



IURC Energy Affordability Investigative Inquiry

March 24, 2026



OUR VISION IS TO BE A
PREMIER, INNOVATIVE & TRUSTED
ENERGY PARTNER



Presenters

- **Vince Parisi, President and COO**
- **Jim Zucal, SVP Construction**
- **Rufus Jackson, SVP Electric Operations**
- **Robbie Sears, Director Regulatory Policy**
- **Aubri Larson, Director Customer Contact Centers**
- **Martina Marko, Manager Customer Care Advisors**

NIPSCO PROFILE

IMPROVING THE LIVES OF APPROXIMATELY 1.4 MILLION CUSTOMERS ACROSS NORTHERN INDIANA

ELECTRIC

- ~500,000 electric customers
- Second-largest electric distribution company in Indiana
- 3,985.25 MW generating capacity
 - 2 coal generation facilities
 - 2 CT's
 - 1 CCGT
 - 2 hydro electric generation facilities
 - 8 owned renewable generation facilities in service
- Transmission system has voltages from 69,000 to 765,000 volts, consisting of approximately 3,000 circuit miles
 - Interconnected with 8 neighboring electric utilities
 - Operate 66 transmission and 250 distribution substations
 - Own ~311,300 poles

HEADQUARTERED IN
MERRILLVILLE, IN

3,100
EMPLOYEES

NATURAL GAS

- 900,000 natural gas customers
- Largest natural gas distribution company in Indiana
- ~18,000 miles of distribution main pipeline
- ~710 miles of transmission main pipeline
- Two on-system storage facilities

NIPSCO'S SYSTEM MUST BE BUILT TO DELIVER FOR CUSTOMERS DURING SUSTAINED PERIODS OF EXTREME TEMPERATURES AND WEATHER CONDITIONS

BILL TRANSPARENCY & RISING ENERGY COSTS

THE REALITY OF RISING COSTS NIPSCO WINTER BILL PROJECTIONS

	2025-2026 (PROJECTED)	2024-2025	2023-2024	USAGE (THERMS)
NOV	\$71.89	\$59.48	\$55.66	59.8
DEC	\$129.87	\$105.89	\$98.84	120.7
JAN	\$171.38	\$139.44	\$121.02	163.8
FEB	\$160.81	\$144.96	\$118.23	154.9
MAR	\$131.42	\$125.52	\$89.47	125.8
TOTAL	\$665.37	\$575.29	\$483.22	625.0

Actual bills vary by customer depending on home age and size, number in household, number and age of gas appliances, thermostat settings and insulation levels

TEMPORARY SUPPORT AVAILABLE THROUGH MARCH 31

Customer Payment Options

- Waive late fees for all customers from January 1 until March 31
- Established a Budget Plus option enabling customers who have paid at least 80% of their bills on time, but currently carry a past-due balance, to enroll in Budget Plan

Energy Service Continuation

- Paused collections and service disconnections for nonpayment
- Waive reconnect fees
- Reduced reconnect deposits for gas customers (2x versus 4x)

WHAT ARE WE DOING PROGRAMS, OFFERINGS & INITIATIVES

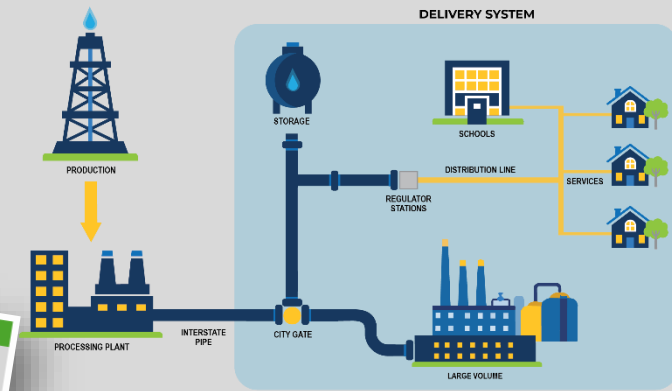
- **Energy Assistance**
 - Federal/State
 - Company-Funded
- **Energy Efficiency**
 - Low-Income Audits
 - Tips & Calculators
- **Billing & Payment Offerings**
 - Levelized Plan/Budget Plus
 - DependABill
 - Payment Plans
- **Bill Explainers**
- **Billing Worksheets**
- **Infographics**
- **Videos**
- **Website Enhancements**
- **Paid Social Media Outreach**
- **Customer Newsletters**
- **Mailers – December 2025**
- **Emails**
- **Customer Care Center Events**



DELIVERY CHARGES EXPLAINING THE GAS SYSTEM

The most frequent question we receive from customers is, “Why are my delivery charges so high?”

To address this concern, our regulatory team developed an educational infographic that explains how the natural gas system operates, outlining the full delivery process and the infrastructure required to safely transport gas from production facilities to customers' homes.



BILL TRANSPARENCY AND RISING ENERGY COSTS

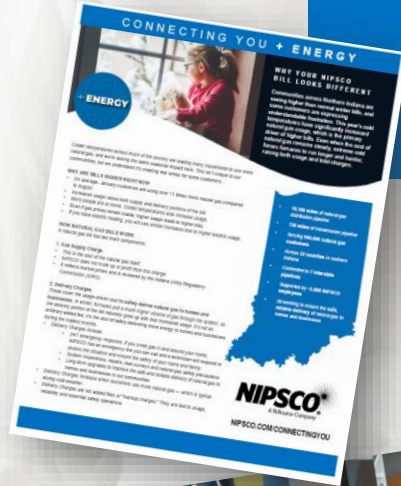
CUSTOMER CARE CENTER EVENTS WITH EMPATHY

- Engaged with **~250 customers** across 3 events
- Customer Care team reported **98% satisfaction** from those who sat down with them
- Created 30 follow-up cases, all contacted within 2 business days
- Provided clarity on **delivery charges** and **how natural gas is safely delivered**
- The AMI team reassured customers about meter safety and accuracy
- Customer feedback showed **clearer understanding of billing, usage and support options**
- The Energy Efficiency team scheduled 10 Home Energy Assessments; Additional requests came in after the events
- Completed **~28 SILVER energy assistance applications** on-site — all qualified for arrearage-reduction grants
- Energy Assistance agency partner, **Co-Action**, assisted with **LIHEAP status checks and guided eligible customers** through next steps

EDUCATIONAL MATERIALS

Educational materials, all of which were distributed at the in-person events, are available for download at [NIPSCO.com/Bill](https://www.nipSCO.com/Bill)

A dedicated resource page is available at [NIPSCO.com/ConnectingYou](https://www.nipSCO.com/ConnectingYou)



COMMON EVENT TOPICS

- Winter Bills
- Usage Spikes
- Delivery Charges
- Meter Questions
- Payment Options

CUSTOMER CARE CENTER IN-PERSON EVENTS

- LaPorte (LaPorte County)
- Valparaiso (Porter County)
- Merrillville (Lake County)



