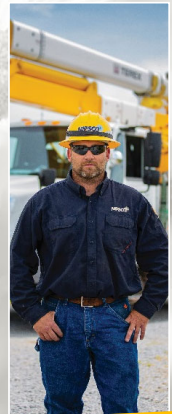
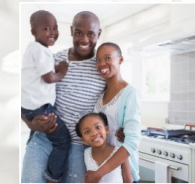
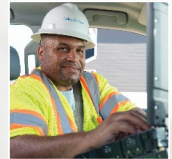




## 2022-23 Winter Reliability Forum

November 17, 2022



## NIPSCO Profile

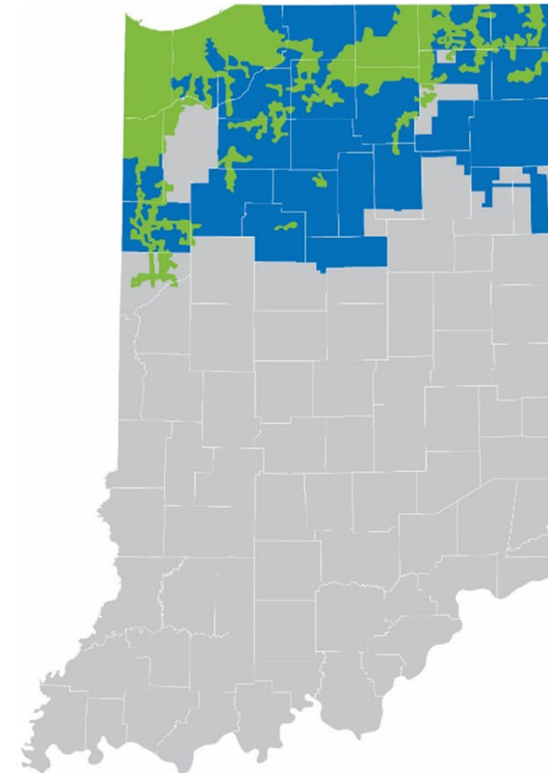
Working to become Indiana's Premier Utility

### Electric

- 483,000 Electric Customers in 20 Counties
- 3,400 MW Generating Capacity
- 12,800 Miles of Transmission and Distribution
  - Interconnect with 5 Major Utilities (3 MISO; 2 PJM)
  - Serves 2 Network Customers and Other Independent Power Producers

### Natural Gas

- 820,000 Natural Gas Customers; 32 Counties
- 17,000 Miles of Transmission and Distribution Line/Main
- Interconnections with Seven Major Interstate Pipelines
- Two On-System Storage Facilities



**2,900**  
Employees

**Merrillville, Ind.**  
Headquarters

■ NIPSCO Gas  
Service Territory

■ NIPSCO Electric  
Service Territory

## Energy Assistance

**Payment Plans:** Flexible payment plans are available for customers needing financial support, including a three-month or six-month option for all customers, and a 12-month option for eligible LIHEAP customers.


**Payment Assistance Programs:** Based on income levels, customers may qualify to receive local, state and federal utility assistance dollars as well as support funds from NIPSCO programs.

- **SILVER & SERV:** NIPSCO's newer programs for eligible seniors and active military/veterans (open Dec. 1, 2022 – May 31, 2023).

**Budget Plan:** A free service to all NIPSCO customers to help manage their monthly energy bills by spreading out gas costs over an entire year.

**NIPSCO**  
Energy Assistance

Please note: Energy Assistance must be applied for annually. If you applied last year, whether you received assistance or not, you must reapply this year.



WE'RE HERE FOR  
**YOU**

**HELP WHEN YOU NEED IT MOST**  
If you are struggling financially, we want to help you through the process of finding the assistance you need. Financial support is available through a variety of programs. Don't miss out on funds that may be available to you.

**LIHEAP**  
You may be eligible to receive state and federal assistance to help pay your NIPSCO bill from the Low Income Home Energy Assistance Program (LIHEAP). Income eligibility will be based on 60 percent of State Median Income. LIHEAP is implemented through participating local agencies in each county under the Indiana Housing and Community Development Authority (IHCA). Online applications are being accepted now at [ihcda.rhsconnect.com](http://ihcda.rhsconnect.com).

