



2011 Summer Capacity Presentation

May 23, 2011





Presentation Team

- Ken Zagzebski, President and CEO
- Dwayne Burke, Director, Environmental Affairs
- Mike Holtsclaw, Director, Power Delivery Operations
- Ron Talbot, Sr. VP, Power Supply
- Jim Sadtler, VP, Supply and Technology
- Joe Bentley, VP, Power Delivery
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- Ken Flora, Director, Regulatory Affairs
- Herman Schkabila, Director, Markets & Risks
- Jake Allen, Team Leader, Mkting and Program Mgmt
- Joan Soller, Manager, Corporate Planning



Overview

- Safety
- Environmental Rules
- Summer Preparedness
- Generation
- Transmission & Distribution
- Technologies & Renewables

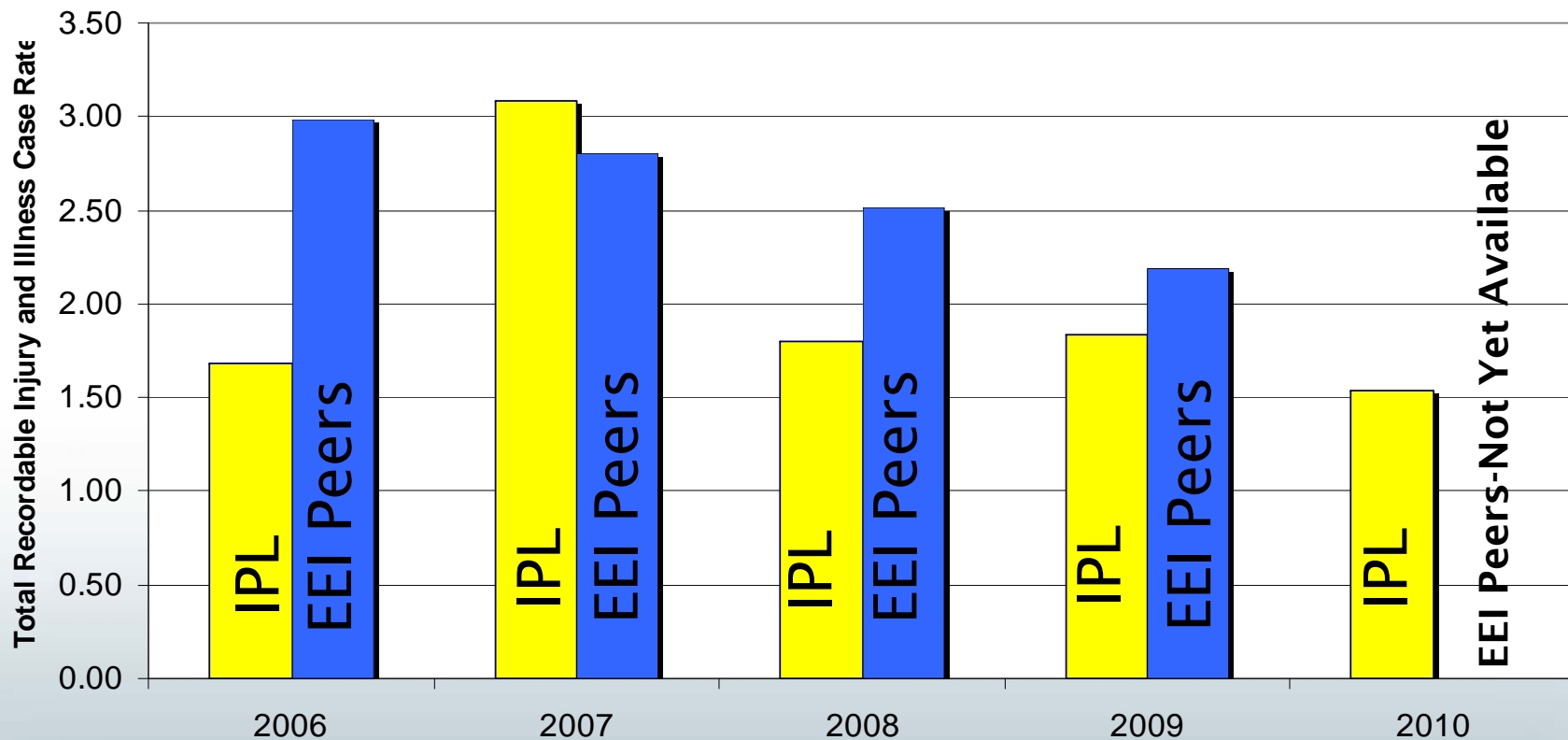


Summer 2011 Preparation:
Pete Unit 1 Major Outage--Spring
2011 Turbine Overhaul



Safety

OSHA Total Recordable Injury & Illness Case Rate (TRII) IPL vs EEI Average Peer Group