LONG-TERM SOLUTIONS CUSTOMER TRANSFORMATION

- NIPSCO/NiSource is undertaking a multi-year customer transformation project, including the implementation of a new Customer Information System to modernize customer operations
- The current system is more than 30 years old, and vendor support is being discontinued, necessitating replacement
- The new system is expected to enable enhanced website functionality, providing customers with more detailed and accessible account information
- The implementation also creates opportunities for a redesigned customer bill that improves clarity and transparency of charges
- Additionally, the system modernization may support future consideration of rate structure enhancements

BILLING DETAIL WORKSHEETS

BREAKING IT DOWN BILLING DETAIL WORKSHEETS

- The Billing Detail Worksheet provides a detailed breakdown of the individual components that comprise the Delivery Charges line item
- Customers can contact the Customer Care Center and request the Billing Detail Worksheet
- A customer's billing dates and terms used are entered into the worksheet to show a breakdown of charges
- If requested, the Customer Care Center will mail a printed copy to the customer

NORTHERN INDIANA PUBLIC SERVICE COMPANY Worksheet For Calculation of Residential Gas Bill					
Billing Period					
01/02/26	02/02/26	31	Billed Therms		93.4
Residential Bill					
Gas Commodity Charge \$34.07					
Inter Trans & Stor Chrg 6.34					
Customer Charge \$16.50					
Distribution Charge 41.77					
Other Gas Cost Charge 2.82					
Energy Efficiency Charge 1.23					
Universal Service 0.05					
TDSIC 0.52					
FMCA 0.44					
WNA 2.65					
Delivery Charges 65.98					
Subtotal \$106.39					
Sales Tax 7.00% 7.45					
Total \$113.84					
Customer Charge					
	<u>Charge</u>	<u>Adjusted</u>	<u>ProRate Factor</u>		<u>Total Dollars</u>
Total Customer Charge	\$16.50	\$16.50	1.0000	\$16.50	\$16.50
Distribution Charge					
		<u>Therms</u>	<u>Factor</u>	<u>Dollars</u>	
Total Distribution Charge		93.4	0.44721	\$41.769414	41.77
Gas Supply Commodity Cost¹					
Total Commodity Charge		93.4	0.3648	\$34.072320	34.07
Interstate Pipeline Trans & Storage Charge²					
Total Inter Trans & Storage Charge		93.4	0.0679	\$6.341860	6.34
Other Gas Cost Charge³					
Total Other Gas Cost Charge ³		93.4	0.0301	\$2.811340	2.82
Energy Efficiency Charge (DSM)⁴					
Total Energy Efficiency Charge		93.4	0.013188	\$1.231759	1.23
Universal Service Charge⁵					
Total Universal Service Charge		93.4	0.000570	\$0.053238	0.05
TDSIC Charge⁶					
Total TDSIC Charge		93.4	0.005540	\$0.517436	0.52
FMCA Charge⁷					
Total FMCA Charge		93.4	0.004728	\$0.441595	0.44
WNA Charge⁸					
Total WNA Charge		93.4	0.028420	\$2.654428	2.65
Total Gas Bill					\$106.39
Indiana Sales Tax					7.00% 7.45
Charges for Gas Services This Period					\$113.84

INCOME ELIGIBLE ASSISTANCE PROGRAMS

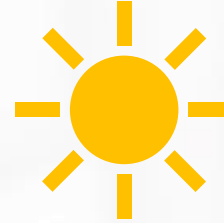
Customer Assistance for Residential Energy (CARE) Program

The NIPSCO Customer Assistance for Residential Energy Program (CARE) is implemented through participating local agencies in each county under the Indiana Housing and Community Development Authority (IHCDA).



WINTER CARE PROGRAM

- Winter Care Program - Eligible LIHEAP Customers are automatically enrolled in Winter Care, which reduces participating customer bills by 15 to 32 percent – dependent upon income
- Includes **shareholder funding of \$650,000** and **customer contributions of ~\$1M annually**
- Hardship Program - assists customers who fall between 151-250 percent of Federal Income Levels
- SILVER Program – assists income-eligible senior customers 60 years or older with past due bills
- SERV Program – assists income-eligible active-duty military members and veterans with past due bills



SUMMER CARE PROGRAM

- In NIPSCO **most recent electric rate case** NIPSCO proposed a summer assistance program similar to the Gas Winter Care Program - Eligible LIHEAP Customers are automatically enrolled in Summer Care, which will provide a discount on usage from June to September
- NIPSCO funded the program with a **\$1.5M of shareholder contribution** and has developed an option for customers to contribute \$0.25/meter per month to increase the program funding
- The program will begin applying discounts in June of 2026

ADDITIONAL ENERGY ASSISTANCE ACTIONS

NIPSCO HAS CONTINUED TO SUPPORT VULNERABLE CUSTOMERS BY INCREASED ELIGIBILITY, SHAREHOLDER FUNDING AND EASE OF CONNECTING

DATE	PROGRAM	ACTION
NOVEMBER 2020	HARDSHIP PROGRAM	Include customers who fall at or below 250% of the federal poverty guidelines (up from 200%)
JANUARY 2022	SILVER AND SERVE	Include those individuals who are either a senior citizen (at least 60 years of age at the start of the LIHEAP heating season) or an active-duty military member or veteran; Allowed qualifying customers to receive a one-time grant per heating season of up to \$400 toward past due bills
JULY 2022	UNIVERSAL SERVICE PROGRAM (USP)	Increased shareholder contribution from 25% to 30% of the USP program expenses up to \$500,000
AUGUST 2023	ENERGY EFFICIENCY	Shareholder contribution of \$400,000 (\$100k per year) to Indiana Community Action Association to enable health and safety work for the low-income weatherization program; Contributions in 2024, 2025, 2026, and 2027
JULY 2024	UNIVERSAL SERVICE PROGRAM (USP)	Increased shareholder contribution from 30% to 35% of the USP program expenses up to \$650,000; Also increased the bill discount tier ranges from 11% - 26% to 15% - 32%
JULY 2024	ENERGY EFFICIENCY	Shareholder contribution of \$200,000 (\$100k per year) to Indiana Community Action Association to assist low income customers
JULY 2025	CUSTOMER DEPOSITS	<ul style="list-style-type: none"> • Reduction of NIPSCO's gas and electric customer deposit for LIHEAP customers from \$50 to \$0 • Waived \$90 reconnection fee for customers disconnected for nonpayment • Suspect disconnection of electric service if temperatures are below 20 degrees or above 90 degrees on the day of disconnection • Eliminated paysite convenience fees
AUGUST 2025	HARDSHIP PROGRAM	Created Special Hardship funding of \$100K/year from NIPSCO shareholders for customers extreme cases, such as major medical debt
SEPTEMBER 2025	SILVER AND SERVE	Added the ability to provide more than one grant per year to SILVER/SERV customers during each LIHEAP season and increased grant from \$400 to \$550

