

Northern Indiana Public Service Company

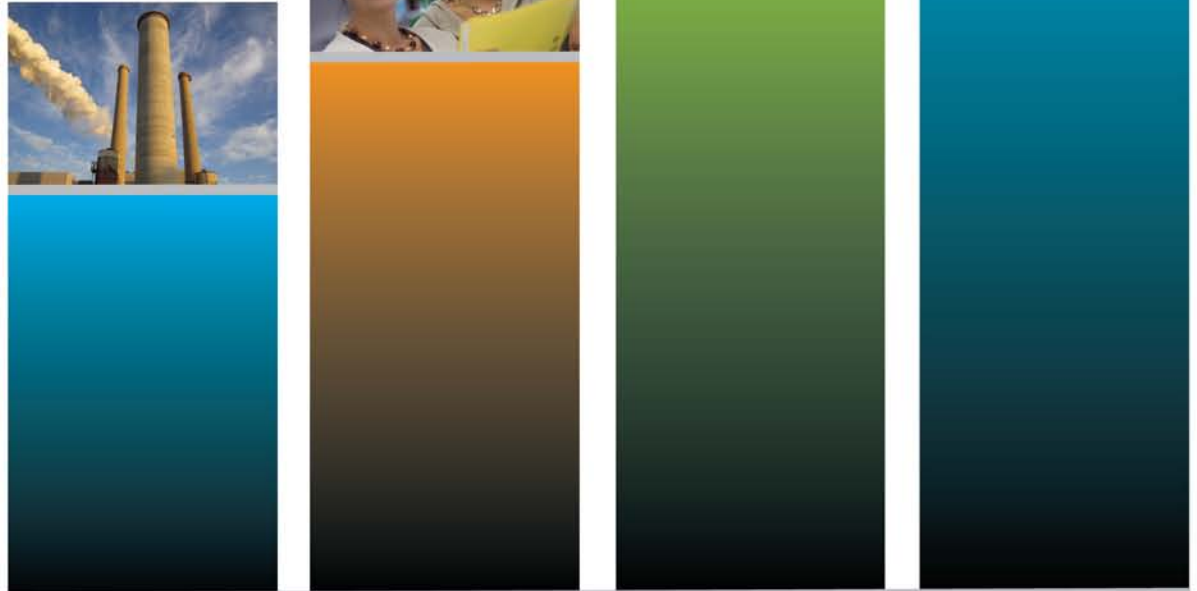
2012 Summer Preparedness

Jimmy D. Staton
NIPSCO CEO

IURC Summer Preparedness Presentation
May 29, 2012



NIPSCO 



NIPSCO Leadership

Michael Finissi
COO

Frank Shambo
VP Regulatory & Legislative Affairs

Michael Hooper
VP Major Projects

Kathleen O'Leary
President

Karl Stanley
VP Commercial Operations

Kelly Carmichael
Director Environmental Policy & Permitting

2012 Summer Preparedness

Becoming Indiana's Premier Utility

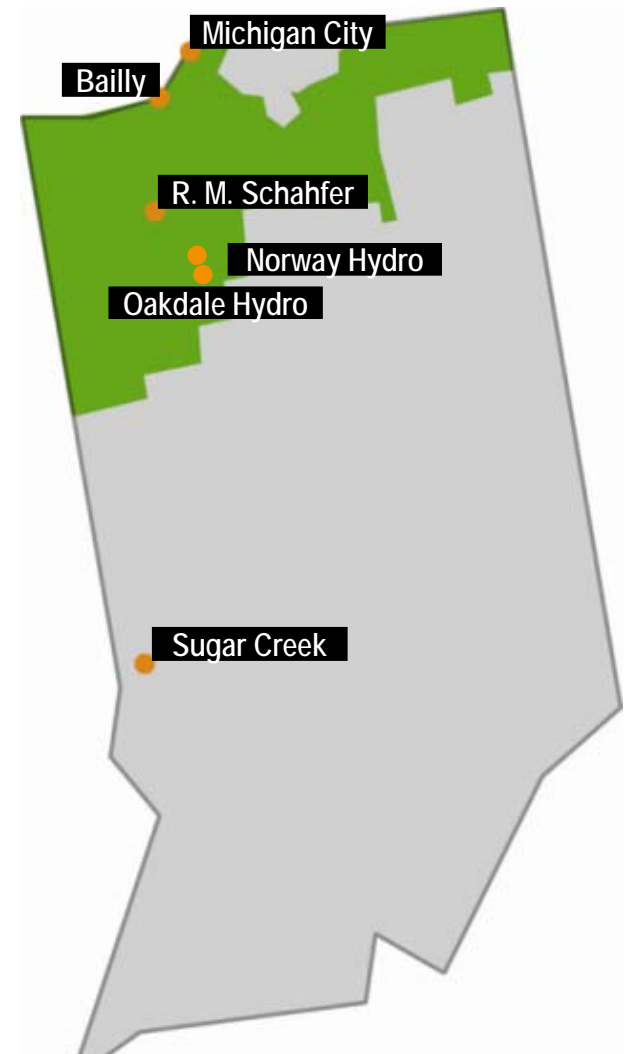
