 1           • Adjustment AMTZ 2-24R is to increase Forward Test Year gas  
2           amortization expense by \$1,634,195 to reflect the annualization of the  
3           December 31, 2024, level of amortization expense.

4           NIPSCO Witness Dousias sponsors the projected utility plant in service on  
5           which NIPSCO's amortization table is being applied. If these adjustments  
6           are not included Forward Test Year amortization expense would be  
7           understated.

8           **Q60. Please provide a summary of the TDSIC Regulatory Asset Amortization**  
9           **adjustment shown on Attachment 3-B-S2, AMTZ Module, Line 3.**

10          A60. Adjustment AMTZ 3-24R is to increase Forward Test Year gas amortization  
11          expense in the amount of \$4,257,163 to include the 20% deferred TDSIC  
12          Regulatory Asset balance. NIPSCO is proposing to amortize this asset over  
13          a 4-year period. Although, it would be appropriate to utilize an  
14          amortization period consistent with the period of time over which these  
15          amounts were deferred, which would be a 2-year period for this Regulatory  
16          Asset, NIPSCO has opted to recover it over a longer period in an effort to  
17          mitigate the increase requested in this case. NIPSCO Witness Sears further  
18          explains this reasoning. If this adjustment is not included, the Forward Test  
19          Year gas amortization expenses would be understated.

20          **Q61. Please provide a summary of the FMCA Regulatory Asset Amortization**

1        **adjustment shown on Attachment 3-B-S2, AMTZ Module, Line 4.**

2        A61. Adjustment AMTZ 4-24R is to increase Forward Test Year gas amortization  
3        expense in the amount of \$2,177,476 to include the 20% deferred FMCA  
4        Regulatory Asset balance. NIPSCO is proposing to amortize this asset over  
5        a 4-year period. While NIPSCO could have reasonably proposed a 2-year  
6        amortization period, it has utilized a 4-year period for the same reason as  
7        with AMTZ 3-24R. If this adjustment is not included, the Forward Test Year  
8        gas amortization expenses would be understated.

9        **Q62. Please provide a summary of the Cause Nos. 44988 and 45621**  
10       **Amortization adjustments shown on Attachment 3-B-S2, AMTZ Module,**  
11       **Line 5.**

12       A62. Adjustment AMTZ 5-22 is to increase Historic Base Period amortization  
13       expense by \$4,321,930. This level of amortization expense reflects the  
14       current amortization schedule. Cause No. 44988 Amortization was  
15       approved with a 7-year amortization period, and NIPSCO is proposing to  
16       continue amortizing over the remaining 9 months of that period as of  
17       December 31, 2024. Cause No. 45621 Amortization was approved with a 4-  
18       Year amortization period, and NIPSCO is proposing to continue amortizing  
19       over the remaining 20 months of that period as of December 31, 2024.

1           Portions of this amount were reclassified from O&M expense in  
2           Adjustment OM 21-22, depreciation expense in Adjustment DEPR 1-22 and  
3           property tax expense in OTX 1-22, to amortization expense for ratemaking  
4           purposes. The other portions were reclassified from Other Interest  
5           Expense, FERC Account 431, and Miscellaneous Non-Operating Income,  
6           FERC Account 421, for ratemaking purposes. Adjustment AMTZ 5-23 is to  
7           increase 2023 Forecast Period gas amortization expense by \$5,761,081 to  
8           include the annual level of Cause No. 44988 and 45621 amortization  
9           expense associated with prior rate case expense, prior TDSIC and FMCA  
10          20% regulatory assets, and COVID costs. If these adjustments are not  
11          included, Forward Test Year gas amortization expenses would be  
12          understated.

13   **Q63. Please provide a summary of the Gas Rate Case Expense adjustment**  
14   **shown on Attachment 3-B-S2, AMTZ Module, Line 6.**

15   A63. Adjustment AMTZ 6-24R is to increase Forward Test Year gas amortization  
16   expense in the amount of \$1,112,216 to include gas rate case expense.  
17   NIPSCO is proposing to amortize this asset over a 2-year period consistent  
18   with the period of time over which these amounts will have been deferred.

1           If this adjustment is not included, the Forward Test Year gas amortization  
2           expenses would be understated.

3    **Taxes Other Than Income Adjustments**

4    **Q64. Please describe how the Taxes Other than Income (“OTX”) Adjustments**  
5    **are organized.**

6    A64. Attachment 3-A-S2 (Page 2, Lines 39 through 43) shows the total Taxes  
7    Other than Income as of December 31, 2022, Pro forma Adjustments at  
8    December 31, 2022, Forecast Adjustments at December 31, 2023, and  
9    December 31, 2024, and Ratemaking Adjustments at December 31, 2024.  
10   Column D provides a reference for each line item to Attachment 3-B-S2,  
11   OTX Module, and Column G shows the Attachment 3-C-S2 pro forma  
12   reference to each of the line items in Column F. Attachment 3-B-S2, OTX  
13   Module, shows the “subcomponent” detail for the 2023 and 2024 forecasted  
14   OTX. Attachment 3-C-S2, OTX 1 through OTX 5, includes the detailed  
15   reconciliation showing the individual adjustments for each subcomponent.  
16   This attachment also shows the 2023 and 2024 forecasted OTX. Petitioner’s  
17   Confidential Exhibit No. 19-S2 shows the witness supporting each of the  
18   OTX Adjustments and includes the workpapers supporting each  
19   adjustment.

1 **Q65. Please provide a summary of the normalization, forecast, and ratemaking**  
2 **pro forma adjustments related to OTX.**

3 A65. Attachment 3-B-S2 includes a OTX Module that summarizes the pro forma  
4 adjustments related to OTX. The adjustments shown in Attachment 3-B-S2,  
5 OTX Module are included in individual adjustments and reconciliations in  
6 Attachment 3-C-S2. Additionally, the supporting workpapers can be found  
7 in Petitioner's Confidential Exhibit No. 19-S2.

8 Attachment 3-B-S2, OTX Module, includes the forecast adjustments  
9 sponsored by NIPSCO Witness Bass listed in the table below.

Attachment 3-C-S2, OTX 1 – Property Tax		
Description	Adjustment	Amount
Forecasted 2023	OTX 1-23	\$1,524,093
Forecasted 2024	OTX 1-24	\$1,914,385

10  
11 NIPSCO Witness Bass supports the 2022 effective property tax rate applied  
12 against the 2022 and 2023 gross plant balances. NIPSCO Witness Dousias  
13 supports the terminal 2022 and 2023 gross plant balances.

14 **Q66. Please provide a summary of the Property Tax adjustments shown on**  
15 **Attachment 3-B-S2, OTX Module, Line 1.**

1 A66. The adjustments shown on line 1 of Attachment 3-B-S2, OTX Module,  
2 represent the following:

- 3 • Adjustment OTX 1-22 is to decrease Historic Base Period gas  
4 property tax expense by \$119,108 to reclassify the property tax  
5 expense related to Cause Nos. 44988 and 45621 regulatory asset  
6 amortization to amortization expense for ratemaking purposes,  
7 which is included in AMTZ 5;

8 If this adjustment is not made, Historic Base Period gas property tax  
9 expense would be overstated.

10 **Q67. Please provide a summary of the Payroll Taxes adjustments shown on**  
11 **Attachment 3-B-S2, OTX Module, Line 2.**

12 A67. The adjustments shown on line 1 of Attachment 3-B-S2, OTX Module,  
13 represent the following:

- 14 • Adjustment OTX 2-22 increases Historic Base Year gas payroll tax  
15 expense by \$43,196 to reflect the impact to payroll tax expense  
16 associated with the removal of union contract signing bonuses (OM  
17 1-22) and the increase to STI expense to reflect 2022 target levels (OM  
18 12-22);
- 19 • Adjustment OTX 2-23 increases 2023 Forecast Period gas payroll tax  
20 expense by \$159,430 to reflect the impact to payroll expense for the  
21 incremental increase to labor expense (OM 1-23) and incremental  
22 decrease to STI expense (OM 12-23);
- 23 • Adjustment OTX 2-24 increases 2024 Forecast Period gas payroll tax  
24 expense by \$150,863 to reflect the impact to payroll expense for the  
25 incremental increase to labor expense (OM 1-24); and

- 1           • Adjustment OTX 2-24R increases Forward Test Year gas payroll tax  
2           expense by \$231,436 to reflect the impact to payroll expense for the  
3           incremental increase to labor expense (OM 1-24R) and incremental  
4           decrease to non-recoverable expense associated with the removal of  
5           ARP related payroll tax expense pursuant to the Commission's  
6           Order in Cause No. 44988 (OM 6D-24R).

7           If these adjustments are not made, Forward Test Year gas payroll tax  
8           expense would be understated.

9   **Q68. Please provide a summary of the Sales Tax adjustment shown on**  
10   **Attachment 3-B-S2, OTX Module, Line 3.**

11   A68. Adjustment OTX 3-22 is to increase Historic Base Period gas sales tax in the  
12   amount of \$413,154 to remove nonrecurring sales tax credits from sales tax  
13   expense. If this adjustment is not included, the Historic Base Period gas  
14   sales tax expenses would be understated.

15   **Q69. Please provide a summary of the URT Total adjustment shown on**  
16   **Attachment 3-B-S2, OTX Module, Line 4.**

17   A69. Adjustment OTX 4-22 is to decrease Historic Base Period Utility Receipts  
18   Tax ("URT") expenses in the amount of \$8,464,076 to reflect the repeal of  
19   URT enacted by HEA 1002-2022. If this adjustment is not included, the  
20   Forward Test Year gas URT expenses would be overstated.

21   **Q70. Please provide a summary of the Public Utility Fee Total adjustments**

1           **shown on Attachment 3-B-S2, OTX Module, Line 5.**

2    A70. The adjustments shown on line 5 of Attachment 3-B-S2, OTX Module,  
3           represent the incremental impact to Public Utility Fee tax expense to reflect  
4           the change in total revenue, as illustrated in Attachment 3-B-S2, REV  
5           Module, less the amounts illustrated for REV 8 through 12 and OM 11, and  
6           applied against the 2023 public utility fee rate. The public utility fee  
7           adjustments shown on Attachment 3-B-S2, OTX Module, Line 5, adjust the  
8           2023 Forecast Period, 2024 Forecast Period, and Forward Test Year public  
9           utility fee expense as follows:

<b>Attachment 3-C-S2, OTX 5 – Public Utility Fee Total</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Forecasted 2023	OTX 5-23	\$556,856
Forecasted 2024	OTX 5-24	\$(57,838)
Forward Test Year	OTX 5-24R	\$11,941

10           If these adjustments are not made, Forward Test Year public utility fee tax  
11           expense would be understated.

12    **Income Taxes Adjustments**

13    **Q71. Please describe how the Income Taxes (ITX) Adjustments are organized.**

1 A71. Attachment 3-A-S2 (Page 2, Line 47) shows the total Income Taxes as of  
2 December 31, 2022 and Ratemaking Adjustment at December 31, 2024.  
3 Column D provides a reference for each line item to Attachment 3-C-S2,  
4 ITX-1, and Column G shows the Attachment 3-C-S2 pro forma reference to  
5 each of the line items in Column F. Attachment 3-C-S2, ITX 1, includes the  
6 detailed reconciliation showing the individual adjustments. This  
7 attachment also shows the pro forma Federal and State Income Tax expense  
8 at current and proposed rates. Petitioner's Confidential Exhibit No. 19-S2  
9 shows the witness supporting each of the ITX Adjustments and includes  
10 the workpapers supporting each adjustment.

11 **Q72. Please provide a summary of the ratemaking pro forma adjustment**  
12 **related to ITX.**

13 A72. Attachment 3-A-S2, ITX, includes the adjustment sponsored by NIPSCO  
14 Witness Bass listed in the table below.

<b>Attachment 3-C-S2, ITX 1 – Income Taxes</b>		
<b>Description</b>	<b>Adjustment</b>	<b>Amount</b>
Forward Test Year	ITX 1-24R	\$(6,029,707)

15  
16 If this adjustment is not included, the Forward Test Year gas income taxes  
17 would be understated.

1 Proposed Revenue Increase

2 **Q73. Please explain Adjustments PF-1 through PF-4 on Attachment 3-C-S2, PF**  
3 **Adjustments.**

4 A73. Adjustment PF-1 shows the calculation of the increased gross revenue from  
5 base rates in the amount of \$161,897,007 (PF-1), which is calculated to  
6 provide the opportunity to earn a return of 7.48 percent on net original cost  
7 rate base of \$3,484,810,045 (as shown on Attachment 3-C-S2, PF  
8 Adjustments). The revenue requirement is calculated by determining the  
9 requested increase in operating income. The requested level of operating  
10 income is equal to the proposed rate of return applied to the net original  
11 cost rate base, as shown on page 3 of Attachment 3-A-S2. As shown on page  
12 3, the requested increase in net operating income is \$120,945,846. This  
13 amount is then adjusted for the following increases to calculate the increase  
14 in revenue requirement of \$161,897,007: (a) \$675,172 of uncollectible  
15 accounts expense (PF-2); (b) \$237,601 of PUF (PF-3); and (c) \$40,038,389 of  
16 federal and state income taxes (PF-4). See below for a summary of the  
17 adjustments mentioned above:

Line No.	Description	Revenue Deficiency
1	Increase in Net Operating Income (NOI Shortfall)	\$ 120,945,846
2	Uncollectible Accounts Expense	675,172
3	Public Utility Fee	237,601
4	Federal and State Income Taxes	40,038,389
5	Increase in Revenue Requirement	<u>\$ 161,897,007</u>

1 **Net Original Cost Rate Base**

2 **Q74. Please explain the Rate Base amounts included in Attachment 3-B-S2, RB**  
3 **Module.**

4 A74. Attachment 3-B-S2, RB Module, quantifies NIPSCO’s December 31, 2024,  
5 forecasted net original cost rate base. Column A shows the actual rate base  
6 as of December 31, 2022. Since there are no normalization adjustments, the  
7 amounts from Column A are the same amounts shown as the normalized  
8 rate base value as of December 31, 2022 (Column C). Column D and  
9 Column F represent the 2023 and 2024 forecast adjustments to arrive at a  
10 forecasted rate base value as of December 31, 2024 (Column G). Since there  
11 are no ratemaking adjustments, these same amounts are shown in Column  
12 I, representing pro forma rate base as of December 31, 2024. Petitioner’s  
13 Confidential Exhibit No. 19-S2 shows the witness supporting each of the  
14 Rate Base Adjustments and includes the workpapers supporting each

1 adjustment. NIPSCO Witness Dousias discusses the overall capital  
2 planning process.

3 **Q75. Please provide a summary of the forecast pro forma adjustments related**  
4 **to rate base.**

5 A75. Attachment 3-B-S2 includes a Rate Base Module that summarizes the pro  
6 forma adjustments related to rate base. The adjustments shown in  
7 Attachment 3-B-S2, RB Module, are included in individual adjustments and  
8 reconciliations in Attachment 3-C-S2. Additionally, the supporting  
9 workpapers can be found in Petitioner’s Confidential Exhibit No. 19-S2.

10 Attachment 3-B-S2, RB, includes the forecast adjustments sponsored by  
11 NIPSCO Witness Dousias listed in the table below.

Description	Adjustment	Amount
<b>Attachment 3-C-S2, RB 1 – Gas Utility Plant</b>		
Forecasted 2023	RB 1-23	\$554,620,182
Forecasted 2024	RB 1-24	\$655,598,309
<b>Attachment 3-C-S2, RB 2 – Common Allocated</b>		
Forecasted 2023	RB 2-23	\$28,938,958
Forecasted 2024	RB 2-24	\$56,230,742
<b>Attachment 3-C-S2, RB 3 – Gas Accumulated Depreciation and Amortization</b>		
Forecasted 2023	RB 3-23	\$(47,227,741)

Forecasted 2024	RB 3-24	\$(51,362,845)
<b>Attachment 3-C-S2, RB 4 – Common Allocated Accumulated Depreciation and Amortization</b>		
Forecasted 2023	RB 4-23	\$(12,588,579)
Forecasted 2024	RB 4-24	\$(15,957,354)
<b>Attachment 3-C-S2, RB 5 – Cause Nos. 44988 &amp; 45621 Regulatory Assets</b>		
Forecasted 2023	RB 5-23	\$(8,148,927)
Forecasted 2024	RB 5-24	\$(8,318,713)
<b>Attachment 3-C-S2, RB 6 – TDSIC Regulatory Asset</b>		
Forecasted 2023	RB 6-23	\$3,537,339
Forecasted 2024	RB 6-24	\$11,337,453
<b>Attachment 3-C-S2, RB 7 – FMCA Regulatory Asset</b>		
Forecasted 2023	RB 7-23	\$3,627,286
Forecasted 2024	RB 7-24	\$4,876,491
<b>Attachment 3-C-S2, RB 8 – Materials &amp; Supplies</b>		
Forecasted 2023	RB 8-23	\$(4,926,552)
<b>Attachment 3-C-S2, RB 9 – Gas Stored Underground – Current A/C 164 (13-mo avg)</b>		
Forecasted 2023	RB 9-23	\$(2,791,673)
Forecasted 2024	RB 9-24	\$(26,834,036)

1

2 Weighted Average Cost of Capital

3 Q76. What capital structure is NIPSCO projecting for ratemaking purposes in

4 this proceeding?

1 A76. The Company is projecting the capital structure as of December 31, 2024,  
2 which is reflected in Attachment 3-A-S2 (page 5). Attachment 3-B-S2, CS  
3 Module, provides each major "subcomponent," as well as the actual and  
4 estimated capital structure as of December 31, 2022, December 31, 2023, and  
5 December 31, 2024. Attachment 3-C-S2 shows, by subcomponent, the  
6 changes between the Historic Base Period and the Forward Test Year,  
7 including a listing of each individual forecast and ratemaking adjustment.  
8 Finally, Petitioner's Confidential Exhibit No. 19-S2 shows the witness  
9 supporting each of the Capital Structure Adjustments and includes the  
10 workpapers supporting each adjustment.

11 **Q77. Can you please elaborate further on Attachment 3-A-S2 (page 5)?**

12 A77. Yes. Attachment 3-A-S2 (page 5) shows the computation of the weighted  
13 average cost of capital for NIPSCO as of December 31, 2024. Column A lists  
14 the components of capital, including common equity, long-term debt,  
15 customer deposits, deferred income taxes, post-retirement liability, prepaid  
16 pension asset, and Post-1970 ITC. Column B shows the projected  
17 outstanding balance for each component as of December 31, 2024. The  
18 components of capital in Column A and projected December 31, 2024,  
19 outstanding balances in Column B were obtained from Attachment 3-B-S2,

1 CS Module. Column C shows the percent each component represents of  
2 the total capitalization. Column D shows the cost rate for each component.  
3 Column E shows the weighted average cost for each component. The cost  
4 of Post-1970 ITC represents the weighted average cost of investor-supplied  
5 capital, which is computed on Lines 9 through 11. The total of Column E,  
6 on Line 8, of 7.48 percent, is the Company's weighted average cost of capital  
7 for the Forward Test Year.

8 **Q78. Has NIPSCO presented a calculation of the 2023 and 2024 capital**  
9 **structure?**

10 A78. Yes. The 2023 and 2024 capital structure is shown on Attachment 3-B-S2,  
11 CS Module. Column A shows the actual capital structure balances as of  
12 December 31, 2022. The activity in Column B, representing normalization  
13 adjustments, is added to Column A to calculate normalized capital  
14 structure balances as of December 31, 2022 (Column C). Column D and  
15 Column F represent the 2023 and 2024 forecast adjustments added to  
16 Column C to arrive at the December 31, 2024, capital structure balances  
17 (Column G). Column H represents NIPSCO's proposed ratemaking  
18 adjustments which are added to Column G to arrive at the December 31,  
19 2024, pro forma capital structure balances (Column I). Attachment 3-C-S2,

1 CS 1 through CS 7, represent the details for each adjustment included in  
2 Column B, Column D, Column F, and Column H of Attachment 3-B-S2, CS  
3 Module. Petitioner's Confidential Exhibit No. 19-S2 shows the witness  
4 supporting each of the Capital Structure Adjustments and includes the  
5 workpapers supporting each adjustment.

6 **Q79. What cost rate has been utilized for Common Equity on Attachment 3-A-**  
7 **S2 (page 5)?**

8 A79. The cost rate for Common Equity found on Attachment 3-A-S2 (page 5) is  
9 10.70 percent. NIPSCO Witness Rea recommends and supports the cost of  
10 equity in the instant proceeding.

11 **Q80. What cost rate has been utilized for Long-Term Debt on Attachment 3-A-**  
12 **S2 (page 5)?**

13 A80. The cost rate for Long-Term Debt found on Attachment 3-A-S2 (page 5) is  
14 4.94 percent. Petitioner's Confidential Exhibit No. 19-S2, CS 2, Page [.3],  
15 supports the cost rate based on the Company's projected long-term debt  
16 outstanding at December 31, 2024.

17 **Q81. Please elaborate further on Petitioner's Confidential Exhibit No. 19-S2,**  
18 **CS 2, Page [.3]?**

1 A81. Petitioner's Confidential Exhibit No. 19-S2, CS 2, Page [.3], shows a detailed  
2 schedule of long-term debt, reflecting the Company's projected debt  
3 outstanding as of December 31, 2024. Column A reflects the interest rate  
4 associated with each debt issue. A description of the individual debt  
5 issuances is shown in Column B. Columns C and D reflect the dates of  
6 issuance and dates of maturity, respectively. The principal amount of long-  
7 term debt projected to be outstanding at December 31, 2024, is shown in  
8 Column K. Column L reflects the amount of the annual interest  
9 requirement, which is the interest rate (Column A) multiplied by the  
10 principal amount (Column K). Column M reflects the effective overall cost  
11 of debt, which is also reflected on Attachment 3-A-S2 (page 5). Included in  
12 lines 27-31 are five expected debt issuances which reflect NIPSCO's current  
13 financing plan information and will be updated for actuals and/or revised  
14 assumptions as new information becomes available during the course of  
15 this proceeding.

16 **Q82. How were debt discounts, debt expenses, and call premiums on early**  
17 **redemption of long-term debt considered in the determination of**  
18 **NIPSCO's weighted cost of long-term debt?**

1 A82. The annual amortization amounts are included as a debt cost. The  
2 unamortized balances are subtracted from the principal amount of  
3 outstanding debt, leaving a balance of \$4,168,964,776. (Attachment 3-A-S2,  
4 Page 5, Column B, Line 2). These amounts represent debt costs that need  
5 to be considered in the determination of NIPSCO's cost of capital.

6 **Q83. Have NIPSCO's debt financings been approved by the Commission?**

7 A83. Yes. All of the debt identified on Attachment 3-C-S2, CS 2, has been, or will  
8 be, issued pursuant to orders of the Commission. Most recently, the  
9 Commission's December 14, 2022 Order in Cause No. 45737 approved a  
10 Financing Plan for NIPSCO to issue bonds, notes, or other evidence of  
11 indebtedness during the period January 1, 2023 through December 31, 2024,  
12 in an amount not to exceed \$1,400,000,000.

