IPL's
2006 Summer Capacity

Presentation to IURC

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THE POWER BEHIND INDIANAPOLIS

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Presentation Overview

- Customer demand assessment
- Supply resources
- Market conditions
- Customer Demand Response options
- IPL generation
- MISO Day 2 Operations

IPL Historical Summer Peaks

	2002	2003	2004	2005
MW	3,003	2,892	2,915	3,118
Date	July 22	Aug. 26	July 22	July 25
Hour	4:00 PM	5:00 PM	4:00 PM	4:00 PM
Temp.	92°F	89°F	88°F	95°F

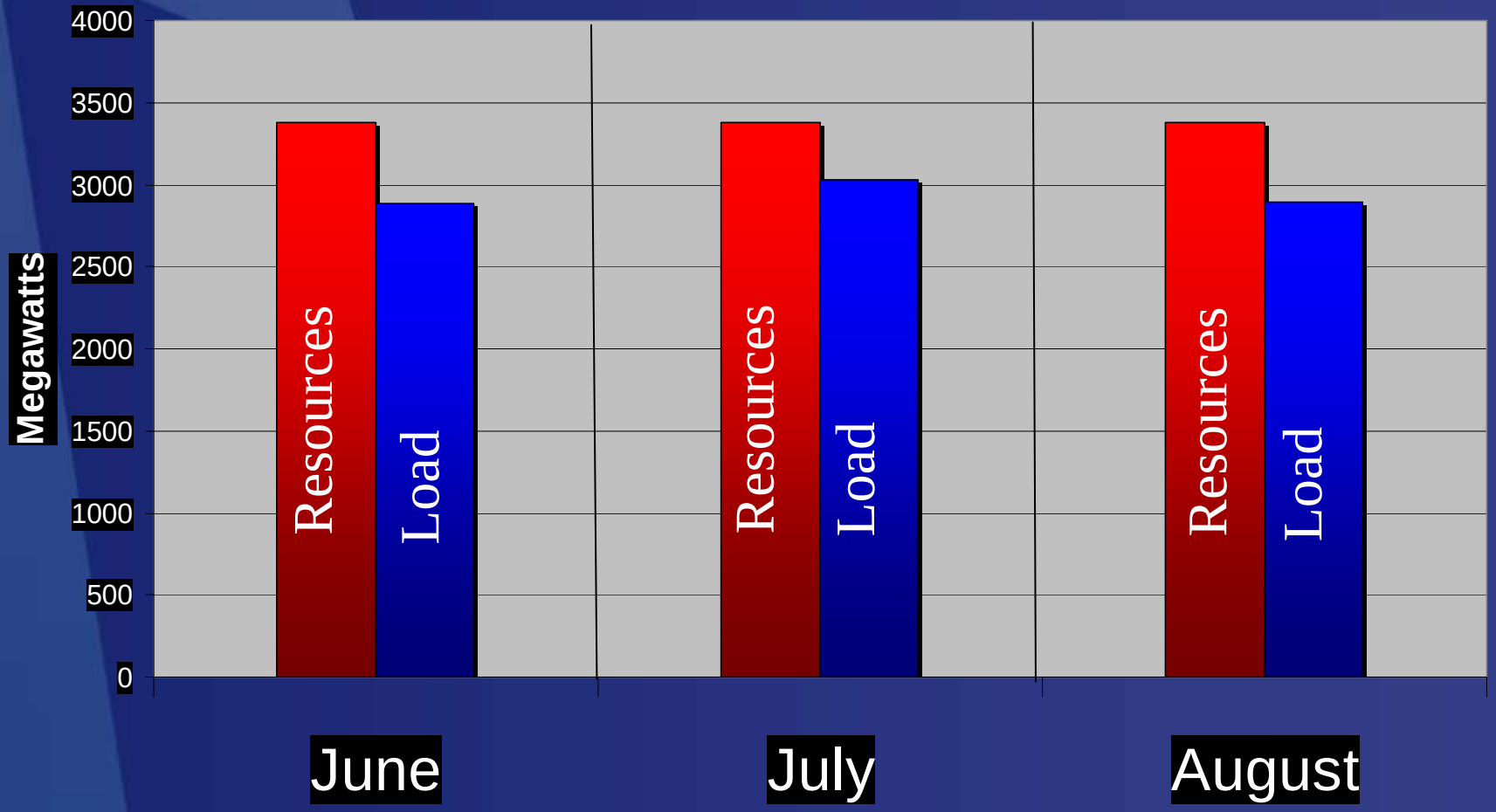
IPL 2006 Summer Projected Peaks (MW)