Potential Impact of Federal Environmental Rules

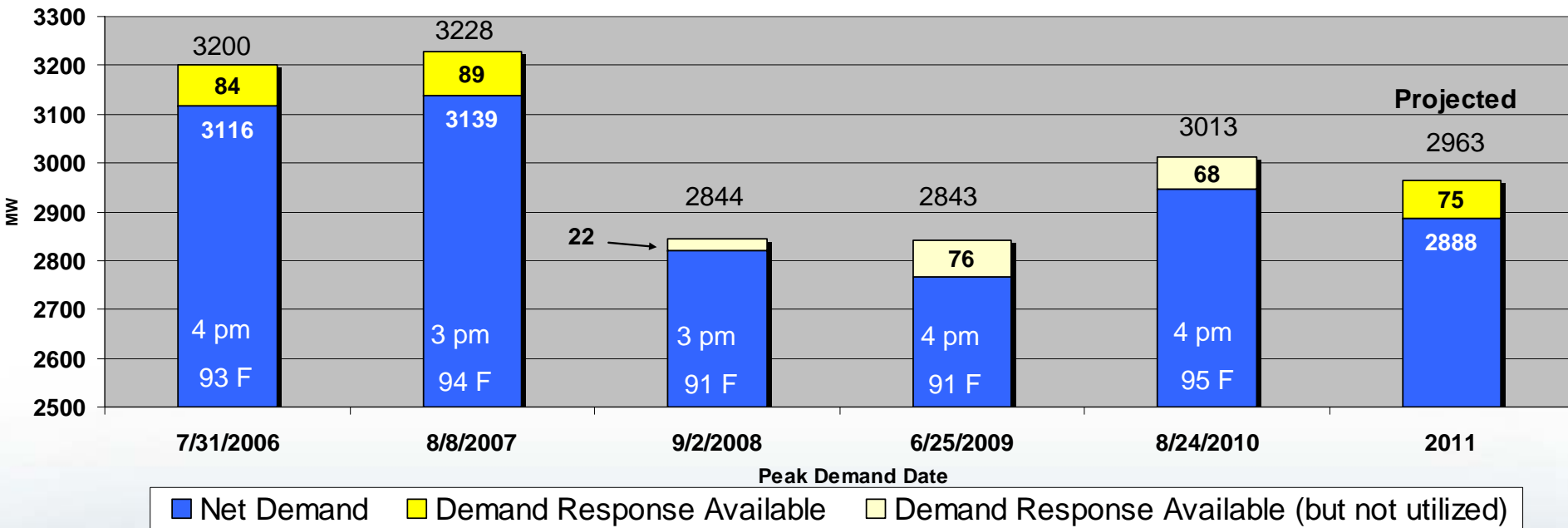
Rule	State of Rulemaking	Expected Compliance Date	Key Issues
GHG	<ul style="list-style-type: none"> indefinite delay of "cap and trade" legislation new source performance standard 	TBD	<ul style="list-style-type: none"> Potential tax discussion to address deficit Carbon capture and sequestration NSPS - efficiency driven
HAPS/MACT	<ul style="list-style-type: none"> Proposed rule issued on 3/16/11 Final Rule by 11/2011 	1/2015	<ul style="list-style-type: none"> EPA limited flexibility in rule timing and est of standards Short compliance timeline (3 years) 1 yr possible extension by IDEM Availability of contractors/outage schedules
Ash	<ul style="list-style-type: none"> EPA Proposed Rule: 6/2010 Final Rule: likely after 2012 election 	12/2017	<ul style="list-style-type: none"> Possible hazardous waste designation; close ponds Limited beneficial use allowed
NSR	Ongoing settlement discussions with EPA	Varies	<ul style="list-style-type: none"> Unit controls and limits
CAIR/CATR	Final rule 7/2011	2012 / 2014	<ul style="list-style-type: none"> Trading allowed; allocation process
PCB	<ul style="list-style-type: none"> EPA Notice of Rulemaking: 2010 Proposed Rule: 2012 Final Rule: 2013 	Test: 2014 Replace: 2020	Test equipment and replace in 2015, 2020, and 2025 depending on PCB
316(b)	<ul style="list-style-type: none"> Proposed Rule Issued 3/28/2011 Final Rule by 7/2012 	2015	<ul style="list-style-type: none"> Allow site specific cost benefit vs. mandated "one-size-fits-all" Cooling towers could still be required
Effluent Rule	<ul style="list-style-type: none"> EPA Proposed Rule: 7/2012 Final Rule: 1/2014 	2017	Treat water effluent prior to ponds



Summer Preparedness



IPL Summer Peaks and Demand Response





Demand Response Options

Summer Demand Impacts (MW)

Rider		2010	2011
14	Real Time Interruptible	0	12
15	Customer-owned generation	36	32.3
17	Curtailment with notice	3.4	2.2
ACLM	ACLM Demand Response	24.4	28.2
	Total	63.8	74.7



Planning Reserve Requirements (MW)

	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>
UCAP Planning Requirement	2,972	2,998	2,998	2,718
IPL Resources (MISO UCAP Ratings)	2,959	2,959	2,959	2,959
IPL Position Prior to Accounting for Capacity Sales & Purchases	-13	-41	-41	+241
IPL Net Sales (-) & Purchases (+)	+50	+50	+50	0
Current IPL Position	37	9	9	241


