

SUMMER PREPAREDNESS 2013

Paul Chodak III

President and Chief Operating Officer



May 15, 2013

INDIANA MICHIGAN POWER



**2,430
Employees**

**584,212
Customers**



**3,980 miles
Transmission Lines**



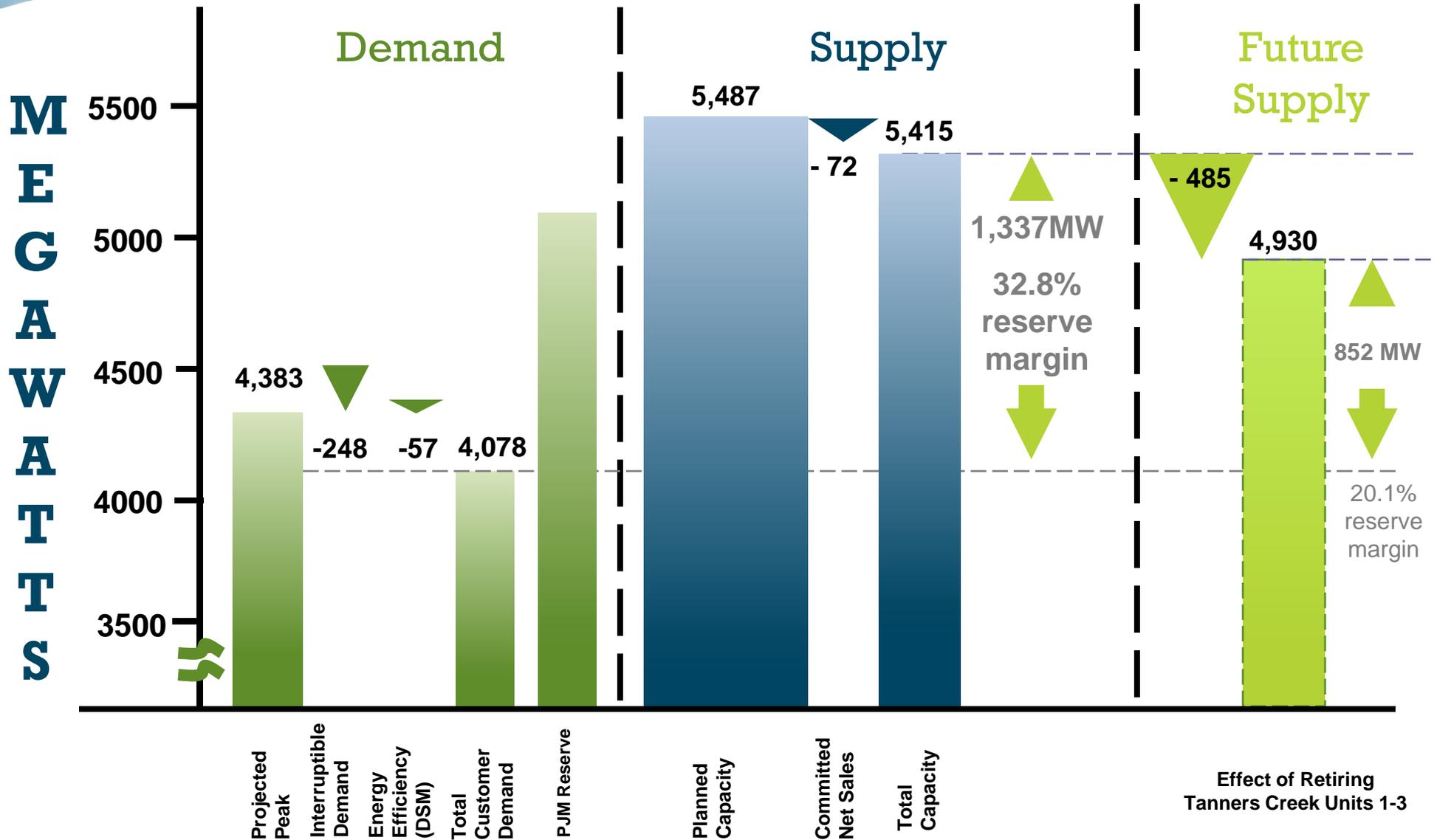
**20,241 miles
Distribution Lines**



**Mix of Low-Cost Generation:
Coal - Nuclear - Wind - Hydro**



SUMMER ENERGY OUTLOOK



Based on July Projected data: the month forecast for highest demand

RENEWABLE WIND ENERGY