13 **Q84. What cost rate has been utilized for Customer Deposits on Attachment 3-**  
14 **A-S2 (page 5)?**

15 A84. The cost rate for Customer Deposits found on Attachment 3-A-S2 (page 5)  
16 is 5.63 percent, which is a blended rate reflecting the different rates  
17 applicable to the deposits of gas and electric customers. The rate is blended  
18 because the capital structure relates to the NIPSCO legal entity, and

1           therefore, deposit balances reflect deposits related to both the gas and  
2           electric businesses. In accordance with General Administrative Order 2022-  
3           03, the rate to be paid on gas deposits effective January 1, 2023, is 4.50  
4           percent. In accordance with 170 IAC 4-1-15(f)(1), the rate to be paid on  
5           electric deposits is 6.00 percent. For combination customers, the deposits  
6           are not distinguishable, and therefore, NIPSCO pays the higher rate of 6.00  
7           percent. The gas rate of 4.50 percent is paid only to gas-only customers  
8           (those who do not receive electric service from NIPSCO). Petitioner's  
9           Confidential Exhibit No. 19-S2, CS 3, Page [.2], shows the calculation of the  
10          cost rate based on the Company's actual customer deposits at December 31,  
11          2022, and the currently approved rates.

12   **Q85. Please explain the Post-Retirement Liability reflected on Attachment 3-**  
13    **A-S2 (page 5)?**

14    A85. The Post-Retirement Liability reflects the Accounting Standards  
15    Codification 715, Compensation - Retirement Benefits ("ASC 715") OPEB  
16    accrual expense (previously referred to as Statement of Financial  
17    Accounting Standard No. 106 ("SFAS 106")) in excess of the cash basis or  
18    Pay-As-You-Go Method ("PAYGO"). NIPSCO was authorized to include  
19    Statement of Financial Accounting Standard No. 106 expense (now

1 incorporated into ASC 715-60) in its cost of service for ratemaking purposes.

2 Additionally, the Commission authorized NIPSCO to commence the

3 amortization of the expense that had been deferred as a regulatory asset

4 pursuant to the Commission's December 30, 1992, Order in Cause No.

5 39348. The Commission also found that the cumulative difference between

6 the ASC 715-60 (SFAS 106) expense and the cash outlay for post-retirement

7 benefits other than pensions should be treated as zero cost capital. NIPSCO

8 computed this adjustment by starting with the ASC 715-60 (SFAS 106) gross

9 accrual amounts (which includes all of the expenses deferred in the

10 regulatory asset prior to February 1, 1997), then reducing for amounts paid

11 as calculated under the PAYGO, then finally reducing by the capitalized

12 portion. In this fashion, the amount reflected as zero cost capital is

13 essentially equivalent to the amount that would have been recorded as ASC

14 715-60 (SFAS 106) expense in excess of the PAYGO since February 1, 1997,

15 together with the amount of the original regulatory asset that has been

16 amortized, all as provided for in the Commission's June 11, 1997 Order in

17 Cause No. 40688.

18 **Q86. Please explain the forecasted Prepaid Pension Asset shown on**

19 **Attachment 3-B-S2, CS Module.**

1 A86. The forecasted Prepaid Pension Asset on Attachment 3-B-S2, CS Module,  
2 Line 6, represents the difference between the forecasted cumulative amount  
3 of cash contributions to NIPSCO's pension trust fund and the forecasted  
4 cumulative amount of pension expense that will be recorded on NIPSCO's  
5 books and records in accordance with GAAP. The pension trust fund  
6 contributions in excess of historical amounts charged to operating expense,  
7 which were included in the determination of revenue requirements in past  
8 rate cases and therefore recovered from NIPSCO's gas utility customers,  
9 represents investor capital contributions. As I explain later, NIPSCO's retail  
10 gas customers benefit from investor capital contributions because earnings  
11 on excess pension trust fund cash contributions (Prepaid Pension Asset)  
12 serve to reduce pension expense. I also explain that the Company's pension  
13 funding strategy (1) is in part mandated by Federal regulations; (2) is an  
14 ordinary cost of doing business; and (3) results in costs prudently incurred  
15 on behalf of customers. For these reasons, and to not understate the cost of  
16 service, costs incurred associated with the Company's pension funding  
17 strategy should be included in the determination of the jurisdictional  
18 revenue requirement in this proceeding. To capture the costs associated  
19 with this program, as shown in Attachment 3-B-S2, CS Module, Line 6, the

1 Company has included the balance of the Prepaid Pension Asset as a  
2 component of NIPSCO's overall weighted average cost of capital.  
3 Reflecting the Prepaid Pension Asset in this fashion operates as the mirror  
4 image of the Post-Retirement Liability. It is also how both the Prepaid  
5 Pension Asset and Post-Retirement Liability have been reflected in several  
6 recent gas and electric rate cases for NIPSCO.

7 **Q87. How is the Prepaid Pension Asset reflected on NIPSCO's books?**

8 A87. NIPSCO recognizes a pension liability on its balance sheet equal to the  
9 difference between the pension plan assets and accumulated benefit  
10 obligations, as required under GAAP. Additionally, NIPSCO recognizes a  
11 regulatory asset on its balance sheet equal to accumulative actuarial  
12 gains/losses and prior service costs that have not yet been amortized  
13 through expense. The Prepaid Pension Asset represents the net amount of  
14 the funded status and the regulatory asset.

15 **Q88. What is the difference between the ASC 715 and the Prepaid Pension**  
16 **Asset?**

17 A88. Net periodic pension cost is an income statement concept that measures the  
18 attribution of the pension benefit obligation on a pro rata, accrual basis to

1 the period being measured. The ASC 715 calculation of net periodic benefit  
2 cost is used to derive the amount of pension expense included in the O&M  
3 portion of the revenue requirement. The Prepaid Pension Asset is derived  
4 from balance sheet values. The Prepaid Pension Asset can be compared to  
5 other zero-cost capital items in the capital structure such as deferred taxes  
6 or the post-retirement liability. These items should be considered when  
7 setting rates to appropriately calculate NIPSCO's overall weighted average  
8 cost of capital.

9 **Q89. Have you projected the amount of Prepaid Pension Asset to be included**  
10 **in NIPSCO's weighted average cost of capital?**

11 A89. Yes. As of December 31, 2024, cumulative contributions will exceed the  
12 projected cumulative amount of pension expense determined in accordance  
13 with ASC 715 by \$403,801,782. (Attachment 3-A-S2, Column B, Line 6.)

14 **Q90. How do the additional pension contributions benefit customers?**

15 A90. The additional pension contributions to the trust fund result in additional  
16 trust fund investment income that directly reduces annual ASC 715 pension  
17 expense. Additionally, the Pension Benefit Guaranty Corporation  
18 ("PBGC") requires qualified pension plans under the U.S. tax code to pay

1       yearly insurance premiums equal to a flat rate times the number of  
2       participants in the plan and a variable rate times the unfunded vested  
3       benefits. As such, pension funding directly reduces the PBGC premiums  
4       charged to the qualified plan and serves to reduce expense. The current  
5       forecasted pension expense, based on the July 2023 Aon actuarial report, of  
6       approximately \$3,829,030 reflected in Attachment 3-C-S2, OM 13, is  
7       inclusive of this savings.

8       **Q91. Did NIPSCO include any pension contributions in the 2023 and 2024**  
9       **forecasts used in this proceeding?**

10      A91. No. NIPSCO did not include any planned pension contributions in its 2023  
11      and 2024 forecast, however, NIPSCO is continuously evaluating the overall  
12      benefits of additional pension contributions. NIPSCO has made no pension  
13      fund contributions since the close of the test year in NIPSCO's last gas rate  
14      case.

15      **Q92. Has the Commission previously approved the inclusion of a utility's**  
16      **prepaid pension assets in the capital structure and overall weighted**  
17      **average cost of capital?**

1 A92. Yes. The Commission approved settlement agreements reflecting a WACC  
2 that included the full prepaid pension asset in its Capital Structure and  
3 Overall Weighted Average Cost of Capital in its August 2, 2023 Order in  
4 Cause No. 45772, July 27, 2022 Order in Cause No. 45621, December 4, 2019  
5 Order in Cause No. 45159, September 19, 2018 Order in Cause No. 44988,  
6 and July 18, 2016 Order in Cause No. 44688.

7 **Q93. Does NIPSCO also have a prepaid asset related to OPEB?**

8 A93. No. NIPSCO has an OPEB liability which reflects NIPSCO's OPEB accrual  
9 expense in excess of the cash basis (or PAYGO). As previously discussed,  
10 in accordance with the Commission's June 11, 1997, Order in Cause No.  
11 40688, NIPSCO has included the cumulative difference between this  
12 expense and the cash outlay for these benefits as zero cost capital in  
13 NIPSCO's Capital Structure and calculation of the Weighted Average Cost  
14 of Capital. NIPSCO's proposed treatment of the Prepaid Pension Asset is  
15 consistent with NIPSCO's historical treatment of NIPSCO's OPEB liability.

16 **Q94. Please provide a summary of the Common Equity adjustments shown on**  
17 **Attachment 3-B-S2, CS Module, Line 1.**

1 A94. Adjustments CS 1-23 and 1-24 are to increase Historic Base Period Common  
2 Equity in the amounts of \$1,153,095,492 and \$863,009,486, respectively. The  
3 adjustments reflect the projected increase in Retained Earnings from the  
4 Historic Base Period. In addition, the adjustment reflects an increase to  
5 Additional Paid in Capital. The combination of adjustments is calculated  
6 so as to maintain a reasonable capital structure, consistent with the capital  
7 structure deemed reasonable in NIPSCO's most recent financing plan by  
8 the Commission's December 14, 2022, Order in Cause No. 45737. If these  
9 adjustments are not included, Forward Test Year Common Equity would  
10 be understated.

11 **Q95. Please provide a summary of the Long-Term Debt adjustments shown on**  
12 **Attachment 3-B-S2, CS Module, Line 2.**

13 A95. Adjustments CS 2-23 and CS 2-24 are to increase Historic Base Period Long-  
14 Term Debt in the amounts of \$710,014,508 and \$615,014,508, respectively, to  
15 reflect a total issuance of \$1,400,000,000 of long-term debt based on  
16 NIPSCO's most current financing plan information that will be updated for  
17 actuals and/or revised assumptions as new information becomes available  
18 during the course of the instant proceeding. As noted above, the  
19 Commission's December 14, 2022 Order in Cause No. 45737 approved a

1            Financing Plan for NIPSCO to issue bonds, notes, or other evidence of  
2            indebtedness during the period January 1, 2023 through December 31, 2024  
3            in an amount not to exceed \$1,400,000,000. If this adjustment is not  
4            included, Forward Test Year Long-Term Debt would be understated.

5            **Q96. Please provide a summary of the Customer Deposits adjustment shown**  
6            **on Attachment 3-B-S2, CS Module, Line 3.**

7            A96. Adjustment CS 3-23 increases Historical Base Period Customer Deposits by  
8            \$785,367. The adjustment reflects the increase to the Gas Customer deposit  
9            rate from 0.50% to 4.50% in accordance with General Administrative Order  
10           2022-03, as discussed previously in my testimony. If this adjustment is not  
11           included, Historical Base Period Customer Deposits would be understated.

12           **Q97. Please provide a summary of the Deferred Income Tax adjustments**  
13           **shown on Attachment 3-B-S2, CS Module, Line 4.**

14           A97. Adjustments CS 4-23 and CS 4-24 are to increase Historic Base Period  
15           Accumulated Deferred Income Taxes in the amount of \$33,986,647 and  
16           \$83,470,609, respectively. NIPSCO Witness Bass sponsors these  
17           adjustments to Deferred Income Taxes. If these adjustments are not

1 included, Historic Base Period Accumulated Deferred Income Taxes would  
2 be understated.

3 **Q98. Please provide a summary of the OPEB adjustments shown on**  
4 **Attachment 3-B-S2, CS Module, Line 5.**

5 A98. The adjustments shown on line 5 of Attachment 3-B-S2, CS Module,  
6 represent the following:

- 7 • Adjustment CS 5-23 decreases OPEB by \$10,375,681 based on the  
8 July 2022 Aon actuarial report;
- 9 • Adjustment CS 5-24 decreases OPEB by \$11,730,371 based on the  
10 July 2022 Aon actuarial report; and
- 11 • Adjustment CS 5-24R increases OPEB by \$1,278,361 based on the  
12 updated July 2023 Aon actuarial report.

13 If these adjustments are not included, Forward Test Year OPEB reflected in  
14 the capital structure would be overstated.

15 **Q99. Please provide a summary of the Prepaid Pension Asset adjustments**  
16 **shown on Attachment 3-B-S2, CS Module, Line 6.**

17 A99. The adjustments shown on line 6 of Attachment 3-B-S2, CS Module,  
18 represent the following:

- 19 • Adjustment CS 6-23 increases Prepaid Pension by \$17,239,893 based  
20 on the July 2022 Aon actuarial report;

- 1           • Adjustment CS 6-24 increases Prepaid Pension by \$12,599,000 based  
2           on the July 2022 Aon actuarial report; and
- 3           • Adjustment CS 6-24R increases Prepaid Pension by \$4,319,000 based  
4           on the updated July 2023 Aon actuarial report.

5           If these adjustments are not included, Forward Test Year Prepaid Pension  
6           reflected in the capital structure would be understated.

7           **Q100. Please provide a summary of the Post-1970 ITC adjustments shown on**  
8           **Attachment 3-B-S2, CS Module, Line 7.**

9           A100. Adjustments CS 7-23 and CS 7-24 decrease Post-1970 ITC by \$269,088 and  
10          \$217,016, respectively. NIPSCO Witness Bass sponsors these adjustments.

11          If these adjustments are not made, Forward Test Year Post-1970 ITC  
12          reflected in the capital structure would be overstated.

13          **Required Net Operating Income**

14          **Q101. Please explain the calculation of NIPSCO's proposed "Required Net**  
15          **Operating Income" on Attachment 3-A-S2, Page 3.**

16          A101. As discussed above, NIPSCO's proposed "Required Net Operating  
17          Income" for purposes of designing rates is calculated by multiplying  
18          NIPSCO's proposed net original cost "Total Rate Base" in the amount of  
19          \$3,484,810,045 by NIPSCO's proposed "Rate of Return" in the amount of

1           7.48 percent. This calculation results in a total "Required Net Operating  
2           Income" of \$260,663,791 for purpose of designing rates.

3           **Approval of Account-By-Account Depreciation Rates**

4           **Q102. Is NIPSCO seeking approval of depreciation rates on an account-by-**  
5           **account basis?**

6           A102. Yes. The depreciation study sponsored by NIPSCO Witness Spanos  
7           proposes specific depreciation rates by FERC account. I have confirmed  
8           that NIPSCO's accounting software is compatible with rates established on  
9           an account-by-account basis, and NIPSCO is requesting that the  
10          Commission approve the use of the rates proposed by NIPSCO Witness  
11          Spanos on that basis.

12          **Rider Changes**

13          **Q103. Does NIPSCO anticipate updating its current Riders upon the**  
14          **implementation of new rates?**

15          A103. Yes. Upon the receipt of a Commission order in this proceeding, NIPSCO  
16          anticipates submitting a compliance filing to reflect the impact of new basic  
17          rates and charges on the individually impacted Riders. The table below is  
18          a summary of Rider updates NIPSCO anticipates reflecting in the  
19          compliance filing upon the implementation of new rates. As described

1           above, this will include a two-step compliance filing process. Specifically,  
2           NIPSCO will continue to include capital expenditures in the TDSIC and  
3           FCMA Riders until such amounts are included in base rates (e.g., will  
4           continue to include in rider if not in service at June 30, 2024 (Step 1) or  
5           December 31, 2024 (Step 2)).

<b>Rider</b>	<b>Rider Name</b>	<b>Description of Adjustment</b>
270	Gas Cost Adjustment (GCA) Rider	Update rates shown on Appendix B to reflect changes to the Demand Allocation Factors for Residential and General Service Customers and the change to the bad debt percentage. 100% of gas costs will continue to be recovered through the GCA.
272	Gas Demand Side Management (“GDSM”) Rider	Update factors shown on Appendix C to remove lost revenues
288	Adjustment of Charges for Transmission, Distribution and Storage System Improvement Charge	Update factors to remove projects included in base rates
290	Adjustment of Charges for Federally Mandated Costs	Update factors to remove projects included in base rates

6

7           **Q104. How is NIPSCO proposing to treat the recovery of bad debt expense in**  
8           **this proceeding?**

1 A104. As discussed above, NIPSCO is proposing no changes to its previously  
2 authorized recovery of bad debt expense allocable to the cost of gas through  
3 the GCA. NIPSCO will continue to recover the non-gas portion of bad debt  
4 expense in base rates.

5 **Q105. How will NIPSCO determine the amount of bad debt expense associated**  
6 **with gas costs that will be recovered through the GCA?**

7 A105. NIPSCO will continue to recover the gas cost component of its bad debt  
8 expense through its quarterly GCA proceedings based on the most recent  
9 seven years' experience of NIPSCO Gas bad debt write-offs as a percentage  
10 of NIPSCO Gas revenues. This amount, which is 0.42 percent, is calculated  
11 in the workpapers supporting the adjustment on Attachment 3-C-S2, OM  
12 11, as shown in Petitioner's Confidential Exhibit No. 19-S2.

13 **Deferral Accounting Authority for Pension and OPEB Expenses.**

14 **Q106. Please describe NIPSCO's request for deferral accounting treatment of**  
15 **pension and OPEB expenses.**

16 A106. NIPSCO is requesting to defer under- or over-recovery in Pension/OPEB  
17 expenses as a regulatory asset or liability for future recovery or pass-back  
18 to customers. The amount of pension expense included in base rates is  
19 \$3,829,030 (OM-13) and the amount of OPEB is \$3,755,233 (OM-14). Annual

1           deferral would begin upon the issuance of an order in this proceeding. The  
2           resulting regulatory asset or liability would be considered in NIPSCO's  
3           next base rate case. At that time, the amounts deferred would then be  
4           amortized and recovered from, or passed back to, ratepayers over the  
5           period of months between the date the order is issued in this proceeding  
6           and the date the order is issued in that proceeding.

7           **Q107. Is NIPSCO's proposed balancing account a novel concept?**

8           A107. No. Relief has been granted in other states, such as by the Ohio Public  
9           Utilities Commission to Columbia Gas of Ohio. *See In Re Columbia Gas of*  
10          *Ohio*, Case No. 09-371-GA-AAM (Ohio PUC 7/8/2009).

11          **Q108. Why is NIPSCO proposing to defer potential future over- and under-**  
12          **recoveries of pension and OPEB expense?**

13          A108. Especially with respect to pension expense, but also OPEB expense to a  
14          lesser extent, the Company can experience wide fluctuations in the expense.  
15          For example, pension expense in the Historic Base Period was a credit of  
16          \$3,910,024, although based on recent actuarial updates will increase by  
17          \$7,739,055, to bring Forward Test Year expense to \$3,829,030. Similarly,  
18          OPEB expense in the Historic Base Period was \$1,966,167, although based

1 on recent actuarial updates will increase by \$1,789,066, to bring Forward  
2 Test Year expense to \$3,755,233. If these expenses later return to levels like  
3 those experienced in the base period, the proposed deferral would benefit  
4 customers. The fluctuation in the expense level is largely outside NIPSCO's  
5 control, and, especially in the case of pensions, is driven to a great extent by  
6 market forces. Therefore, NIPSCO is requesting to defer under- or over-  
7 recovery in Pension/OPEB expenses as a regulatory asset or liability for  
8 future recovery or flow-back to customers. In this way, despite the  
9 fluctuations, the amount that NIPSCO ultimately recovers should be no  
10 more and no less than the actual cost.

11 **Deferral Accounting Authority for Line Locates Expense**

12 **Q109. Please describe NIPSCO's request for deferral accounting treatment of**  
13 **Line Locates expense.**

14 A109. NIPSCO is requesting to defer under- or over-recovery of Line Locates  
15 expense as a regulatory asset or liability for future recovery or pass-back to  
16 customers. The amount of Line Locates included in base rates is  
17 \$25,702,643. Annual deferral would begin upon the issuance of an order in  
18 this proceeding. The resulting regulatory asset or liability would be  
19 considered in NIPSCO's next base rate case. At that time, the amounts

1           deferred would then be amortized and recovered from, or passed back to,  
2           ratepayers over the period of months between the date the order is issued  
3           in this proceeding and the date the order is issued in that proceeding.

4   **Q110. Why is NIPSCO proposing to defer potential future over- and under-**  
5           **recoveries of Line Locates expense?**

6   A110. With respect to Line Locates expense, the Company can experience wide  
7           fluctuations in the expense. For example, line locates expense in the  
8           Historic Base Period is \$18,724,812, although based on updated forecasts  
9           will increase by \$6,977,832, to bring Forward Test Year expense to  
10          \$25,702,643. Line locate expense is driven by the number of line locate  
11          requests. Locating utility facilities pursuant to the Call-Before-You-Dig  
12          program is an important public safety concern, and the Company should  
13          be permitted to recover its actual costs incurred in doing so. Therefore,  
14          NIPSCO is requesting to defer under- or over-recovery in line locates  
15          expenses as a regulatory asset or liability for future recovery or flow-back  
16          to customers. In this way, despite the fluctuations, the amount that  
17          NIPSCO ultimately recovers should be no more and no less than the actual  
18          cost. NIPSCO Witness Smith describes the components that contribute to  
19          the fluctuations of Line Locates expense and explains why NIPSCO's line

1       locate expenses should be provided deferral accounting treatment as  
2       proposed.

3       **Books and Records**

4       NIPSCO's Accounting Practices

4       **Q111. Please provide an overview of the Corporate Accounting department.**

5       A111. The Corporate Accounting department performs internal accounting  
6       functions for all of the NiSource regulated utilities, including NIPSCO's gas  
7       and electric operations. Two of the primary functions provided for  
8       NIPSCO are General Accounting and Asset Accounting. First, in  
9       performing its general accounting duties, the department maintains the  
10      accounting books and records for NIPSCO's electric and gas operations.  
11      Corporate Accounting also prepares financial statements and reports for  
12      internal use and external distribution. Second, in fulfilling its asset  
13      accounting duties, the department manages the books and records related  
14      to NIPSCO's fixed assets.

15      **Q112. What is the basis for NIPSCO's accounting and financial reporting?**

16      A112. NIPSCO's accounting and financial reporting policies and practices are in  
17      conformance with GAAP. The Financial Accounting Standards Board

1 ("FASB") is recognized by the accounting profession as the primary body  
2 for establishing the standards embodied in GAAP.

3 **Q113. Are there other accounting standards and rules NIPSCO must follow?**

4 A113. Yes. As a company whose securities are traded in interstate commerce,  
5 NiSource and its subsidiaries are subject to the accounting principles  
6 established by the Securities and Exchange Commission ("SEC"). While the  
7 SEC recognizes FASB as the primary authority for the establishment of  
8 GAAP accounting standards, it also promulgates its own rules that govern  
9 financial statements to be included in SEC filings and interprets GAAP as  
10 part of its review of those filings. The SEC's rulings and interpretations of  
11 GAAP in the context of the numerous and often complex transactions  
12 involving publicly held companies are considered to be of equal authority  
13 as FASB pronouncements within the accounting profession. Financial  
14 statements filed with the SEC must be accompanied by the opinion of an  
15 independent auditor that the statements have been prepared in accordance  
16 with GAAP.

17 **Q114. Is GAAP the same as the FERC Uniform System of Accounts?**

1 A114. No. The Uniform System of Accounts ("USofA") is an accounting standard  
2 prescribed by FERC for most major utilities, including NIPSCO. The  
3 Commission adopted the USofA as the standard for Indiana utilities in its  
4 administrative rules at 170 IAC 5-2-3. While there are some differences  
5 between GAAP and the USofA, they are generally consistent with one  
6 another. The GAAP financial statements differ from the FERC USofA  
7 primarily in the classification of accumulated deferred income taxes,  
8 regulatory assets and liabilities, cost of removal obligations, maturities of  
9 long-term debt, and equity treatment of post-in-service carrying charges.