Petersburg



Georgetown



Generation

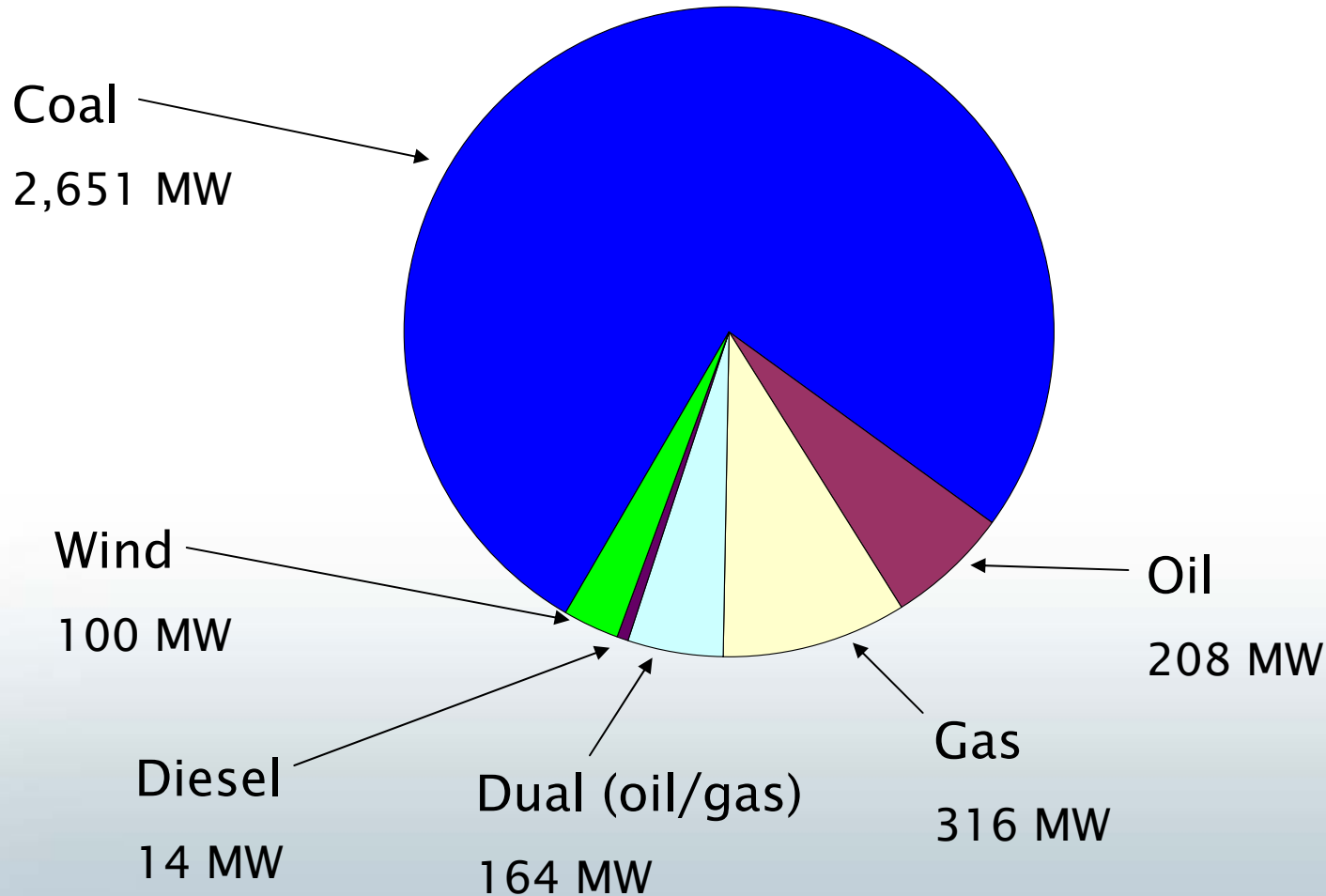
Harding Street



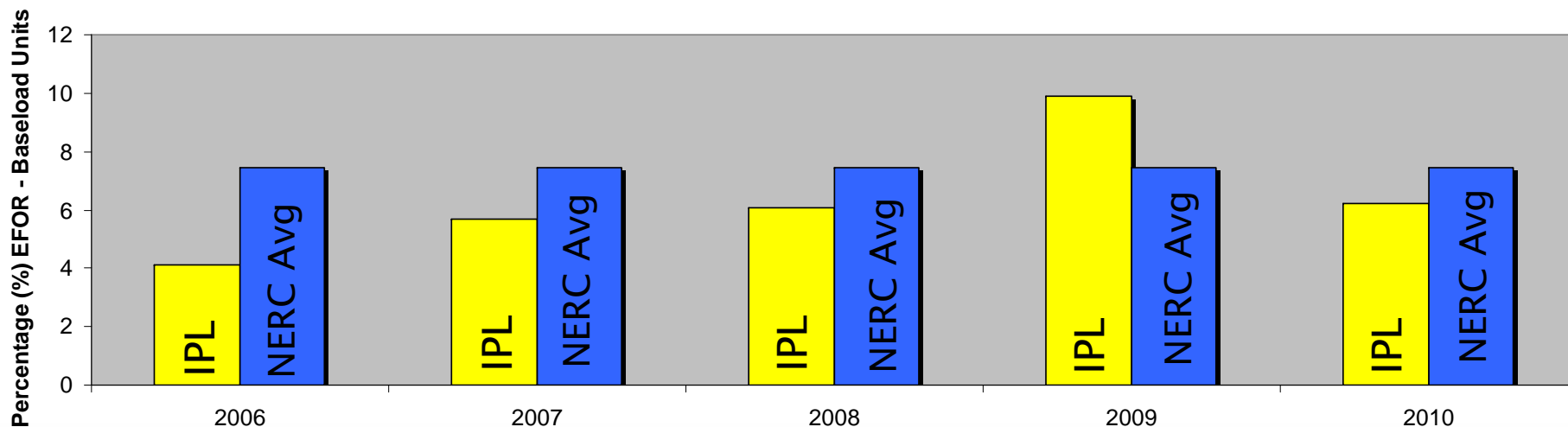
Eagle Valley



IPL Generation Nameplate Ratings



Equivalent Forced Outage Rate (EFOR)—Coal Fired



EFOR is an industry measure that represents the effect on unit reliability due to unit forced outages and/or unplanned derates.

