

Northern Indiana Public Service Company

2013 Summer Preparedness

Jim Stanley
NIPSCO CEO

Presentation to the IURC
May 15, 2013



NIPSCO Leadership

Michael Finissi
Chief Operating Officer

Frank Shambo
VP Regulatory & Legislative Affairs

Michael Hooper
VP Major Projects

Tim Dehring
SVP Transmission, Engineering

Kathleen O'Leary
President

Keith Wooldridge
SVP Field Operations

Karl Stanley
VP Commercial Operations

Kelly Carmichael
Director Environmental Policy & Permitting

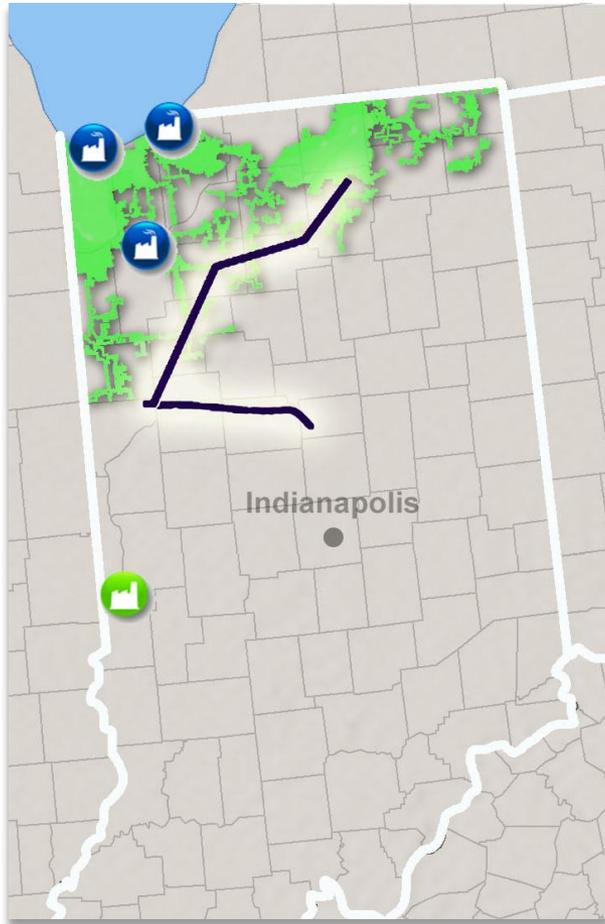
2013 Summer Preparedness

Working to Become Indiana's Premier Utility

- Comprehensive Planning, Review and Consideration
- Meeting Customer Demand Now and in the Future
- Maximizing Existing Resources
- Strengthening our Infrastructure
- Preparations for Storm Season
- Enhancing the Customer Experience