10 **Q115. Are NIPSCO's books and records kept in accordance with the USofA?**

11 A115. Yes.

12 **Q116. How are audits of NIPSCO's financial books and records performed and**  
13 **by whom?**

14 A116. Formal audits of the financial books and records of NiSource and its  
15 affiliates, including NIPSCO, are performed annually by Deloitte and  
16 Touche USA, LLP. In addition, the internal audit department of NiSource  
17 supplements the audits performed by Deloitte & Touche on some  
18 transactional matters.

1 **Q117. What other controls does NIPSCO utilize to ensure the accuracy of its**  
2 **accounting books and records and financial statements?**

3 A117. NIPSCO follows the directives of the FERC USofA, the FASB, GAAP, and  
4 Sarbanes-Oxley regulations, as well as various internally-established  
5 control procedures. Examples of internally-established control procedures  
6 include: authority limits and approvals required for expenditures and  
7 general ledger transactions; bank and general ledger account  
8 reconciliations; and access limitations to the general ledger accounting  
9 system. The books and records of NIPSCO are also subject to audit by the  
10 Indiana Office of the Utility Consumer Counselor ("OUCC"), the  
11 Commission, and FERC.

12 **Q118. Is NIPSCO providing financial statements for the Historic Base Period?**

13 A118. Yes. Attachment 3-D includes NIPSCO's (1) Consolidated Balance Sheet,  
14 as of the last day of the Historic Base Period (2022) and of the twelve (12)  
15 month period preceding the Historic Base Period (2021); (2) Consolidated  
16 Statement of Cash Flow, as of the last day of the Historic Base Period (2022);  
17 and (3) Statement of Consolidated Income, as of the last day of the Historic  
18 Base Period (2022) and of the twelve (12) month period preceding the  
19 Historic Base Period (2021). These financial statements are also provided

1 in NIPSCO's Submission of Minimum Standard Filing Requirements in 170  
2 IAC 1-5-6(1)(A), 170 IAC 1-5-6(1)(B), and 170 IAC 1-5-6(1)(C).

3 **Q119. Is NIPSCO providing forecasted financial statements for the Forward**  
4 **Test Year?**

5 A119. Attachment 3-E includes NIPSCO's forecasted (1) Consolidated Balance  
6 Sheet; (2) Consolidated Statement of Cash Flow; and (3) Statement of  
7 Consolidated Income, all for the twelve months ended December 31, 2024.

8 **Q120. How was NIPSCO's 2024 forecasted gas utility income statement and**  
9 **consolidated balance sheet developed?**

10 A120. NIPSCO's forecasted gas utility income statement and consolidated balance  
11 sheet as of December 31, 2024 were prepared in accordance with NIPSCO's  
12 normal forecasting processes as described in my testimony and  
13 attachments. They are based on the consolidation of data provided by  
14 business units and various corporate departments. The forecast is fully  
15 integrated between the income statement, balance sheet and statement of  
16 cash flows. The forecasted financial statements have been prepared  
17 assuming present rates.

18 **Q121. How was NIPSCO's 2024 forecasted consolidated statement of cash flows**

1           **developed?**

2    A121. NIPSCO's forecasted consolidated statement of cash flows for the twelve  
3           months ended December 31, 2024 is a function of the items reflected in the  
4           forecasted balance sheet. Cash needs dictate the extent of debt and equity  
5           that is necessary to operate the business, given the timing of cash inflows  
6           and outflows.

7    **Q122. Does NIPSCO's forecasted consolidated balance sheet fairly and**  
8           **reasonably reflect the account balances expected during 2024?**

9    A122. Yes, at current rates. The forecasted consolidated balance sheet is based on  
10           the capital expenditures, operating costs, and capital structure reasonably  
11           necessary for the going forward operation of the NIPSCO gas utility. The  
12           forecasted consolidated balance sheet contains the components of rate base  
13           as shown in Attachments 3-A and 3-B-S2.

14    **Allocation of NIPSCO Common Costs**

15    **Q123. What are common costs and how are they allocated between NIPSCO's**  
16           **gas and electric operations?**

17    A123. Common costs represent costs that must be incurred by both the gas and  
18           electric functions in performing their regular business activities, but which  
19           can also be shared or pooled between both functions. A typical example of

1 a common cost is the cost to bill customers. Both gas customers and electric  
2 customers must be billed, but combination utilities like NIPSCO can pool  
3 billing activities in a single common department to avoid duplicating costs  
4 and resources. Because common costs represent pooled costs of both the  
5 gas and electric functions, these costs must be allocated between gas and  
6 electric using common allocation ratios that measure the cost causation  
7 relationship between the gas and electric functions for these costs.

8 **Q124. Please explain how common cost allocation ratios are applied by**  
9 **NIPSCO.**

10 A124. Common cost allocation ratios are updated twice each year to reflect the  
11 most current information. The most current calculation of each ratio is  
12 applied to all common costs when they are booked to allocate the cost  
13 between gas and electric. The most recent calculation of these allocators is  
14 shown on Attachment 3-F.

15 **NCSC Charges**

16 **Q125. What is NCSC and what is its relationship to NIPSCO?**

17 A125. NCSC is a subsidiary of NiSource and an affiliate of NIPSCO within the  
18 NiSource corporate organization. NCSC provides a range of services to  
19 NiSource's operating companies, which include NIPSCO. These services

1 include the allocation and billing of charges to the NiSource operating  
2 companies for services provided by both NCSC and third-party vendors,  
3 which is further described by NIPSCO Witness Gode.

4 **Q126. Please explain how NCSC charges are booked by NIPSCO.**

5 A126. Monthly billing information is made available to the affiliates, including  
6 NIPSCO, that reflects all information necessary to identify the costs charged  
7 and the services rendered for that month. The information includes  
8 detailed line item charges including the coding structure that NCSC uses to  
9 distribute those costs to affiliates like NIPSCO. These codes include the  
10 NiSource chart of accounts which consists of the FERC account, Cost  
11 Element, the NiSource internal department responsible for the charge, the  
12 Activity and Billing Pool codes which categorize the nature of the service  
13 provided, the allocation basis or direct Billing Pool used to distribute the  
14 cost to NIPSCO, and other descriptive information.

15 NIPSCO maps each line item charge to the same FERC account used by  
16 NCSC with the exception of a few items that are reflected elsewhere as  
17 noted in FERC Form 1 page 429 – Transactions with Associated (Affiliated)  
18 Companies.

1           The ratios used to allocate NCSC charges include certain allocators that  
2           have been developed specifically for allocating charges received from  
3           NCSC between electric and gas. These ratios replicate the allocation  
4           methodology for electric and gas that NCSC used to allocate these costs to  
5           NIPSCO. In contrast to common costs, NCSC charges are expenses charged  
6           to NCSC and then billed to NIPSCO. Many of the NCSC charges billed to  
7           NIPSCO have been allocated among multiple operating companies.  
8           NIPSCO apportions those expenses between gas and electric following the  
9           same allocations methodologies used within NCSC so that the  
10          methodology is consistent from beginning to end.

11       **Q127. Are NCSC charges split between gas and electric operations in the same**  
12       **way as common costs are allocated between gas and electric operation?**

13       A127. Not completely. The common costs described earlier in my testimony are  
14       expenses billed directly to NIPSCO as an operating company or generated  
15       internally by common departments at NIPSCO. Those NIPSCO common  
16       costs are allocated between gas and electric using the allocation ratios  
17       described above. The ratios used to allocate NCSC charges include certain  
18       allocators that have been developed specifically for allocating charges  
19       received from NCSC between electric and gas. These additional ratios

1           replicate the allocation methodology for electric and gas that NCSC used to  
2           allocate these costs to NIPSCO.

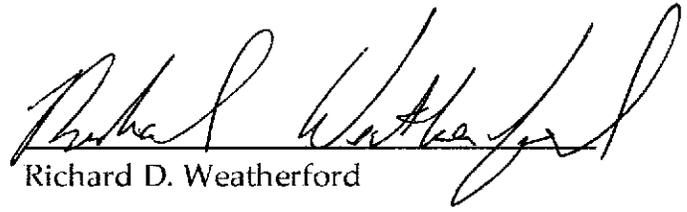
3           In contrast to common costs, NCSC charges are expenses charged to NCSC  
4           and then billed to NIPSCO. Many of the NCSC charges billed to NIPSCO  
5           have been allocated among multiple operating companies as described by  
6           NIPSCO Witness Gode. NIPSCO apportions those expenses between gas  
7           and electric following the same allocations methodologies used within  
8           NCSC so that the methodology is consistent from beginning to end.

9           **Q128. Does this conclude your prefiled direct testimony?**

10          A128. Yes.

## VERIFICATION

I, Richard D. Weatherford, Lead Regulatory Analyst, Regulatory – Rate Cases, 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.



Richard D. Weatherford

Date: October 25, 2023

Northern Indiana Public Service Company LLC  
Statement of Operating Income  
Actual, Pro forma, and Proposed  
For the Twelve Month Period Ending June 30, 2024

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B Reference <sup>1</sup>	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
<b>1</b>	<b>Operating Revenue</b>							
2	Revenue (Actual / Pro Forma)	\$ 1,055,517,597		REV, Col A	\$ 993,975,293	116,946,549	PF - 1 - S1	\$ 1,110,921,841
3	Pro forma Adjustments December 31, 2022		(70,781,929)	REV, Col B+C				
4	2023 Year-Over-Year Increase/(Decrease)		39,686,855	REV, Col E				
5	2024 Year-Over-Year Increase/(Decrease)		(39,546,474)	REV, Col G				
6	Ratemaking Adjustments December 31, 2024		9,099,244	REV, Col I				
7	Total Operating Revenue	\$ 1,055,517,597	\$ (61,542,304)		\$ 993,975,293	\$ 116,946,549		\$ 1,110,921,841
<b>8</b>	<b>Gas Costs (Trackable)</b>							
9	Fuel and Purchase Power Cost (Actual / Pro Forma)	\$ 556,693,605		COGS, Col A	\$ 400,343,545	-		\$ 400,343,545
10	Pro forma Adjustments December 31, 2022		(114,094,280)	COGS, Col B+C				
11	2023 Year-Over-Year Increase/(Decrease)		18,351,607	COGS Col E				
12	2024 Year-Over-Year Increase/(Decrease)		(62,872,469)	COGS, Col G				
13	Ratemaking Adjustments December 31, 2024		2,265,081	COGS, Col I				
14	Total Gas Costs	\$ 556,693,605	\$ (156,350,060)		\$ 400,343,545	\$ -		\$ 400,343,545
15	Gross Margin	\$ 498,823,991	\$ 94,807,756		\$ 593,631,748	\$ 116,946,549		\$ 710,578,296
<b>16</b>	<b>Operations and Maintenance Expenses</b>							
17	Operations and Maintenance Expenses (Actual / Pro Forma)	\$ 248,884,633		O&M, Col A	\$ 258,774,124	487,711	PF - 2 - S1	\$ 259,261,835
18	Pro forma Adjustments December 31, 2022		(6,733,284)	O&M, Col B				
19	2023 Year-Over-Year Increase/(Decrease)		11,985,109	O&M, Col D				
20	2024 Year-Over-Year Increase/(Decrease)		10,932,128	O&M, Col F				
21	Ratemaking Adjustments December 31, 2024		(6,294,462)	O&M, Col H				
22	Total Operations and Maintenance Expense	\$ 248,884,633	\$ 9,889,491		\$ 258,774,124	\$ 487,711		\$ 259,261,835
<b>23</b>	<b>Depreciation Expense</b>							
24	Depreciation Expense (Actual / Pro Forma)	\$ 75,110,861		DEPR, Col A	\$ 112,997,170			\$ 112,997,170
25	Pro forma Adjustments December 31, 2022		(485,698)	DEPR, Col B				
26	2023 Year-Over-Year Increase/(Decrease)		8,087,212	DEPR, Col D				
27	Forecast Adjustments June 30, 2024		8,982,232	DEPR, Col F				
28	Ratemaking Adjustments June 30, 2024		21,302,561	DEPR, Col H				
29	Total Depreciation Expense	\$ 75,110,861	\$ 37,886,308		\$ 112,997,170	\$ -		\$ 112,997,170

Northern Indiana Public Service Company LLC  
Statement of Operating Income  
Actual, Pro forma, and Proposed  
For the Twelve Month Period Ending June 30, 2024

<b>30</b>	<b>Amortization Expense</b>											
31	Amortization Expense (Actual / Pro Forma)	\$	10,239,228			AMTZ, Col A	\$	34,296,186		\$	34,296,186	
32	Pro forma Adjustments December 31, 2022			4,321,930		AMTZ, Col B						
33	2023 Year-Over-Year Increase/(Decrease)			9,638,192		AMTZ, Col D						
34	Forecast Adjustments June 30, 2024			2,654,223		AMTZ, Col F						
35	Ratemaking Adjustments June 30, 2024			7,442,612		AMTZ, Col H						
<b>36</b>	<b>Total Amortization Expense</b>	<b>\$</b>	<b>10,239,228</b>	<b>\$</b>	<b>24,056,958</b>		<b>\$</b>	<b>34,296,186</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>34,296,186</b>
<b>37</b>	<b>Taxes</b>											
<b>38</b>	<b>Taxes Other than Income</b>											
39	Taxes Other than Income (Actual / Pro Forma)	\$	27,775,008			OTX, Col A	\$	24,139,341		\$	24,139,341	
40	Pro forma Adjustments December 31, 2022			(8,126,834)		OTX, Col B						
41	2023 Year-Over-Year Increase/(Decrease)			2,240,379		OTX, Col D						
42	2024 Year-Over-Year Increase/(Decrease)			2,007,410		OTX, Col F				\$	-	
43	Ratemaking Adjustments December 31, 2024			243,377		OTX, Col H			171,631	PF - 3 - S1	\$	171,631
<b>44</b>	<b>Total Taxes Other Than Income</b>	<b>\$</b>	<b>27,775,008</b>	<b>\$</b>	<b>(3,635,667)</b>		<b>\$</b>	<b>24,139,341</b>	<b>\$</b>	<b>171,631</b>	<b>\$</b>	<b>24,310,972</b>
<b>45</b>	<b>Operating Income Before Income Taxes</b>	<b>\$</b>	<b>136,814,261</b>	<b>\$</b>	<b>26,610,667</b>		<b>\$</b>	<b>163,424,928</b>	<b>\$</b>	<b>116,287,206</b>	<b>\$</b>	<b>279,712,134</b>
<b>46</b>	<b>Income Taxes</b>											
47	Federal and State Taxes (Actual / Pro Forma)	\$	17,561,373	(1,368,166)		Attachment 3-C-S, ITX 1-S1	\$	16,193,207	28,921,791	PF - 4 - S1	\$	45,114,998
<b>48</b>	<b>Total Taxes</b>	<b>\$</b>	<b>45,336,381</b>	<b>\$</b>	<b>(5,003,833)</b>		<b>\$</b>	<b>40,332,548</b>	<b>\$</b>	<b>29,093,422</b>	<b>\$</b>	<b>69,425,970</b>
<b>49</b>	<b>Total Operating Expenses including Income Taxes</b>	<b>\$</b>	<b>379,571,104</b>	<b>\$</b>	<b>66,828,924</b>		<b>\$</b>	<b>446,400,027</b>	<b>\$</b>	<b>29,581,134</b>	<b>\$</b>	<b>475,981,161</b>
<b>50</b>	<b>Required Net Operating Income</b>	<b>\$</b>	<b>119,252,888</b>	<b>\$</b>	<b>27,978,833</b>		<b>\$</b>	<b>147,231,721</b>	<b>\$</b>	<b>87,365,415</b>	<b>\$</b>	<b>234,597,136</b>

Footnote 1 - Unless otherwise noted

Northern Indiana Public Service Company LLC  
Calculation of Proposed Revenue Increase  
Based on Pro forma Operating Results  
Original Cost Rate Base Estimated at June 30, 2024

Line No.	Description	Revenue Deficiency
1	Net Original Cost Rate Base	\$ 3,153,187,306
2	Rate of Return	7.44%
3	Net Operating Income	234,597,136
4	Pro forma Net Operating Income	147,231,721
5	Increase in Net Operating Income (NOI Shortfall)	87,365,415
6	Effective Incremental Revenue / NOI Conversion Factor	74.705%
7	Increase in Revenue Requirement (Based on Net Original Cost Rate Base) (Line 5 / Line 6)	\$ 116,946,549
8	One	1.000000
9	Less: Public Utility Fee	0.001468
10	Less: Bad Debt	0.004170
11	State Taxable Income	0.994362
12	Taxable Adjusted Gross Income Tax	0.994362
13	Adjusted Gross Income Tax Rate	0.049000
14	Adjusted Gross Income Tax	0.048724
15	Line 11 less line 14	0.945638
16	One	1.000000
17	Less: Federal Income Tax Rate	0.210000
18	One Less Federal Income Tax Rate	0.790000
19	Effective Incremental Revenue / NOI Conversion Factor	74.705%

Northern Indiana Public Service Company LLC  
Summary of Rate Base  
As Of June 30, 2024

<u>Line No.</u>	<u>Description</u>	<u>As Of December 31, 2024</u>	<u>Attachment 3-B Reference</u>
<b><u>Gas Rate Base</u></b>			
1	Utility Plant	\$ 4,627,617,077	RB, Col I
2	Common Allocated	229,972,593	RB, Col I
3	<b>Total Gas Utility Plant</b>	<b>4,857,589,671</b>	RB, Col I
4	Utility Plant Accumulated Depreciation and Amortization	(1,680,911,671)	RB, Col I
5	Common Allocated Accumulated Depreciation and Amortization	(152,420,355)	RB, Col I
6	<b>Total Gas Accumulated Depreciation and Amortization</b>	<b>(1,833,332,025)</b>	RB, Col I
7	<b>Net Gas Utility Plant</b>	<b>\$ 3,024,257,645</b>	RB, Col I
8	Cause No. 44988 & 45621 Regulatory Assets	15,958,264	RB, Col I
9	TDSIC Regulatory Asset	10,319,416	RB, Col I
10	FMCA Regulatory Asset	5,877,960	RB, Col I
11	Materials & Supplies	17,337,093	RB, Col I
12	Gas Stored Underground - Current A/C 164 (13-mo avg)	74,487,506	RB, Col I
13	Gas Stored Underground - Non-Current A/C 117	4,949,422	RB, Col I
14	<b>Total Gas Rate Base</b>	<b>\$ 3,153,187,306</b>	RB, Col I

Northern Indiana Public Service Company LLC  
Capital Structure  
As Of June 30, 2024

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 5,533,624,781	52.27%	10.70%	5.59%
2	Long-Term Debt	3,923,957,522	37.07%	4.89%	1.81%
3	Customer Deposits	67,265,050	0.64%	5.63%	0.04%
4	Deferred Income Taxes	1,463,381,802	13.82%	0.00%	0.00%
5	Post-Retirement Liability	9,675,556	0.09%	0.00%	0.00%
6	Prepaid Pension Asset	(412,260,782)	-3.89%	0.00%	0.00%
7	Post-1970 ITC	500,136	0.00%	8.29%	0.00%
8	Totals	<u>\$ 10,586,144,065</u>	<u>100.00%</u>		<u>7.44%</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	\$ 5,533,624,781	58.51%	10.70%	6.26%
10	Long-Term Debt	3,923,957,522	41.49%	4.89%	2.03%
11	Totals	<u>\$ 9,457,582,303</u>	<u>100.00%</u>		<u>8.29%</u>

Northern Indiana Public Service Company LLC  
Summary Statement of Depreciation Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending June 30, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022 A	Normalization Adjustments B DEPR<X>-22	Normalized Twelve Months Ended December 31, 2022 C = A + B	Forecasted Adjustments D DEPR<X>-23	Forecasted Twelve Months Ending December 31, 2023 E = C + D	Forecasted Adjustments F DEPR<X>-24-S1	Forecasted Twelve Months Ending June 30, 2024 G = E + F	Rate-making Adjustments H DEPR<X>-24R-S1	Pro forma Twelve Months Ending June 30, 2024 I = G + H
1	Gas Plant Asset Depreciation	\$ 73,963,938	\$ (485,698)	\$ 73,478,240	\$ 6,505,694	\$ 79,983,934	\$ 8,477,661	\$ 88,461,595	\$ 21,302,561	\$ 109,764,157
2	Gas Common Depreciation Expense	1,146,923	-	1,146,923	1,581,518	2,728,442	504,571	3,233,013	-	3,233,013
3	<b>Total Depreciation Expense</b>	<u>\$ 75,110,861</u>	<u>\$ (485,698)</u>	<u>\$ 74,625,163</u>	<u>\$ 8,087,212</u>	<u>\$ 82,712,376</u>	<u>\$ 8,982,232</u>	<u>\$ 91,694,608</u>	<u>\$ 21,302,561</u>	<u>\$ 112,997,170</u>

Northern Indiana Public Service Company LLC  
Summary Statement of Amortization Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending June 30, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022 A	Normalization Adjustments B AMTZ<X>-22	Normalized Twelve Months Ended December 31, 2022 C = A + B	Forecasted Adjustments D AMTZ<X>-23	Forecasted Twelve Months Ending December 31, 2023 E = C + D	Forecasted Adjustments F AMTZ<X>-24-S1	Forecasted Twelve Months Ending June 30, 2024 G = E + F	Rate-making Adjustments H AMTZ<X>-24R-S1	Pro forma Twelve Months Ending June, 2024 I = G + H
1	Gas Plant Asset Amortization	\$ 2,389,175	\$ -	\$ 2,389,175	\$ 503,717	\$ 2,892,892	\$ 346,389	\$ 3,239,281	\$ 118,537	\$ 3,357,818
2	Gas Common Amortization	7,850,053	-	7,850,053	3,373,394	11,223,447	2,307,834	13,531,281	1,712,553	15,243,834
3	TDSIC Regulatory Asset	-	-	-	-	-	-	-	2,976,099	2,976,099
4	FMCA Regulatory Asset	-	-	-	-	-	-	-	1,523,207	1,523,207
5	Cause No. 44988 & 45621 Amortization	-	4,321,930	4,321,930	5,761,081	10,083,012	-	10,083,012	-	10,083,012
6	Gas Rate Case Expense	-	-	-	-	-	-	-	1,112,216	1,112,216
7	<b>Total Amortization Expense</b>	<b>\$ 10,239,228</b>	<b>\$ 4,321,930</b>	<b>\$ 14,561,159</b>	<b>\$ 9,638,192</b>	<b>\$ 24,199,351</b>	<b>\$ 2,654,223</b>	<b>\$ 26,853,574</b>	<b>\$ 7,442,612</b>	<b>\$ 34,296,186</b>

Northern Indiana Public Service Company LLC  
Summary Statement of Rate Base  
Actuals as of December 31, 2022, thru Projected as of June 30, 2024