Latest available NERC 5 yr average EFOR of 7.46% is used

Maintenance Plan

Large Coal-Fired Units

- 10-year incremental plan for the 5 Large Coal Units
- Addresses major components that are approaching normal design life
- Correct emerging reliability issues
- Increases predictive and proactive maintenance



Pete Unit 1 Spring 2011
Major Outage--Removal
of Turbine Shell



Transmission & Distribution

Power Delivery

Major Projects



- Transmission
 - Petersburg to Thompson—upgrade and rerate
 - Petersburg—upgrade auto transformers
 - Wheatland - Breed--upgrade
 - I-69 Line Relocations
- Central Business District
 - Georgia Street
 - Cultural Trail



Transmission Tower—I-69 Project

Downtown Network System



- Preventative Maintenance Measures
 - Inspect nearly 300 manholes per year (5 year cycle)
 - Preventative maintenance testing on 100 Network Protectors annually
 - Transformer oil dissolved gas analysis

Downtown Network System



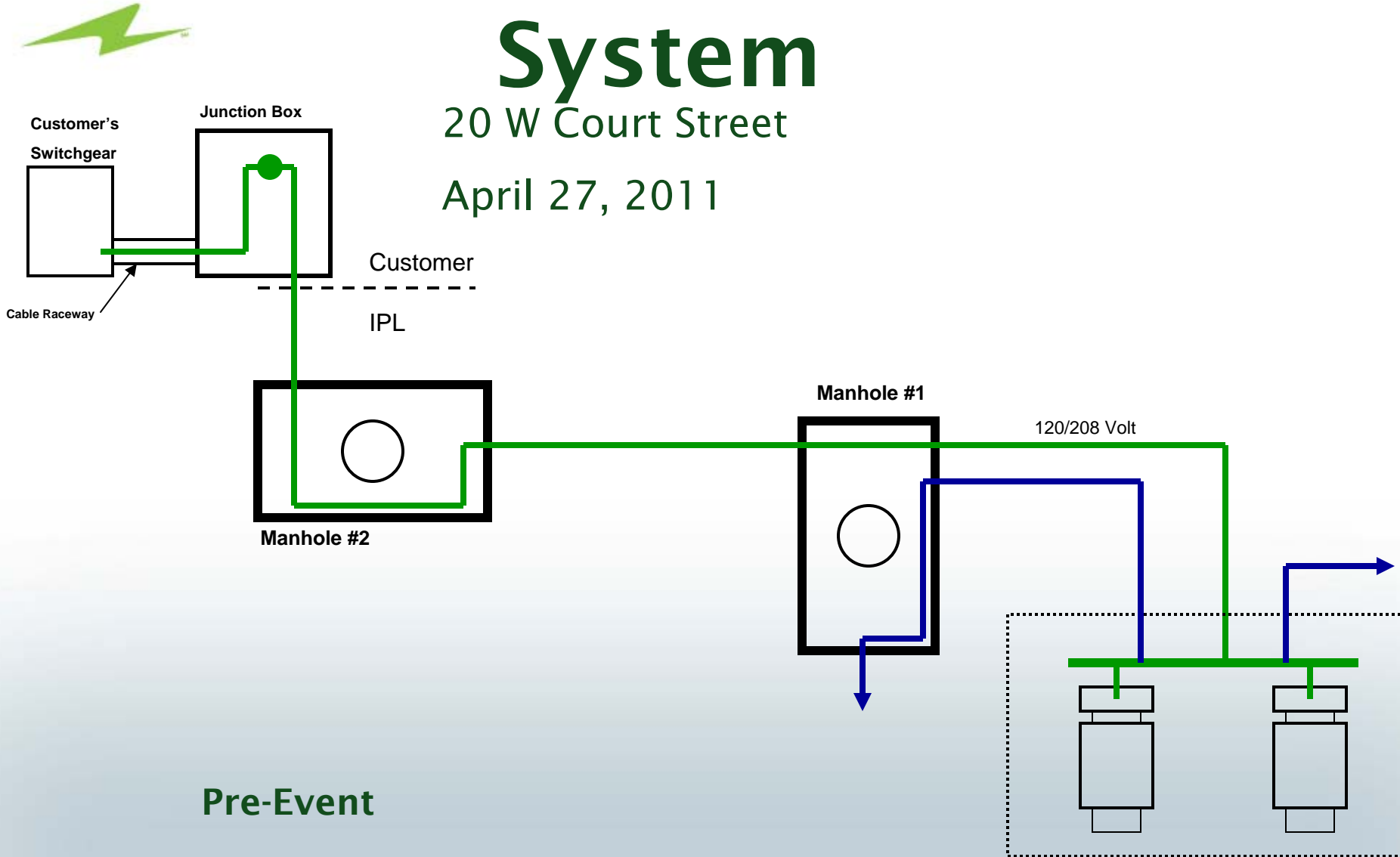
Historical Manhole Pressurization Events Past 5 Years

- Massachusetts Ave, Primary Splice Failure on UG Network Cable
 - One Manhole Cover Dislodged
- E Michigan St & New Jersey, Secondary Cable Failure
 - Three Manhole Covers Dislodged over a matter of minutes
 - IPL Cable Damage in only one manhole
 - IFD Dispatched on report of gas odor prior to the event
- 20 W Court, Customer Service Cable Failure
 - One Manhole Cover Dislodged
 - Customer Owned Service Wire Initially Short Circuited