**NIPSCO CARE**  
Once you're approved for LIHEAP, you are automatically enrolled in the NIPSCO CARE program. With these **additional discounts** on your energy bill, you could save between 11 and 26 percent, depending on your income. You will receive notification from NIPSCO.

**INDIANA ENERGY RENTAL ASSISTANCE PROGRAM (IERA)**  
For information on the options available to renters, visit [in.gov/ihcda/homeowners-and-renters/rental-assistance/](http://in.gov/ihcda/homeowners-and-renters/rental-assistance/)



**FINDING AND APPLYING FOR ENERGY ASSISTANCE CAN BE CONFUSING AND EVEN OVERWHELMING.**

**WE'RE HERE FOR YOU**

**NOT ELIGIBLE?**  
Even if you aren't eligible for these energy assistance programs, you may be eligible for one of our flexible payment plans.

Full details are available online:  
[NIPSCO.com/PaymentPlans](http://NIPSCO.com/PaymentPlans)

FOR MORE INFORMATION  
VISIT [NIPSCO.COM/Assistance](http://NIPSCO.COM/Assistance)  
CALL 1-800-464-7726



A NISource Company

## Energy Efficiency Programs

**Residential customers** can participate in energy efficient rebates, appliance recycling, home energy assessments, or receive discounts and instant rebates by purchasing items on the NIPSCO Online Marketplace. Home builders can also participate by building high-efficiency homes with NIPSCO's Residential New Construction Program.



**Business customers** are rewarded with incentives for completing energy-efficient upgrade projects to their businesses. Projects include one-for-one equipment upgrades in the prescriptive and small business direct install programs, incentives for building energy efficiently in the new construction program, and complex custom upgrade projects in the custom program.



## Customer Education Campaign

As LIHEAP annual applications opened in Indiana in October, NIPSCO launched a robust seasonal customer education campaign on the topics of available energy assistance and energy efficiency programs.

The campaign includes:

- Radio interviews
- Newspaper columns
- Advertising
- Social media
- Community action meetings
- Bill inserts
- Customer emails
- Fact sheets

*\*October 1-31 2022: Efforts helped drive more than 51,500 NIPSCO.com/Assistance page views*

## Energy assistance programs help NIPSCO customers stay on track



**By: Jennifer Montague,**  
Senior Vice President and  
Chief Customer Officer,  
NISource Inc.

**A**s colder weather begins to move into our area, we understand that some of our NIPSCO customers may have concerns about seasonal energy bills. We want customers to know that resources are available to help them manage energy consumption and costs, and to obtain financial assistance if needed.

While providing safe, reliable and affordable electric and gas service is at the heart of what we do, we also care about the well-being of our customers and the communities we serve across northern Indiana. Our goal is to work with customers to identify solutions to help them when they need it most.

There are several bill payment assistance programs available for customers experiencing financial difficulties; some of these programs are provided by the state of Indiana and local governments. NIPSCO has also designed programs to address categories of need in our service territory. We urge any customer experiencing difficulty paying their NIPSCO bill to visit [NIPSCO.com/assistance](https://www.nipSCO.com/assistance) as soon as possible to review all available energy assistance programs and find the right solution for their situation.

Those looking to quickly find information 24-hours a day, seven days a week can also use our new Chat feature located in the bottom right-hand corner of our website or via our mobile app. Customers who prefer to do business in person are invited to visit our recently reopened Gary

Business Office at 3220 Broadway and take advantage of the same services offered when calling NIPSCO's Customer Care Center. The office is open from 8:30 a.m. to 5:00 p.m. CT, Monday through Friday.

The widest-reaching program available through the state of Indiana is the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP is available to households that are at or below 60 percent of the State Median Income. Applicants must reapply annually. This year's program opened on October 1 for online and mail-in applications. Customers can learn more and find out if they qualify at [exp.lheda.in.gov](http://exp.lheda.in.gov) or by calling 2-1-1.