GENCO MODEL TO SUPPORT DATA CENTER DEVELOPMENT

NIPSCO Generation Company (GenCo)

- Separate utility company created to build, own, and operate major investments
 - These costs are excluded from the costs to serve NIPSCO's other electric customers
- "Ring fences" major capital investments to protect from rate increases and end-of-contract risks
- Existing customers will not pay for any of the capacity/generation or load-side investments needed to serve Data Centers now and/or in the future
- Investments made by Data Center customers help build a more resilient and reliable grid, and additional generation will provide benefits to all customers

Structure will drive customer savings

- First Data Center contract will drive an estimated \$1 Billion in direct savings to current customers over 15 years
- Residential customers will receive a per-meter credit each month, which will begin in 2027
- Savings from the Amazon contract is estimated to reach ~\$84 - \$108 annually for residential customers
 - Additional contracts will drive additional savings to electric customers

Creation of Customer Fund

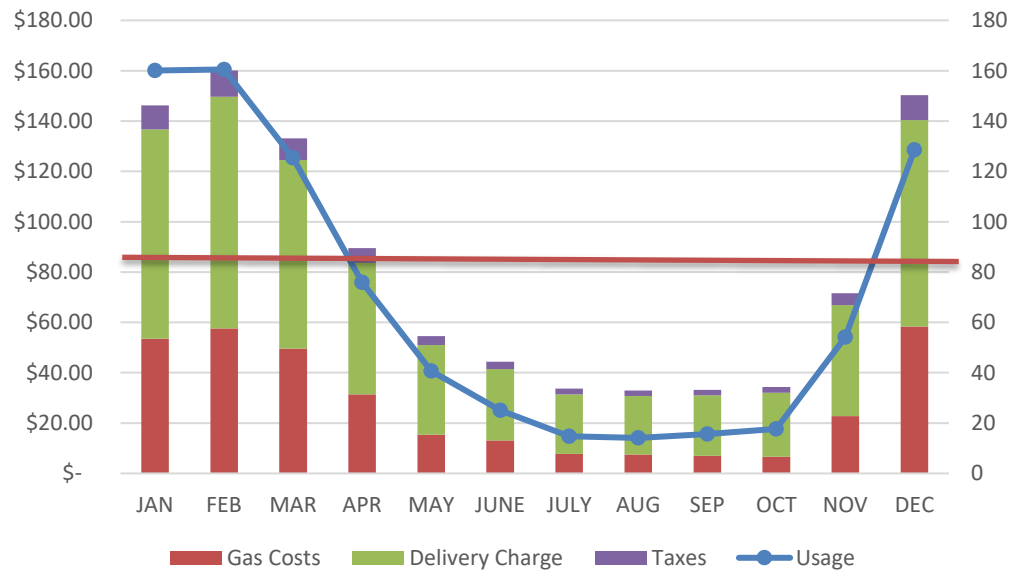
- NIPSCO and GenCo will make \$15 Million of contributions to a "customer fund" over the next 15 years, fully funded by shareholders
- 50% will be for the local communities where generation and data center development occur
- 50% will be passed back to all NIPSCO electric customers as part of the customer credit discussed above

GAS RESIDENTIAL RATE DESIGN AND BILL STABILITY – ILLUSTRATIVE EXAMPLE

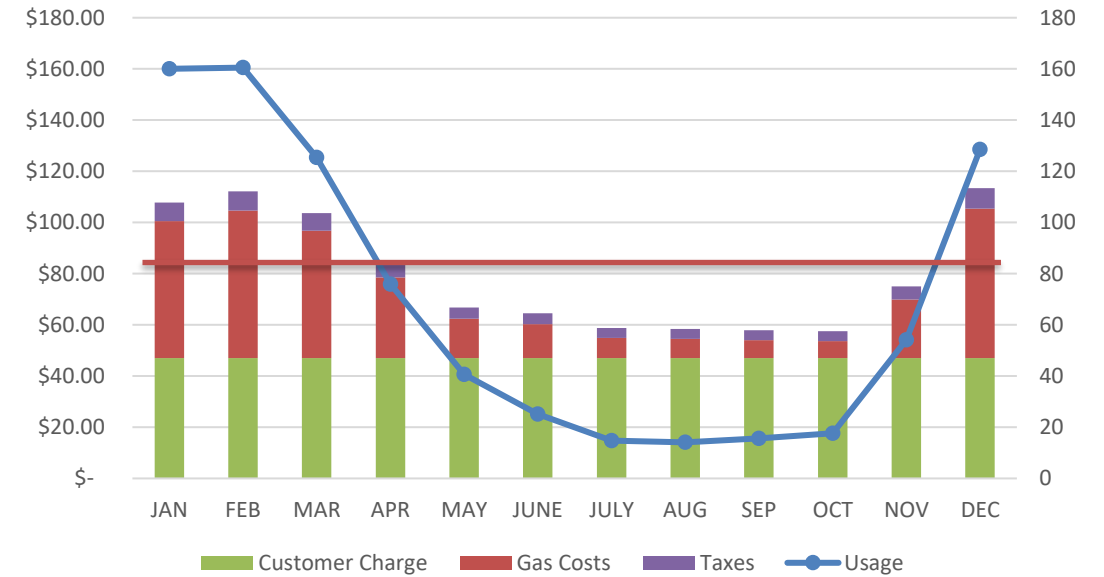
Rate designs and billing programs can help customers predict utility payments and utilities stabilize cash flows

CURRENT RATE DESIGN: 67% OF VOLUMETRIC/USAGE BASED DELIVERY/INFRASTRUCTURE CHARGES ARE BILLED IN FOUR WINTER MONTHS

Traditional Rate Design includes a low customer charge and a high volumetric charge, which results in significant month to month bill changes.