Downtown Network System

20 W Court Street

April 27, 2011

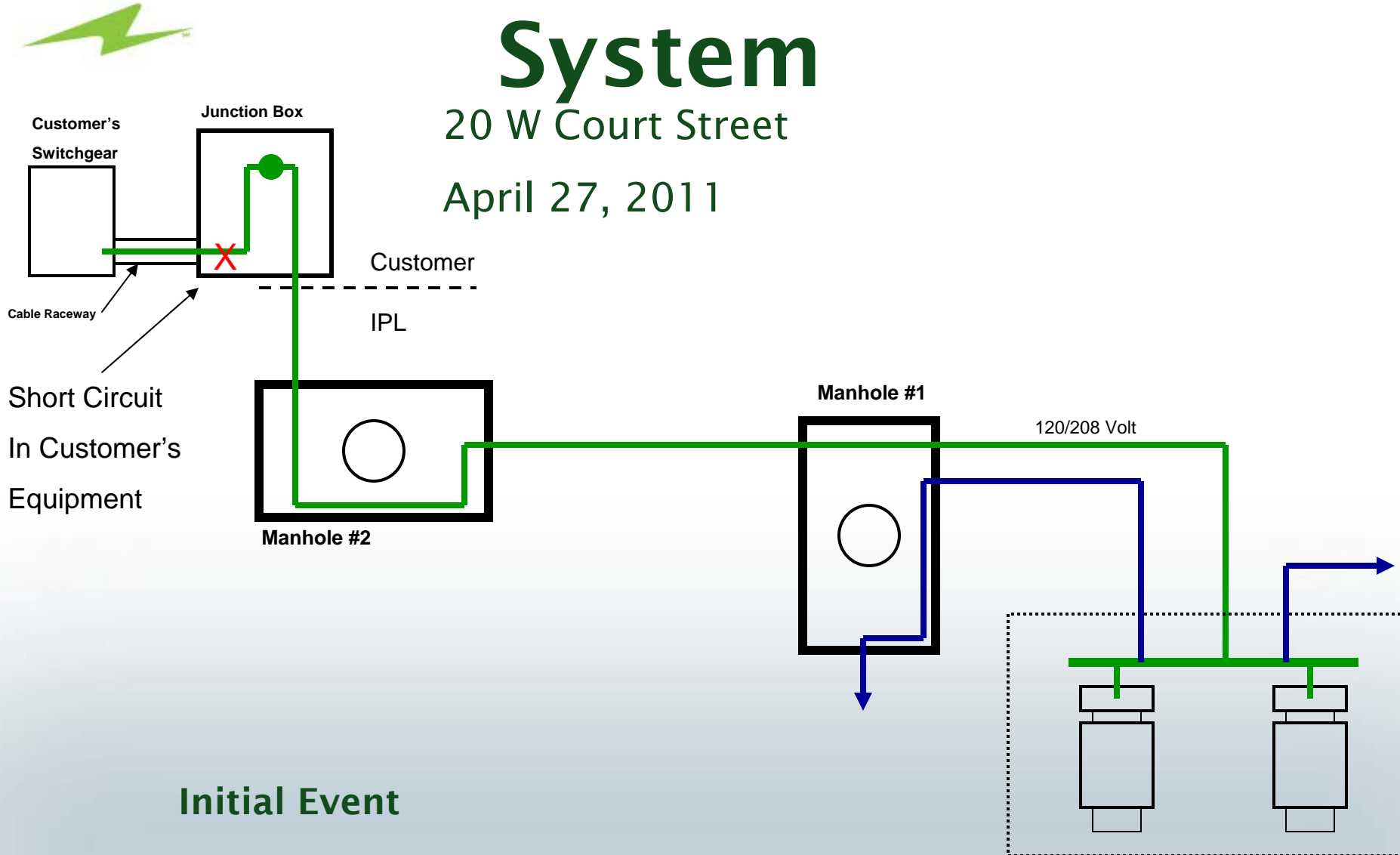


Pre-Event

Downtown Network System

20 W Court Street