At NIPSCO, we want to provide additional support for our customers who qualify for LIHEAP. Our Customer Assistance for Residential Energy (CARE) Discount Program is designed to provide further bill reductions to LIHEAP-eligible customers. Once enrolled in LIHEAP, customers are automatically enrolled in the program, and reductions range from 11 to 26 percent based on the level of assistance.

Customers who do not qualify for LIHEAP still have many options available to them. NIPSCO's Hardship Program is available for customers just outside the federal poverty guidelines for LIHEAP. The NIPSCO Hardship Program offers up to \$400 in gas bill assistance to households between 151 and 250 percent of the federal poverty level. Hardship funds are available through many of the same local Community Action Agencies where LIHEAP funds are distributed. The program opens on December 1. Customers can learn more at [NIPSCO.com/IncomeEligible](https://www.nipSCO.com/IncomeEligible).

State and local governments may also have assistance programs available for qualifying customers. More information can be found at [www.in.gov/lheda/](http://www.in.gov/lheda/).



A limited amount of energy assistance funds are also distributed through local Township Trustee offices each year; customers should contact their local Township Trustee to see what help may be available.

SILVER and SERV are two newer energy assistance programs for eligible seniors, active U.S. military and veterans whose households are between 0 to 250 percent of the federal poverty guidelines. Both programs, Supply Energy Resources to Veterans (SERV) and Seniors in Indiana Low-Income and Vulnerable Energy Resource (SILVER), offer a one-time benefit of up to \$400 annually to those who qualify.

Some customers may not qualify for assistance under these programs, yet still need help paying their bill. We offer flexible three- and six-month payment plan options for all customers, and a 12-month option for eligible LIHEAP customers. Customers with a current account may also enroll in the Budget Plan program at any time of the year. This convenient program allows customers to pay about the same amount each month, eliminating surprises.

Customers can enroll in the Budget Plan along with other billing and payment programs like AutoPay, Paperless Billing as well as pay their bill, track usage and manage accounts via our new NIPSCO Mobile app available for download on iPhone or Android. The NIPSCO Customer Care Center is also available Monday through Friday between 7 a.m. and 7 p.m. CT at 1-800-4-NIPSCO.

**Remember, customers have options to help take control of their bill - from payment and budget plans to energy efficiency programs and energy usage tips. Learn more at [NIPSCO.com/takecontrol](https://www.nipSCO.com/takecontrol).**

**IN BUSINESS** Stay connected at [www.in.gov/nibusiness](https://www.in.gov/nibusiness)

What do you expect the trend of customer bills to reflect in the 2022-2023 winter season?

- For 2022-2023, the average residential gas bill is projected to be \$132.30
- For electric, it is projected to be \$115.81

### Gas Projections

NIPSCO Winter Bill Projections			
	2022-2023 (projected)	2021-2022	Usage (therms)
Nov.	\$69.04	\$63.57	60.3
Dec.	\$121.33	\$102.51	109.8
Jan.	\$170.16	\$132.36	156.3
Feb.	\$169.90	\$136.39	158.2
Mar.	\$131.06	\$124.21	129.9
<b>Total</b>	<b>\$661.49</b>	<b>\$559.04</b>	<b>614.5</b>

### Electric Projections

NIPSCO Winter Bill Projections			
	2022-2023 (projected)	2021-2022	Usage (kWh)
Nov.	\$118.88	\$98.22	584.4
Dec.	\$124.04	\$109.89	664.8
Jan.	\$129.08	\$114.59	702.3
Feb.	\$105.07	\$101.76	594.5
Mar.	\$102.00	\$98.78	574.6
<b>Total</b>	<b>\$579.07</b>	<b>\$523.24</b>	<b>3120.6</b>

- Due to current market price projections for natural gas and electricity, and assuming normal winter weather, NIPSCO residential customers should expect their winter heating bills this season to be higher when compared to last year. This is in line with trends across much of the country.
- NIPSCO's actual heating degree days from November 2021 to March 2022 were 4,809 for gas (~1.5% lower than normal) and 4,891 (~0.1% lower) for electric.