	June	July	August
Total Demand	2,960	3,110	2,967
Demand Response	84	84	84
Net Demand	2,876	3,026	2,883

Supply Resources 2006 (MW)

IPL Owned Generation	3,282
Perry K (CTE)	5
Power Purchase	73
Scrubber Option	19
Total Supply Resources	**3,379**

Supply Resources vs. Projected Peak Load

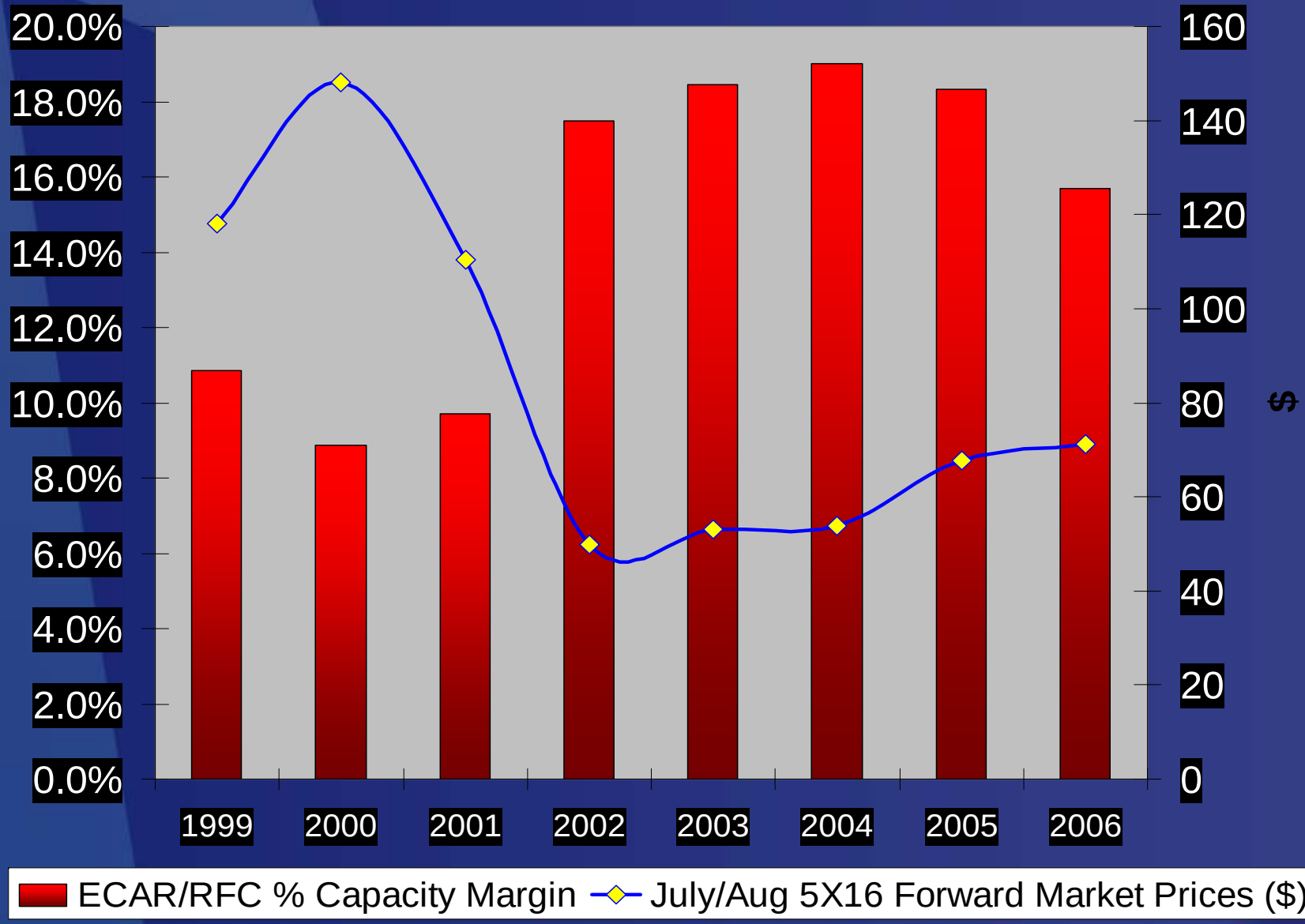


	June	July	August
Reserve Margin (MW)	503	353	496