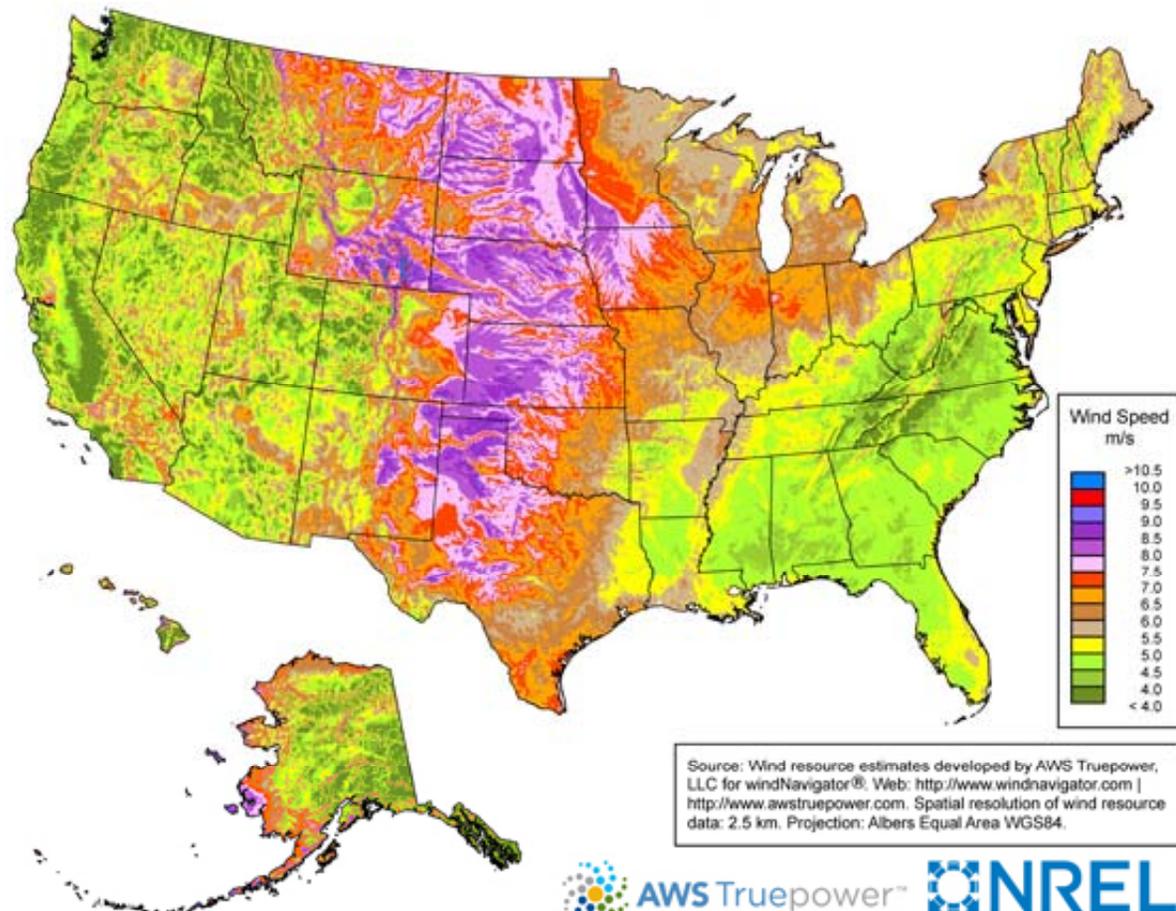


Indiana - 13th in
installed wind capacity

More than 1300 MWs
in operation

11,000 MWs in
the queue

Cost effective prices
obtained through
competitive bidding



RENEWABLE ENERGY CHALLENGES



Continued Technological Gains

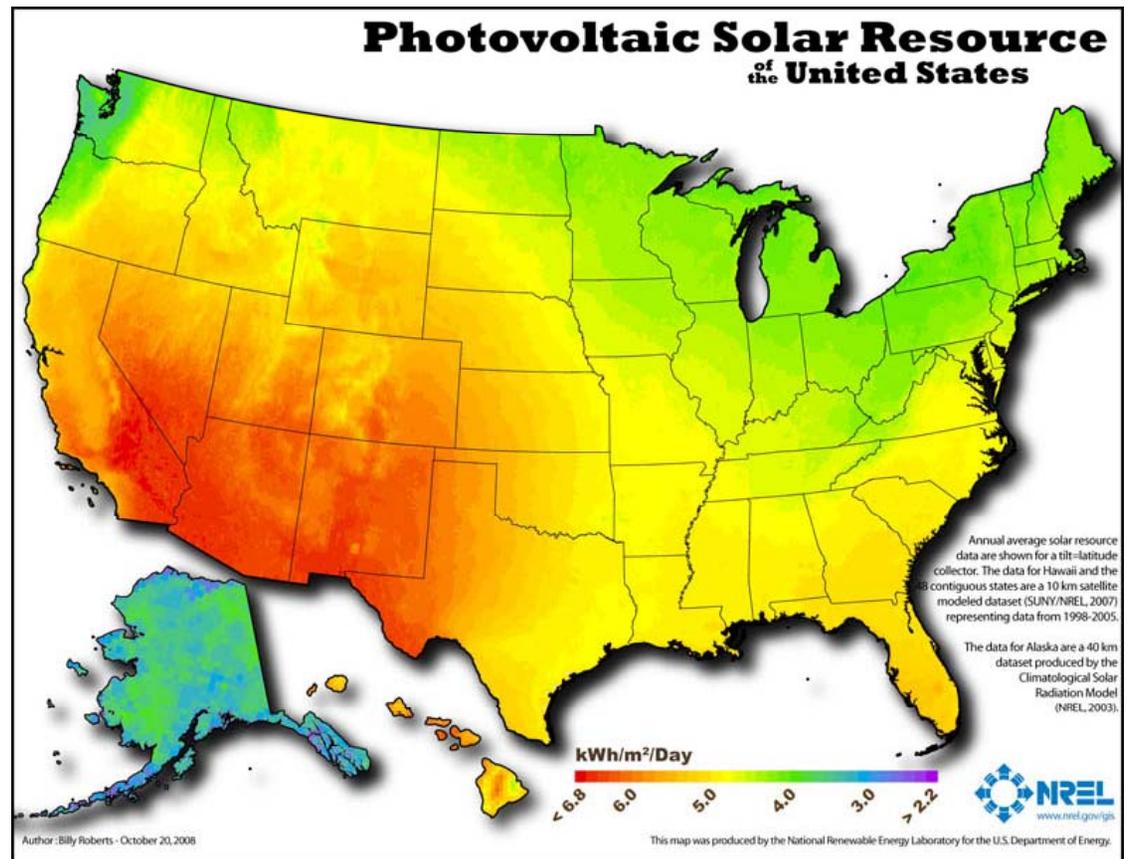
Solar

Interconnection Challenges

Resource Planning

Transmission Infrastructure

Battery Storage

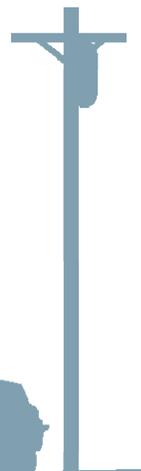


RENEWABLE ENERGY COST COMPARISON



Renewable Resource	Levelized Cost of Energy (COE)* (\$ / MWH)	COE Without PTC / ITC	Capacity Factor	RTO Capacity Value
<i>Wind</i> 	\$ 50 – 55	\$70 - 75	33-39%	13%
<i>Biomass</i> 	\$100 - \$130	Same	85-90%	85-90%
<i>Hydro</i> 	\$90 - 110	Same	25%	25%
<i>Solar</i> 	\$100 - 150	\$130 - 180	17%	38%

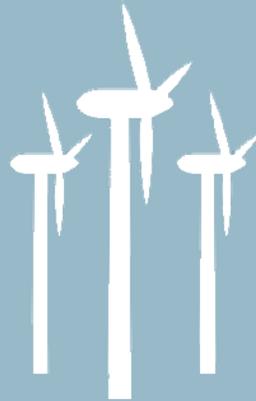
* Comparisons to baseload generation COE need to consider operational differences.