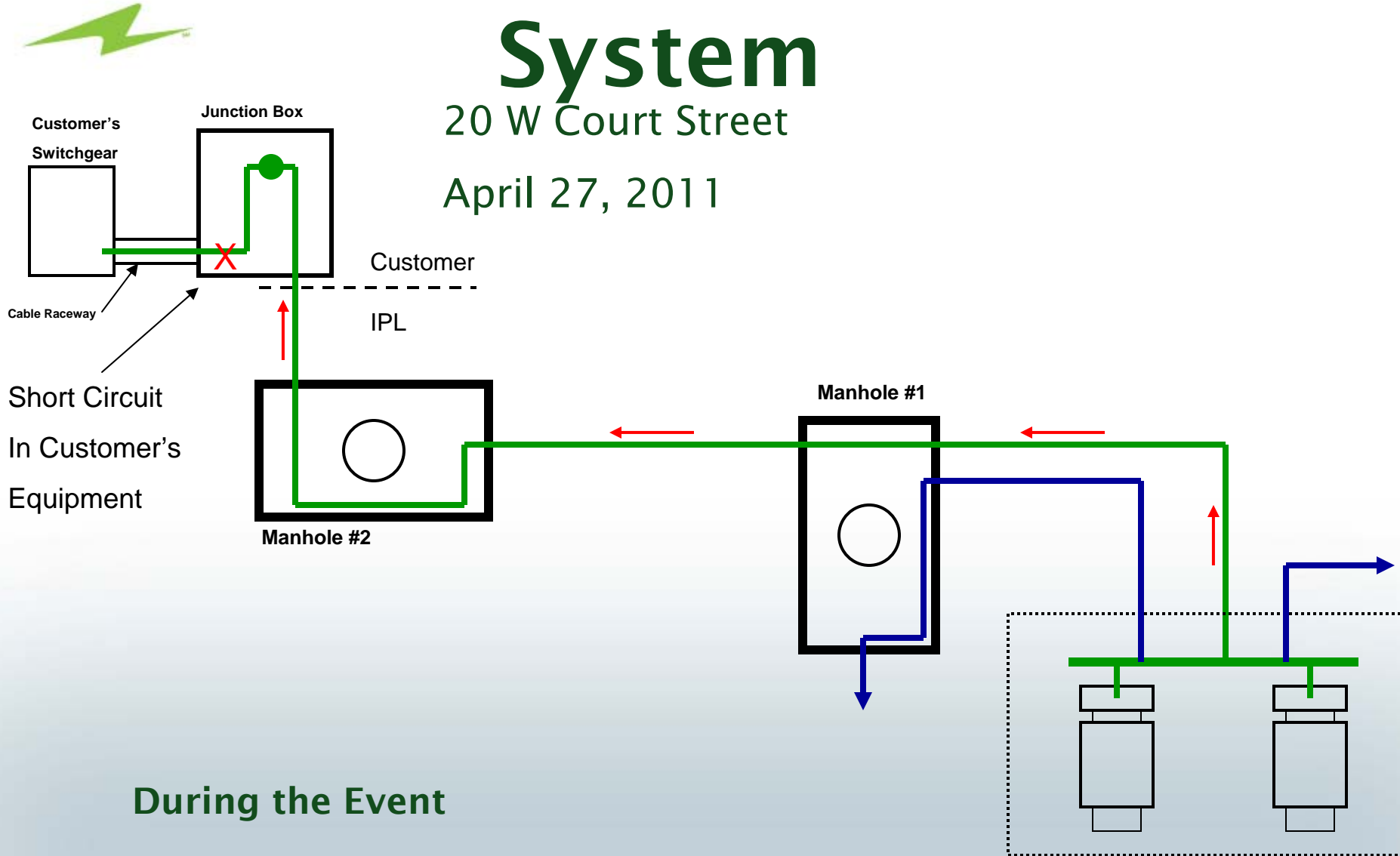
April 27, 2011



Downtown Network System

20 W Court Street

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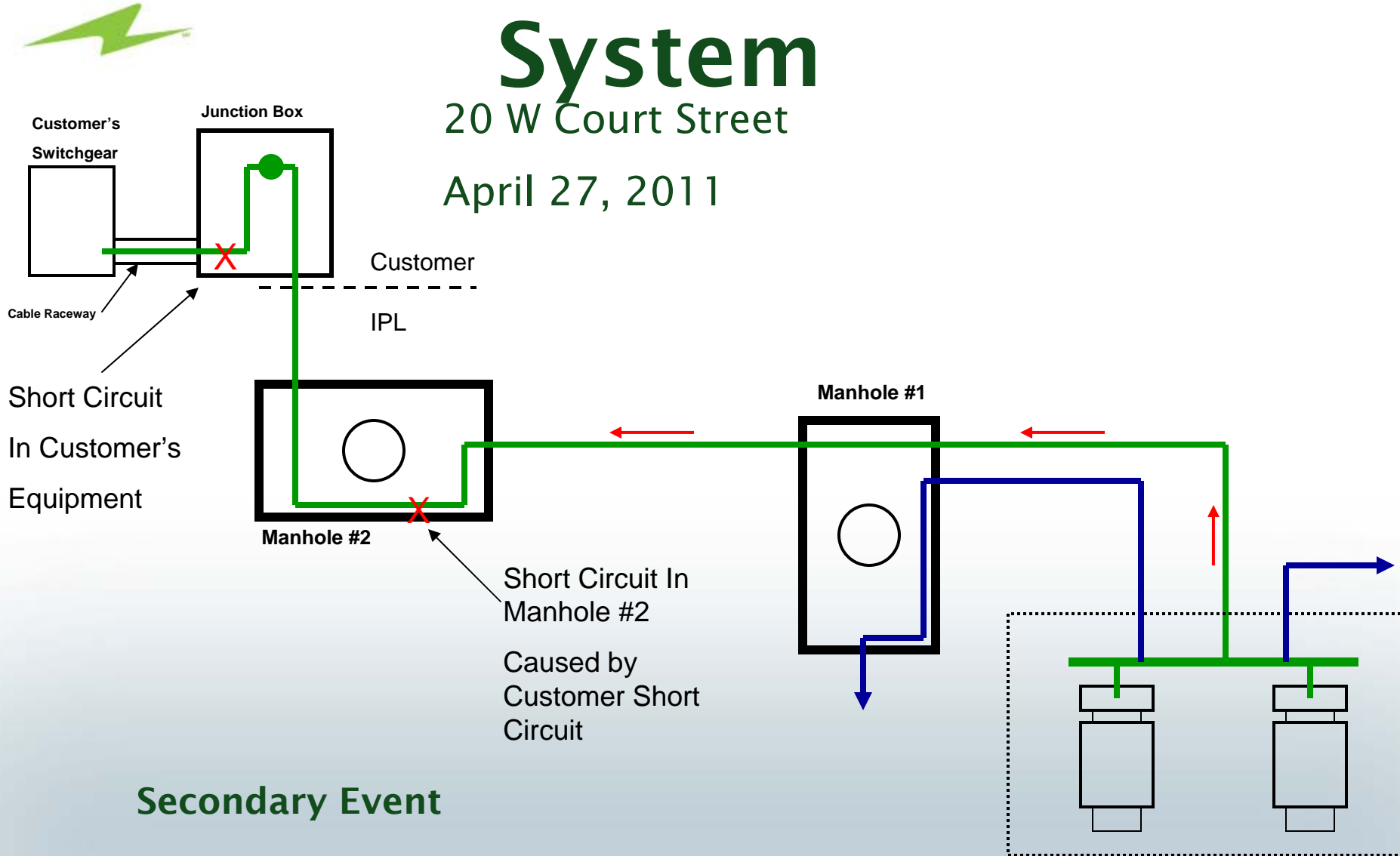