Please describe winterization actions and how these might differ by the type of facility. Describe the planned actions one week prior to the expected start of the event and provide a timeline as the arrival of the weather event moves closer.



NIPSCO's Gas and Electric Teams coordinate throughout the year. Additionally, more specific coordination takes place during a winter weather event to ensure employees have the necessary information to implement actions to help ensure reliability during the event.

### *General Preparations*

- NIPSCO routinely prepares for extreme weather events and invests in modernization, through statutes established by the General Assembly like the TDSIC Statute
- Perform annual weatherization activities at generating facilities
- Similar to polar vortexes in 2014 and 2019, extreme weather and cold temperatures are not uncommon in Indiana, and our facility design takes that into account
- Indiana's fully regulated model enables and promotes effective system improvements that maintain reliability in a cost-effective way for our customers
- Continuing to monitor supply chain issues to proactively address any challenges

Response continued

### *Electric Operations*

- NIPSCO Generation's preparation for cold weather operation begins in August
- NIPSCO Electric Generation initiates prep for an extreme cold weather event a week prior to forecast
  - Topping off critical commodities
  - Establish delivery guarantees during the event, targeting one week
  - Supplemental heaters are added and continuously fueled
  - Work closely with MISO to ensure available units are in service
  - Additional operations rounds are added to monitor equipment
  - Each department schedules shift coverage, and contact is made with County/State groups to support keeping roads clear
- No extraordinary measures are needed to operate wind turbines during extreme weather events. The wind turbines have cold weather packages that operate normally in ambient temperatures down to -22°F.





Response continued

## Gas Operations

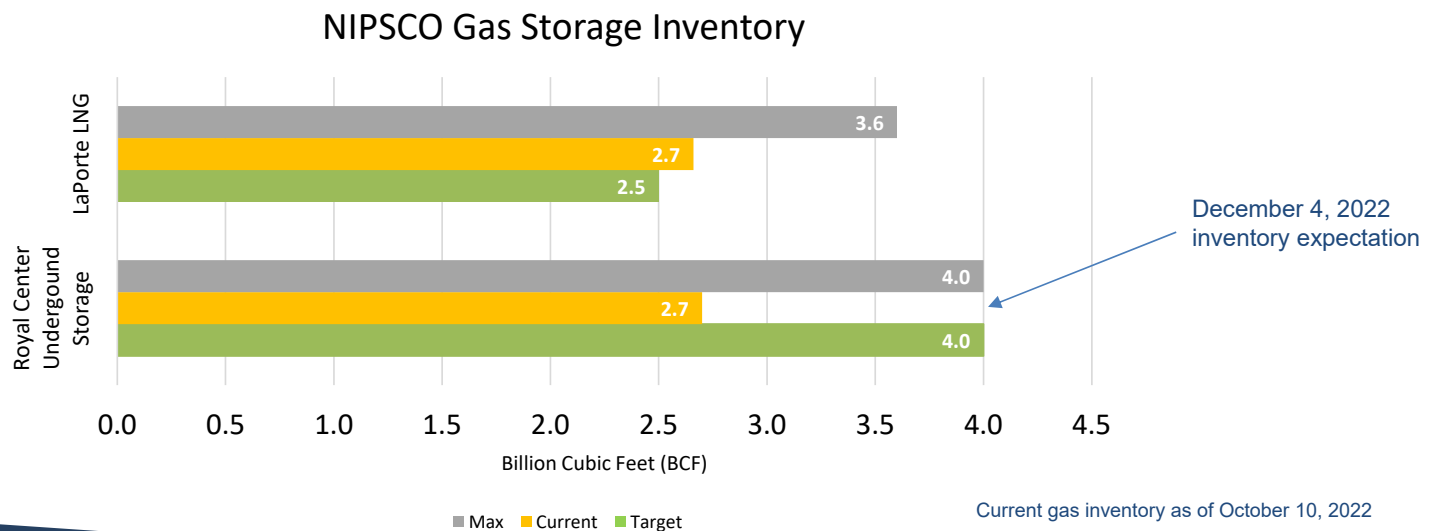
- Each local operating area has a Winter Operations Plan
  - Goal is to ensure safe, reliable gas distribution service to customers during periods of high demand
- Continuing to invest in improvements to enhance the system
  - As part of the Winter Operations Plan
  - As part of TDSIC and other investments
- Kokomo Low Pressure Project
  - All customers have been moved off low pressure and over to medium pressure
  - NIPSCO no longer has any low pressure in the system
- Transmission Projects
  - Several projects are in flight to further improve winter reliability for next winter
    - Wheeler point of delivery construction, 483# back feed, Kokomo projects, etc.