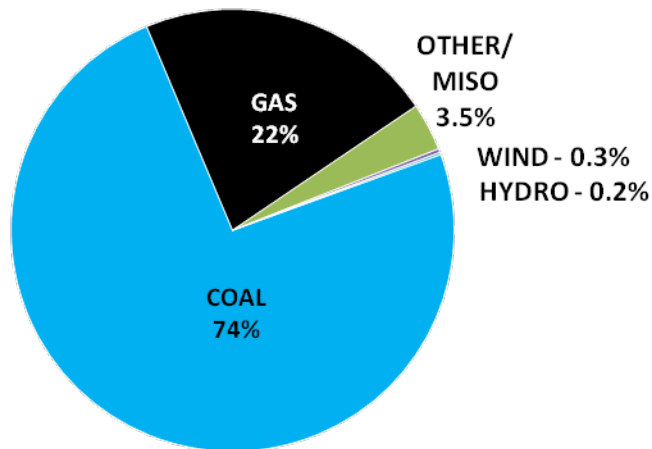
- Meeting our customers' energy needs
- Enhancing system efficiency and reliability
- Investing in environmental improvements
- Expanding energy efficiency and customer programs
- Engaging customers, communities and key stakeholders
- Strengthening Indiana's energy infrastructure



NIPSCO Electric Profile

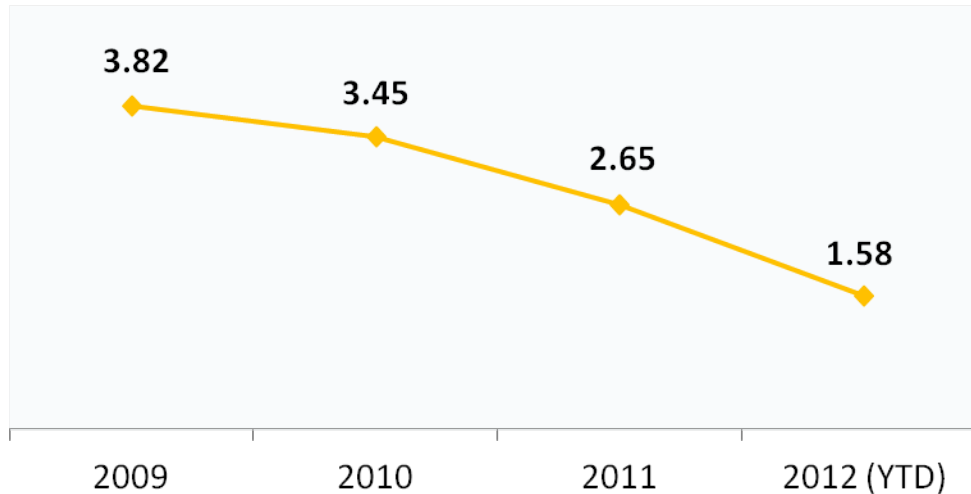
- Serves over 457,000 electric customers
- Delivers electricity in 21 counties
- Maintains diversified fuel portfolio
- Operates 6 electric generating facilities