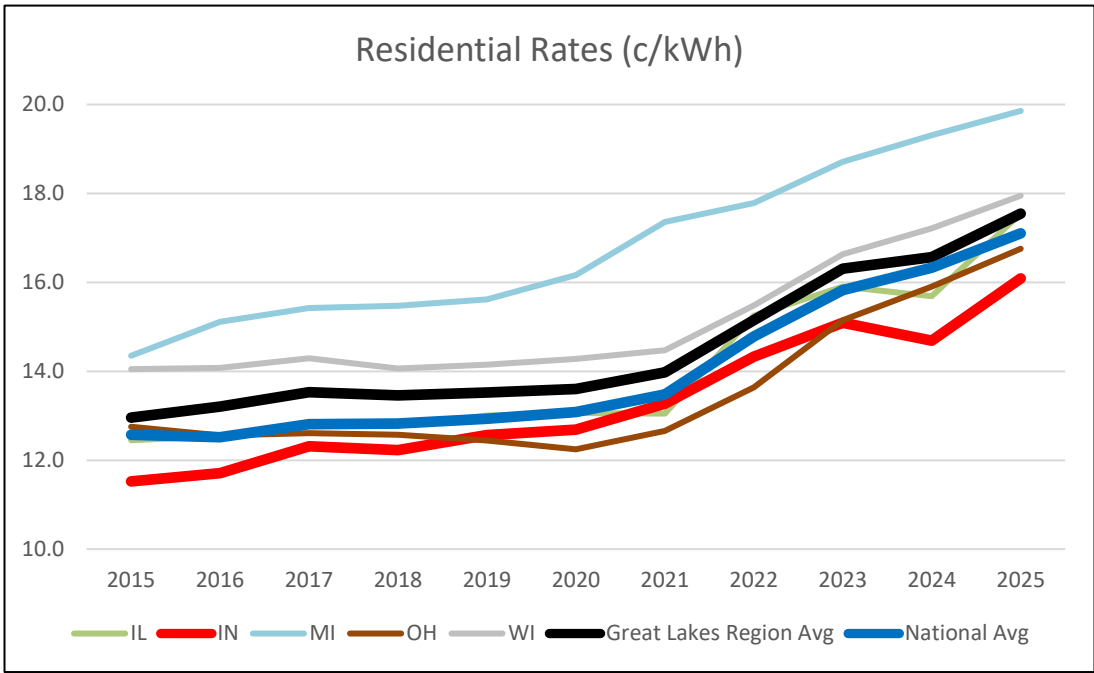
Straight Fixed Variable (SFV) results in more predictable cost recovery as the customer/demand charge is designed to recover 100% of fixed costs.



Levelized Billing Programs can be applied to both Traditional and SFV rate designs and creates the most predictability for the customer.