Line No.	Subcomponent	Actuals As of December 31, 2022 A	Normalization Adjustments B RB<X>-22	Normalized As of December 31, 2022 C = A + B	Forecasted Adjustments D RB<X>-23	Forecasted As of December 31, 2023 E = C + D	Forecasted Adjustments F RB<X>-24-S1	Forecasted As of June 30, 2024 G = E + F	Rate-making Adjustments H RB<X>-24R-S1	Pro Forma As of June 30, 2024 I = G + H
<b>Rate Base</b>										
1	Gas Utility Plant	\$ 3,749,193,245	\$ -	\$ 3,749,193,245	\$ 554,620,182	\$ 4,303,813,426	\$ 323,803,651	\$ 4,627,617,077	\$ -	\$ 4,627,617,077
2	Common Allocated	179,789,081	-	179,789,081	28,938,958	208,728,038	21,244,555	229,972,593	-	229,972,593
<b>Total Utility Plant</b>		<b>\$ 3,928,982,325</b>	<b>\$ -</b>	<b>\$ 3,928,982,325</b>	<b>\$ 583,559,139</b>	<b>\$ 4,512,541,465</b>	<b>\$ 345,048,206</b>	<b>\$ 4,857,589,671</b>	<b>\$ -</b>	<b>\$ 4,857,589,671</b>
3	Gas Accumulated Depreciation and Amortization	\$ (1,608,074,492)	\$ -	\$ (1,608,074,492)	\$ (47,227,741)	\$ (1,655,302,233)	\$ (25,609,438)	\$ (1,680,911,671)	\$ -	\$ (1,680,911,671)
4	Common Allocated	(131,905,882)	-	(131,905,882)	(12,588,579)	(144,494,461)	(7,925,894)	(152,420,355)	-	(152,420,355)
<b>Total Accumulated Depreciation and Amortization</b>		<b>\$ (1,739,980,374)</b>	<b>\$ -</b>	<b>\$ (1,739,980,374)</b>	<b>\$ (59,816,320)</b>	<b>\$ (1,799,796,694)</b>	<b>\$ (33,535,332)</b>	<b>\$ (1,833,332,025)</b>	<b>\$ -</b>	<b>\$ (1,833,332,025)</b>
<b>Net Utility Plant</b>		<b>\$ 2,189,001,951</b>	<b>\$ -</b>	<b>\$ 2,189,001,951</b>	<b>\$ 523,742,819</b>	<b>\$ 2,712,744,771</b>	<b>\$ 311,512,875</b>	<b>\$ 3,024,257,645</b>	<b>\$ -</b>	<b>\$ 3,024,257,645</b>
5	Cause No. 44988 & 45621 Regulatory Assets	\$ 28,266,548	\$ -	\$ 28,266,548	\$ (8,148,927)	\$ 20,117,621	\$ (4,159,357)	\$ 15,958,264	\$ -	\$ 15,958,264
6	TDSIC Regulatory Asset	-	-	-	3,537,339	3,537,339	6,782,077	10,319,416	-	10,319,416
7	FMCA Regulatory Asset	-	-	-	3,627,286	3,627,286	2,250,674	5,877,960	-	5,877,960
8	Materials & Supplies	22,263,644	-	22,263,644	(4,926,552)	17,337,093	-	17,337,093	-	17,337,093
9	Gas Stored Underground - Current A/C 164 (13-mo avg)	99,718,140	-	99,718,140	(2,791,673)	96,926,467	(22,438,961)	74,487,506	-	74,487,506
10	Gas Stored Underground - Non-Current A/C 117	4,949,422	-	4,949,422	-	4,949,422	-	4,949,422	-	4,949,422
<b>Total Rate Base</b>		<b>\$ 2,344,199,705</b>	<b>\$ -</b>	<b>\$ 2,344,199,705</b>	<b>\$ 515,040,293</b>	<b>\$ 2,859,239,998</b>	<b>\$ 293,947,308</b>	<b>\$ 3,153,187,306</b>	<b>\$ -</b>	<b>\$ 3,153,187,306</b>

Northern Indiana Public Service Company LLC  
Summary of Capital Structure  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending June 30, 2024

Line No.	Subcomponent	Twelve Months Ended	Normalization	Normalized	Forecasted	Forecasted	Forecasted	Forecasted	Pro forma	
		December 31, 2022	Adjustments	Twelve Months Ended December 31, 2022	Adjustments	Twelve Months Ending December 31, 2023	Adjustments	Twelve Months Ending June 30, 2024	Adjustments	Twelve Months Ending June 30, 2024
		A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H
	Adjustment Reference		CS<X>-22		CS<X>-23		CS<X>-24-S1		CS<X>-24R-S1	
1	Common Equity	3,863,393,184	-	3,863,393,184	1,153,095,492	5,016,488,676	517,136,105	5,533,624,781	-	5,533,624,781
2	Long-Term Debt	2,843,935,760	-	2,843,935,760	710,014,508	3,553,950,268	370,007,254	3,923,957,522	-	3,923,957,522
3	Customer Deposits	66,479,683	-	66,479,683	785,367	67,265,050	-	67,265,050	-	67,265,050
4	Deferred Income Taxes	1,387,659,850	-	1,387,659,850	33,986,647	1,421,646,497	41,735,305	1,463,381,802	-	1,463,381,802
5	Post-Retirement Liability	25,277,242	-	25,277,242	(10,375,681)	14,901,561	(5,865,185)	9,036,376	639,181	9,675,556
6	Prepaid Pension Asset	(437,959,675)	-	(437,959,675)	17,239,893	(420,719,782)	6,299,500	(414,420,282)	2,159,500	(412,260,782)
7	Post-1970 ITC	877,732	-	877,732	(269,088)	608,644	(108,508)	500,136	-	500,136
8	<b>Total Capital Structure</b>	<u>\$ 7,749,663,776</u>	<u>\$ -</u>	<u>\$ 7,749,663,776</u>	<u>\$ 1,904,477,138</u>	<u>\$ 9,654,140,914</u>	<u>\$ 929,204,470</u>	<u>\$ 10,583,345,385</u>	<u>\$ 2,798,681</u>	<u>\$ 10,586,144,065</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas depreciation expenses for gas plant assets to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 73,963,938
2	Normalization adjustment to Increase / (Decrease) expense to reclassify depreciation expense related to 44988 & 45621 regulatory asset amortization expense - <b>AMTZ 5</b>	<b>DEPR 1-22</b>	(485,698)
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 73,478,240</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	<b>DEPR 1-23</b>	6,505,694
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 79,983,934</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	<b>DEPR 1-24-S1</b>	8,477,661
7	<b>Forecasted expense for the twelve months ending June 30, 2024</b>		<b>\$ 88,461,595</b>
8	Pro Forma adjustment to Increase/(Decrease) depreciation expense for Ratemaking to reflect the implementation of the new depreciation accrual rates	<b>DEPR 1-24R-S1</b>	21,302,561
9	<b>Ratemaking expense for the twelve months ending June 30, 2024</b>		<b>\$ 109,764,157</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas depreciation expenses for gas common depreciation to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 1,146,923
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ 1,146,923</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	DEPR 2-23	<u>1,581,518</u>
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ 2,728,442</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	DEPR 2-24-S1	<u>504,571</u>
7	Forecasted expense for the twelve months ending June 30, 2024		<u>\$ 3,233,013</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking expense for the twelve months ending June 30, 2024		<u><u>\$ 3,233,013</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for gas plant assets to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 2,389,175
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		\$ 2,389,175
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 1-23-S1	503,717
5	Forecasted expense for the twelve months ending December 31, 2023		\$ 2,892,892
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	AMTZ 1-24-S1	346,389
7	Forecasted expense for the twelve months ending June 30, 2024		\$ 3,239,281
8	Pro Forma adjustment to Increase / (Decrease) amortization expense for Ratemaking to annualize amortization expense	AMTZ 1-24R-S1	118,537
9	Ratemaking expense for the twelve months ending June 30, 2024		\$ 3,357,818

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for gas common amortization to reflect normalization adjustment(s), forecasted changes for the twelve months ending June 30, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 7,850,053
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 7,850,053</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 2-23-S1	3,373,394
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 11,223,447</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	AMTZ 2-24-S1	2,307,834
7	<b>Forecasted expense for the twelve months ending June 30, 2024</b>		<b>\$ 13,531,281</b>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to annualize amortization expense	AMTZ 2-24R-S1	1,712,553
9	<b>Ratemaking expense for the twelve months ending June 30, 2024</b>		<b>\$ 15,243,834</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the TDSIC Regulatory Asset to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ -
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ -</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 3-23	-
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ -</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	AMTZ 3-24-S1	-
7	<b>Forecasted expense for the twelve months ending June 30, 2024</b>		<b>\$ -</b>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to recover the 20 percent deferred TDSIC Regulatory Asset balance	AMTZ 3-24R-S1	2,976,099
9	<b>Ratemaking expense for the twelve months ending June 30, 2024</b>		<b>\$ 2,976,099</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the FMCA Regulatory Asset to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ -
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 4-23	-
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending June 30, 2024	AMTZ 4-24	-
7	Forecasted expense for the twelve months ending June 30, 2024		<u>\$ -</u>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to recover the 20 percent deferred FMCA Regulatory Asset balance	AMTZ 4-24R	1,523,207
9	Ratemaking expense for the twelve months ending June 30, 2024		<u>\$ 1,523,207</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Utility Plant as of December 31, 2023 and June 30, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 3,749,193,245
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ 3,749,193,245</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 1-23	554,620,182
5	Forecasted balance as of December 31, 2023		<u>\$ 4,303,813,426</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 1-24-S1	323,803,651
7	Forecasted balance as of June 30, 2024		<u>\$ 4,627,617,077</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ 4,627,617,077</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Common Allocated to gas as of December 31, 2023 and June 30, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 179,789,081
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ 179,789,081</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 2-23	28,938,958
5	Forecasted balance as of December 31, 2023		<u>\$ 208,728,038</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 2-24-S1	21,244,555
7	Forecasted balance as of June 30, 2024		<u>\$ 229,972,593</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ 229,972,593</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Plant Accumulated Depreciation and Amortization as of December 31, 2023 and June 30.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ (1,608,074,492)
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ (1,608,074,492)</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 3-23	(47,227,741)
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ (1,655,302,233)</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 3-24-S1	(25,609,438)
7	<b>Forecasted balance as of June 30, 2024</b>		<b>\$ (1,680,911,671)</b>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of June 30, 2024</b>		<b>\$ (1,680,911,671)</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Common Accumulated Depreciation and Amortization as of December 31, 2023 and June 30, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ (131,905,882)
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ (131,905,882)</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 4-22	(12,588,579)
5	Forecasted balance as of December 31, 2023		<u>\$ (144,494,461)</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 4-23-S1	(7,925,894)
7	Forecasted balance as of June 30, 2024		<u>\$ (152,420,355)</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ (152,420,355)</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect the regulatory assets included in gas rate case Cause No. 44988 & 45621 as of December 31, 2023 and June 30, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ 28,266,547
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 28,266,547</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 5-23	<u>(8,148,926)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 20,117,621</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 5-24-S1	<u>(4,159,357)</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 15,958,264</u>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ 15,958,264</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas TDSIC regulatory asset as of December 31, 2023 and June 30, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ -
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		<u>-</u>
3	Normalized balance as of December 31, 2022		<u>\$ -</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 6-23-S1	<u>3,537,339</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 3,537,339</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 6-24-S1	<u>6,782,077</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 10,319,416</u>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		<u>-</u>
9	Ratemaking balance as of June 30, 2024		<u>\$ 10,319,416</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of June 30, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect the FMCA regulatory asset as of December 31, 2023 and June 30, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ -
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ -</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 7-23	3,627,286
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ 3,627,286</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of June 30, 2024	RB 7-24-S1	2,250,674
7	<b>Forecasted balance as of June 30, 2024</b>		<b>\$ 5,877,960</b>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of June 30, 2024</b>		<b>\$ 5,877,960</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of June 30, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for long term debt to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 2,843,935,760
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 2,843,935,760</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 2-23-S1	<u>710,014,508</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 3,553,950,268</u>
6	Year-Over-Year Increase/(Decrease) balance as of June 30, 2024	CS 2-24-S1	<u>370,007,254</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 3,923,957,522</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking balance as of June 30, 2024		<u>\$ 3,923,957,522</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of June 30, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for deferred income taxes to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 1,387,659,850
2	Normalization adjustment to Increase / (Decrease) the balance		-
3	Normalized balance as of December 31, 2022		<u>\$ 1,387,659,850</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 4-23-S1	<u>33,986,647</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 1,421,646,497</u>
6	Year-Over-Year Increase/(Decrease) balance as of June 30, 2024	CS 4-24-S1	<u>41,735,305</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 1,463,381,802</u>
8	Pro Forma adjustment to Increase / (Decrease) the balance for Ratemaking		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ 1,463,381,802</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of June 30, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for post-retirement liability to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023 and June 30, 2024 and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 25,277,242
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 25,277,242</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 5-23-S1	<u>(10,375,681)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 14,901,561</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 5-24-S1	<u>(5,865,185)</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 9,036,376</u>
8	Pro Forma adjustment to reflect the current Aon forecast received July 2023	CS 5-24R-S1	<u>639,181</u>
9	Ratemaking balance as of June 30, 2024		<u>\$ 9,675,556</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of June 30, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for prepaid pension asset to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023 and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Balance - December 31, 2022</b>		\$ (437,959,675)
2	Normalization Adjustment N/A		-
3	<b>Normalized balance as of December 31, 2022</b>		<u>\$ (437,959,675)</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 6-23-S1	<u>17,239,893</u>
5	<b>Forecasted balance as of December 31, 2023</b>		<u>\$ (420,719,782)</u>
6	Year-Over-Year Increase/(Decrease) balance as of June 30, 2024	CS 6-24-S1	<u>6,299,500</u>
7	<b>Forecasted balance as of June 30, 2024</b>		<u>\$ (414,420,282)</u>
8	Pro Forma adjustment to reflect the current Aon Hewitt forecast received July 2023	CS 6-24R-S1	<u>2,159,500</u>
9	<b>Ratemaking balance as of June 30, 2024</b>		<u><u>\$ (412,260,782)</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of June 30, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for Post-1970 ITC to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and June 30, 2024, and ratemaking adjustment(s) for the twelve months ending June 30, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 877,732
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 877,732</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 7-23-S1	<u>(269,088)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 608,644</u>
6	Year-Over-Year Increase/(Decrease) balance as of June 30, 2024	CS 7-24-S1	<u>(108,508)</u>
7	Forecasted balance as of June 30, 2024		<u>\$ 500,136</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking balance as of June 30, 2024		<u><u>\$ 500,136</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Income Taxes  
For the Twelve Month Period Ending June 30, 2024

This pro forma adjusts the twelve months ended December 31, 2022, 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, 2022		\$ 17,561,373
2	Pro Forma adjustment to Increase / (Decrease) expense for Current Rates	ITX 1-24R-S1	(1,368,166)
3	Federal and State Income Taxes at Pro Forma Current Rates		\$ 16,193,207
4	Pro Forma adjustment to Increase / (Decrease) expense for Proposed Revenue	PF-4	28,921,791
5	Federal and State Income Taxes at Proposed Revenue		\$ 45,114,998

Attachment 3-C-S1

Petitioner's Exhibit No. 3  
Attachment 3-C-S1  
PF Adjustments

Northern Indiana Public Service Company LLC  
Pro forma Adjustment Based on Proposed Rates  
For the Twelve Month Period Ending June 30, 2024

The proposed adjustments increase twelve months ending December 31, 2024, test year Revenue (PF-1) and Expense (PF-2 through PF-4) 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
	A	PF-1-S1 Revenue Requirement	PF-2-S1 Uncollectible Accounts	PF-3-S1 Public Utility Fee Rate	PF-4-S1 Fed/State Income Taxes
1	Revenue Requirement Deficiency	\$ 87,365,415	\$ 116,946,549	\$ 116,946,549	\$ 116,946,549
2	Rate	133.8590889%	0.4170379%	0.1467603%	19.8584039% Fed 4.8723739% State
3	Increase in Pro forma Test Year Revenue and O&M Expense Based on Proposed Rates	\$ 116,946,549	\$ 487,711	\$ 171,631	\$ 28,921,791

Northern Indiana Public Service Company LLC  
Statement of Operating Income  
Actual, Pro forma, and Proposed  
For the Twelve Month Period Ending December 31, 2024

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B Reference <sup>1</sup>	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
<b>1</b>	<b>Operating Revenue</b>							
2	Revenue (Actual / Pro Forma)	\$ 1,055,517,597		REV, Col A	\$ 993,975,293	161,897,007	PF - 1 -S2	\$ 1,155,872,300
3	Pro forma Adjustments December 31, 2022		(70,781,929)	REV, Col B+C				
4	2023 Year-Over-Year Increase/(Decrease)		39,686,855	REV, Col E				
5	2024 Year-Over-Year Increase/(Decrease)		(39,546,474)	REV, Col G				
6	Ratemaking Adjustments December 31, 2024		9,099,244	REV, Col I				
7	Total Operating Revenue	\$ 1,055,517,597	\$ (61,542,304)		\$ 993,975,293	\$ 161,897,007		\$ 1,155,872,300
<b>8</b>	<b>Gas Costs (Trackable)</b>							
9	Fuel and Purchase Power Cost (Actual / Pro Forma)	\$ 556,693,605		COGS, Col A	\$ 400,343,545	-		\$ 400,343,545
10	Pro forma Adjustments December 31, 2022		(114,094,280)	COGS, Col B+C				
11	2023 Year-Over-Year Increase/(Decrease)		18,351,607	COGS Col E				
12	2024 Year-Over-Year Increase/(Decrease)		(62,872,469)	COGS, Col G				
13	Ratemaking Adjustments December 31, 2024		2,265,081	COGS, Col I				
14	Total Gas Costs	\$ 556,693,605	\$ (156,350,060)		\$ 400,343,545	\$ -		\$ 400,343,545
15	Gross Margin	\$ 498,823,991	\$ 94,807,756		\$ 593,631,748	\$ 161,897,007		\$ 755,528,755
<b>16</b>	<b>Operations and Maintenance Expenses</b>							
17	Operations and Maintenance Expenses (Actual / Pro Forma)	\$ 248,884,633		O&M, Col A	\$ 258,774,124	675,172	PF - 2 - S2	\$ 259,449,295
18	Pro forma Adjustments December 31, 2022		(6,733,284)	O&M, Col B				
19	2023 Year-Over-Year Increase/(Decrease)		11,985,109	O&M, Col D				
20	2024 Year-Over-Year Increase/(Decrease)		10,932,128	O&M, Col F				
21	Ratemaking Adjustments December 31, 2024		(6,294,462)	O&M, Col H				
22	Total Operations and Maintenance Expense	\$ 248,884,633	\$ 9,889,491		\$ 258,774,124	\$ 675,172		\$ 259,449,295
<b>23</b>	<b>Depreciation Expense</b>							
24	Depreciation Expense (Actual / Pro Forma)	\$ 75,110,862		DEPR, Col A	\$ 121,547,848			\$ 121,547,848
25	Pro forma Adjustments December 31, 2022		(485,698)	DEPR, Col B				
26	2023 Year-Over-Year Increase/(Decrease)		8,087,212	DEPR, Col D				
27	2024 Year-Over-Year Increase/(Decrease)		16,105,636	DEPR, Col F				
28	Ratemaking Adjustments December 31, 2024		22,729,836	DEPR, Col H				
29	Total Depreciation Expense	\$ 75,110,862	\$ 46,436,986		\$ 121,547,848	\$ -		\$ 121,547,848

Northern Indiana Public Service Company LLC  
Statement of Operating Income  
Actual, Pro forma, and Proposed  
For the Twelve Month Period Ending December 31, 2024

Line No.	Description	Actual	Pro forma Adjustments Increases (Decreases)	Attachment 3-B Reference <sup>1</sup>	Pro forma Results Based on Current Rates	Pro forma Adjustments Increases (Decreases)	Attachment 3-C Reference	Pro forma Results Based on Proposed Rates
	A	B	C	D	E	F	G	H
<b>30</b>	<b>Amortization Expense</b>							
31	Amortization Expense (Actual / Pro Forma)	\$ 10,239,228		AMTZ, Col A	\$ 37,920,824			\$ 37,920,824
32	Pro forma Adjustments December 31, 2022		4,321,930	AMTZ, Col B				
33	2023 Year-Over-Year Increase/(Decrease)		9,638,192	AMTZ, Col D				
34	2024 Year-Over-Year Increase/(Decrease)		4,564,844	AMTZ, Col F				
35	Ratemaking Adjustments December 31, 2024		9,156,629	AMTZ, Col H				
<b>36</b>	<b>Total Amortization Expense</b>	<b>\$ 10,239,228</b>	<b>\$ 27,681,595</b>		<b>\$ 37,920,824</b>	<b>\$ -</b>		<b>\$ 37,920,824</b>
<b>37</b>	<b>Taxes</b>							
<b>38</b>	<b>Taxes Other than Income</b>							
39	Taxes Other than Income (Actual / Pro Forma)	\$ 27,775,008		OTX, Col A	\$ 24,139,341			\$ 24,139,341
40	Pro forma Adjustments December 31, 2022		(8,126,834)	OTX, Col B				
41	2023 Year-Over-Year Increase/(Decrease)		2,240,379	OTX, Col D				
42	2024 Year-Over-Year Increase/(Decrease)		2,007,410	OTX, Col F				\$ -
43	Ratemaking Adjustments December 31, 2024		243,377	OTX, Col H		237,601	PF - 3 - S2	\$ 237,601
<b>44</b>	<b>Total Taxes Other Than Income</b>	<b>\$ 27,775,008</b>	<b>\$ (3,635,667)</b>		<b>\$ 24,139,341</b>	<b>\$ 237,601</b>		<b>\$ 24,376,941</b>
<b>45</b>	<b>Operating Income Before Income Taxes</b>	<b>\$ 136,814,260</b>	<b>\$ 14,435,351</b>		<b>\$ 151,249,611</b>	<b>\$ 160,984,235</b>		<b>\$ 312,233,846</b>
<b>46</b>	<b>Income Taxes</b>							
47	Federal and State Taxes (Actual / Pro Forma)	\$ 17,561,373	(6,029,707)	Attachment 3-C-S, ITX 1	\$ 11,531,666	40,038,389	PF - 4 - S2	\$ 51,570,055
<b>48</b>	<b>Total Taxes</b>	<b>\$ 45,336,381</b>	<b>\$ (9,665,374)</b>		<b>\$ 35,671,007</b>	<b>\$ 40,275,990</b>		<b>\$ 75,946,996</b>
<b>49</b>	<b>Total Operating Expenses including Income Taxes</b>	<b>\$ 379,571,104</b>	<b>\$ 74,342,698</b>		<b>\$ 453,913,802</b>	<b>\$ 40,951,161</b>		<b>\$ 494,864,964</b>
<b>50</b>	<b>Required Net Operating Income</b>	<b>\$ 119,252,887</b>	<b>\$ 20,465,058</b>		<b>\$ 139,717,946</b>	<b>\$ 120,945,846</b>		<b>\$ 260,663,791</b>

Footnote 1 - Unless otherwise noted

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, 2024

Line No.	Description	Revenue Deficiency
1	Net Original Cost Rate Base	\$ 3,484,810,045
2	Rate of Return	7.48%
3	Net Operating Income	260,663,791
4	Pro forma Net Operating Income	139,717,946
5	Increase in Net Operating Income (NOI Shortfall)	120,945,846
6	Effective Incremental Revenue / NOI Conversion Factor	74.705%
7	Increase in Revenue Requirement (Based on Net Original Cost Rate Base) (Line 5 / Line 6)	\$ 161,897,007
8	One	1.000000
9	Less: Public Utility Fee	0.001468
10	Less: Bad Debt	0.004170
11	State Taxable Income	0.994362
12	Taxable Adjusted Gross Income Tax	0.994362
13	Adjusted Gross Income Tax Rate	0.049000
14	Adjusted Gross Income Tax	0.048724
15	Line 11 less line 14	0.945638
16	One	1.000000
17	Less: Federal Income Tax Rate	0.210000
18	One Less Federal Income Tax Rate	0.790000
19	Effective Incremental Revenue / NOI Conversion Factor	74.705%

Northern Indiana Public Service Company LLC  
Summary of Rate Base  
As Of December 31, 2024