**NIPSCO Unforced Capacity
Percentage by Fuel Type**



Safely Providing Electric Services to Customers

Improved Injury Incident Rate



- Maintained first-quartile safety performance YTD
- Continuing aggressive commitment to working safely; safety target of zero
- Locally developed safety plans
- In-depth safety analytics and improved training

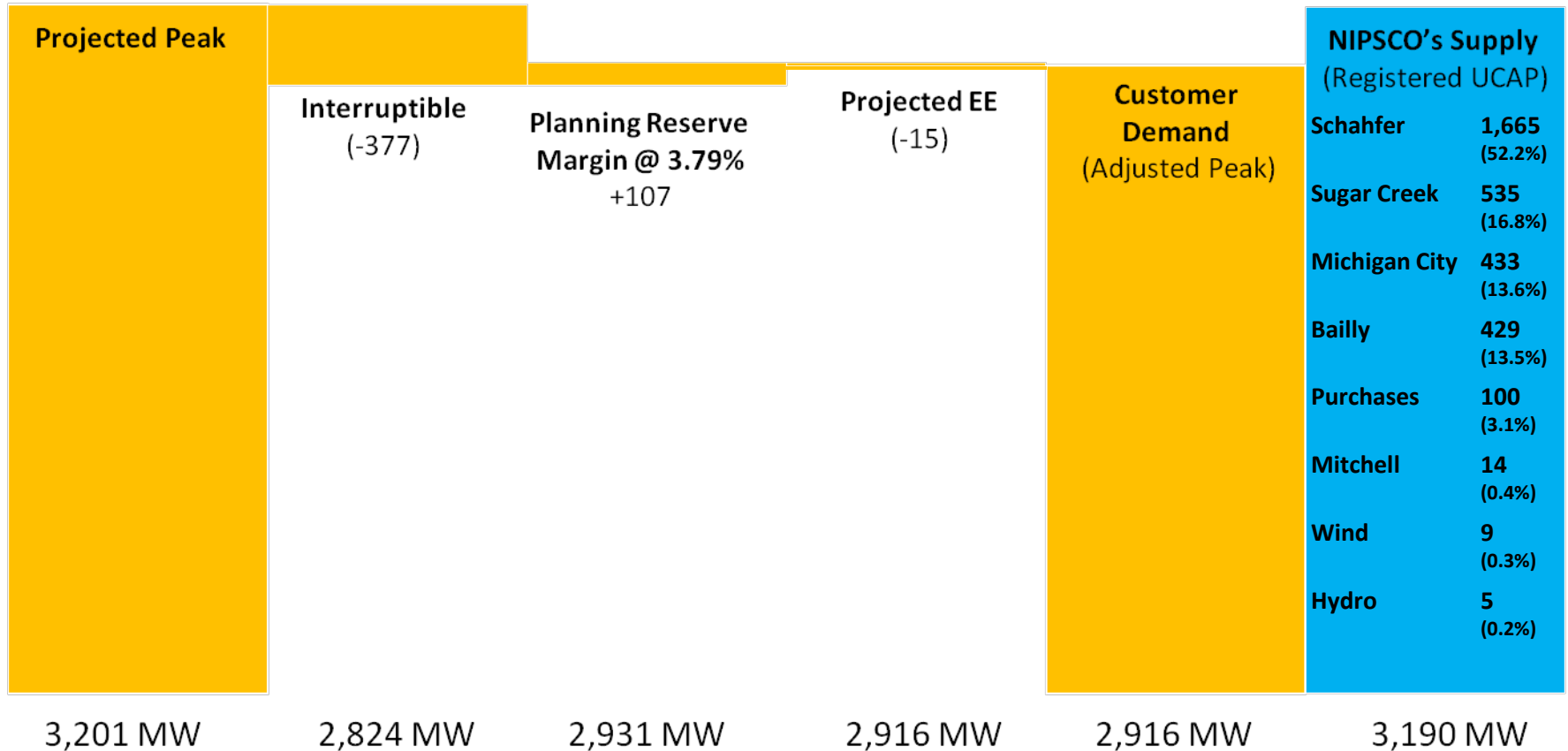
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2012 Summer Peak Capacity Outlook