Reserve Margin (%)	17.5%	11.7%	17.2%

IPL & RFC/MISO *Reserve Margins* **Summer 2006**

	June	July	August
IPL Reserve Margin %	17.5%	11.7%	17.2%
Reliability First %	25.0%	18.6%	20.6%
MISO %	---	18.0%	---

Capacity Margin vs. Forward Market Prices
ECAR/RFC(2006)



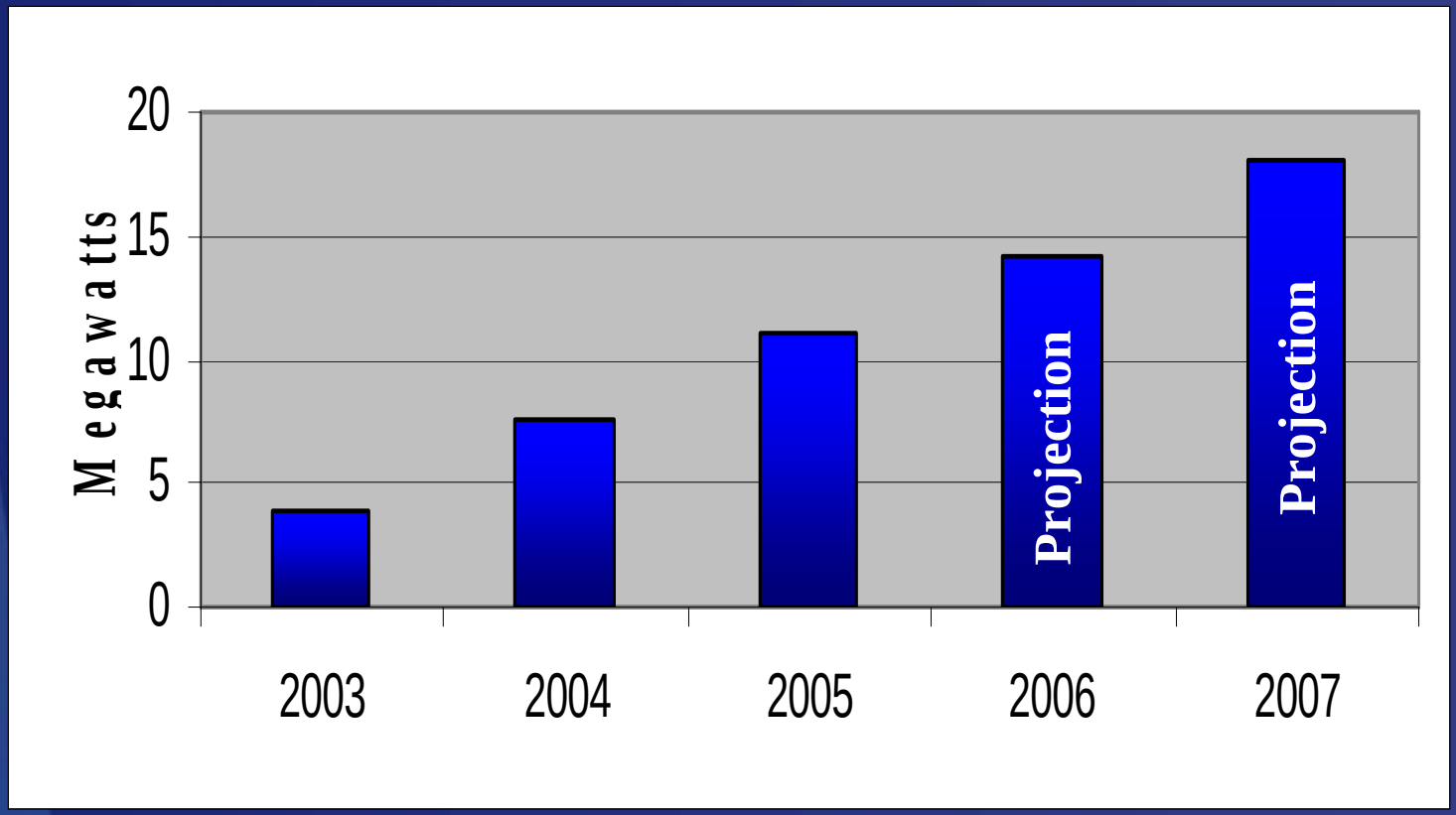
Market Prices up 10% from year ago… What are the drivers?