<u>Line No.</u>	<u>Description</u>	<u>As Of December 31, 2024</u>	<u>Attachment 3-B Reference</u>
<b><u>Gas Rate Base</u></b>			
1	Utility Plant	\$ 4,959,411,735	RB, Col I
2	Common Allocated	264,958,780	RB, Col I
3	<b>Total Gas Utility Plant</b>	<u>5,224,370,516</u>	RB, Col I
4	Utility Plant Accumulated Depreciation and Amortization	(1,706,665,078)	RB, Col I
5	Common Allocated Accumulated Depreciation and Amortization	(160,451,815)	RB, Col I
6	<b>Total Gas Accumulated Depreciation and Amortization</b>	<u>(1,867,116,893)</u>	RB, Col I
7	<b>Net Gas Utility Plant</b>	<u>\$ 3,357,253,623</u>	RB, Col I
8	Cause No. 44988 & 45621 Regulatory Assets	11,798,908	RB, Col I
9	TDSIC Regulatory Asset	14,874,792	RB, Col I
10	FMCA Regulatory Asset	8,503,778	RB, Col I
11	Materials & Supplies	17,337,093	RB, Col I
12	Gas Stored Underground - Current A/C 164 (13-mo avg)	70,092,430	RB, Col I
13	Gas Stored Underground - Non-Current A/C 117	4,949,422	RB, Col I
14	<b>Total Gas Rate Base</b>	<u>\$ 3,484,810,045</u>	RB, Col I

Northern Indiana Public Service Company LLC  
Capital Structure  
As Of December 31, 2024

Line No.	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
1	Common Equity	\$ 5,879,498,162	52.39%	10.70%	5.61%
2	Long-Term Debt	4,168,964,776	37.15%	4.94%	1.84%
3	Customer Deposits	67,265,050	0.60%	5.63%	0.03%
4	Deferred Income Taxes	1,505,117,107	13.41%	0.00%	0.00%
5	Post-Retirement Liability	4,449,551	0.04%	0.00%	0.00%
6	Prepaid Pension Asset	(403,801,782)	-3.60%	0.00%	0.00%
7	Post-1970 ITC	391,628	0.00%	8.31%	0.00%
8	<b>Totals</b>	<b>\$ 11,221,884,492</b>	<b>100.00%</b>		<b>7.48%</b>

Cost of Investor Supplied Capital

	Description	Total Company Capitalization	Percent of Total	Cost	Weighted Average Cost
	A	B	C	D	E
9	Common Equity	\$ 5,879,498,162	58.51%	10.70%	6.26%
10	Long-Term Debt	4,168,964,776	41.49%	4.94%	2.05%
11	<b>Totals</b>	<b>\$ 10,048,462,938</b>	<b>100.00%</b>		<b>8.31%</b>

Northern Indiana Public Service Company LLC  
Summary Statement of Revenue  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022 A	Normalization Adjustments B REV <X>-22	Annualization Adjustment C REV <X>-22	Normalized Twelve Months Ended December 31, 2022 D = A + B + C	Forecasted Adjustments E REV <X>-23	Forecasted Twelve Months Ending December 31, 2023 F = D + E	Forecasted Adjustments G REV <X>-24	Forecasted Twelve Months Ending December 31, 2024 H = F + G	Rate-making Adjustments I REV <X>-24R	Pro forma Twelve Months Ending December 31, 2024 J = H + I
REV 1	1 Retail Sales	\$ 900,276,425	\$ (3,175,056)	\$ (76,586,989)	\$ 820,514,380	\$ 34,054,396	\$ 854,568,776	\$ (61,754,616)	\$ 792,814,160	\$ 327,865	\$ 793,142,025
REV 2	2 ARP Revenues	23,952,829	(77,589)	(5,115,929)	18,759,311	(872,553)	17,886,758	(2,902,539)	14,984,219	(7,803,388)	7,180,831
REV 3	3 TDSIC Revenues	5,992,474	-	-	5,992,474	929,002	6,921,476	22,744,702	29,666,178	24,438,848	54,105,026
REV 4	4 FMCA Revenues	13,417,673	-	-	13,417,673	8,690,419	22,108,092	(1,698,441)	20,409,651	(9,043,988)	11,365,663
REV 5	5 DSM Revenues	452,633	-	-	452,633	508,872	961,505	(233,287)	728,218	(728,218)	-
REV 6	6 Transportation Revenues	97,656,025	(520,269)	14,693,903	111,829,659	(2,200,667)	109,628,991	4,239,473	113,868,465	-	113,868,465
REV 7	7 Off-system Displacements	2,600	-	-	2,600	95,943	98,543	-	98,543	(98,543)	-
REV 8	8 Other Gas Revenues	6,335,261	-	-	6,335,261	(190,357)	6,144,905	96,757	6,241,662	2,006,669	8,248,330
REV 9	9 InterDept Sales	311,043	-	-	311,043	(28,671)	282,372	(38,523)	243,849	-	243,849
REV 10	10 Forfeited Discounts	4,837,507	-	-	4,837,507	(1,016,907)	3,820,600	-	3,820,600	-	3,820,600
REV 11	11 Misc Service Revenue	2,199,431	-	-	2,199,431	(282,773)	1,916,658	-	1,916,658	-	1,916,658
REV 12	12 Rent from Gas Property	83,695	-	-	83,695	151	83,847	-	83,847	-	83,847
13	<b>Total Revenue</b>	<u>\$ 1,055,517,597</u>	<u>\$ (3,772,914)</u>	<u>\$ (67,009,015)</u>	<u>\$ 984,735,668</u>	<u>\$ 39,686,855</u>	<u>\$ 1,024,422,523</u>	<u>\$ (39,546,474)</u>	<u>\$ 984,876,049</u>	<u>\$ 9,099,244</u>	<u>\$ 993,975,293</u>

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

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

Line  
No.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Pro forma Adj. Description	Weather Normalization	Guaranteed Minimum	Rate Migration	Annualization	Total Normalization Adjustments	Rate 234	ARP Removal	TDSIC	FMCA	DSM	Off-System Displacements	C&I Balancing	Total Ratemaking Adjustments	
Subcomponent	Att. 3-B / Att. 3-C	REV 1A-22	REV 1B-22	REV 1C-22	REV 1D-22	REV Module Column B + C	REV 1-24R	REV 2-24R	REV 3-24R	REV 4-24R	REV 5-24R	REV 7-24R	REV 8-24R	REV Module Column I	
1	Retail Sales	REV 1	\$ (3,793,031)	\$ (454,378)	\$ 1,072,353	\$ (76,586,989)	\$ (79,762,045)	\$ 327,865						\$ 327,865	
2	ARP Revenues	REV 2	\$ (77,589)	\$ -	\$ -	\$ (5,115,929)	\$ (5,193,518)	\$ (7,803,388)						\$ (7,803,388)	
3	TDSIC Revenues	REV 3				\$ -			\$ 24,438,848					\$ 24,438,848	
4	FMCA Revenues	REV 4				\$ -				\$ (9,043,988)				\$ (9,043,988)	
5	DSM Revenues	REV 5				\$ -					\$ (728,218)			\$ (728,218)	
6	Transportation Revenues	REV 6	\$ (543,532)	\$ -	\$ 23,263	\$ 14,693,903	\$ 14,173,634							\$ -	
7	Off-system Displacements	REV 7				\$ -						\$ (98,543)		\$ (98,543)	
8	Other Gas Revenues	REV 8				\$ -							\$ 2,006,669	\$ 2,006,669	
9	InterDept Sales	REV 9				\$ -								\$ -	
10	Forfeited Discounts	REV 10				\$ -								\$ -	
11	Misc Service Revenue	REV 11				\$ -								\$ -	
12	Rent from Gas Property	REV 12				\$ -								\$ -	
<b>TOTAL</b>			\$ (4,414,152)	\$ (454,378)	\$ 1,095,617	\$ (67,009,015)	\$ (70,781,928)	\$ 327,865	\$ (7,803,388)	\$ 24,438,848	\$ (9,043,988)	\$ (728,218)	\$ (98,543)	\$ 2,006,669	\$ 9,099,244

Northern Indiana Public Service Company LLC  
Summary Statement of Cost of Goods Sold  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended	Normalization	Annualization	Normalized	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
		December 31, 2022	Adjustments	Adjustment	Twelve Months Ended December 31, 2022	Twelve Months Ending December 31, 2023	Twelve Months Ending December 31, 2023	Twelve Months Ending December 31, 2024			
Adjustment Reference		A	B	C	D = A + B + C	E	F = D + E	G	H = F + G	I	J = H + I
			COGS <X>-22			COGS <X>-23		COGS <X>-24		COGS <X>-24R	
1	Retail Sales	\$ 544,895,672	\$ 326,467	\$ (114,571,690)	\$ 430,650,450	\$ 20,758,054	\$ 451,408,504	\$ (60,739,059)	\$ 390,669,444	\$ 258,413	\$ 390,927,857
2	ARP Gas Cost	8,508,706	(13,404)	1,156,258	9,651,561	(375,844)	9,275,717	(2,094,886)	7,180,831	-	7,180,831
3	Transportation Gas Cost	991,912	133,464	(1,125,377)	-	-	-	-	-	-	-
4	InterDept Sales	290,646	-	-	290,646	(23,934)	266,712	(38,523)	228,189	-	228,189
5	Other	2,006,669	-	-	2,006,669	(2,006,669)	-	-	-	2,006,669	2,006,669
6	<b>Total Cost of Goods Sold</b>	<b>\$ 556,693,605</b>	<b>\$ 446,528</b>	<b>\$ (114,540,808)</b>	<b>\$ 442,599,325</b>	<b>\$ 18,351,607</b>	<b>\$ 460,950,932</b>	<b>\$ (62,872,469)</b>	<b>\$ 398,078,464</b>	<b>\$ 2,265,081</b>	<b>\$ 400,343,545</b>

Northern Indiana Public Service Company LLC  
Summary of COGS Normalization and Ratemaking Adjustments

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

Line No.	A	B	C	D	E	F	G	H	I	J
1		Pro forma Adj. Description	Weather Normalization	Guaranteed Minimum	Rate Migration	Annualization	Total Normalization Adjustments	Rate 234	C&I Balancing Gross-up	Total Ratemaking Adjustments
2	Subcomponent	Att. 3-B / Att. 3-C	COGS 1A-22	COGS 1B-22	COGS 1C-22	COGS 1D-22	COGS Module Column B + C	COGS 1-24R	COGS 5-24R	COGS Module Column I
3	Retail Sales	COGS 1	\$ (618,437)	\$ -	\$ 944,904	\$ (114,571,690)	\$ (114,245,223)	\$ 258,413	\$ -	\$ 258,413
4	ARP Gas Cost	COGS 2	\$ (13,404)	\$ -	\$ -	\$ 1,156,258	\$ 1,142,854	\$ -	\$ -	\$ -
5	Transportation Gas Cost	COGS 3	\$ -	\$ -	\$ 133,464	\$ (1,125,377)	\$ (991,913)	\$ -	\$ -	\$ -
6	InterDept Sales	COGS 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Other	COGS 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,006,669	\$ 2,006,669
8		<b>TOTAL</b>	\$ (631,841)	\$ -	\$ 1,078,368	\$ (114,540,808)	\$ (114,094,281)	\$ 258,413	\$ 2,006,669	\$ 2,265,081

Northern Indiana Public Service Company LLC  
Summary Statement of Operations and Maintenance Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended	Normalization	Normalized	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Pro forma
		December 31, 2022	Adjustments	Twelve Months Ended December 31, 2022	Adjustments	Twelve Months Ending December 31, 2023	Adjustments	Twelve Months Ending December 31, 2024	Adjustments	Twelve Months Ending December 31, 2024
	Adjustment Reference	A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H
			OM<X>-22		OM<X>-23		OM<X>-24		OM<X>-24R	
1	Labor	\$ 64,738,883	\$ (254,712)	\$ 64,484,172	\$ 2,298,213	\$ 66,782,385	\$ 1,972,071	\$ 68,754,455	\$ 3,150,585	\$ 71,905,040
2	Gas Operations	43,884,251	-	43,884,251	-	43,884,251	1,969,092	45,853,342	-	45,853,342
3	Other Departments	26,401,836	-	26,401,836	-	26,401,836	-	26,401,836	-	26,401,836
4	FMC	4,892,863	-	4,892,863	1,815,670	6,708,533	6,009,309	12,717,842	(12,717,842)	-
5	TDSIC	-	-	-	-	-	-	-	-	-
6	Nonrecoverable Expenses	-	-	-	-	-	-	-	(940,647)	(940,647)
7	Corporate Service Bill	66,970,678	504,033	67,474,711	657,690	68,132,402	677,421	68,809,823	423,561	69,233,384
8	Corporate Insurance	9,102,764	-	9,102,764	-	9,102,764	-	9,102,764	166,800	9,269,564
9	Rents & Leases	5,955,138	(270,000)	5,685,138	-	5,685,138	-	5,685,138	2,764,585	8,449,723
10	Environmental Reserve	6,533,874	(6,533,874)	-	-	-	-	-	-	-
11	Uncollectibles	4,801,851	-	4,801,851	(849,171)	3,952,680	(194,556)	3,758,124	(1,643,629)	2,114,495
12	STI	5,130,471	819,347	5,949,818	(214,160)	5,735,658	-	5,735,658	-	5,735,658
13	Pension	(3,910,024)	-	(3,910,024)	6,297,247	2,387,223	(130,499)	2,256,724	1,572,306	3,829,030
14	OPEB	1,966,167	-	1,966,167	1,315,136	3,281,304	(53,571)	3,227,732	527,501	3,755,233
15	Medical Benefits	5,490,672	-	5,490,672	302,649	5,793,321	553,099	6,346,420	526,408	6,872,828
16	Other Benefits	(171,685)	393,178	221,493	-	221,493	-	221,493	-	221,493
17	Other Employee Benefits	4,107,986	-	4,107,986	351,061	4,459,047	129,763	4,588,809	192,522	4,781,332
18	LTIP	543,141	(6,435)	536,707	59,740	596,447	-	596,447	-	596,447
19	Profit Sharing	316,613	-	316,613	-	316,613	-	316,613	(316,613)	-
20	Benefits Administration	744,331	-	744,331	(48,966)	695,365	-	695,365	-	695,365
21	Cause No. 44988 & 45621 Amortization	1,384,822	(1,384,822)	-	-	-	-	-	-	-
22	<b>Total Operations and Maintenance Expense</b>	<b>\$ 248,884,633</b>	<b>\$ (6,733,284)</b>	<b>\$ 242,151,349</b>	<b>\$ 11,985,109</b>	<b>\$ 254,136,458</b>	<b>\$ 10,932,128</b>	<b>\$ 265,068,586</b>	<b>\$ (6,294,462)</b>	<b>\$ 258,774,124</b>

Northern Indiana Public Service Company LLC  
Summary Statement of Depreciation Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022 A	Normalization Adjustments B DEPR<X>-22	Normalized Twelve Months Ended December 31, 2022 C = A + B	Forecasted Adjustments D DEPR<X>-23	Forecasted Twelve Months Ending December 31, 2023 E = C + D	Forecasted Adjustments F DEPR<X>-24	Forecasted Twelve Months Ending December 31, 2024 G = E + F	Rate-making Adjustments H DEPR<X>-24R	Pro forma Twelve Months Ending December 31, 2024 I = G + H
1	Gas Plant Asset Depreciation	\$ 73,963,938	\$ (485,698)	\$ 73,478,240	\$ 6,505,694	\$ 79,983,934	14,770,122	\$ 94,754,056	\$ 22,729,836	\$ 117,483,892
2	Gas Common Depreciation Expense	1,146,923	-	1,146,923	1,581,518	2,728,442	1,335,514	4,063,956	-	4,063,956
3	<b>Total Depreciation Expense</b>	<u>\$ 75,110,861</u>	<u>\$ (485,698)</u>	<u>\$ 74,625,163</u>	<u>\$ 8,087,212</u>	<u>\$ 82,712,376</u>	<u>\$ 16,105,636</u>	<u>\$ 98,818,012</u>	<u>\$ 22,729,836</u>	<u>\$ 121,547,848</u>

Northern Indiana Public Service Company LLC  
Summary Statement of Amortization Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022	Normalization Adjustments	Normalized Twelve Months Ended December 31, 2022	Forecasted Adjustments	Forecasted Twelve Months Ending December 31, 2023	Forecasted Adjustments	Forecasted Twelve Months Ending December 31, 2024	Rate-making Adjustments	Pro forma Twelve Months Ending December 31, 2024
	Adjustment Reference	A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H
			AMTZ<X>-22		AMTZ<X>-23		AMTZ<X>-24		AMTZ<X>-24R	
1	Gas Plant Asset Amortization	2,389,175	-	2,389,175	503,717	2,892,892	475,991	3,368,883	(24,421)	3,344,462
2	Gas Common Amortization	7,850,053	-	7,850,053	3,373,394	11,223,447	4,088,853	15,312,300	1,634,195	16,946,495
3	TDSIC Regulatory Asset	-	-	-	-	-	-	-	4,257,163	4,257,163
4	FMCA Regulatory Asset	-	-	-	-	-	-	-	2,177,476	2,177,476
5	Cause Nos. 44988 & 45621 Amortization	-	4,321,930	4,321,930	5,761,081	10,083,012	-	10,083,012	-	10,083,012
6	Gas Rate Case Expense	-	-	-	-	-	-	-	1,112,216	1,112,216
7	<b>Total Amortization Expense</b>	<b>\$ 10,239,228</b>	<b>\$ 4,321,930</b>	<b>\$ 14,561,159</b>	<b>\$ 9,638,192</b>	<b>\$ 24,199,351</b>	<b>\$ 4,564,844</b>	<b>\$ 28,764,195</b>	<b>\$ 9,156,629</b>	<b>\$ 37,920,824</b>

Northern Indiana Public Service Company LLC  
Summary Statement of Taxes Other Than Income Expense  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022 A	Normalization Adjustments B OTX<X>-22	Normalized Twelve Months Ended December 31, 2022 C = A + B	Forecasted Adjustments D OTX<X>-23	Forecasted Twelve Months Ending December 31, 2023 E = C + D	Forecasted Adjustments F OTX<X>-24	Forecasted Twelve Months Ending December 31, 2024 G = E + F	Rate-making Adjustments H OTX<X>-24R	Pro forma Twelve Months Ending December 31, 2024 I = G + H
1	Property Tax	\$ 14,332,832	\$ (119,108)	\$ 14,213,724	\$ 1,524,093	\$ 15,737,818	\$ 1,914,385	\$ 17,652,203	\$ -	\$ 17,652,203
2	Payroll Taxes	4,468,441	43,196	4,511,637	159,430	4,671,067	150,863	4,821,930	231,436	5,053,367
3	Sales Tax	(413,154)	413,154	-	-	-	-	-	-	-
4	URT Total	8,464,076	(8,464,076)	-	-	-	-	-	-	-
5	Public Utility Fee Total	922,813	-	922,813	556,856	1,479,669	(57,838)	1,421,830	11,941	1,433,771
6	<b>Total Taxes Other than Income</b>	<u>\$ 27,775,008</u>	<u>\$ (8,126,834)</u>	<u>\$ 19,648,174</u>	<u>\$ 2,240,379</u>	<u>\$ 21,888,553</u>	<u>\$ 2,007,410</u>	<u>\$ 23,895,964</u>	<u>\$ 243,377</u>	<u>\$ 24,139,341</u>

Northern Indiana Public Service Company LLC  
Summary Statement of Rate Base  
Actuals as of December 31, 2022, thru Forecasted as of December 31, 2024

Line No.	Subcomponent	Actuals as of December 31, 2022 A	Normalization Adjustments B RB<X>-22	Normalized as of December 31, 2022 C = A + B	Forecasted Adjustments D RB<X>-23	Forecasted as of December 31, 2023 E = C + D	Forecasted Adjustments F RB<X>-24	Forecasted as of December 31, 2024 G = E + F	Rate-making Adjustments H RB<X>-24R	Pro forma as of December 31, 2024 I = G + H
<b>Rate Base</b>										
1	Gas Utility Plant	\$ 3,749,193,245	\$ -	\$ 3,749,193,245	\$ 554,620,182	\$ 4,303,813,426	655,598,309	\$ 4,959,411,735	\$ -	\$ 4,959,411,735
2	Common Allocated	179,789,081	-	179,789,081	28,938,958	208,728,038	56,230,742	264,958,780	-	264,958,780
<b>Total Utility Plant</b>		<b>\$ 3,928,982,325</b>	<b>\$ -</b>	<b>\$ 3,928,982,325</b>	<b>\$ 583,559,139</b>	<b>\$ 4,512,541,465</b>	<b>\$ 711,829,051</b>	<b>\$ 5,224,370,516</b>	<b>\$ -</b>	<b>\$ 5,224,370,516</b>
3	Gas Accumulated Depreciation and Amortization	\$ (1,608,074,492)	\$ -	\$ (1,608,074,492)	\$ (47,227,741)	\$ (1,655,302,233)	\$ (51,362,845)	\$ (1,706,665,078)	\$ -	\$ (1,706,665,078)
4	Common Allocated	(131,905,882)	-	(131,905,882)	(12,588,579)	(144,494,461)	(15,957,354)	(160,451,815)	-	(160,451,815)
<b>Total Accumulated Depreciation and Amortization</b>		<b>\$ (1,739,980,374)</b>	<b>\$ -</b>	<b>\$ (1,739,980,374)</b>	<b>\$ (59,816,320)</b>	<b>\$ (1,799,796,694)</b>	<b>\$ (67,320,199)</b>	<b>\$ (1,867,116,893)</b>	<b>\$ -</b>	<b>\$ (1,867,116,893)</b>
<b>Net Utility Plant</b>		<b>\$ 2,189,001,951</b>	<b>\$ -</b>	<b>\$ 2,189,001,951</b>	<b>\$ 523,742,819</b>	<b>\$ 2,712,744,771</b>	<b>\$ 644,508,852</b>	<b>\$ 3,357,253,623</b>	<b>\$ -</b>	<b>\$ 3,357,253,623</b>
5	Cause No. 44988 & 45621 Regulatory Assets	\$ 28,266,548	\$ -	\$ 28,266,548	\$ (8,148,927)	\$ 20,117,621	\$ (8,318,713)	\$ 11,798,908	\$ -	\$ 11,798,908
6	TDSIC Regulatory Asset	-	-	-	3,537,339	3,537,339	11,337,453	14,874,792	-	14,874,792
7	FMCA Regulatory Asset	-	-	-	3,627,286	3,627,286	4,876,491	8,503,778	-	8,503,778
8	Materials & Supplies	22,263,644	-	22,263,644	(4,926,552)	17,337,093	-	17,337,093	-	17,337,093
9	Gas Stored Underground - Current A/C 164 (13-mo avg)	99,718,140	-	99,718,140	(2,791,673)	96,926,467	(26,834,036)	70,092,430	-	70,092,430
10	Gas Stored Underground - Non-Current A/C 117	4,949,422	-	4,949,422	-	4,949,422	-	4,949,422	-	4,949,422
<b>Total Rate Base</b>		<b>\$ 2,344,199,705</b>	<b>\$ -</b>	<b>\$ 2,344,199,705</b>	<b>\$ 515,040,293</b>	<b>\$ 2,859,239,998</b>	<b>\$ 625,570,047</b>	<b>\$ 3,484,810,045</b>	<b>\$ -</b>	<b>\$ 3,484,810,045</b>

Northern Indiana Public Service Company LLC  
Summary of Capital Structure  
Twelve Months Ended December 31, 2022, thru Pro forma Twelve Months Ending December 31, 2024

Line No.	Subcomponent	Twelve Months Ended December 31, 2022	Normalization Adjustments	Normalized Twelve Months Ended December 31, 2022	Forecasted Adjustments	Forecasted Twelve Months Ending December 31, 2023	Forecasted Adjustments	Forecasted Twelve Months Ending December 31, 2024	Rate-making Adjustments	Pro forma Twelve Months Ending December 31, 2024
	Adjustment Reference	A	B	C = A + B	D	E = C + D	F	G = E + F	H	I = G + H
			CS<X>-22		CS<X>-23		CS<X>-24		CS<X>-24R	
1	Common Equity	3,863,393,184	-	3,863,393,184	1,153,095,492	5,016,488,676	863,009,486	5,879,498,162	-	5,879,498,162
2	Long-Term Debt	2,843,935,760	-	2,843,935,760	710,014,508	3,553,950,268	615,014,508	4,168,964,776	-	4,168,964,776
3	Customer Deposits	66,479,683	-	66,479,683	785,367	67,265,050	-	67,265,050	-	67,265,050
4	Deferred Income Taxes	1,387,659,850	-	1,387,659,850	33,986,647	1,421,646,497	83,470,609	1,505,117,107	-	1,505,117,107
5	Post-Retirement Liability	25,277,242	-	25,277,242	(10,375,681)	14,901,561	(11,730,371)	3,171,190	1,278,361	4,449,551
6	Prepaid Pension Asset	(437,959,675)	-	(437,959,675)	17,239,893	(420,719,782)	12,599,000	(408,120,782)	4,319,000	(403,801,782)
7	Post-1970 ITC	877,732	-	877,732	(269,088)	608,644	(217,016)	391,628	-	391,628
8	<b>Total Capital Structure</b>	<u>\$ 7,749,663,776</u>	<u>\$ -</u>	<u>\$ 7,749,663,776</u>	<u>\$ 1,904,477,138</u>	<u>\$ 9,654,140,914</u>	<u>\$ 1,562,146,217</u>	<u>\$ 11,216,287,131</u>	<u>\$ 5,597,361</u>	<u>\$ 11,221,884,492</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for retail sales to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustments as described below.