Demand Response Resources

Interruptible Service Programs

- 377 MW subscribed and available under NIPSCO's program
 - 5 interruptible Demand Resources ("DR") under contract
 - 4 large industrial customers participating
- MISO Demand Response program
 - Effective June 12, 2012
 - NIPSCO tariff is approved
- Provide flexibility during peak periods
- Provide benefits to all customers

Well Prepared to Serve our Customers



- ✓ Preventive maintenance & inspections complete
- ✓ MISO operations simulations
- ✓ Enhanced restoration capabilities
- ✓ Cyber Security monitoring systems 24/7
- ✓ Tree trimming to reduce risk of storm damage
- ✓ Continuing improvements to NIPSCO's system

Investing \$5 Billion Over 10 Years

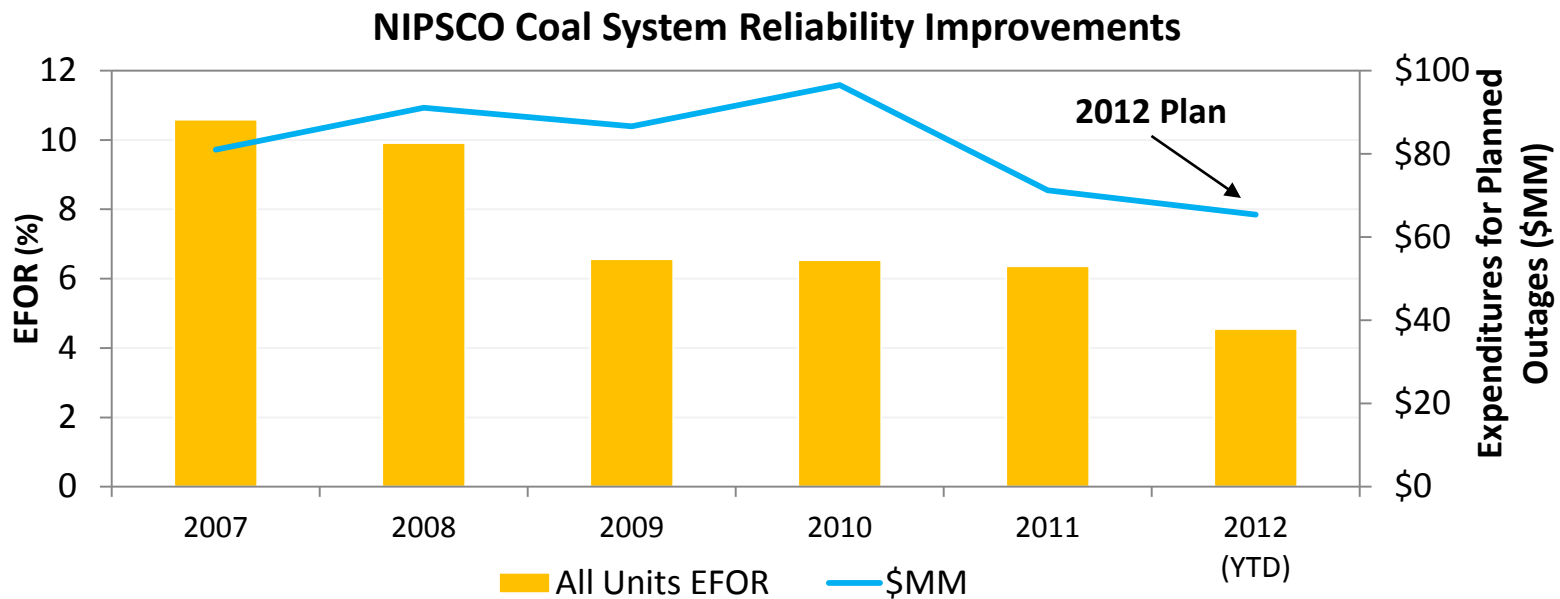
- Environmental upgrades accomplish generation compliance
- Infrastructure modernization upgrades strengthen the reliability of our electric transmission and distribution system
- Investments provide for continued economic development and job creation across our service territory
- Reflected in NIPSCO's 2011 Integrated Resource Plan