OVERALL, INDIANA RANKS FAVORABLY COMPARED TO NATIONAL AVERAGE AND GREAT LAKES REGION

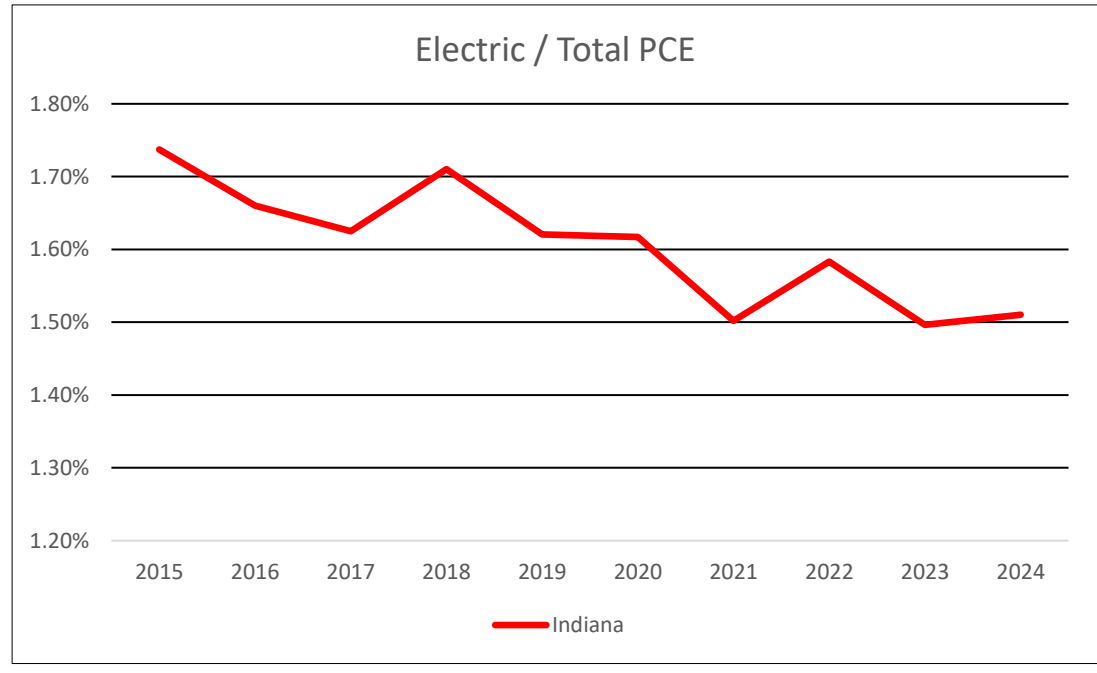
NATIONAL AND GREAT LAKES REGION TRENDS



Source: EIA Data through October 2025

IN 2025, INDIANA HAD LOWEST RATES IN GREAT LAKES REGION

PERSONAL CONSUMPTION EXPENDITURES



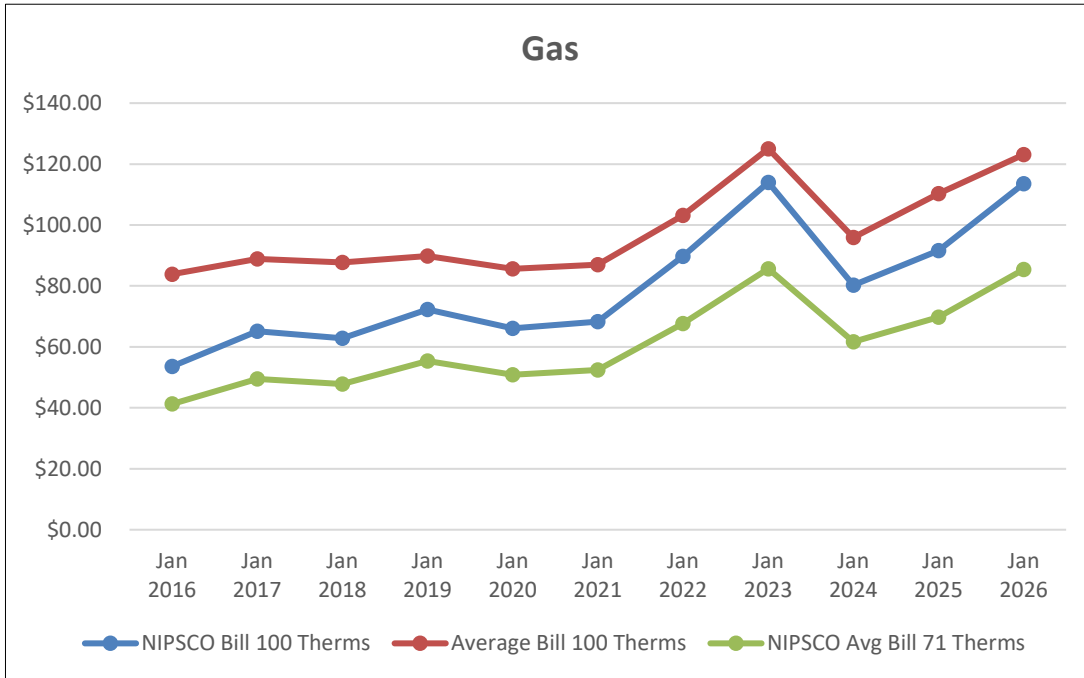
Source: EIA Data through October 2025

ELECTRIC COSTS HAVE TRENDED DOWN IN PCE

For Natural Gas, the PCE was .62% in 2015 and decreased to .44% in 2024

NIPSCO CUSTOMERS AVERAGE USAGE = TOTAL BILL

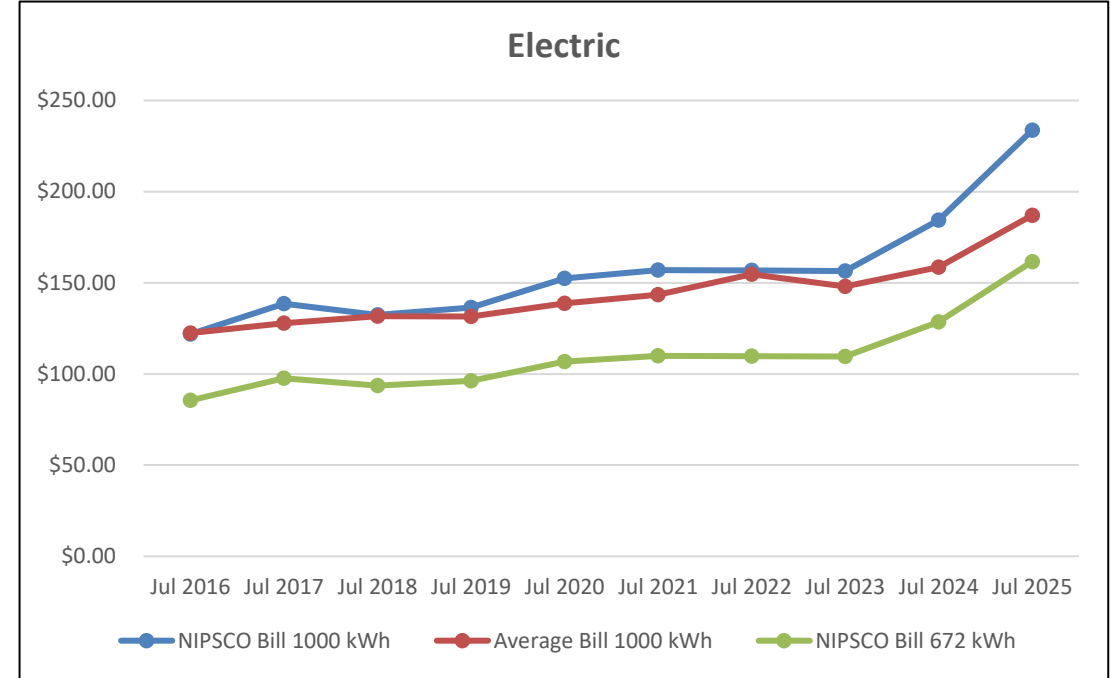
~67% OF NIPSCO CUSTOMERS USE 71 THERMS OR LESS/MONTH*
~86% USE LESS THAN 100 THERMS/MONTH



Source: For 100 therms, IURC Monthly Gas Bill Survey

AVERAGE NIPSCO GAS CUSTOMER PAYS \$91/MONTH

~70% OF NIPSCO CUSTOMERS USE 672 KWH/MONTH OR LESS**
~85% USE LESS THAN 1,000 KWH/MONTH



Source: For 1,000 kWh, IURC Annual Electric Bill Survey

AVERAGE NIPSCO ELECTRIC CUSTOMER PAYS \$162/MONTH

***FROM DEC 2024 TO DEC 2025, AN AVERAGE NIPSCO GAS CUSTOMER EXPERIENCED ~\$15 INCREASE DUE TO THE MARKET INCREASE IN THE COST OF GAS**

****672 KWH/MONTH IS THE LOWEST AVERAGE USAGE IN THE STATE, WHICH ULTIMATELY MEANS LESS KWH TO SPREAD COSTS OVER PER THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), SINCE 2016 INFLATION HAS INCREASED 30.8%**

IMPACT OF GROWTH ON AFFORDABILITY

Since 2016, NIPSCO has invested approximately **\$890 MILLION IN GROWTH-RELATED CAPITAL PROJECTS**, contributing to the strength and stability of local and regional economies

- **WAGE GROWTH**

The wages paid to the skilled labor required to complete this work—both our own employees and our contracted workforce—circulate directly back into the communities we serve. This impact is especially meaningful in rural and economically disadvantaged areas where NIPSCO operates.

- **JOB GROWTH**

Economic development helps create new jobs, boost employment levels, and raise average incomes, enabling families to enjoy a higher standard of living.

- **TAX BASE GROWTH**

Attracting new businesses also expands the property tax base. Because property taxes are the largest source of revenue for many local governments—and a critical funding stream for public schools—this growth provides long-term benefits for communities across our service territory.

- **EXPANDED ENERGY AVAILABILITY**

Building out the existing system to provide for additional volumes allows for continued economic development and growth

NIPSCO has an **ECONOMIC DEVELOPMENT RIDER (EDR)** that bridges new businesses to profitability through short-term bill discounts

Cost Sharing with **BILL CREDITS** and **FIXED COSTS**

- **BILL CREDITS**

New line item on residential customer bills for GenCo Credit

- **FIXED COSTS**

Spread over more customers, volumes and firm demand

HIGHLIGHTS & STATISTICS ECONOMIC DEVELOPMENT

AMAZON DATA CENTER

\$7B

NIPSCO INVESTMENT

THOUSANDS

OF CONSTRUCTION JOBS

SLATE AUTOMOTIVE (WARSAW)

REPURPOSING CLOSED
PRINTING SITE

2,000+ JOBS

FEDEX (GARY)

\$60M

INVESTMENT

600

JOBS

JOHN DEERE (LOWELL)

\$125M

INVESTMENT

1,200

UNION CONSTRUCTION JOBS

150

PERMANENT JOBS

POTENTIAL IMPACTS OF HEA 1002

- NIPSCO recognizes that a **PREDICTABLE, MULTI-YEAR RATE PLAN STRUCTURE CAN PROVIDE STABILITY FOR CUSTOMERS AND SUPPORT LONG-TERM PLANNING**
- This type of framework can allow for **MORE EFFICIENT PLANNING OF THE UTILITIES' INVESTMENTS** needed to maintain safe, reliable service, while driving predictability in customers' bills
- **MINIMIZING THE FREQUENCY OF RATE CASE FILINGS** serves to reduce administrative and regulatory expenses included in a utility's revenue requirement, which drives cost savings for customers
- The multi-year planning required under HEA 1002 will provide NIPSCO with **IMPROVED LINE OF SIGHT TO ITS CAPITAL NEEDS**; This level of financial transparency will give NIPSCO an advantage in gaining access to enterprise capital
- NIPSCO takes HEA 1002's Performance Incentive Mechanisms ("PIMs") as policy directives from the Indiana General Assembly and intends to target its investments to align with the associated areas of focus
- NIPSCO also recognizes the mandated levelized billing approach as an appropriate way to help avoid the peaks and valleys that current volumetric rate design drives due to usage
- In its last electric rate case, NIPSCO proposed a **\$1.5M SHAREHOLDER-FUNDED LOW-INCOME PROGRAM THAT WAS APPROVED** by the Commission that meets the requirements in HEA 1002