During the Event

Downtown Network System

20 W Court Street

April 27, 2011

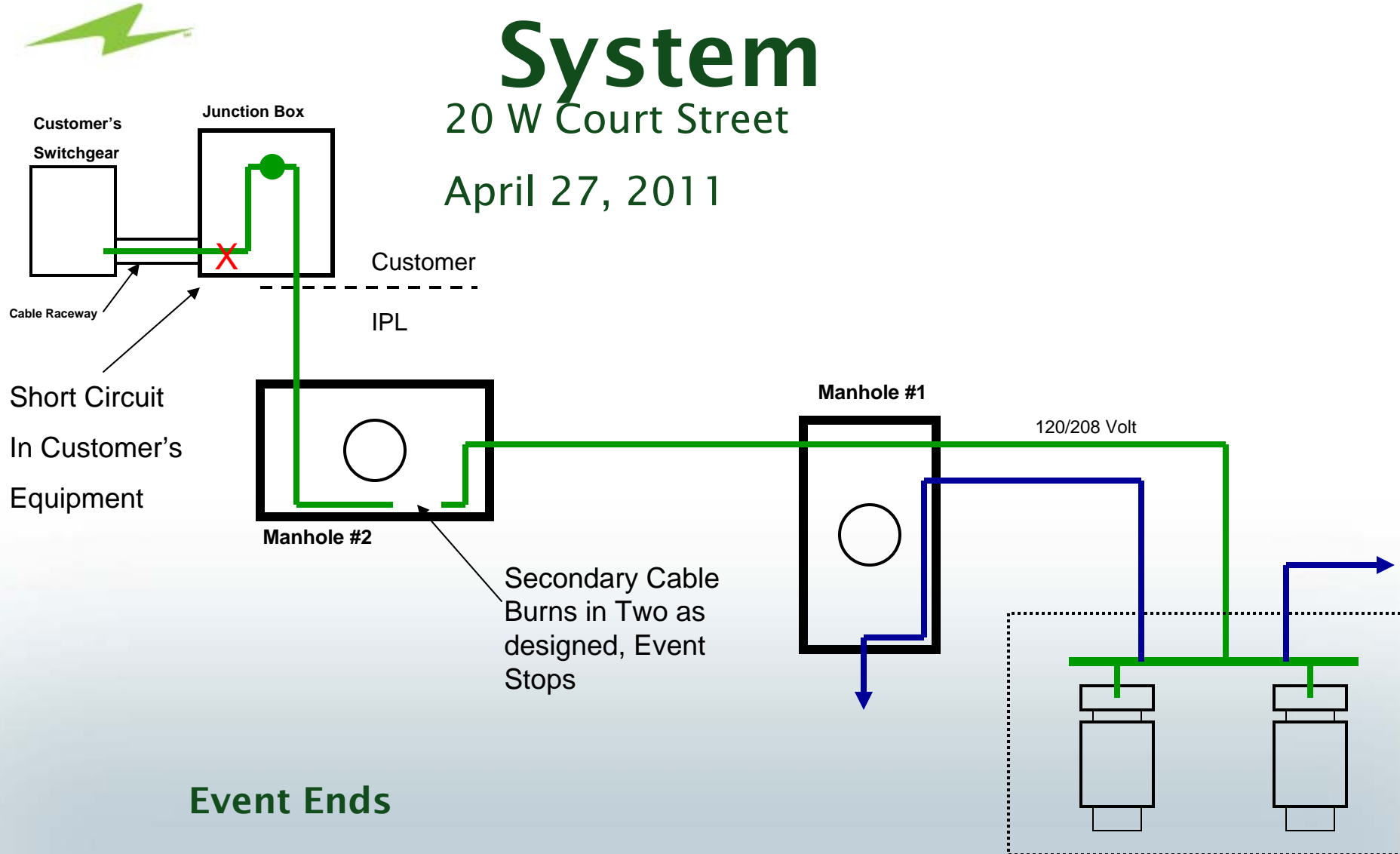


Secondary Event

Downtown Network System

20 W Court Street

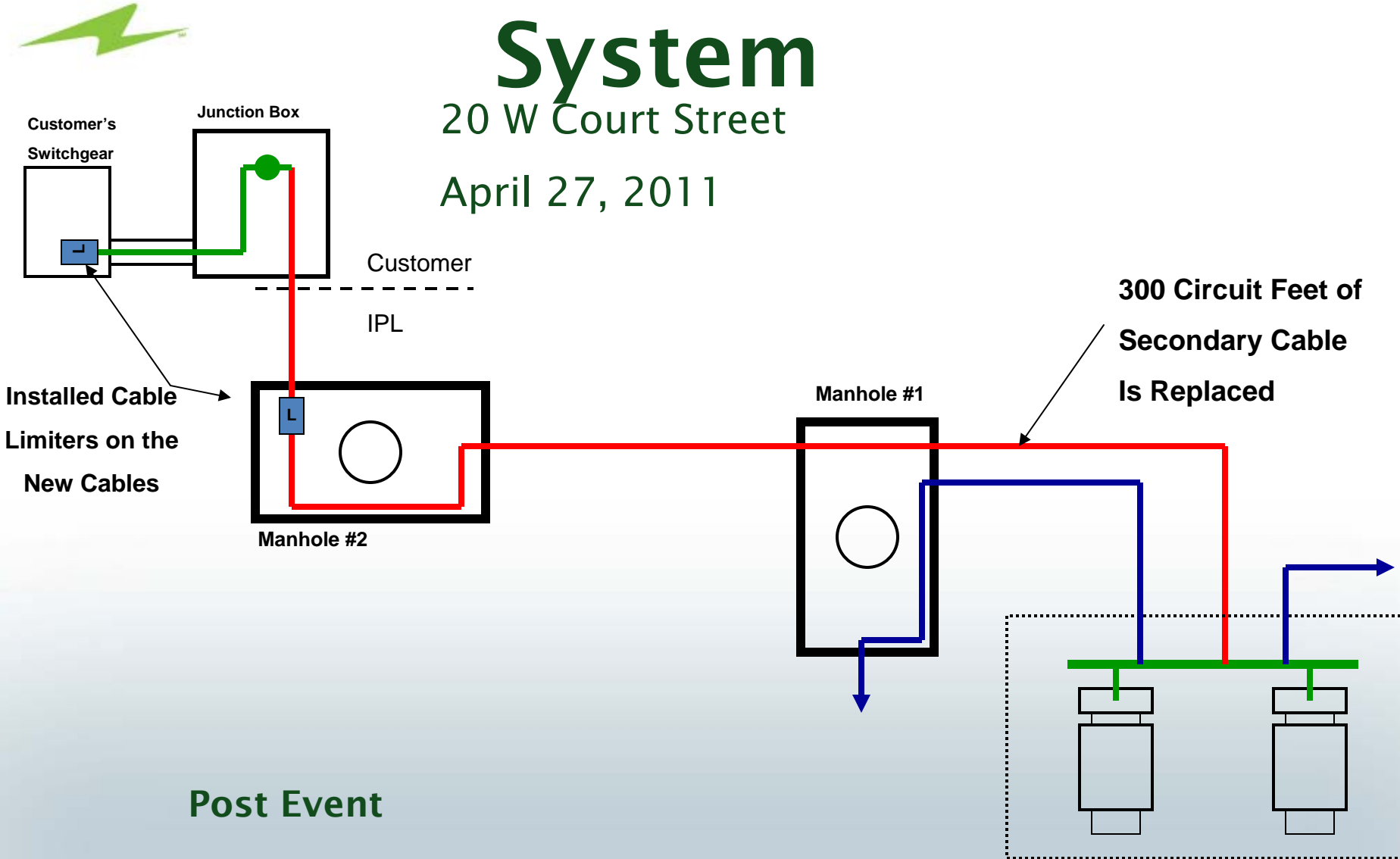
April 27, 2011



Downtown Network System

20 W Court Street

April 27, 2011



Downtown Network System



- New Initiatives
 - Network SCADA (DOE Project)
 - Primary Cable fault detectors (DOE Project)
 - Install cable limiters at select locations
 - Evaluate Thermal Imaging for elevated temperatures on components
 - Combination Locking & Pressure relieving manhole covers



Technologies and Renewables



Distribution Equipment



- Distribution Automation
 - Installation of 318 network protector relays
 - Installation of 250 feeder relays and approximately 90 LTC control
 - Installation of 178 new reclosers
 - Replacement of 1,350 one-way capacitor controls with two-way controls





Advanced Metering

- Advanced Metering Infrastructure (AMI)
 - New 2-way RF communication system installed
 - All demand meters are being replaced (~6,400)
 - 4,000 energy-only meters will be installed



IPL Metering installs new AMI demand meter at an IPS school.



Electric Vehicles Project

- Deploying Electric Vehicle Supply Equipment (EVSE)
- EV Time of Use charging rates available
- Will measure grid impacts from EV charging



Cyber Security



- Critical Infrastructure Program (CIP)
 - Implemented Compliant Critical Infrastructure Protection (CIP) Program
 - Cyber Security Monitoring
- Smart Grid Security
 - Implementing a DOE approved Cyber Security Plan (CSP)
 - Implementing risk management program



Customer-Sited Renewable Resources