Line No.	Description	Adjustments	Amount
	(A)	(B)	(C)
1	<b>Actual Revenue - December 31, 2022</b>		\$ 900,276,425
2	Normalization adjustment to Increase / (Decrease) revenue for weather normalization	REV 1A-22 <sup>1</sup>	\$ (3,793,031)
3	Normalization adjustment to Increase / (Decrease) revenue for guaranteed minimum	REV 1B-22 <sup>1</sup>	(454,378)
4	Normalization adjustment to Increase / (Decrease) revenue for rate migration	REV 1C-22 <sup>1</sup>	1,072,353
			<u>(3,175,056)</u>
5	<b>Normalized revenue for the twelve months ended December 31, 2022 before Annualization</b>		<b>\$ 897,101,369</b>
6	Normalization adjustment to Increase / (Decrease) revenue for Step 2 rates annualization	REV 1D-22 <sup>1</sup>	(76,586,989)
7	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 820,514,380</b>
8	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 1-23	34,054,396
9	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 854,568,776</b>
10	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 1-24	(61,754,616)
11	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 792,814,160</b>
12	Pro Forma adjustment to Increase / (Decrease) revenue for Rate 234 customers and usage	REV 1-24R <sup>1</sup>	\$ 327,865
13	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>		<b>\$ 793,142,025</b>

Footnote 1: For further detail on 2022 normalization and 2024 ratemaking adjustments, please see specific workpapers referenced in column B.

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

This pro forma adjusts the twelve months ended December 31, 2022, revenue for weather normalization to reflect normalization adjustment(s).

Line No.	Description	Adjustments	Amount
	A	B	C
1	Normalization adjustment to Increase / (Decrease) revenue for Total Retail Sales Revenue	REV 1A-22	\$ (3,793,031)
2	Normalization adjustment to Increase / (Decrease) revenue for Total PPS Capped Revenue	REV 1A-22	(17,401)
3	Normalization adjustment to Increase / (Decrease) revenue for Total PPS Fixed Revenue	REV 1A-22	(60,188)
4	Normalization adjustment to Increase / (Decrease) revenue for Total Choice Revenue	REV 1A-22	<u>(543,532)</u>
5	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b><u><u>\$ (4,414,152)</u></u></b>

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

This pro forma adjusts the twelve months ended December 31, 2022, revenue for guaranteed minimum revenue to reflect normalization adjustment(s).

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Retail Sales</b>		
2	Normalization adjustment to Increase / (Decrease) revenue for Rate 1700 GCA		\$ (115,213)
3	Normalization adjustment to Increase / (Decrease) revenue for Rate 221 GCA		(339,165)
4	<b>Total Retail Sales</b>	<b>Rev 1B-22</b>	<u>\$ (454,378)</u>
5	<b>Transportation Revenues</b>		
6	Normalization adjustment to Increase / (Decrease) revenue for Rate 228		-
7	Normalization adjustment to Increase / (Decrease) revenue for Rate 238		-
8	<b>Total Transportation Revenues</b>	<b>Rev 1B-22</b>	<u>\$ -</u>
9	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<u><u>\$ (454,378)</u></u>

Workpaper REV 1C-22

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**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, 2022, revenue for rate migrations to reflect normalization adjustment(s).

Line No.	A Description	B Adjustment	C Amount
1	<b>Retail Sales</b>		
2	Normalization adjustment to Increase / (Decrease) revenue for Rate 121 GCA		\$ (103,981)
3	Normalization adjustment to Increase / (Decrease) revenue for Rate 125 GCA		\$ 1,176,335
4	<b>Total Retail Sales</b>	<b>REV 1C-22</b>	<u>\$ 1,072,353</u>
5	<b>Transportation Revenues</b>		
6	Normalization adjustment to Increase / (Decrease) revenue for Rate 121 CHOICE		(248,279)
7	Normalization adjustment to Increase / (Decrease) revenue for Rate 125 CHOICE		374,754
8	Normalization adjustment to Increase / (Decrease) revenue for Rate 128		(290,101)
9	Normalization adjustment to Increase / (Decrease) revenue for Rate 138		186,889
10	<b>Total Transportation Revenues</b>	<b>REV 1C-22</b>	<u>\$ 23,263</u>
11	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<u><u>\$ 1,095,617</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for ARP revenues to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustments as described below.

Line No.	Description	Adjustments	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 23,952,829
2	Normalization adjustment to Increase / (Decrease) revenue for Weather Normalization	REV 1A-22 <sup>1</sup>	(77,589)
3	<b>Normalized revenue for the twelve months ended December 31, 2022 before Annualization</b>		<b>\$ 23,875,240</b>
4	Normalization adjustment to Increase / (Decrease) revenue for Step 2 rates annualization	REV 1D-22 <sup>1</sup>	(5,115,929)
5	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 18,759,311</b>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 2-23	(872,553)
7	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 17,886,758</b>
8	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 2-24	(2,902,539)
9	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 14,984,219</b>
10	Pro Forma adjustment to Increase / (Decrease) revenue for ARP removal	REV 2-24R <sup>1</sup>	\$ (7,803,388)
11	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>		<b>\$ 7,180,831</b>

Footnote 1: For further detail on 2022 normalization and 2024 ratemaking adjustments, please see specific workpapers referenced in column B.

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, 2024, revenue for ARP removal to reflect ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Margin C
1	Pro Forma adjustment to Increase / (Decrease) revenue for ARP Revenue - GCIM		\$ -
2	Pro Forma adjustment to Increase / (Decrease) revenue for ARP Revenue - Capacity Release		-
3	Pro Forma adjustment to Increase / (Decrease) revenue for ARP Revenue - Optional Storage Service		-
4	Pro Forma adjustment to Increase / (Decrease) revenue for ARP Revenue - Price Protection Service		(7,334,170)
5	Pro Forma adjustment to Increase / (Decrease) revenue for ARP Revenue - Dependabill		<u>(469,218)</u>
6	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>	<b>REV 2-22R</b>	<b><u>\$ (7,803,388)</u></b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for TDSIC revenues to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 5,992,474
2	Normalization Adjustment N/A		\$ -
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 5,992,474</u>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 3-23	<u>929,002</u>
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 6,921,476</u>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 3-24	<u>22,744,702</u>
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 29,666,178</u>
8	Pro Forma adjustment to Increase / (Decrease) TDSIC revenue for Ratemaking	REV 3-24R	\$ 24,438,848
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u>\$ 54,105,026</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for FMCA revenues to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount	Reference
	A	B	C	
1	Actual Revenue - December 31, 2022		\$ 13,417,673	
2	Normalization Adjustment N/A		-	
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 13,417,673</u>	
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 4-21	<u>8,690,419</u>	
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 22,108,092</u>	
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 4-22	<u>(1,698,441)</u>	
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 20,409,651</u>	
8	Pro Forma adjustment to Increase / (Decrease) revenue for ratemaking	REV 4-22R	<u>(9,043,988)</u>	
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u>\$ 11,365,663</u>	

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Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for DSM revenues to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 452,633
2	Normalization Adjustment N/A		-
3	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 452,633</b>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 5-23	508,872
5	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 961,505</b>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 5-24	(233,287)
7	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 728,218</b>
8	Pro Forma adjustment to Increase / (Decrease) DSM revenue for Ratemaking	REV 5-24R	(728,218)
9	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>		<b>\$ -</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for transportation revenue to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 97,656,025
2	Normalization adjustment to Increase / (Decrease) revenue for Weather Normalization	REV 1A-22 <sup>1</sup>	(543,532)
3	Normalization adjustment to Increase / (Decrease) revenue for Guaranteed Minimum	REV 1B-22 <sup>1</sup>	-
4	Normalization adjustment to Increase / (Decrease) revenue for Rate Migration	REV 1C-22 <sup>1</sup>	23,263
			\$ (520,269)
5	<b>Normalized revenue for the twelve months ended December 31, 2022 before Annualization</b>		<b>\$ 97,135,756</b>
6	Normalization adjustment to Increase / (Decrease) revenue for Step 2 rates annualization	REV 1D-22 <sup>1</sup>	14,693,903
7	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 111,829,659</b>
8	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 6-23	(2,200,667)
9	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 109,628,991</b>
10	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 6-24	4,239,473
11	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 113,868,465</b>

Footnote 1: For further detail on 2022 normalization adjustments, please see specific workpapers referenced in column B.

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Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for off-system displacements to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 2,600
2	Normalization Adjustment N/A		-
3	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 2,600</b>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 7-23	95,943
5	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 98,543</b>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 7-24	-
7	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 98,543</b>
8	Pro Forma adjustment to Increase / (Decrease) revenue for Removal of Off-System Displacement Revenue	REV 7-24R	(98,543)
9	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>		<b>\$ -</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for Other Gas Revenue to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Revenue - December 31, 2022		\$ 6,335,261
2	Normalization Adjustment N/A		\$ -
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 6,335,261</u>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 8-23	<u>(190,357)</u>
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 6,144,905</u>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 8-24	<u>96,757</u>
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 6,241,662</u>
8	Pro Forma adjustment to Increase / (Decrease) revenue for gross gas industrial revenue	REV 8-24R	\$ 2,006,669
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u><u>\$ 8,248,330</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenues  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for InterDept Sales to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	C	D
1	Actual Revenue - December 31, 2022		\$ 311,043
2	Normalization Adjustment N/A		\$ -
3	<b>Normalized revenue for the twelve months ended December 31, 2022</b>		<b>\$ 311,043</b>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 9-23	(28,671)
5	<b>Forecasted revenue for the twelve months ending December 31, 2023</b>		<b>\$ 282,372</b>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 9-24	(38,523)
7	<b>Forecasted revenue for the twelve months ending December 31, 2024</b>		<b>\$ 243,849</b>
8	Pro Forma adjustment to Increase / (Decrease) revenue for Interdepartmental Sales	REV 9-22R	\$ -
9	<b>Ratemaking revenue for the twelve months ending December 31, 2024</b>		<b>\$ 243,849</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for forfeited discounts to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 4,837,507
2	Normalization Adjustment N/A		-
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 4,837,507</u>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 10-23	<u>(1,016,907)</u>
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 3,820,600</u>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 10-24	-
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 3,820,600</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u>\$ 3,820,600</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for misc service revenue to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 2,199,431
2	Normalization Adjustment N/A		-
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 2,199,431</u>
4	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2023	REV 11-23	<u>(282,773)</u>
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 1,916,658</u>
6	Pro Forma adjustment to Increase / (Decrease) revenue for the twelve months ending December 31, 2024	REV 11-24	<u>-</u>
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 1,916,658</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u>\$ 1,916,658</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operating Revenue  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, revenue for rent from gas property to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Revenue - December 31, 2022		\$ 83,695
2	Normalization Adjustment N/A		\$ -
3	Normalized revenue for the twelve months ended December 31, 2022		<u>\$ 83,695</u>
4	months ending December 31, 2023	REV 12-23	<u>151</u>
5	Forecasted revenue for the twelve months ending December 31, 2023		<u>\$ 83,847</u>
6	months ending December 31, 2024	REV 12-24	<u>-</u>
7	Forecasted revenue for the twelve months ending December 31, 2024		<u>\$ 83,847</u>
8	Pro Forma adjustment N/A		\$ -
9	Ratemaking revenue for the twelve months ending December 31, 2024		<u><u>\$ 83,847</u></u>

Northern Indiana Public Service Company  
Twelve Months Ending December 31, 2024  
Retail Sales Cost of Gas Sold (COGS) Adjustment

This pro forma adjusts the twelve months ended December 31, 2022 gas cost to reflect Forecasted changes for the twelve months ending December 31, 2023 and December 31, 2024.

Line No.	Description	Attachment 3-C		Amount
		Reference	Adjustments	
	A	B	C	D
1	2022 Retail Sales COGS	Sch. COGS 1		\$ 544,895,672
2	<b>Normalization Adjustments</b>			
3	Weather Normalization	Sch. COGS 1	COGS 1A-22 <sup>1</sup>	(618,437)
4	Rate Migration	Sch. COGS 1	COGS 1C-22 <sup>1</sup>	944,904
5	<b>Total Normalization Adjustments</b>	Sch. COGS 1		\$ 326,467
6	<b>2022 Normalized Retail Sales COGS before Annualization</b>			<b>\$ 545,222,139</b>
7	Normalization adjustment to Increase / (Decrease) COGS for Step 2 rates annualization	Sch. COGS 1	COGS 1D-22 <sup>1</sup>	\$ (114,571,690)
8	<b>2022 Normalized Retail Sales COGS</b>	Sch. COGS 1		<b>\$ 430,650,450</b>
9	<b>2023 Forecasted Retail Sales COGS</b>			
10	Increase/(Decrease) in Normalized Historical Base Period 2022 to Forward 2023 Period	Sch. COGS 1	COGS 1-23	20,758,054
11	<b>Retail Sales COGS - Forecasted Jan-Dec 2023</b>	Sch. COGS 1		<b>\$ 451,408,504</b>
12	<b>2024 Forecasted Retail Sales COGS</b>			
13	Increase/(Decrease) in Forward 2023 Period to Forward 2024 Test Year	Sch. COGS 1	COGS 1-24	(60,739,059)
14	<b>Retail Sales COGS - Forecasted Jan-Dec 2024</b>	Sch. COGS 1		<b>\$ 390,669,444</b>
15	Pro Forma adjustment to Increase / (Decrease) cost of gas sold for Rate 234	Sch. COGS 1	COGS 1-24R <sup>1</sup>	258,413
16	<b>Ratemaking cost of gas sold for the twelve months ending December 31, 2024</b>	Sch. COGS 1		<b>\$ 390,927,857</b>

Footnote 1: For further detail on 2022 normalization and 2024 ratemaking adjustments, please see specific workpapers referenced in column C.

Northern Indiana Public Service Company  
Pro forma Adjustment to Gas Cost  
Twelve Months Ending December 31, 2022

This pro forma adjustment increases the twelve months ended December 31, 2022 COGS to normalize weather.

Line No.	Description	Attachment 3-C Reference	Adjustment	Amount
	A	B	C	D
1	Total Retail Sales Gas Cost	Sch. COGS 1	COGS 1A-22	\$ (618,437)
2	Total ARP Gas Cost	Sch. COGS 2	COGS 1A-22	(13,404)
3	Choice Gas Cost	Sch. COGS 6	COGS 1A-22	-
4	<b>Increase / (Decrease) in Twelve Months Ending December 31, 2022 Operating Gas Cost</b>			<u>\$ (631,841)</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Cost of Gas Sold  
Twelve Months Ending December 31, 2022

This pro forma adjusts the twelve months ended December 31, 2022, cost of gas sold for rate migration to reflect normalization adjustment(s).

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Retail Sales</b>		
2	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 121 GCA		\$ (65,514)
3	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 125 GCA		1,010,418
4	<b>Total Retail Sales</b>	<b>COGS 1C-22</b>	<u>\$ 944,904</u>
5	<b>Transportation Revenues</b>		
6	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 121 Choice		(23,366)
7	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 125 Choice		156,830
8	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 128		-
9	Normalization adjustment to Increase / (Decrease) cost of gas sold for Rate 138		-
10	<b>Total Transportation Revenues</b>	<b>COGS 1C-22</b>	<u>\$ 133,464</u>
11	<b>Normalized cost of gas sold for the twelve months ended December 31, 2020</b>		<u><u>\$ 1,078,368</u></u>

Northern Indiana Public Service Company  
Twelve Months Ending December 31, 2024  
ARP Cost of Gas Sold (COGS) Adjustment

This pro forma adjusts the twelve months ended December 31, 2022 gas cost to reflect Forecasted changes for the twelve months ending December 31, 2023 and December 31, 2024.

Line No.	Description	Attachment 3-C		Amount
		Reference	Adjustments	
	A	B	C	D
1	2022 ARP COGS	Sch. COGS 2		\$ 8,508,706
2	<u>Normalization Adjustments</u>			
3	Weather Normalization	Sch. COGS 2	COGS 1A-22 <sup>1</sup>	(13,404)
4	Total Normalization Adjustments	Sch. COGS 2		<u>\$ (13,404)</u>
5	2022 Normalized ARP COGS before Annualization			<u>\$ 8,495,302</u>
6	Normalization adjustment to Increase / (Decrease) revenue for Step 2 rates annualization	Sch. COGS 2	COGS 1D-22 <sup>1</sup>	\$ 1,156,258
7	2022 Normalized ARP COGS	Sch. COGS 2		<u>\$ 9,651,561</u>
8	2023 Forecasted ARP COGS			
9	Increase/(Decrease) in Normalized Historical Base Period 2022 to Forward 2023 Period	Sch. COGS 2	COGS 2-23	<u>(375,844)</u>
10	ARP COGS - Forecasted Jan-Dec 2023	Sch. COGS 2		<u>\$ 9,275,717</u>
11	2024 Forecasted ARP COGS			
12	Increase/(Decrease) in Forward 2023 Period to Forward 2024 Test Year	Sch. COGS 2	COGS 2-24	<u>(2,094,886)</u>
13	ARP COGS - Forecasted Jan-Dec 2024	Sch. COGS 2		<u>\$ 7,180,831</u>

Footnote 1: For further detail on normalization adjustments, please see specific workpapers referenced in column C.

Northern Indiana Public Service Company  
Twelve Months Ending December 31, 2024  
Transportation Cost of Gas Sold (COGS) Adjustment

This pro forma adjusts the twelve months ended December 31, 2022 gas cost to reflect Forecasted changes for the twelve months ending December 31, 2023 and December 31, 2024.

Line No.	Description	Attachment 3-C Reference	Adjustments	Amount
	A	B	C	D
1	2022 Transportation COGS	Sch. COGS 3		\$ 991,912
2	<u>Normalization Adjustments</u>			
3	Rate Migration	Sch. COGS 3	COGS 1C-22 <sup>1</sup>	133,464
4	Total Normalization Adjustments	Sch. COGS 3		\$ 133,464
5	2022 Normalized ARP COGS before Annualization			\$ 1,125,377
6	Normalization adjustment to Increase / (Decrease) revenue for Step 2 rates annualization	Sch. COGS 3	COGS 1D-22 <sup>1</sup>	\$ (1,125,377)
7	2022 Normalized Transportation COGS	Sch. COGS 3		\$ -
8	2023 Forecasted Transportation COGS			
9	Increase/(Decrease) in Normalized Historical Base Period 2022 to Forward 2023 Period	Sch. COGS 3	COGS 3-23	-
10	Transportation COGS - Forecasted Jan-Dec 2023	Sch. COGS 3		\$ -
11	2024 Forecasted Transportation COGS			
12	Increase/(Decrease) in Forward 2023 Period to Forward 2024 Test Year	Sch. COGS 3	COGS 3-24	-
13	Transportation COGS - Forecasted Jan-Dec 2024	Sch. COGS 3		\$ -

Footnote 1: For further detail on 2022 normalization adjustments, please see specific workpapers referenced in column C.

Northern Indiana Public Service Company  
Twelve Months Ending December 31, 2024  
Interdepartmental Cost of Gas Sold (COGS) Adjustment

This pro forma adjusts the twelve months ended December 31, 2022 gas cost to reflect Forecasted changes for the twelve months ending December 31, 2023 and December 31, 2024.

Line No.	Description	Attachment 3-C		Amount
		Reference	Adjustments	
	A	B	C	D
1	2022 Interdepartmental COGS	Sch. COGS 2		\$ 290,646
2	2022 Normalized Interdepartmental COGS	Sch. COGS 2		<u>\$ 290,646</u>
3	2023 Forecasted Interdepartmental COGS			
4	Increase/(Decrease) in Normalized Historical Base Period 2022 to Forward 2023 Period	Sch. COGS 2	COGS 4-23	<u>(23,934)</u>
5	Interdepartmental COGS - Forecasted Jan-Dec 2023	Sch. COGS 2		<u>\$ 266,712</u>
6	2024 Forecasted Interdepartmental COGS			
7	Increase/(Decrease) in Forward 2023 Period to Forward 2024 Test Year	Sch. COGS 2	COGS 4-24	<u>(38,523)</u>
8	Interdepartmental COGS - Forecasted Jan-Dec 2024	Sch. COGS 2		<u>\$ 228,189</u>
9	Pro Forma adjustment to Increase / (Decrease) cost of gas sold for Interdepartmental Sales	Sch. COGS 2	COGS 4-24R	-
10	Rate-making cost of gas sold for the twelve months ending December 31, 2024	Sch. COGS 2		<u>\$ 228,189</u>

Footnote 1: For further detail on 2022 normalization adjustments and 2024 ratemaking adjustments, please see specific workpapers referenced in column C.