INVESTMENTS OVER THE LAST DECADE - ELECTRIC

Capital - Electric	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Safety & Reliability	0.0	0.0	0.0	0.0	0.0	5.5	38.1	108.5	155.3	136.5	443.9
Federal Mandate	4.9	52.9	104.4	8.5	0.0	0.0	0.0	0.0	0.0	0.0	170.7
MISO	158.6	216.5	58.1	0.0	0.1	0.0	0.0	0.0	27.6	72.9	533.7
Renewables	0.0	0.0	0.0	0.0	47.3	63.3	362.0	997.1	617.4	1,260.7	3,347.8
Public Improvement	4.6	6.4	7.0	5.6	15.1	45.4	4.9	9.6	7.4	9.8	115.8
Maintenance	210.0	256.5	267.5	401.9	280.3	320.1	375.9	462.4	391.5	291.1	3,257.2
Growth	28.2	37.4	38.5	40.8	62.9	47.7	67.5	98.8	119.3	291.5	832.5
Total NIPSCO Utility	406.2	569.7	475.5	456.8	405.6	482.0	848.4	1,676.5	1,318.5	2,062.4	8,701.6

INVESTMENTS OVER THE LAST DECADE - GAS

Capital - Gas	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Safety & Reliability	105.6	92.1	113.0	17.8	58.3	110.3	153.6	261.5	77.1	89.4	1,078.8
Federal Mandate	0.0	0.0	2.0	87.2	81.2	55.9	72.4	46.4	64.1	47.3	456.6
Public Improvement	23.5	21.4	27.5	23.9	24.6	35.1	23.5	35.8	30.6	47.4	293.3
Maintenance	19.9	43.8	60.8	33.5	15.2	27.4	59.1	46.7	210.3	177.1	693.8
Growth	45.3	54.8	64.7	77.4	69.0	72.2	88.0	107.1	105.8	85.2	769.4
Total NIPSCO Utility	194.4	212.1	267.9	239.8	248.4	300.9	396.6	497.6	488.0	446.3	3,292.0



QUESTIONS?

APPENDIX

BILL EXPLAINERS

NATURAL GAS

OVERVIEW OF NIPSCO NATURAL GAS BILLS

NIPSCO is a regulated utility, meaning it does not set its own prices. Instead, all NIPSCO rates must be filed with and approved by the IURC following lengthy review. This review includes external groups who are involved to protect customers. **Customers do not pay for data center projects. Those costs are kept separate and charged directly to data centers.**

Below is a simple explanation of what you see on your gas bill and the components that make it up.

Detail Charges	
Charges for Residential Gas Service - Rate 311	
	\$31.20
1 Gas Supply Charges	\$2.57
Gas Commodity Charge	\$2.57
Interstate Transportation and Storage Charges	+\$36.86
Total	\$63.09
2 Delivery Charges	+\$63.09
Delivery Charges	+\$63.09
Total	\$126.18
Indiana Sales Tax	
	\$106.95
Total Charges for Gas Service This Period	
<small>All Gas Supply Charges should be considered when comparing gas pricing alternatives. • Gas Commodity Charges: Dec 2025 \$0.3558 per therm; Jan 2026 \$0.3654 per therm • Interstate Pipeline Transportation and Contract Storage Charges: Dec 2025 \$0.0685 per therm; Jan 2026 \$0.0586 per therm</small>	

1

GAS SUPPLY CHARGES

This is the cost of natural gas in your home and transported to Indiana before it reaches NIPSCO. NIPSCO does not profit from these charges. What we pay is what you pay. No markup. No extra fees.

- **Gas Commodity Charge:** This is the cost of the natural gas itself. Natural gas prices change based on the market price.
- **Interstate Transportation and Storage Charges:** Pays for moving natural gas through large pipelines to NIPSCO. It also pays for storing natural gas to be used when needed.

2

DELIVERY CHARGES

Delivery charges cover the cost to safely and reliably deliver natural gas from the pipeline to your home.

Delivery Charges include the following:

- **Customer Charge and Distribution Charge:** These charges cover the cost of our infrastructure, which includes more than 18,000 miles of pipeline and seven interstate supply connections that safely and reliably deliver energy to your home. The charges also include the services we deliver, including 24/7 emergency response, customer safety services, system inspections, maintenance, repairs and leak surveys. These expenses and investments are necessary to ensure our natural gas system remains safe and reliable.
- **Customer Charge:** This is a flat monthly charge that does not change with gas usage. This is the only fixed component of your bill.

Distribution Charge: This fee changes with the amount of natural gas you use each month. It pays for moving natural gas through local pipes to your home.

- **Demand Variance and Commodity Variance:** We estimate natural gas use and natural gas prices ahead of time. There are times when the actual price and usage are different. These charges adjust for differences and can go up or down.
- **Energy Efficiency Surcharge:** Pays for programs that help customers use less natural gas and save energy.
- **Bad Debt Tracker:** This charge captures the cost of unpaid customer bills.
- **Universal Service Rider:** This charge builds a bank to help our low-income families and provides assistance to low-income families during hard times.

- **System Upgrades (Transmission, Distribution, Storage and Gas Federally Mandated Costs):** Charges paid for replacing old pipes, fixing equipment, and meeting federally mandated safety rules. These help protect against leaks and natural gas outages.
- **Refund:** Used to pass back any refunds NIPSCO has received and can pass back to our customers. This could include transportation costs NIPSCO pays on behalf of the customer.
- **Weather Normalization Adjustment:** Because natural gas use depends heavily on how warm or cold the weather is, we make an adjustment to compare this season's weather to an average year. This helps ensure bills reflect what you would typically use in normal weather, no more and no less, so your charges stay consistent with weather conditions.

FINAL THOUGHTS

Your bill includes:

- The natural gas you use.
- The cost to deliver natural gas safely and reliably.
- Programs that support safety and customers.



ELECTRIC

OVERVIEW OF NIPSCO ELECTRIC BILLS

NIPSCO is a regulated utility, meaning all of NIPSCO's rates are filed with and approved by the Indiana Utility Regulatory Commission (IURC). NIPSCO does not set prices on its own. The IURC's review includes external groups that are involved in protecting customers.

Customers do not pay for new data center projects. Those costs are kept separate. Data centers pay for 100% of the infrastructure needed to supply their energy needs.

The explanation below describes what you see on your electric bill and the components that make it up.

Detail Charges	
Charges for Residential Electric Service - Rate 611	
	\$14.00
1 Customer Charge	\$399.17
Energy Use Charges	\$28.92
Indiana Sales Tax	\$442.09
2 Total Charges for Electric Service This Period	\$442.09

1

CUSTOMER CHARGE

A set monthly amount that partially pays for meter reading, billing, customer service and taking care of equipment. It does not change based on electricity usage. This is the only fixed part of your bill.