I&M GENERATION PORTFOLIO



COAL
59.6%



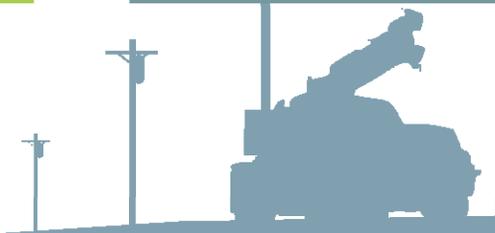
WIND
4.2%



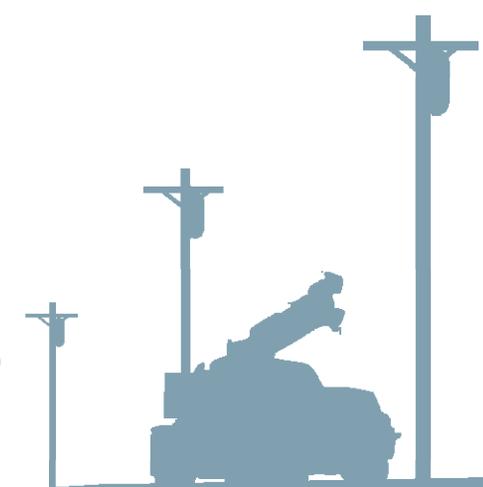
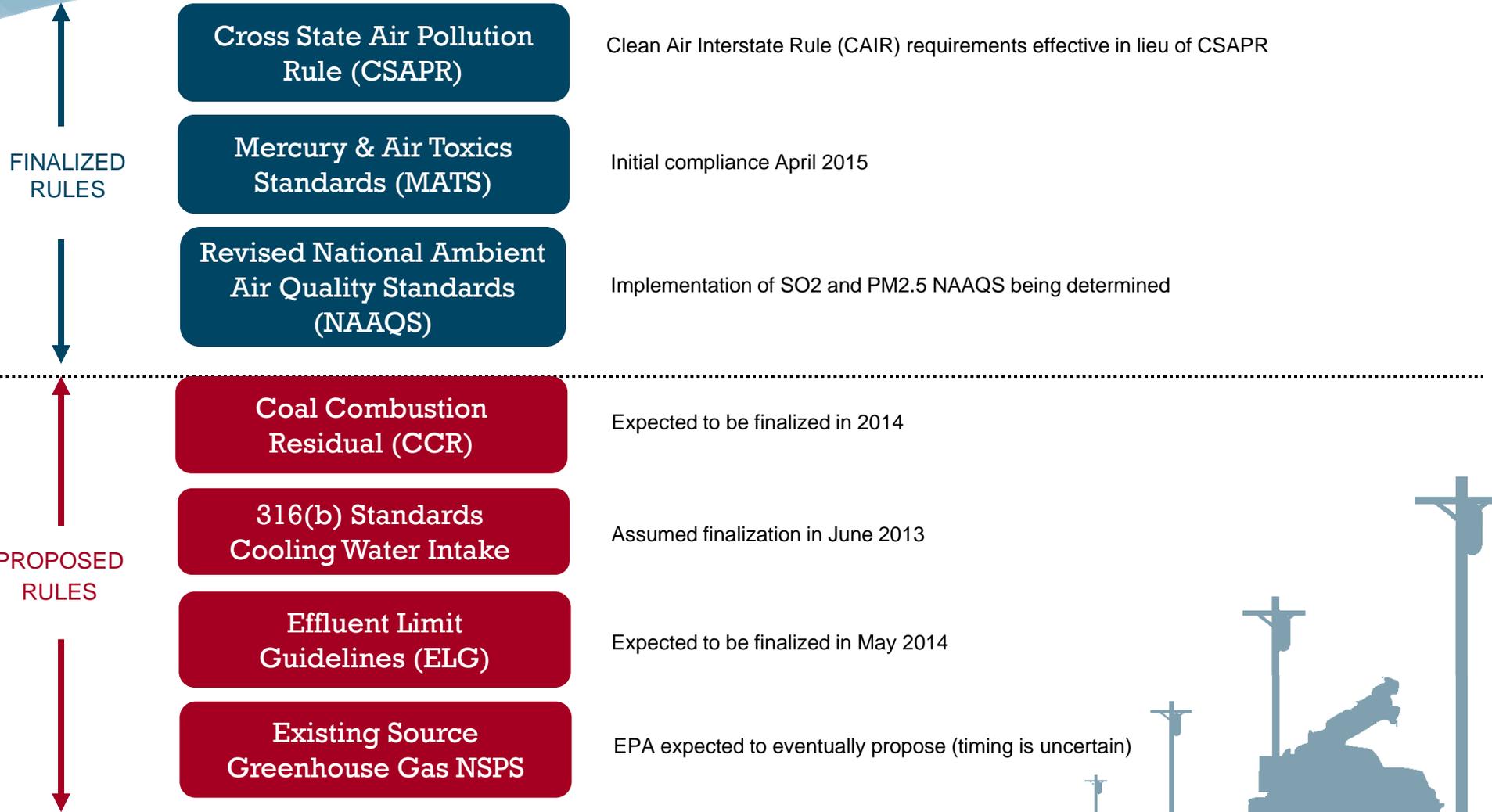
NUCLEAR
35.8%