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Cost of Gas Sold  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, cost of gas sold for other gas to reflect normalization adjustment(s), Forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustments B	Amount C
1	Actual cost of gas sold - December 31, 2022		\$ 2,006,669
2	Normalization adjustment N/A		<u>-</u>
3	Normalized cost of gas sold for the twelve months ended December 31, 2022		<u>\$ 2,006,669</u>
4	Pro Forma adjustment to Increase / (Decrease) cost of gas sold for the twelve months ending December 31, 2023	COGS 5-23	<u>(2,006,669)</u>
5	Forecasted cost of gas sold for the twelve months ending December 31, 2023		<u>\$ -</u>
6	Pro Forma adjustment to Increase / (Decrease) cost of gas sold for the twelve months ending December 31, 2024	COGS 5-24	<u>-</u>
7	Forecasted cost of gas sold for the twelve months ending December 31, 2024		<u>\$ -</u>
8	Pro Forma adjustment to Increase / (Decrease) cost of gas sold for C&I balancing gross-up	COGS 5-24R	<u>2,006,669</u>
9	Ratemaking cost of gas sold for the twelve months ending December 31, 2024		<u><u>\$ 2,006,669</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for Labor to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		<u>\$ 64,738,883</u>
2	Normalization adjustment to Increase / (Decrease) expense to normalize labor expenses.	OM 1-22	<u>(254,712)</u>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<u>\$ 64,484,172</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 1-23	<u>2,298,213</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<u>\$ 66,782,385</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 1-24	<u>1,972,071</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<u>\$ 68,754,455</u>
8	Pro Forma adjustment to Increase/(Decrease) Labor Expense for ratemaking purposes associated with increased headcount and additional positions	OM 1-24R	<u>3,150,585</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<u>\$ 71,905,040</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operations and Maintenance (O&M) Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas operations O&M expenses to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 43,884,251
2	Normalization Adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 43,884,251</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 2-23	-
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 43,884,251</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 2-24	1,969,092
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 45,853,342</b>
8	Pro Forma adjustment N/A	OM 2-24R	-
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 45,853,342</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for Other Departments to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 26,401,836
2	Normalization Adjustment N/A	OM 3-22	-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ 26,401,836</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 3-23	-
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ 26,401,836</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 3-24	-
7	Forecasted expense for the twelve months ending December 31, 2024		<u>\$ 26,401,836</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking expense for the twelve months ending December 31, 2024		<u><u>\$ 26,401,836</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for FMCA to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 4,892,863
2	Normalization Adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 4,892,863</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 4-23	1,815,670
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 6,708,533</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 4-24	6,009,309
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 12,717,842</b>
8	Pro forma adjustment for Increase (Decrease) FMCA expense for ongoing FMCA tracker recovery	OM 4-24R	(12,717,842)
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for TDSIC to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$
2	Normalization adjustment N/A		
3	Normalized expense for the twelve months ended December 31, 2022		\$ -
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 5-23	-
5	Forecasted expense for the twelve months ending December 31, 2023		\$ -
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 5-24	-
7	Forecasted expense for the twelve months ending December 31, 2024		\$ -
8	Pro Forma adjustment N/A		-
9	Ratemaking expense for the twelve months ending December 31, 2024		\$ -

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ended December 31, 2024

This pro forma adjustment adjusts twelve months ended December 31, 2022 O&M expenses for non-recoverable expenses to reflect ratemaking adjustment(s), as described below.

Line No.	Description A	Adjustment B	Amount C
1	2024 Ratemaking Non-recoverable O&M Expense		
2	<u>Ratemaking Adjustments</u>		
3	Pro Forma adjustment to Increase / (Decrease) O&M expense for the removal of Certain Lobbying Expenses	OM 6A-24R	(372,434)
4	Pro Forma adjustment to Increase / (Decrease) O&M expense for the removal of Certain Advertisement Expenses	OM 6B-24R	(54,082)
5	Pro Forma adjustment to Increase / (Decrease) O&M expense for the removal of Certain Non-recoverable Expenses	OM 6C-24R	(359,701)
6	Pro Forma adjustment to Increase / (Decrease) O&M expense for the removal of ARP Expenses	OM 6D-24R	(154,430)
7	2024 Ratemaking Increase/(Decrease)		\$ (940,647)
8	Ratemaking expense for the twelve months ending December 31, 2024	OM 6-24R	\$ (940,647)

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjustment adjusts twelve months ended December 31, 2022 O&M expenses for lobbying expenses to reflect ratemaking adjustment(s), as described below.

Line No.	Description A	Adjustment B	Amount C
1	<b><u>Ratemaking Adjustments</u></b>		
2	2024 Labor dollars related to lobbying activities		\$ (16,568)
3	2024 Estimated miscellaneous dues related to lobbying activities		(4,758)
4	2024 Estimated Gas Association (AGA) dues related to charity and lobbying activities		(7,039)
5	2024 Estimated Indiana Energy Association, Inc. (IEA) dues related to lobbying activities		<u>(344,069)</u>
6	Decrease in Pro forma Twelve Months Ending December 31, 2024 O&M Expense	<b>OM 6A-24R</b>	<u>\$ (372,434)</u>

Northern Indiana Public Service Company  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjustment adjusts twelve months ended December 31, 2022 O&M expenses for advertising expenses to reflect ratemaking adjustment(s), as described below.

Line No.	Description A	Adjustment B	Amount C
1	Twelve Months Ended December 31, 2022 advertisements to be Excluded in Base Rates (Mis-Coded Gas Advertisements)		\$ -
2	Twelve Months Ended December 31, 2022 Advertisements to be Excluded from Base Rates (Not Allowed and Electric Advertisements)		(48,353)
3	Net Twelve Months Ended December 31, 2022 Advertisements to be Excluded from Base Rates		\$ (48,353)
4	2023 Forecast Increase - 5.8% [.4]		(2,784)
5	2024 Forecast Increase - 5.8% [.4]		(2,945)
6	<b>Decrease in Pro forma Twelve Months Ending December 31, 2024 O&amp;M Expense</b>	<b>OM 6B-24R</b>	<b>\$ (54,082)</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjustment decreases the twelve months ended December 31, 2022 O&M expense to exclude certain selected payments that NIPSCO is not seeking to recover in base rates for the twelve months ending December 31, 2023 and December 31, 2024

Line No.	Description A	Adjustment B	Amount C
1	Twelve Months Ended December 31, 2022 Selected Payments to be Excluded from Base Rates		\$ (321,597)
2	2023 Forecast Increase - 5.8% [.5]		(18,519)
3	2024 Forecast Increase - 5.8% [.5]		(19,585)
4	<b>Decrease in Pro forma Twelve Months Ending December 31, 2024 O&amp;M Expense</b>	<b>OM 6C-24R</b>	<b><u>\$ (359,701)</u></b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjustment decreases the twelve months ending December 31, 2024, gas O&M expense to remove the following Alternative Regulatory Plan programs: GCIM, Capacity Release, Optional Storage Service, Price Protection Service, and Depend-a-Bill pursuant to the Commission's Order in Cause No. 43894.

Line No.	Description A	Adjustment B	Amount C
1	Decrease in Pro forma Twelve Months Ending December 31, 2024, O&M Expense	OM 6D-24R	<u>\$ (154,430)</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operation and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for the NCSC Corporate Service Bill to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ 66,970,678
2	Normalization adjustment to Increase / (Decrease) expense for the STI consistent with target levels		(497,344)
3	Normalization adjustment to Increase / (Decrease) expense for LTIP consistent with target levels		490,310
4	Normalization adjustment to Increase / (Decrease) expense for outside services		511,068
5	Total Normalization Adjustments	OM 7-22	504,033
6	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 67,474,711</b>
7	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 7-23	657,690
8	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 68,132,402</b>
9	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 7-24	677,421
10	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 68,809,823</b>
11	<b><u>Ratemaking Adjustments</u></b>		
12	Pro Forma adjustment to Increase / (Decrease) expense for employee benefits		1,039,910
13	Pro Forma adjustment to Increase / (Decrease) expense for the removal of profit sharing		(213,052)
14	Pro Forma adjustment to Increase / (Decrease) expense for Charity, Lobbying, Advertising, and Memberships		(403,296)
15	Pro Forma adjustment to Increase / (Decrease) expense for Ratemaking	OM 7-24R	\$ 423,561
16	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 69,233,384</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This Pro Forma adjusts the twelve months ended December 31, 2022, O&M Expenses for Corporate Insurance to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual balance - December 31, 2022		\$ 9,102,764
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 9,102,764</b>
4	Year-Over-Year Increase/(Decrease) for the twelve months ending December 31, 2023	OM 7-23	0
5	<b>Forecasted Expense for the twelve months ending December 31, 2023</b>		<b>\$ 9,102,764</b>
6	Year-Over-Year Increase/(Decrease) for the twelve months ending December 31, 2024	OM 7-24	-
7	<b>Forecasted Expense for the twelve months ending December 31, 2024</b>		<b>\$ 9,102,764</b>
8	Pro Forma adjustment to Increase / (Decrease) Corporate Insurance expense to reflect the level of Corporate Insurance based on 2022 actual gas allocation and transfers and the expected ongoing level of expense	OM 7-24R	166,800
9	<b>Ratemaking balance for the twelve months ending December 31, 2024</b>		<b>\$ 9,269,564</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, O&M expenses for Rents & Leases to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	<b>Actual Expense - December 31, 2022</b>		\$ 5,955,138
2	Normalization adjustment to Increase / (Decrease) Rent & Leases expense to reflect the removal of one time Vehicle leases.	OM 9-22	<u>(270,000)</u>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b><u>\$ 5,685,138</u></b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 9-23	<u>-</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b><u>\$ 5,685,138</u></b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 9-24	<u>-</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b><u>\$ 5,685,138</u></b>
8	Pro Forma adjustment to Increase / (Decrease) Rent & Leases expense	OM 9-24R	<u>2,764,585</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b><u>\$ 8,449,723</u></b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ended December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for environmental expense to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C	Reference
1	<b>Actual Expense - December 31, 2022</b>		\$ 6,533,874	
2	Normalization adjustment to Increase / (Decrease) expense to remove environmental expense	OM 10-22	(6,533,874)	
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ -</b>	
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 10-23	-	
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ -</b>	
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 10-24	-	
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>	
8	Pro Forma adjustment N/A		-	
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>	

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for uncollectible to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 4,801,851
2	Normalization Adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 4,801,851</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 11-23	(849,171)
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 3,952,680</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024.	OM 11-24	(194,556)
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 3,758,124</b>
8	Pro Forma adjustment to Increase / (Decrease) Bad Debt expense for Ratemaking based on seven year average write-offs and gas allocations based on 2022 actuals		25,955
9	Pro Forma adjustment to Increase / (Decrease) Bad Debt expense for Ratemaking for Bad Debt expense recovered through the GCA		(1,669,584)
		OM 11-24R	(1,643,629)
10	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 2,114,495</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for STI to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ 5,130,471
2	Normalization adjustment to Increase / (Decrease) expense to normalize the corporate incentive compensation expenses.	OM 12-22	819,347
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 5,949,818</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 12-23	(214,160)
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 5,735,658</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 12-24	-
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 5,735,658</b>
8	Pro Forma adjustment to Increase / (Decrease) N/A	OM 12-24R	-
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 5,735,658</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022 O&M expense to reflect forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and increases December 31, 2024 gas pension expense.

Line No.	Description A	Adjustment B	Amount C
1	<b>2022 Actuals Gas Pension Expense, Net of Transfers</b>		\$ (3,910,024)
2	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ended December 31, 2022		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ (3,910,024)</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 13-23	6,297,247
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 2,387,223</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 13-24	(130,499)
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 2,256,724</b>
8	Pro forma adjustment for Increase (Decrease) expense for ratemaking based on an updated forecast received	OM 13-24R	1,572,306
9	<b>2024 Ratemaking Gas Pension Expense, Net of Transfer</b>		<b>\$ 3,829,030</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022 O&M expense to reflect forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and decreases December 31, 2024 gas OPEB expense.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>2022 Actuals Gas OPEB Expense, Net of Transfers</b>		\$ 1,966,167
2	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ended December 31, 2022		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 1,966,167</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 14-23	1,315,136
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 3,281,304</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 14-24	(53,571)
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 3,227,732</b>
8	Pro Forma adjustment to Increase / (Decrease) expense for Ratemaking to adjust OPEB expense based on updated forecast received	OM 14-24R	527,501
9	<b>Ratemaking expense for the twelve months ending December 31, 2024, Net of Transfers</b>		<b>\$ 3,755,233</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022 O&M expense to reflect higher medical expense for the twelve months ending December 31, 2023 and December 31, 2024, and decreases December 31, 2024 gas medical expense based on transfers and gas allocations based on 2022 actuals, adjust for the NIPSCO estimated headcount, include the VEBA Trust return.

Line No.	Description	Adjustment	Summer Update Amount
	A	B	C
1	<b>2022 Actual Gas Medical Expense, Net of Transfers</b>		\$ 5,490,672
2	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ended December 31, 2022		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 5,490,672</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 15-23	302,649
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 5,793,321</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 15-24	553,099
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 6,346,420</b>
8	Pro forma to decrease gas medical costs based on true-up transfers and gas allocations based on 2022 actuals, the estimated NIPSCO headcount, and the VEBA Trust return.	OM 15-24R	526,408
9	<b>Ratemaking expense for the twelve months ending December 31, 2024, Net of Transfer</b>		<b>\$ 6,872,828</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for other benefits to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ (171,685)
2	Normalization adjustment to Increase/ (Decrease) expense to remove non recurring severance pay	OM 16-22	<u>393,178</u>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b><u>\$ 221,493</u></b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 16-23	<u>-</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b><u>\$ 221,493</u></b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 16-24	<u>-</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b><u>\$ 221,493</u></b>
8	Pro Forma adjustment to Increase / (Decrease) other benefits expense N/A		<u>-</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b><u><u>\$ 221,493</u></u></b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the normalized twelve months ended December 31, 2022 O&M expense to reflect forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and increases December 31, 2024 gas other employee benefits expense based on the transfers and gas allocations based on 2022 actuals and adjust for the NIPSCO estimated headcount.

Line No.	Description	Adjustment	Hewitt Update Amount
	A	B	C
1	2022 Other Employee Benefits O&M Expense, Net of Transfers		\$ 4,107,986
2	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ended December 31, 2020		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 4,107,986</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 17-23	351,061
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 4,459,047</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 17-24	129,763
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 4,588,809</b>
8	Pro forma to increase gas other employee benefits costs based true-up transfers and gas allocations based on 2022 actuals and adjust for the NIPSCO estimated headcount	OM 17-24R	192,522
9	<b>2024 Ratemaking Gas Other Employee Benefits Expense, Net of Transfers</b>		<b>\$ 4,781,332</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expense for LTIP to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>2022 Actuals LTIP</b>		\$ 543,141
2	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ended December 31, 2022	<b>OM 18-22</b>	<u>(6,435)</u>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b><u>\$ 536,707</u></b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	<b>OM 18-23</b>	<u>59,740</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b><u>\$ 596,447</u></b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	<b>OM 18-24</b>	<u>-</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b><u>\$ 596,447</u></b>
8	Pro Forma adjustment to Increase / (Decrease) expense N/A	<b>OM 18-24R</b>	<u>-</u>
9	<b>2024 Ratemaking LTIP Expense</b>		<b><u><u>\$ 596,447</u></u></b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for profit sharing to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 316,613
2	Pro Forma adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ 316,613</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 19-23	-
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ 316,613</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 19-24	-
7	Forecasted expense for the twelve months ending December 31, 2024		<u>\$ 316,613</u>
8	Pro Forma adjustment to Increase / (Decrease) expense for Ratemaking by removing profit sharing expense	OM 19-24R	<u>(316,613)</u>
9	Ratemaking expense for the twelve months ending December 31, 2024		<u><u>\$ -</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Operations and Maintenance Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for benefits administration to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 744,331
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 744,331</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OM 20-23	(48,966)
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 695,365</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OM 20-24	-
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 695,365</b>
8	Pro Forma adjustment N/A		-
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 695,365</b>

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

This pro forma adjusts the twelve months ended December 31, 2022, gas O&M expenses for Cause Nos. 44988 and 45621 amortization to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ 1,384,822
2	Normalization adjustment to Increase / (Decrease) expense to reclassify the O&M expense related to the 44988 and 45621 regulatory asset amortization to amortization expense - <b>AMTZ 5</b>	<b>OM 21-22</b>	<u>(1,384,822)</u>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ -</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	<b>OM 21-23</b>	<u>-</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ -</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	<b>OM 21-24</b>	<u>-</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>
8	Pro Forma adjustment N/A		<u>-</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas depreciation expenses for gas plant assets to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 73,963,938
2	Normalization adjustment to Increase / (Decrease) expense to reclassify depreciation expense related to 44988 & 45621 regulatory asset amortization expense - <b>AMTZ 5</b>	<b>DEPR 1-22</b>	(485,698)
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 73,478,240</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	<b>DEPR 1-23</b>	6,505,694
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 79,983,934</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	<b>DEPR 1-24-S2</b>	14,770,122
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 94,754,056</b>
8	Pro Forma adjustment to Increase/(Decrease) depreciation expense for Ratemaking to reflect the implementation of the new depreciation accrual rates	<b>DEPR 1-24R-S2</b>	22,729,836
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 117,483,892</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas depreciation expenses for gas common depreciation to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount	Page Reference
	A	B	C	
1	Actual Expense - December 31, 2022		\$ 1,146,923	
2	Normalization adjustment N/A		-	
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 1,146,923</b>	
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	DEPR 2-23	1,581,518	
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 2,728,442</b>	
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	DEPR 2-24-S2	1,335,514	
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 4,063,956</b>	
8	Pro Forma adjustment N/A		-	
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 4,063,956</b>	

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for gas plant assets to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 2,389,175
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ 2,389,175</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 1-23-S2	<u>503,717</u>
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ 2,892,892</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 1-24-S2	<u>475,991</u>
7	Forecasted expense for the twelve months ending December 31, 2024		<u>\$ 3,368,883</u>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to annualize amortization expense	AMTZ 1-24R-S2	<u>(24,421)</u>
9	Ratemaking expense for the twelve months ending December 31, 2024		<u><u>\$ 3,344,462</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for gas common amortization to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ 7,850,053
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ 7,850,053</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 2-23-S2	<u>3,373,394</u>
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ 11,223,447</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 2-24-S2	<u>4,088,853</u>
7	Forecasted expense for the twelve months ending December 31, 2024		<u>\$ 15,312,300</u>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to annualize amortization expense	AMTZ 2-24R-S2	1,634,195
9	Ratemaking expense for the twelve months ending December 31, 2024		<u>\$ 16,946,495</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the TDSIC Regulatory Asset to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ -
2	Normalization adjustment N/A		-
3	Normalized expense for the twelve months ended December 31, 2022		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 3-23	-
5	Forecasted expense for the twelve months ending December 31, 2023		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 3-24-S2	-
7	Forecasted expense for the twelve months ending December 31, 2024		<u>\$ -</u>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to recover the 20 percent deferred TDSIC Regulatory Asset balance	AMTZ 3-24R-S2	4,257,163
9	Ratemaking expense for the twelve months ending December 31, 2024		<u><u>\$ 4,257,163</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the FMCA Regulatory Asset to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	Actual Expense - December 31, 2022		\$ -
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ -</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 4-23	-
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ -</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 4-24	-
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ -</b>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to recover the 20 percent deferred FMCA Regulatory Asset balance	AMTZ 4-24R	2,177,476
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 2,177,476</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the Cause No. 44988 Regulatory Asset to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Expense - December 31, 2022		-
2	Normalization adjustment to Increase/(Decrease) expense to reclassify the Cause No. 44988 amortization expense	AMTZ 5-22-S2	4,321,930
3	Normalized expense for the twelve months ended December 31, 2022		\$ 4,321,930
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 5-23-S2	5,761,081
5	Forecasted expense for the twelve months ending December 31, 2023		\$ 10,083,012
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 5-24-S2	-
7	Forecasted expense for the twelve months ending December 31, 2024		\$ 10,083,012
8	Pro Forma adjustment N/A		-
9	Ratemaking expense for the twelve months ending December 31, 2024		\$ 10,083,012

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Depreciation and Amortization Expense  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas amortization expenses for the current gas rate case to reflect normalization adjustment(s), forecasted changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ -
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	AMTZ 6-23-S2	-
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	AMTZ 6-24-S2	-
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<u>\$ -</u>
8	Pro Forma adjustment to Increase/(Decrease) amortization expense for Ratemaking to recover gas rate case expense	AMTZ 6-24R-S2	1,112,216
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<u><u>\$ 1,112,216</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Taxes Other Than Income  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas taxes other than income for property tax to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description A	Adjustment B	Amount C
1	<b>Actual Expense - December 31, 2022</b>		<b>\$ 14,332,832</b>
2	Normalization adjustment to Increase / (Decrease) expense to reclass from Property Tax Expense to Amortization Expense - <b>AMTZ 5</b>	OTX 1-22	\$ (119,108)
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 14,213,724</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OTX 1-23	1,524,093
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 15,737,818</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OTX 1-24	1,914,385
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 17,652,203</b>
8	Pro Forma adjustment to Increase / (Decrease) property tax expense for Ratemaking based on updates for the most recent property tax filing.	OTX 1-24R	-
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 17,652,203</b>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Taxes Other Than Income  
Twelve Months Ending December 31, 2024

This pro forma adjustment increases the twelve months ended December 31, 2022, gas taxes other than income for payroll expenses to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ 4,468,441
2	Normalization adjustment to Increase / (Decrease) expense to reflect a short-term incentive compensation payout with target levels	OTX 2-22	43,196
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<b>\$ 4,511,637</b>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OTX 2-23	159,430
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<b>\$ 4,671,067</b>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OTX 2-24	150,863
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<b>\$ 4,821,930</b>
8	Pro Forma adjustment to Increase / (Decrease) payroll tax expense based on actual gas allocation	OTX 2-24R	231,436
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<b>\$ 5,053,367</b>

**Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Taxes Other Than Income  
Twelve Months Ending December 31, 2024**

This pro forma adjusts the twelve months ended December 31, 2022, gas Taxes Other than Income for sales taxes to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ (413,154) <b>A</b>
2	Normalization adjustment to Increase / (Decrease) expense to remove nonrecurring sales tax credit expense.	<b>OTX 3-22</b>	<u>413,154</u> <b>A</b>
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<u>\$ -</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	<b>OTX 3-23</b>	<u>\$ -</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	<b>OTX 3-24</b>	<u>-</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<u>\$ -</u>
8	Pro Forma adjustment NA		<u>\$ -</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<u><u>\$ -</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Taxes Other Than Income  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas Taxes Other than Income for Utility Receipts Tax to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Expense - December 31, 2022</b>		\$ 8,464,076
2	Normalization adjustment to remove URT expense for Ratemaking to reflect the repeal of URT enacted by HEA 1002-2022.	OTX 4-22	\$ (8,464,076)
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		\$ -
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OTX 4-23	\$ -
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<u>\$ -</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OTX 4-24	-
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<u>\$ -</u>
8	Ratemaking adjustment N/A		-
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<u><u>\$ -</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Taxes Other Than Income  
Twelve Months Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, gas Taxes Other than Income for Public Utility Fee to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustments	Amount
	A	B	C
1	Actual Expense - December 31, 2022		\$ 922,813
2	Normalization adjustment N/A		-
3	<b>Normalized expense for the twelve months ended December 31, 2022</b>		<u>922,813</u>
4	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2023	OTX 5-23	<u>556,856</u>
5	<b>Forecasted expense for the twelve months ending December 31, 2023</b>		<u>\$ 1,479,669</u>
6	Pro Forma adjustment to Increase/(Decrease) expense for the twelve months ending December 31, 2024	OTX 5-24	<u>(57,838)</u>
7	<b>Forecasted expense for the twelve months ending December 31, 2024</b>		<u>\$ 1,421,830</u>
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 5-24R	<u>11,941</u>
9	<b>Ratemaking expense for the twelve months ending December 31, 2024</b>		<u>\$ 1,433,771</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Utility Plant as of December 31, 2023 and December 31, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 3,749,193,245
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ 3,749,193,245</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 1-23	554,620,182
5	Forecasted balance as of December 31, 2023		<u>\$ 4,303,813,426</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 1-24	655,598,309
7	Forecasted balance as of December 31, 2024		<u>\$ 4,959,411,735</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 4,959,411,735</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Common Allocated to gas as of December 31, 2023 and December 31, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 179,789,081
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ 179,789,081</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 2-23	28,938,958
5	Forecasted balance as of December 31, 2023		<u>\$ 208,728,038</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 2-24	56,230,742
7	Forecasted balance as of December 31, 2024		<u>\$ 264,958,780</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 264,958,780</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Plant Accumulated Depreciation and Amortization as of December 31, 2023 and December 31, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ (1,608,074,492)
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ (1,608,074,492)</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 3-23	(47,227,741)
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ (1,655,302,233)</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 3-24	(51,362,845)
7	<b>Forecasted balance as of December 31, 2024</b>		<b>\$ (1,706,665,078)</b>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of December 31, 2024</b>		<b>\$ (1,706,665,078)</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Common Accumulated Depreciation and Amortization as of December 31, 2023 and December 31, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ (131,905,882)
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ (131,905,882)</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 4-23	(12,588,579)
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ (144,494,461)</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 4-24	(15,957,354)
7	<b>Forecasted balance as of December 31, 2024</b>		<b>\$ (160,451,815)</b>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of December 31, 2024</b>		<b>\$ (160,451,815)</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect the regulatory assets included in gas rate case Cause No. 44988 & 45621 as of December 31, 2023 and December 31, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ 28,266,547
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 28,266,547</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 5-23	<u>(8,148,926)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 20,117,621</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 5-24-S2	<u>(8,318,713)</u>
7	Forecasted balance as of December 31, 2024		<u>\$ 11,798,908</u>
8	Forecasted adjustment N/A		-
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 11,798,908</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas TDSIC regulatory asset as of December 31, 2023 and December 31, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ -
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ -</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 6-23-S2	3,537,339
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ 3,537,339</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 6-24-S2	11,337,453
7	<b>Forecasted balance as of December 31, 2024</b>		<b>\$ 14,874,792</b>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of December 31, 2024</b>		<b>\$ 14,874,792</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect the FMCA regulatory asset as of December 31, 2023 and December 31, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ -
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		<u>-</u>
3	Normalized balance as of December 31, 2022		<u>\$ -</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023		<u>3,627,286</u>
5	Forecasted balance as of December 31, 2023	RB 7-23	<u>\$ 3,627,286</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024		<u>4,876,491</u>
7	Forecasted balance as of December 31, 2024	RB 7-24-S2	<u>\$ 8,503,778</u>
8	Forecasted adjustment to Increase / (Decrease) balance for Ratemaking		<u>-</u>
9	Ratemaking balance as of December 31, 2024		<u>\$ 8,503,778</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect materials and supplies as of December 31, 2023 and December 31, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ 22,263,644
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	Normalized balance as of December 31, 2022		<u>\$ 22,263,644</u>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 8-23	<u>(4,926,552)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 17,337,093</u>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 8-24	-
7	Forecasted balance as of December 31, 2024		<u>\$ 17,337,093</u>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 17,337,093</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Stored Underground - Current Account 164 (13-Month Average) as of December 31, 2023 and December 31, 2024.