2

ENERGY USE CHARGES

These charges change based on how much electricity, or kilowatt hours (kwh), you use to power your home.

- **Block Commodity Charge**
Helps pay for generating and delivering electricity, including maintaining poles and substations.

- **Fuel Cost**
Pays for fuel, such as coal or natural gas, that is used to generate electricity. Renewable sites do not need fuel and help reduce costs to customers.
- **Resource Adequacy Adjustment (RA)**
Helps ensure NIPSCO has sufficient generation resources to serve all customers' maximum usage, especially during extreme weather.
- **Regional Transmission Organization (RTO)**
Pays for NIPSCO's participation in the Midcontinent Independent System Operator (MISO), which moves electricity across many states. You can think of MISO as the "air traffic controller" for the energy grid

that covers NIPSCO's service area and spreads across multiple states.

- **Demand Side Management (DSM)**
Supports programs that help customers save energy.
- **Transmission, Distribution, Storage**
Pays for replacing old poles, wires and equipment to prevent outages and speed up storm restoration – enhancing reliability and safety.
- **Environmental Cost Tracker**
Pays for chemicals needed to safely run coal-powered plants.
- **Generation Cost Tracker**
Helps fund new energy sources, such as natural gas and wind farms.

FINAL THOUGHTS

Your bill includes:

- The electricity you use.
- The cost to deliver electricity safely and reliably.
- Programs that support safety and customers.



RATE CASE HISTORY - GAS

YEAR FINAL ORDER	CAUSE NO.	% INCREASE APPROVED	ROE APPROVED	RES BILL IMPACT \$ PER MONTH)	RATE BASE (M)	RESIDENTIAL CUSTOMER CHARGE	SETTLEMENT	PARTIES	DRIVERS
2018	44988	6.50%	9.85%	\$6.40	\$1,520	\$14.00	Y	Settling Parties: OUCC, NIPSCO Industrial Group, Steel Dynamics, NIPSCO Gas Supplier Group, EDF Energy Services, Direct Energy	Ongoing infrastructure investment with more than \$595 million in transmission, distribution, and storage assets since the close of 2009 historical test year from last gas rate case in Cause No. 43894 as well as estimated \$482 million in additional investment to be completed through the end of the projected 2018 test year
2022	45621	8.76%	9.85%	\$5.69	\$2,418	\$16.50	Y	Settling Parties: OUCC, NIPSCO Industrial Group, Steel Dynamics	NIPSCO's ongoing utility plant investments in its gas transmission, distribution, and storage systems with approximately \$900 of increase from rate base growth since last rate Case in Cause No. 44988 including TDSIC and FMCA trackers and deferral as well as updated O&M expenses
2024	45967	12.17%	9.75%	\$5.00	\$3,484	\$16.50	Y	Settling Parties: OUCC, NIPSCO Industrial Group, Citizens Action Coalition, Direct Energy, Steel Dynamics Non-Opposing Parties - United Steel Workers, Residential Developer Group	NIPSCO's ongoing utility plant investments in its gas transmission, distribution, and storage systems required as a result of: (1) new delivery infrastructure to serve new customers; (2) compliance with safety standards; and (3) replacement of infrastructure to modernize systems and enhance capacity. Since its last rate case in Cause No. 45621, NIPSCO cumulative investment of \$1.1 billion through the end of the 2024

RATE CASE HISTORY - ELECTRIC

YEAR FINAL ORDER	CAUSE NO.	% INCREASE APPROVED	ROE APPROVED	RES BILL IMPACT \$ PER MONTH)	RATE BASE (\$M)	RESIDENTIAL CUSTOMER CHARGE	SETTLEMENT	PARTIES	DRIVERS
2016	44688	4.51%	9.975%	\$12.00	\$3,221	\$14.00	P	Settling Parties - OUCC, NIPSCO Industrial Group, NLMK, US Steel, United Steel Workers Non-Settling Parties - Citizens Action Coalition, Walmart	Net utility plant growth by approximately \$470 million or 18% over the last five years related to generation and transmission and distribution systems
2019	45159	3.25%	9.90%	\$ 11.00	\$4,115	\$14.00	P	Revenue Settling Parties - OUCC, NIPSCO Industrial Group, NLMK, US Steel, Walmart, NICTD, Sierra Club	New Industrial service structure, cost of service and rate design
2023	45772	19.40%	9.80%	\$12.00	\$5,925	\$14.00	P	Settling Parties - OUCC, NIPSCO Industrial Group, NLMK, US Steel, Walmart, RV Industry Group Non-Opposing Parties - Citizens Action Coalition, Indiana Municipal Utility Group Non-Settling Parties - Michigan City, Midwest Industrial User's Group	Pre-approved utility plant growth related to NIPSCO's ongoing investments in generation transition, infrastructure modernization to retire and replace aging infrastructure - Rate Base growth since Cause No. 45159 - (~90%)
2025	46120	14.05%	9.75%	\$23.00	\$9,130	\$14.00	P	Settling Parties - Indiana OUCC, NIPSCO Industrial Group, NLMK, US Steel, Walmart, RV Industry Group Non-Opposing Parties: County Commissions of LaPorte County, United Steel Workers Non-Settling Parties - Citizens Action Coalition	Pre-approved utility plant growth primarily driven by \$2 billion in solar renewable and energy storage projects and other energy delivery plant growth of approximately \$1.4 billion

INVESTMENTS OVER THE LAST DECADE - DESCRIPTIONS

Safety and Reliability	Investments that improve the safety of electric and gas systems and modernization of electric and gas assets to improve on demand deliverability to customers i.e.: AMI – Improves visibility for our system and customers through remotely read meters. Leads to improved outage response times and load forecasting. Distribution Automation – Reduces impact of electric outages. Upgrade of Marktown Substation which supports several large industrial customers. Upgrade of 600# gas loop to improve the reliability of gas transmission and distribution systems. Replacement of Gary Bare Steel distribution system.
Federally Mandated	Investments required to comply with federal gas pipeline safety codes, electric generation and supporting assets. i.e.: This includes FGD, MATS, CCR, ECR and ELG. Federal pipeline safety compliance, In-line Inspections (ILI), Maximum Allowable Operating Pressure (MAOP), Underground Storage Integrity Management, Buried Regulators.
MISO	Midcontinent Independent System Operator required investments i.e.: This segment of work includes 345kV and 765kV system upgrades and MISO LRTP Tranche 1 investments.
Renewables	Expanding renewable energy generation within NIPSCO i.e.: This category includes Wind, Solar and Battery Storage.
Public Improvement	Investments required to support mandatory relocation of gas and electric assets to support municipalities and DOT. i.e.: Relocation of poles and lines or underground gas assets to support roundabout construction, bridge expansions, city sewer line installs, etc.
Maintenance	Investments to replace failed assets or assets nearing, at, or past end of life expectations i.e.: Pole Life Extension Program – Replace end of life structures, preventing outages, while also extending the life of those still in good condition. Power Transformer Replacements – Replace poor condition transformers with new modern equivalents, preventing large source outages while also improving asset health data. Underground cable replacement program to address aging distribution assets. Gas transmission and distribution mains including pipe, pipe fittings, pressure control fittings, steel services, valves, casings, and cathodic protection equipment, as well as improvements to aging stations.
Growth	Investments targeted to support increased demand and ability to deliver utility services to customers i.e.: Circuit Reconductors – Upgrade conductors to accommodate new loads and improve system reliability through new outage restoration opportunities. New Substations – Build new electric substations and circuits to serve new loads and create system capacity for reliability. Installation of new gas distribution stations and pipeline including increased volumetric delivery. New gas service provided to over 34,000 rural customers and over 44,000 non-rural customers.