HYDRO
0.4%



ENVIRONMENTAL REGULATIONS



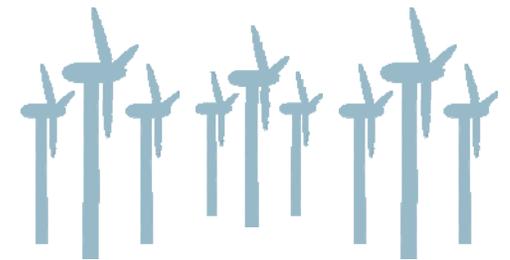
FUTURE OF I&M GENERATION



\$1.5 Billion of Investment to Meet Customers' Needs



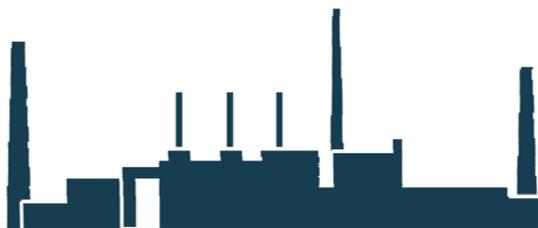
Cook Plant Life
Cycle Management



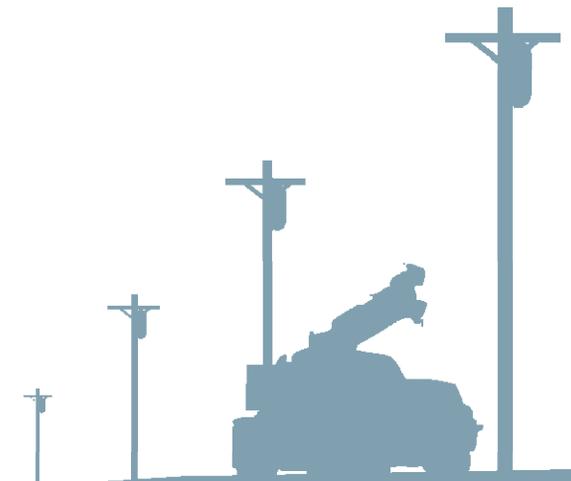
Additional Wind
Purchase



Rockport
Environmental
Project



Tanners Creek
Retirements and Refueling



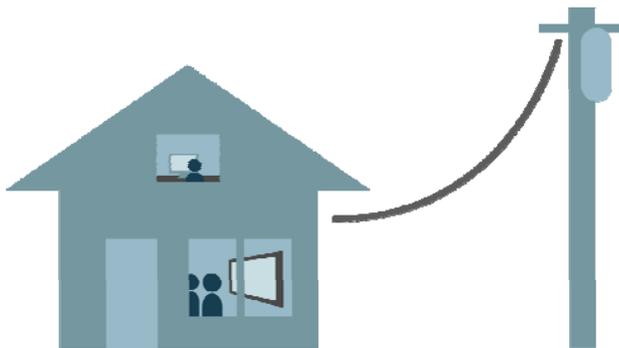
CONCLUSION



Indiana Michigan Power is...



Prepared with adequate resources and infrastructure to meet customer needs during summer 2013



Proactively reaching out to communicate with and engage customers

Questions and Discussion