- Renewable Incentives for small-scale projects
- Net Metering expanded in 2010
- Feed-In Tariff for larger-scale renewables at customer locations





Summary



- IPL is well positioned to serve our customers this summer and be in compliance with MISO's planning reserve margin
- We are also taking steps to be prepared for summers to come



APPENDIX

IPL Generating Stations—Coal Fired Details

	Unit #	Fuel	Commercial Date Age	MW	NOx Controls	SO ₂ Controls
Petersburg	1	Coal	Jun-67 44	232	LNB/OFA NN (2004)	FGD
	2	Coal	Dec-69 42	435	LNB/OFA SCR (2004)	FGD
	3	Coal	Nov-77 34	540	SCR (2004)	FGD (upgraded 2006)
	4	Coal	Apr-86 25	545	Improved LNB (2001) NN (2001)	FGD (upgrade under construction)
Harding Street	5	Coal	Jun-58 53	106	LNB/OFA SNCR (2004) NN (2004)	—
	6	Coal	May-61 50	106	LNB/OFA NN (2004) SNCR (2004)	—
	7	Coal	Jul-73 38	427	SCR (2005) LNB/OFA NN (2000)	FGD (2007)
Eagle Valley	3	Coal	Dec-51 60	43	—	—
	4	Coal	Jan-53 58	56	OFA (2004) LNB (2004)	—
	5	Coal	Dec-53 57	62	OFA (2004) LNB (2004)	—
	6	Coal	Oct-56 55	99	LNB/OFA NN (2004)	—

IPL Generating Stations—Other Fuel Details



	Unit #	Fuel	Commercial Date Age	MW
Petersburg	DG	Diesel	Aug-67 44	8
Harding Street	3	Oil	Sep-41 70	35
	4	Oil	Jun-47 64	35
	CT-1	Oil	May-73 38	20
	CT-2	Oil	May-73 38	20
	CT-3	Oil	May-73 38	20
	CT-4	Oil/Gas	Apr-94 17	82
	CT-5	Oil/Gas	Jan-95 16	82
	CT-6	Gas	May-02 9	158
	DG	Diesel	Apr-67 44	3
	Eagle Valley	Unit 1	Oil	Mar-49 62
Unit 2		Oil	May-50 61	39
DG		Diesel	Apr-67 44	3

IPL Generating Stations—Other Fuel Details



	Unit #	Fuel	Commercial Date Age	MW
Georgetown	GT-1	Gas	May-00 11	79
	GT-4	Gas	Feb-02 9	79
Hoosier Wind Park		Wind	Nov-09 1	100
Lakefield Wind Park		Wind	Under Construction— Planned COD Sep-11	201