	April 2005	April 2006	Change
Jul/Aug 5x16 $/MWH	65.10	71.30	10%
IL/IN Spot Coal $/ton	37	43	16%
Henry Hub NG $/mmbtu	6.60	6.94	5%
#2 Fuel Oil $/mmbtu	10.73	14.28	33%
SO_2 Allowances $/ton	845	725	-14%

Customer Demand Response Options

- Residential Customers
  - IPL “CoolCents” Program - Air Conditioning Load Management (ACLM)
  - Various other programs focused on energy efficiency

“CoolCents” – Demand Impact (MW)



Other Residential Programs

- Income Qualified Weatherization
- High Efficiency Heat Pump and Air Conditioner
- Air Conditioning Load Management (extension)
- Energy Efficiency Education
- Renewable Energy Education

Customer Demand Response Options

- Commercial and Industrial Customers
  - Rider 14 – Interruptible Power
  - Rider 15 – Customer Owned Generation
  - Rider 17 – Curtailment Power
  - SS Special Agreement – Interruptible Power

Customer DR Options
Summer Demand Impacts (MW)

		PROJECTED	
	2004	2005	2006
Rider 14	12	12	12
Rider 15	29	34	40
Rider 17	4	15	7
SS-Agreements	9	9	10
Residential DR	8	11	15
Total	62	81	84

IPL Generation

Petersburg – 1,752 MW

Unit	Fuel	Output (MW)	Environmental Controls
Unit 1	Coal	232	FGD, NN
Unit 2	Coal	435	FGD, SCR
Unit 3	Coal	540	FGD, SCR
Unit 4	Coal	545	FGD, LNB