Line No.	Description A	Adjustment B	Amount C
1	Actual Balance - December 31, 2022		\$ 99,718,140
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ 99,718,140</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 9-23	(2,791,673)
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ 96,926,467</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 9-24-S2	(26,834,036)
7	<b>Forecasted balance as of December 31, 2024</b>		<b>\$ 70,092,430</b>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of December 31, 2024</b>		<b>\$ 70,092,430</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Rate Base  
As of December 31, 2024

This pro forma adjusts the December 31, 2022 Rate Base balance to reflect Gas Stored Underground - Non-Current Account 117 as of December 31, 2023 and December 31, 2024.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 4,949,422
2	Normalization adjustment to Increase/(Decrease) balance as of December 31, 2022		-
3	<b>Normalized balance as of December 31, 2022</b>		<b>\$ 4,949,422</b>
4	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2023	RB 10-23	-
5	<b>Forecasted balance as of December 31, 2023</b>		<b>\$ 4,949,422</b>
6	Forecasted adjustment to Increase/(Decrease) balance as of December 31, 2024	RB 10-24	-
7	<b>Forecasted balance as of December 31, 2024</b>		<b>\$ 4,949,422</b>
8	Forecasted adjustment to Increase/(Decrease) balance for Ratemaking		-
9	<b>Ratemaking balance as of December 31, 2024</b>		<b>\$ 4,949,422</b>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for common equity to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 3,863,393,184
2	Normalization Adjustment N/A		-
3	Normalized balance as of December 31, 2022		\$ 3,863,393,184
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 1-23-S2	1,153,095,492
5	Forecasted balance as of December 31, 2023		\$ 5,016,488,676
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 1-24-S2	863,009,486
7	Forecasted balance as of December 31, 2024		\$ 5,879,498,162
8	Ratemaking Adjustment N/A		-
9	Ratemaking balance as of December 31, 2024		\$ 5,879,498,162

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for long term debt to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 2,843,935,760
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 2,843,935,760</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 2-23-S2	<u>710,014,508</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 3,553,950,268</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 2-24-S2	<u>615,014,508</u>
7	Forecasted balance as of December 31, 2024		<u>\$ 4,168,964,776</u>
8	Pro Forma adjustment N/A	CS 2-24R-S2	-
9	Ratemaking balance as of December 31, 2024		<u>\$ 4,168,964,776</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for customer deposits to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 66,479,683
2	Normalization adjustment N/A		<u>-</u>
3	Normalized balance as of December 31, 2022		<u>\$ 66,479,683</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 3-23	<u>785,367</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 67,265,050</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 3-24	<u>-</u>
7	Forecasted balance as of December 31, 2024		<u>\$ 67,265,050</u>
8	Pro Forma adjustment N/A		<u>-</u>
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 67,265,050</u></u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for deferred income taxes to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 1,387,659,850
2	Normalization adjustment to Increase / (Decrease) the balance		-
3	Normalized balance as of December 31, 2022		\$ 1,387,659,850
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 4-23-S2	33,986,647
5	Forecasted balance as of December 31, 2023		\$ 1,421,646,497
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 4-24-S2	83,470,609
7	Forecasted balance as of December 31, 2024		\$ 1,505,117,107
8	Pro Forma adjustment to Increase / (Decrease) the balance for Ratemaking		-
9	Ratemaking balance as of December 31, 2024		\$ 1,505,117,107

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for post-retirement liability to reflect normalization adjustment(s), projected changes for the twelve months ending December 31, 2023 and December 31, 2024 and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 25,277,242
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 25,277,242</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 5-23-S2	<u>(10,375,681)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 14,901,561</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 5-24-S2	<u>(11,730,371)</u>
7	Forecasted balance as of December 31, 2024		<u>\$ 3,171,190</u>
8	Pro Forma adjustment to reflect the current Aon forecast received July 2023	CS 5-24R-S2	<u>1,278,361</u>
9	Ratemaking balance as of December 31, 2024		<u>\$ 4,449,551</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for prepaid pension asset to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023 and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	<b>Actual Balance - December 31, 2022</b>		\$ (437,959,675)
2	Normalization Adjustment N/A		-
3	<b>Normalized balance as of December 31, 2022</b>		<u>\$ (437,959,675)</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 6-23-S2	17,239,893
5	<b>Forecasted balance as of December 31, 2023</b>		<u>\$ (420,719,782)</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 6-24-S2	12,599,000
7	<b>Forecasted balance as of December 31, 2024</b>		<u>\$ (408,120,782)</u>
8	Pro Forma adjustment to reflect the current Aon Hewitt forecast received July 2023	CS 6-24R-S2	4,319,000
9	<b>Ratemaking balance as of December 31, 2024</b>		<u>\$ (403,801,782)</u>

Northern Indiana Public Service Company LLC  
Pro Forma Adjustment to Capital Structure  
As of December 31, 2024

This pro forma adjusts the balance as of December 31, 2022, capital structure for Post-1970 ITC to reflect normalization adjustment(s), forecast changes for the twelve months ending December 31, 2023, and December 31, 2024, and ratemaking adjustment(s) for the twelve months ending December 31, 2024, as described below.

Line No.	Description	Adjustment	Amount
	A	B	C
1	Actual Balance - December 31, 2022		\$ 877,732
2	Normalization adjustment N/A		-
3	Normalized balance as of December 31, 2022		<u>\$ 877,732</u>
4	Year-Over-Year Increase/(Decrease) balance as of December 31, 2023	CS 7-23-S2	<u>(269,088)</u>
5	Forecasted balance as of December 31, 2023		<u>\$ 608,644</u>
6	Year-Over-Year Increase/(Decrease) balance as of December 31, 2024	CS 7-24-S2	<u>(217,016)</u>
7	Forecasted balance as of December 31, 2024		<u>\$ 391,628</u>
8	Pro Forma adjustment N/A		-
9	Ratemaking balance as of December 31, 2024		<u><u>\$ 391,628</u></u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment to Income Taxes  
For the Twelve Month Period Ending December 31, 2024

This pro forma adjusts the twelve months ended December 31, 2022, 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, 2022		\$ 17,561,373
2	Pro Forma adjustment to Increase / (Decrease) expense for Current Rates	ITX 1-24R	<u>(6,029,707)</u>
3	Federal and State Income Taxes at Pro Forma Current Rates		<u>\$ 11,531,666</u>
4	Pro Forma adjustment to Increase / (Decrease) expense for Proposed Revenue	PF-4-S2	40,038,389
5	Federal and State Income Taxes at Proposed Revenue		<u>\$ 51,570,055</u>

Northern Indiana Public Service Company LLC  
Pro forma Adjustment Based on Proposed Rates  
For the Twelve Month Period Ending December 31, 2024

The proposed adjustments increase twelve months ending December 31, 2024, test year Revenue (PF-1) and Expense (PF-2 through PF-4) to reflect uncollectible, public utility fees, and income taxes based on the proposed revenue requirement.

Line No.	Description	Amount				
		A	B	C	D	E
		PF-1-S2	PF-2-S2	PF-3-S2	PF-4-S2	
		Revenue Requirement	Uncollectible Accounts	Public Utility Fee Rate	Fed/State Income Taxes	
1	Revenue Requirement Deficiency	\$ 120,945,846	\$ 161,897,007	\$ 161,897,007	\$ 161,897,007	
2	Rate	133.8590889%	0.4170379%	0.1467603%	19.8584039% 4.8723739%	Fed State
3	Increase in Pro forma Test Year Revenue and O&M Expense Based on Proposed Rates	\$ 161,897,007	\$ 675,172	\$ 237,601	\$ 40,038,389	

## Consolidated Balance Sheets

<i>(in millions)</i>	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Property, Plant and Equipment</b>		
Utility plant	\$ 11,902.7	\$ 10,982.9
Accumulated depreciation and amortization	(3,831.7)	(3,648.4)
Net utility plant	8,071.0	7,334.5
Other property, at cost, less accumulated depreciation	1,116.5	897.7
Net Property, Plant and Equipment	9,187.5	8,232.2
<b>Current Assets</b>		
Cash and cash equivalents	9.8	23.2
Restricted cash	34.1	9.5
Accounts receivable (less reserve of \$12.0 and \$9.5, respectively)	409.8	337.3
Accounts receivable - affiliated	34.5	7.5
Income tax receivable		6.3
Gas inventory	177.3	123.1
Materials and supplies, at average cost	131.1	119.0
Electric production fuel, at average cost	68.8	32.2
Exchange gas receivable	19.9	6.0
Regulatory assets	114.7	100.5
Prepayments and other	217.4	61.9
Total Current Assets	1,217.4	826.5
<b>Other Assets</b>		
Regulatory assets	1,217.1	1,213.6
Goodwill	17.8	17.8
Deferred charges and other	120.1	146.0
Total Other Assets	1,355.0	1,377.4
<b>Total Assets</b>	<b>\$ 11,759.9</b>	<b>\$ 10,436.1</b>

## Consolidated Balance Sheets

<i>(in millions)</i>	December 31, 2022	December 31, 2021
<b>MEMBER'S EQUITY AND LIABILITIES</b>		
<b>Member's Equity</b>		
Member's equity - NIPSCO	\$ 3,845.0	\$ 3,504.2
Noncontrolling interest in consolidated subsidiaries	326.4	325.6
<b>Total Member's Equity</b>	<b>4,171.4</b>	<b>3,829.8</b>
<b>Long-Term Debt</b>		
Long-term debt, excluding amounts due within one year	72.2	74.4
Long-term debt - affiliated, excluding amounts due within one year	2,786.0	2,431.0
<b>Total Long-Term Debt</b>	<b>2,858.2</b>	<b>2,505.4</b>
<b>Current Liabilities</b>		
Current portion of long-term debt	2.3	12.2
Current portion of long-term debt- affiliated	80.0	
Short-term borrowings	207.2	
Short-term borrowings - affiliated	530.7	414.4
Accounts payable	403.2	319.7
Accounts payable - affiliated	56.1	48.5
Customer deposits and credits	107.5	100.6
Taxes accrued	76.3	84.5
Interest accrued	49.5	18.7
Regulatory liabilities	91.5	68.3
Accrued compensation and employee benefits	65.9	74.5
Asset retirement obligations	35.5	42.7
Obligations to renewable generation asset developer	347.2	
Other accruals	218.2	56.4
<b>Total Current Liabilities</b>	<b>2,271.1</b>	<b>1,240.5</b>
<b>Other Liabilities</b>		
Deferred income taxes	959.5	901.0
Accrued liability for postretirement and postemployment benefits	220.3	273.6
Regulatory liabilities	832.1	887.0
Asset retirement obligations	393.6	391.3
Obligations to renewable generation asset developer		347.2
Other noncurrent liabilities and deferred credits	53.7	60.3
<b>Total Other Liabilities</b>	<b>2,459.2</b>	<b>2,860.4</b>
<b>Total Member's Equity and Liabilities</b>	<b>\$ 11,759.9</b>	<b>\$ 10,436.1</b>

**Statements of Consolidated Cash Flows**

Year Ended December 31, <i>(in millions;)</i>	2022	2021
<b>Operating Activities</b>		
Net Income	\$ 328.5	\$ 333.6
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	449.4	410.2
Deferred income taxes and investment tax credits	24.9	47.0
Other adjustments	(3.9)	(8.9)
Changes in Assets and Liabilities:		
Accounts receivable - affiliated	1.3	(7.4)
Accounts receivable	(72.4)	(6.7)
Inventories	(108.7)	(39.8)
Accounts payable - affiliated	7.6	3.9
Accounts payable	68.0	(1.5)
Exchange gas receivable/payable	(16.8)	(47.8)
Other accruals	26.1	(3.4)
Prepayments and other current assets	8.2	30.4
Regulatory assets/liabilities	(44.8)	78.4
Postretirement and postemployment benefits	32.7	(73.4)
Deferred charges and other noncurrent assets	(4.6)	1.8
Other noncurrent liabilities and deferral credits	(44.3)	0.3
<b>Net Cash Flows from Operating Activities</b>	<b>651.2</b>	<b>716.7</b>
<b>Investing Activities</b>		
Capital expenditures	(947.1)	(749.3)
Cost of removal	(100.1)	(95.1)
Payment to renewable generation asset developer	(323.9)	(240.4)
<b>Net Cash Flows used for Investing Activities</b>	<b>(1,371.1)</b>	<b>(1,084.8)</b>
<b>Financing Activities</b>		
Proceeds from issuance of long-term debt- affiliated	435.0	175.0
Repayments of long-term debt - affiliated		
Repayments of long-term debt and finance lease obligations	(12.2)	(2.2)
Changes in affiliated money pool borrowings	88.0	(17.8)
Change in short-term borrowings	207.2	
Equity costs, premiums and other debt related costs	(2.1)	(8.4)
Contributions from noncontrolling interest	21.2	245.1
Distributions to noncontrolling interest	(6.0)	(0.6)
<b>Net Cash Flows from Financing Activities</b>	<b>731.1</b>	<b>391.1</b>
Change in cash, cash equivalents and restricted cash	11.2	23.0
Cash, cash equivalents and restricted cash at beginning of period	32.7	9.7
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<b>\$ 43.9</b>	<b>\$ 32.7</b>

## Statements of Consolidated Operations

Year Ended December 31, <i>(in millions)</i>	2022	2021
<b>Operating Revenues</b>		
Customer revenues	\$ 2,791.3	\$ 2,438.2
Other revenues	95.7	93.3
<b>Total Operating Revenues</b>	<b>2,887.0</b>	<b>2,531.5</b>
<b>Operating Expenses</b>		
Cost of energy	1,132.2	812.0
Operation and maintenance	740.4	731.0
Depreciation and amortization	449.4	410.2
Gain on sale of assets		(0.4)
Other taxes	72.1	91.0
<b>Total Operating Expenses</b>	<b>2,394.1</b>	<b>2,043.8</b>
<b>Operating Income</b>	<b>492.9</b>	<b>487.7</b>
<b>Other Income (Deductions)</b>		
Interest on long-term debt	(4.9)	(5.2)
Interest on long-term debt - affiliated	(115.7)	(107.1)
Other, net	25.0	34.6
<b>Total Other Deductions, Net</b>	<b>(95.6)</b>	<b>(77.7)</b>
<b>Income before Income Taxes</b>	<b>397.3</b>	<b>410.0</b>
<b>Income Taxes</b>	<b>68.8</b>	<b>76.4</b>
<b>Net Income</b>	<b>\$ 328.5</b>	<b>\$ 333.6</b>
Net income (loss) attributable to noncontrolling interest	\$ (12.3)	\$ 3.9
<b>Net Income Attributable to NIPSCO</b>	<b>\$ 340.8</b>	<b>\$ 329.7</b>

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
Forecasted GAAP Consolidated Balance Sheet 2024 (unaudited and current rates)

Year Ended December 31, <i>(dollars in millions)</i>	<b>2024</b>
<b>ASSETS</b>	
<b>Utility Plant, at original cost</b>	
Total Utility Plant	\$ 15,525.8
Less: Accumulated provision for depreciation and amortization	(4,329.9)
Net Utility Plant	11,195.8
<b>Other property</b>	150.7
<b>Net Property, Plant and Equipment</b>	11,346.5
 <b>Current Assets</b>	
Cash and cash equivalents	-
Restricted Cash	-
Accounts Receivable - Unaffiliated	88.8
Accounts Receivable - Affiliated	28.1
Materials and Supplies	156.2
Gas inventory & Electric Production Fuel	207.0
Regulatory assets	122.5
Prepayments and Other	293.2
Total Current Assets	895.8
<b>Investments</b>	783.4
 <b>Other Non-Current Assets</b>	
Regulatory Assets	1,175.1
Goodwill	17.8
Deferred charges and other	131.8
Total Non-Current Assets	1,324.6
<b>Total Assets</b>	\$ 14,350.4

**CAPITALIZATION and LIABILITIES**

**Capitalization**

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
Forecasted GAAP Consolidated Balance Sheet 2024 (unaudited and current rates)

Year Ended December 31, <i>(dollars in millions)</i>	<b>2024</b>
Membership Interest	\$ 2,365.1
Retained earnings	3,492.7
Total Common Stock Equity	5,857.8
Long-term debt	4,177.5
Total Capitalization	10,035.3
<b>Current Liabilities</b>	
Current Portion of Long-Term Debt	77.2
Short-term borrowings	431.5
Accounts payable - unaffiliated	478.3
Accounts payable - affiliated	65.6
Customer deposits and credits	76.3
Taxes accrued	57.2
Interest accrued	36.9
Accrued employment and postemployment costs	74.0
Regulatory liabilities	101.7
Other current liabilities	164.1
Total Current Liabilities	1,562.9
<b>Other Non-Current Liabilities and Deferred Credits</b>	
Deferred income taxes	1,329.2
Deferred investment tax credits	48.3
Accrued liability for postretirement and postemployment benefits	203.5
Regulatory liabilities	837.6
Other noncurrent liabilities	333.6
Total Other Liabilities and Deferred Credits	2,752.2
<b>Total Capitalization and Liabilities</b>	<b>\$ 14,350.4</b>

**NIPSCO Consolidated**  
**Forecasted Cash Flow Statement (unaudited and current rates)**  
**For the Twelve Months Ended December 31, 2024**  
*(dollars in millions)*

	Dec 31, 2024
<b><u>Operating Activities</u></b>	
Net Income	\$ 428.1
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:	
Depreciation and Amortization	563.8
Deferred Income Taxes and Investment Tax Credits	105.0
Stock Compensation Expense and 401(k) Profit Sharing Contribution	10.7
AFUDC Equity	(20.1)
Regulatory Assets/Liabilities	(26.5)
Other OPEB Benefits	(11.0)
Deferred Charges & Other Non Current Assets	(1.4)
Other Non Current Liabilities	(68.1)
Changes in Assets and Liabilities:	
Accounts Receivable - Unaffiliated	(28.2)
Inventories	(12.3)
Accounts Payable - Affiliated	33.0
Accounts Payable - Unaffiliated	49.2
Customer Deposits and Credits	0.8
Taxes Accrued	173.6
Exchange Gas Receivable/Payable	(83.1)
Prepayments and Other Current Assets	(9.5)
Accrued Compensation & Employee Benefits	(6.5)
<b>Net Cash Flows from (used for) Operating Activities</b>	<b>\$ 1,097.6</b>
<b><u>Investing Activities</u></b>	
Capital Expenditures	\$ (2,350.2)
Other Investing Activities	(98.3)
<b>Net Cash Flows from (used for) Investing Activities</b>	<b>\$ (2,448.4)</b>
<b><u>Financing Activities</u></b>	
Changes In Affiliated Borrowings	\$ 845.3
Issuance Of Common Stock	589.3
Other Changes To Long Term Debt	(2.2)
Dividends Paid	(155.0)
<b>Net Cash Flows from (used for) Financing Activities</b>	<b>\$ 1,277.4</b>

**NORTHERN INDIANA PUBLIC SERVICE COMPANY**  
GAAP Forecasted Statements of Gas Utility Income 2024 (unaudited and current rates)

Year Ended December 31, (dollars in millions)	<b>2024</b>
<b>Net Revenues</b>	
Total Net Revenue	\$ 576.4
<b>Operating Expenses</b>	
Operation and Maintenance	245.2
Depreciation & Amortization	99.2
Taxes Other Than Income	23.0
Total Operating Expenses	367.4
<b>Operating Income</b>	<b>209.0</b>
<b>Other Income (Deductions)</b>	
Interest Expense, Net	(60.3)
Other , net	2.0
Total Other (Deductions)	(58.3)
<b>Income before Income Taxes</b>	<b>150.7</b>
<b>Income Taxes</b>	<b>27.3</b>
Net Income	\$ 123.3

NORTHERN INDIANA PUBLIC SERVICE COMPANY  
Ratio Summary for Allocation of Common Expenses  
For the Period August 2023 to January 2024

Ratio	Ratio Short Name	Description	% to Elec	% to Gas
13	PC	# of Computing Devices	58.59%	41.41%
11	EMP	# of Employees	64.76%	35.24%
10	G-3	# of Retail Customers	38.14%	61.86%
G-2	G-2	All Customers	36.20%	63.80%
9	9	Automobile Units	47.45%	52.55%
E	E	Combination District Customers	48.68%	51.32%
7	7	Gross Depreciable Property and Operating Expenses	68.51%	31.49%
2	2	Gross Fixed Assets	67.06%	32.94%
1	1	Gross Fixed Assets and Operating Expenses	67.01%	32.99%
H	H	Investment	67.24%	32.76%
20	O&M	O&M Expenses	67.36%	32.64%
D	D	Payroll	65.39%	34.61%
Property Tax	PT	Property Tax allocation	60.61%	39.39%
MR	MR	Mainframe	29.44%	70.56%
MS	MS	NiFit	65.89%	34.11%