Fuel availability, especially for natural gas, varies over time. How is fuel availability, of all types, considered in reliability planning? What are the targeted coal and gas inventories for generation or distribution facility? How do current coal inventories compare to the targeted level? Have there been any supply chain impeding or slowing the delivery of fuel?

### Natural Gas Supply:

- NIPSCO's gas inventory strategy balances the costs associated with maintaining gas storage with market availability to ensure gas supplies are available during periods of high demand, extreme weather, or transportation disruptions.
- The LNG and underground storage plants continue to work on winter readiness inspections and testing. Expect to complete this work by November 30th, and the plants will be ready for use.

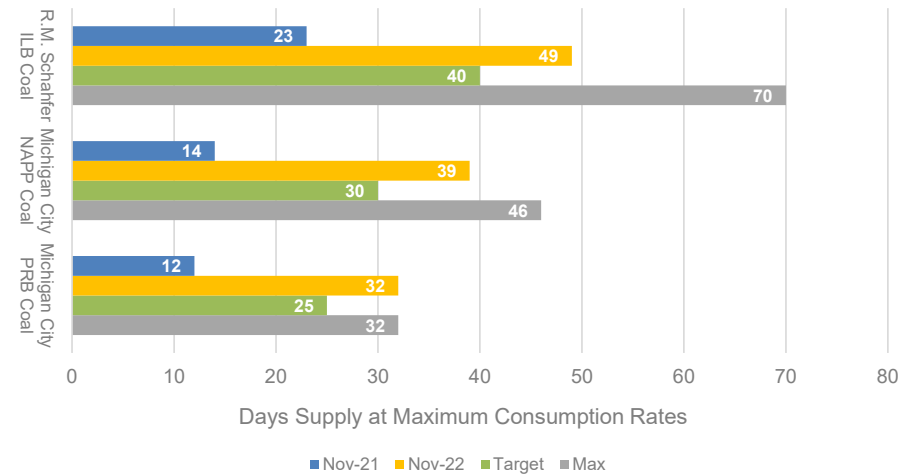


Response continued

### Generation Fuel Supply:

- NIPSCO's coal inventory balances the costs associated with maintaining coal inventory with reliability to ensure units are available to supply energy during periods of high demand, extreme weather, or fuel transportation disruptions or mine production problems.
- NIPSCO's Fuel Supply team has successfully increased inventory levels to be at or above target levels, even in the face of some Class I railroad performance issues that plagued supply chains nationwide.
- NIPSCO has firm natural gas and coal supply contracts, coal transportation agreements and an adequate fleet of railcars to ensure fuel supply for all electric generation needs.

NIPSCO Electric Generation Coal Inventory



Inventory as of November 1, 2022

What is the date by which all fall maintenance outages are planned to be completed?

- Sugar Creek Generating Station completed its planned fall outages on September 29.
- Unit 12 at Michigan City Generating Station will complete its planned fall outage by the end of November.