IPL Generation
Harding Street – 1,099 MW

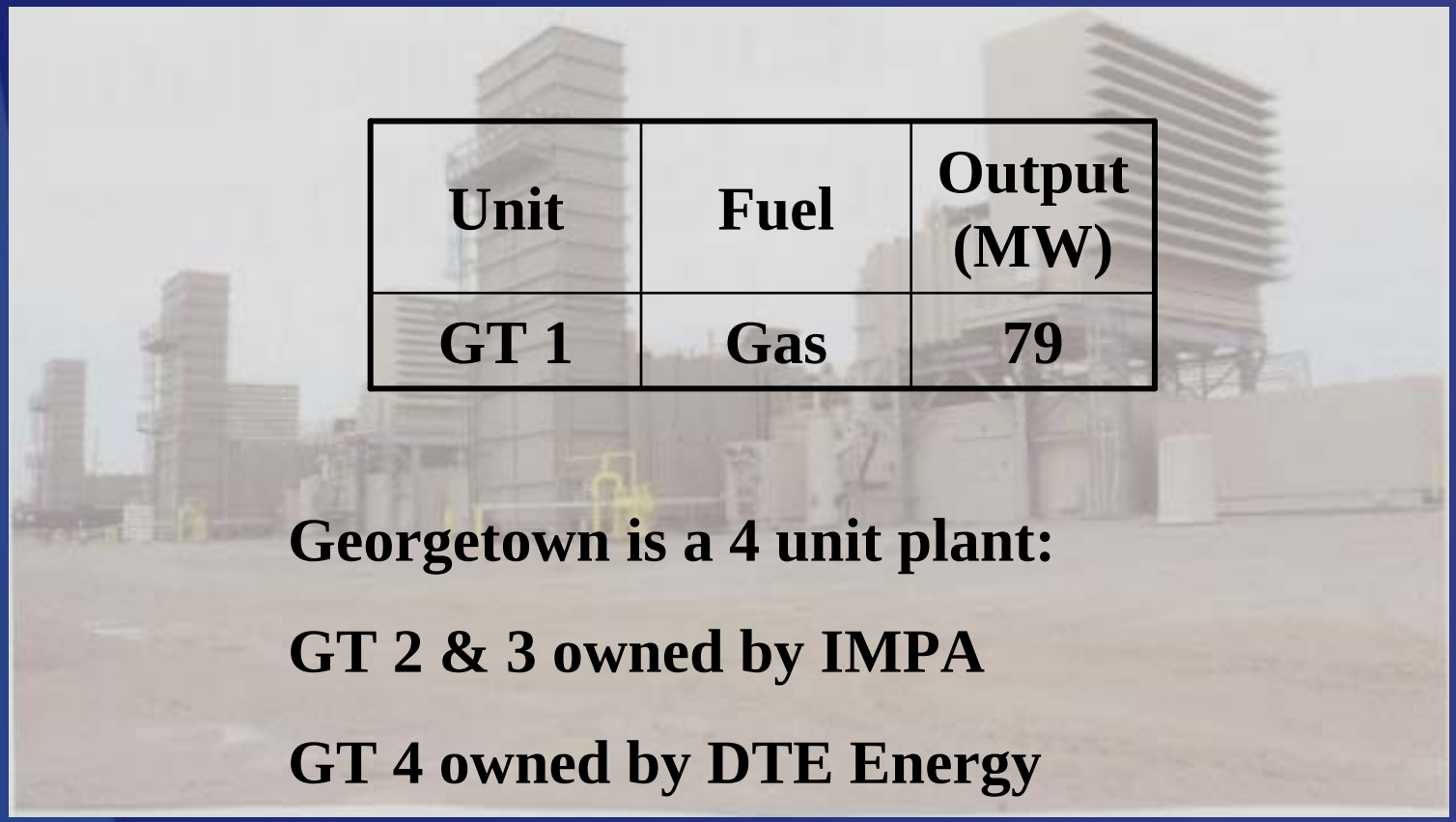
Unit	Fuel	Output (MW)	Environmental Controls
Units 3 & 4	Oil	70	
Unit 5	Coal	106	SNCR, NN
Unit 6	Coal	106	SNCR, NN
Unit 7	Coal	435	SCR
CTs 1-3	Oil	60	
CT 4	Oil/Gas	82	
CT 5	Oil/Gas	82	
CT 6	Gas	158	

IPL Generation

Eagle Valley – 338 MW

Unit	Fuel	Output (MW)	Environmental Controls
Units 1 & 2	Oil	78	
Unit 3	Coal	43	
Unit 4	Coal	56	LNB
Unit 5	Coal	62	LNB
Unit 6	Coal	99	NN

IPL Generation
Georgetown



Unit	Fuel	Output (MW)
GT 1	Gas	79

Georgetown is a 4 unit plant:

GT 2 & 3 owned by IMPA

GT 4 owned by DTE Energy

Power Purchases

- 73 MW Unit Power Purchase
  - May—September
  - 3-year agreement for summers 2004-2006
- Additional short-term market purchases for economic reasons or as replacement power for unexpected unit outages

MISO Day 2 Operations

- Successful transition from prior bi-lateral market despite record setting summer peak demands in 2005
- Provides near real-time economic dispatch of IPL generation with generation supply of entire MISO footprint
- Actively involved at MISO

Summary

- IPL’s Resource Portfolio of Owned Generation, Demand Response Options, and Power Purchases will support projected summer 2006 customer load requirements.