Improving Efficiency and Reliability

Investing to Improve Generation System Reliability

- \$65 million in O&M and Capital planned for 2012
 - \$32 million spent YTD
- Ongoing reliability improvement plan



Strengthening the Energy Infrastructure

Improving Transmission & Distribution System

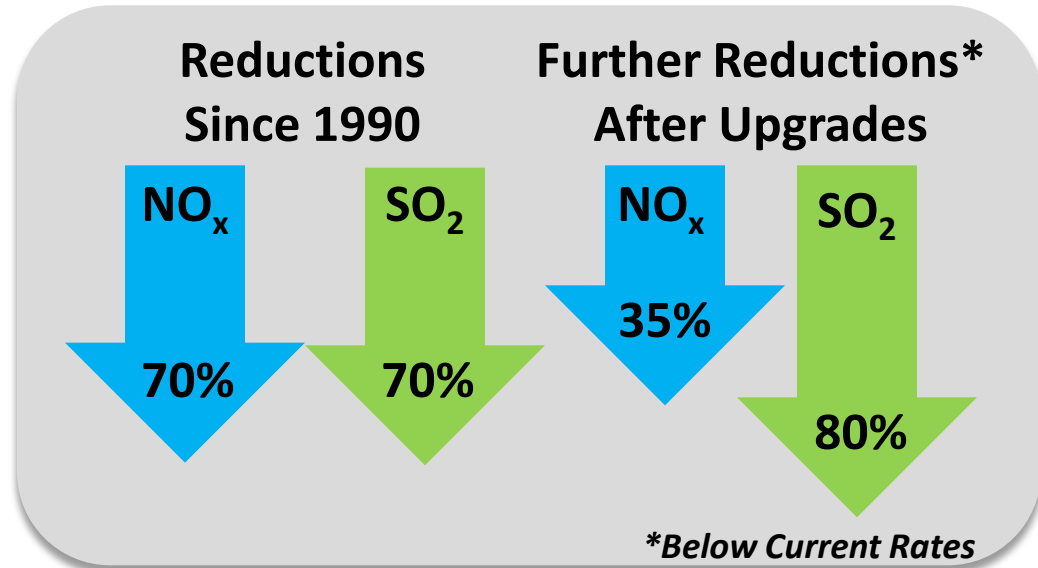
- \$34 million for transmission and distribution reliability infrastructure modernization
- Continue preventive and predictive activities
- Reduction in number of sustained power outages experienced by customers (1st Quartile SAIFI)
- MISO Multi - Value Projects (MVP) will improve system reliability and market efficiency



Investing in Environmental Protection

Continuing to Improve the Environment

- Approximately \$850 million in environmental compliance upgrades
- Compliant with EPA's New Source Review Consent Decree



NIPSCO's Environmental Control Strategy

Driver	Control Technology	Compliance Date	Status
Consent Decree, Cross-State Air Pollution Rule	FGD, Schahfer Air Emissions	2015	CPCN Approved
Consent Decree, Mercury and Air Toxics Rule	FGD, Michigan City Air Emissions	2016*	CPCN Pending
Mercury and Air Toxics Rule	Enhanced Mercury and Particulate Controls	2016*	TBD
Clean Water Act	Enhanced Waste Water Treatment	2015-2020	TBD
Coal Combustion Residuals Rule	Upgraded Ash Handling and Disposal	2017-2022	TBD

*assuming 1 year extension

Successful Construction Management Process



Executing Projects to Plan

- Effective project controls in place to monitor progress, efficiency and spending
- Engineering capability for quality assurance/quality control
- Schahfer Unit 14 & 15 FGD update
 - On schedule, on budget
 - 25% complete
 - 90% of contracts committed
 - Nearly 40 contracting companies with more than 400 employees on-site

Expanding Customer Offerings

Sustainable Programs for Customers, Environment and Economy



Feed-in Tariff

- 3 year Pilot Program
- Purchases renewable energy from customers
- 10 participants– 63 kW solar, 2.8 MW bio-mass



Net Metering

- Credit for customer generated renewable energy
- 51 participants – 141 kW solar, 1,886 kW wind



Electric Vehicles

- \$1,650 voucher for in-home charging station, free overnight charging
- Targeting 250 customers in 3-yr pilot

Green Power Rate (Filed May 7, 2012)

- Customers may designate their electric usage from renewable energy

Expanding Customer Offerings (cont.)

