IURC News Release

Indiana Utility Regulatory Commission 302 West Washington Street, Room E306 Indianapolis Indiana 46204 317.232.2297 office 317.233.1982 fax www.in.gov/iurc

Contact: Mary Beth Fisher

For Immediate Release May 18, 2005

Net Metering An Option To All Customers of Indiana's Largest Investor-Owned Electric Companies

The Indiana Utility Regulatory Commission today (IURC) approved net metering programs for all five investor-owned electric utilities in Indiana. This approval is a continuation of the Commission's commitment to encouraging distributed generation.

Indiana Michigan Power Company and Northern Indiana Public Service Company (NIPSCO) now have a net metering tariff for the first time and existing net metering tariffs of Indianapolis Power & Light Company, PSI Energy, Inc. and Southern Indiana Gas and Electric Company were revised. As a result, net metering is now available for residential customers and K through 12 schools who purchase electricity from the state's five largest investor owned utilities.

The intent is to encourage small-scale renewable energy projects which allow users a measure of energy independence without jeopardizing the safety, energy cost or service quality of others on the interconnected grid.

Through the process of net metering customers can install small, grid-connected renewable energy systems to reduce their electric bills. The typical net metering device generates power from the wind, water or the sun. If the customer produces more energy than needed the utility purchases the excess electricity at the retail price, in return for a credit on their bill.

Net metering allows the electric meter to run forward and backward, with the consumer paying the net at the end of the month. A net metering agreement allows customers to use the electricity they generate first, reducing what they would normally buy from the utility. Net metering devices subject to participation in net metering programs in Indiana must have a capacity of 10 kilowatts or less.