AVERAGE USAGE BILL CHANGE – DECEMBER 2024 VS 2025

Bill increases from November 2025 to December 2025 were driven almost exclusively by **HIGHER USAGE WITH MEDIAN USAGE WAS UP 153%**

From December 2025 to January 2026, **MEDIAN USAGE INCREASED AN ADDITIONAL 27%**

	ELECTRIC USAGE	NATURAL GAS USAGE	TOTAL BILL
DECEMBER 2024	599kWh	110 THERMS	\$224
DECEMBER 2025	644kWh	128 THERMS	\$295

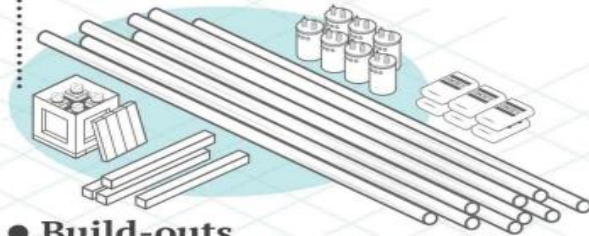
A combo customer using these average usages would experience a total bill increase of \$71 (\$42 for gas, \$29 for electric)

- \$9.98 due to commodity costs (driven by market)
- \$27.24 driven by usage (weather dependent)
- \$34.20 due to system investment and maintenance (rate increase)

INFRASTRUCTURE COST INCREASES SINCE 2020

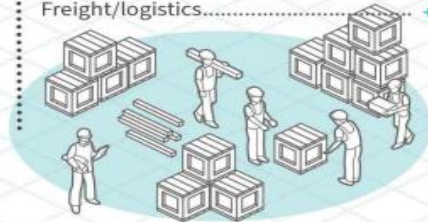
● Infrastructure

Utility poles (wood, steel, composite)	+25-40%
Crossarms & braces (steel/wood)	+20-35%
Conductor wire (aluminum/copper)	+30-50%
Transformers	+70-100%
Grain-oriented electrical steel	+80-100%
Oil/dielectric fluids	+25-40%
Copper wiring	+50%
Concrete	+25-35%
Smart meters	+20-35%
Pad-mounted switchgear	+25-40%
Circuit breakers/reclosers	+20-35%



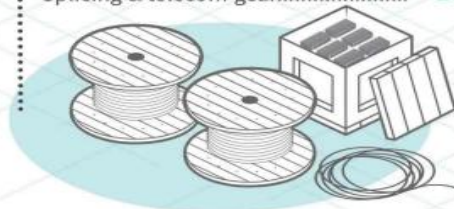
● Build-outs

Utility construction labor	+20-40%
Freight/logistics	+30-60%



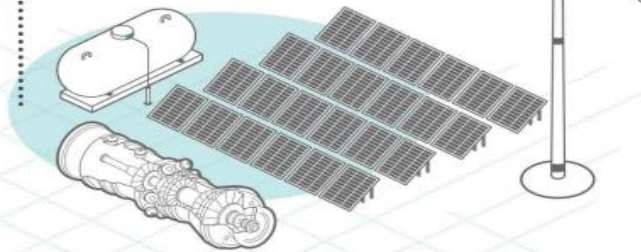
● Broadband

Fiber-optic cable	+25-40%
Splicing & telecom gear	+20-30%



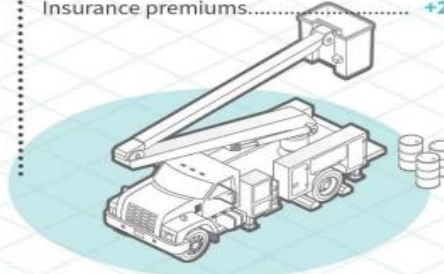
● Generation

Diesel gensets	+20-40%
Gas turbines	+20-30%
Solar PV systems	+25-35%
Wind turbines	+25-35%
Hydropower components	+20-30%
Battery storage	+25-40%
SCADA/EMS systems	+20-30%
Inverters	+20-30%
Relays & switchgear	+25-40%
Natural Gas	+20-120%
Coal	+30-60%
Diesel/fuel oil	+40-70%



● Fleets

Light trucks	+25-40%
Bucket trucks, digger derricks	+20-50%
Fuel costs (especially diesel)	+20-30%
Maintenance	+15-25%
Insurance premiums	+20%



Sources: BLS; energynews.com; Reuters; Wood Mackenzie; NREL; IEA

YOUR DOLLAR AT WORK

NATURAL GAS

YOUR DOLLAR AT WORK

HOW NIPSCO
FUELS OUR COMMUNITY



30¢ NATURAL GAS SUPPLY

Goes directly to purchasing the natural gas you use. NIPSCO doesn't profit from this cost. What we pay is what you pay. No markup. No extra fees.

7¢ TAXES

Goes to support public services in our community like schools, roads and emergency services.

25¢ DAY-TO-DAY OPERATIONS

Covers the cost of safely maintaining pipelines, responding to service calls and keeping your gas flowing safely and reliably.

38¢ INFRASTRUCTURE IMPROVEMENTS & FINANCING

Investments in system upgrades to improve safety, reliability and long-term service, along with the cost of financing those improvements.



This graphic reflects average residential customer costs as of Aug. 1, 2025.

ELECTRIC

YOUR DOLLAR AT WORK

HOW NIPSCO
FUELS OUR COMMUNITY



15¢ FUEL COSTS

Goes directly to cost of fuel and purchase power to generate the energy you use. NIPSCO doesn't profit from this cost. What we pay is what you pay. No markup. No extra fees.

7¢ TAXES

Goes to support public services in our community like schools, roads and emergency services.

26¢ DAY-TO-DAY OPERATIONS

Covers the cost of safely maintaining poles and wires, responding to service calls and keeping your electricity flowing safely and reliably.

53¢ INFRASTRUCTURE IMPROVEMENTS & FINANCING

Goes to investments in system upgrades to improve safety, reliability, long-term service and our transition to a more balanced generating portfolio, which includes zero fuel cost, renewable energy resources. Plus, the associated financing costs.



This graphic reflects average residential customer costs as of Aug. 1, 2025.