Helping Customers Manage Their Energy Bills

- Continued partnership with Energizing Indiana
- Expanded energy efficiency programs for all customers
- Presented new energy efficiency workshops for C&I customers
- Launched A/C cycling program in Q4 2011



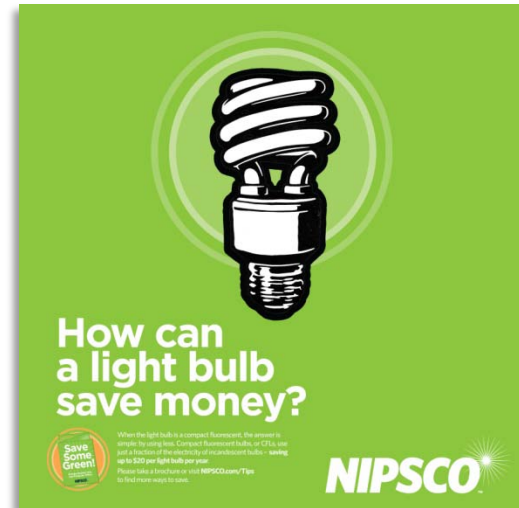
How do you make an old fridge pay up?

Simple. When you replace your old working refrigerator or freezer, NIPSCO will give you a \$100 reward. Plus, replacing your old appliance with a more efficient ENERGY STAR model could save you nearly \$100 a year on your energy bill. To schedule your free pickup, call 1-877-341-2900 or visit NIPSCO.com/fridge.

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Save in the Shade Summer Tour



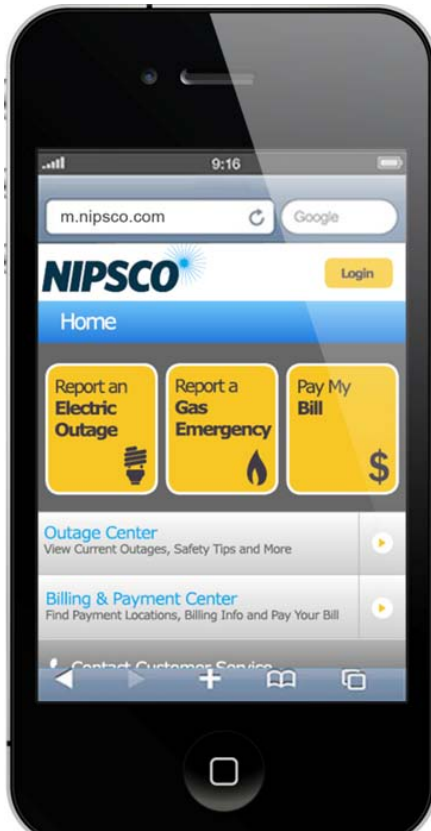
How can a light bulb save money?

When the light bulb is a compact fluorescent bulb, the answer is simple. By using less. Compact fluorescent bulbs, or CFLs, use just a fraction of the electricity of an incandescent bulb - saving up to \$20 per light bulb per year. Please take a CFL home or visit NIPSCO.com/SaveSomeCrest.

Save Some Crest

NIPSCO

Enhancing Customer and Stakeholder Communication



- New NIPSCO “Mobile Web Channel”
 - Launched Q4 2011
- Social Media
 - Facebook – launched July 2011
 - Twitter – launched May 2012
- Improved Customer Feedback Channel
- Customer Outage Communication Team
 - Benchmarking best-in-class utilities to improve customer communications
 - Exploring new channels (text alerts, e-mail, etc.)
 - Enhancing critical infrastructure customer list

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Questions