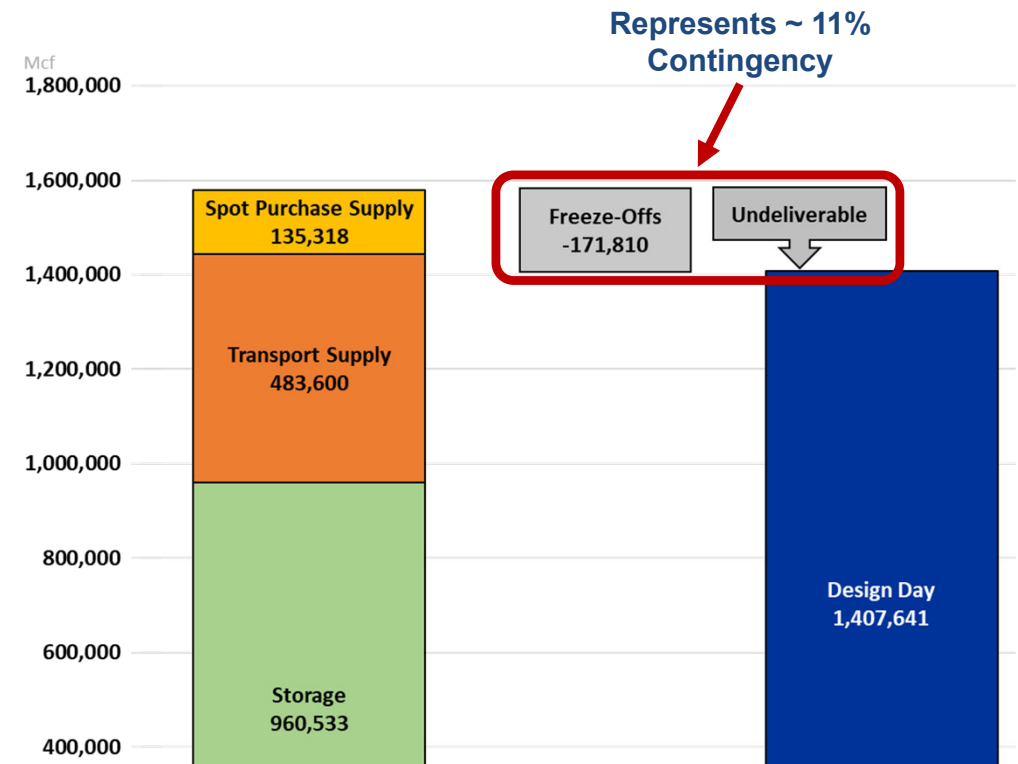
## Winter Supply Mix & Design Day

### Supply Mix:

NIPSCO Targets 50%-65% of Winter Demand to be hedged physically or financially.

Demand (Dth)	67,015	100%
Storage	30,723	45.8%
Hedges (Financial)	6,880	10.3%
Long Term Hedges (Financial)	6,040	9.0%
<b>Total Hedged</b>	<b>43,643</b>	<b>65.1%</b>
<b>Market Purchases</b>	<b>23,372</b>	<b>34.9%</b>

### Winter Design Day:



What are your initial thoughts on the new MISO seasonal construct? How will it affect planning for this winter and beyond? How would your utility have stood (capacity long/short) this winter if the seasonal construct would have been in place?



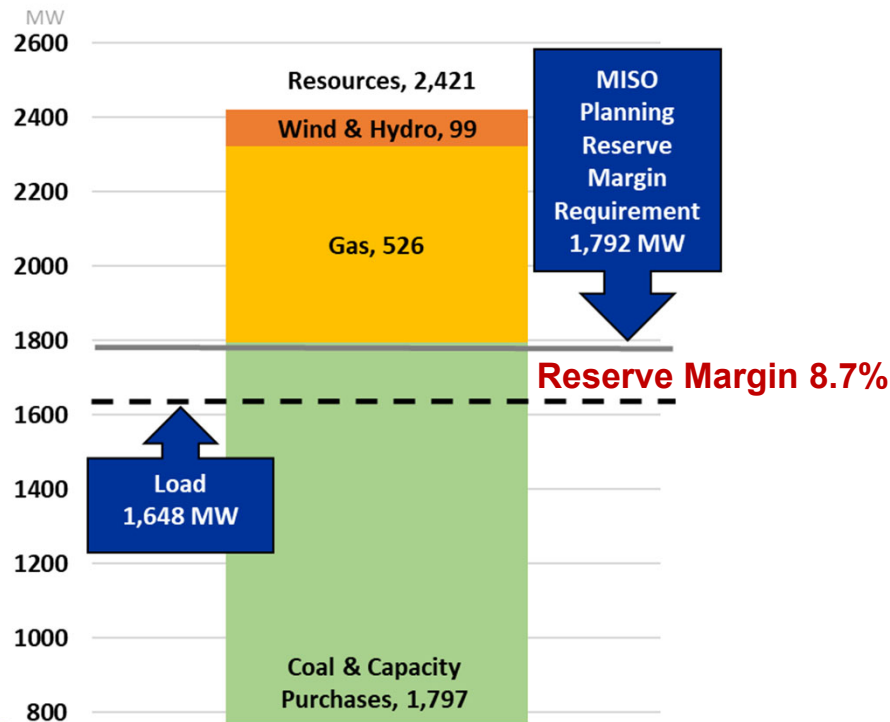
## NIPSCO's Views of the Seasonal Construct:

- In favor of a seasonal construct as there are benefits to looking at seasonal reliability
- While solar is expected to be awarded **less** capacity in the shoulder and winter seasons, this is expected to be offset by **increases** in wind capacity awards
- There is a greater emphasis on unit availability, performance, and outages that **could** drive the need for unexpected replacement capacity during seasons

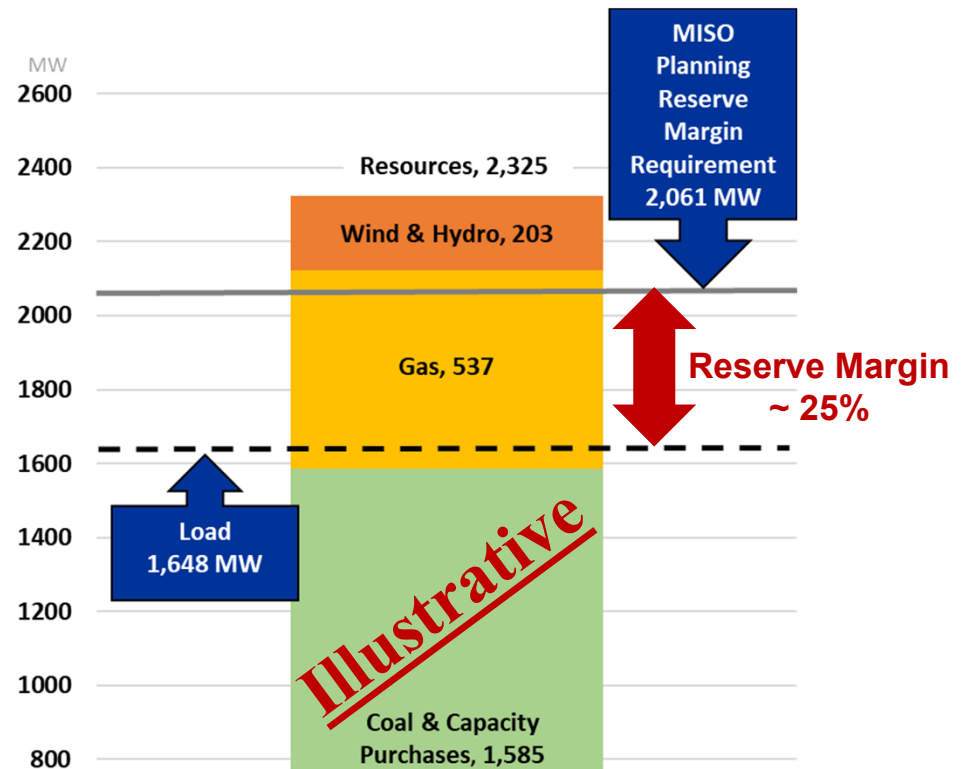
## Longer Term View:

- NIPSCO anticipates the market for capacity will evolve over the coming years with new product offerings for things like “capacity by the season” or “capacity swaps” (e.g., swapping spring for winter)
- Ultimately, the seasonal construct will influence future asset additions and retirements depending on grid reliability needs and the needs of customers.

### MISO 2022-23 Winter Season Annual Resource Adequacy Construct



### MISO 2022-23 Winter Season Seasonal Accredited Capacity (SAC) Construct



# QUESTIONS AND ANSWERS