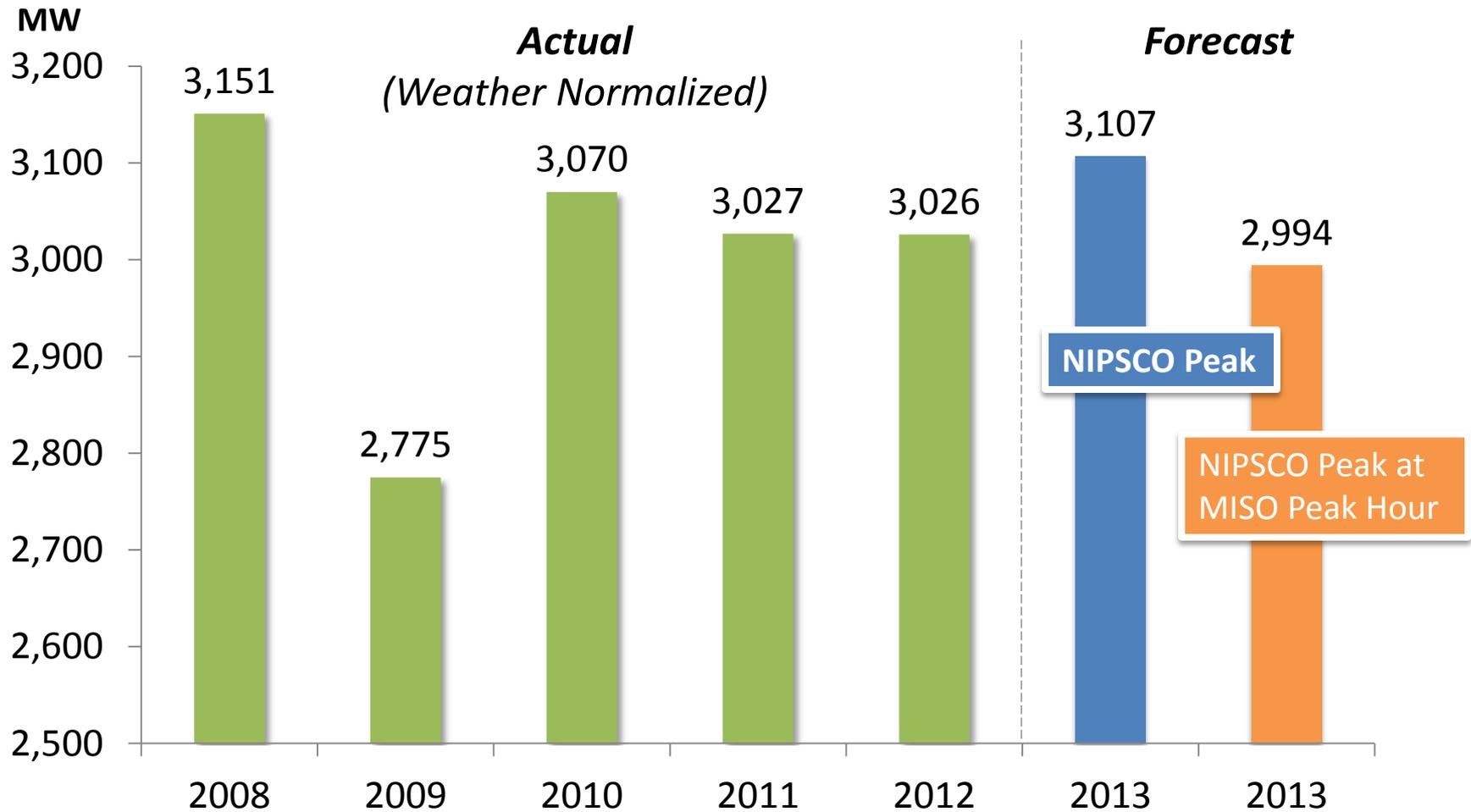


NIPSCO Electric Profile

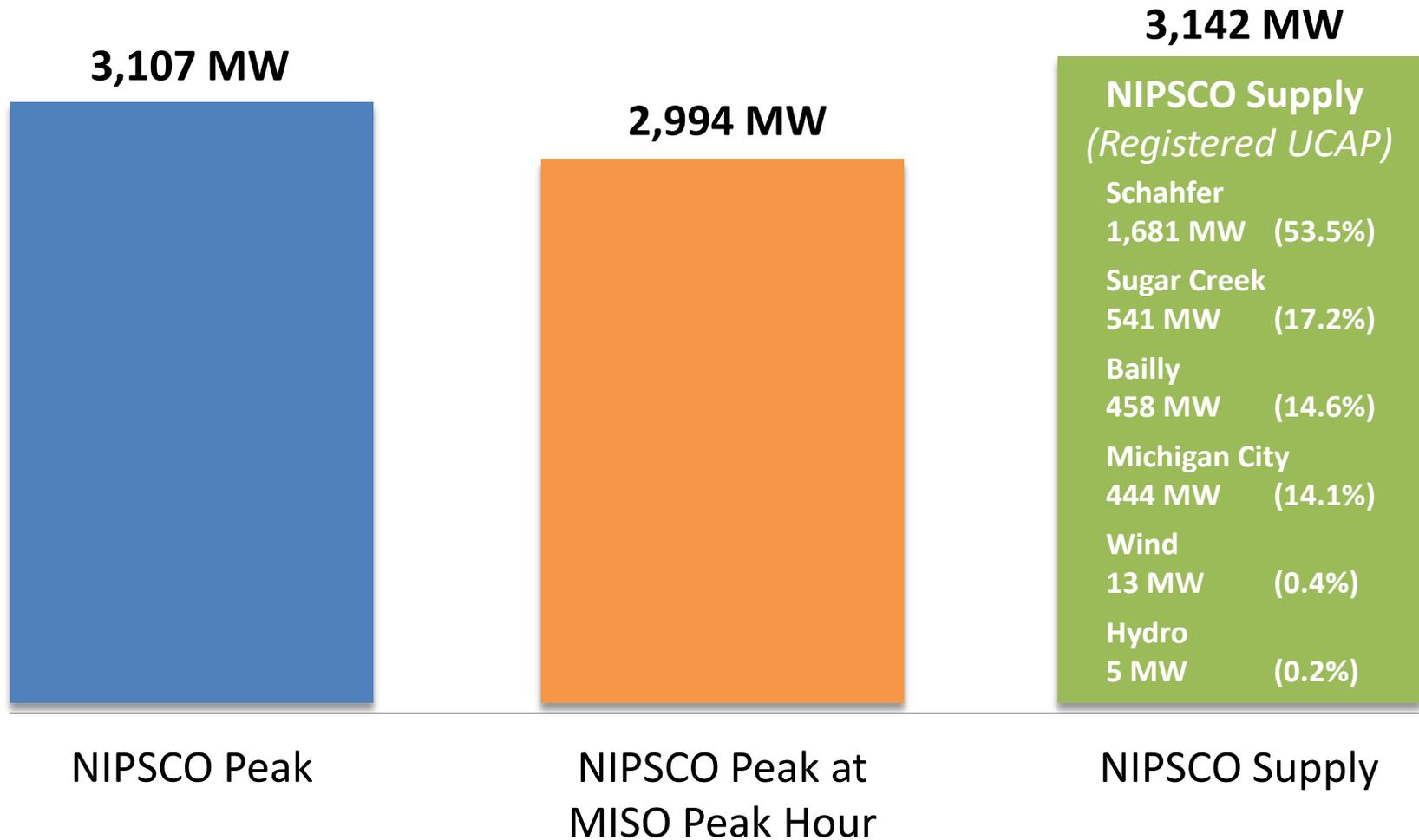


- 457,000 Electric Customers in 20 Counties
- 3,400 MW Generating Capacity
 - Operates 6 Electric Generating Facilities (3 Coal, 1 Natural Gas, 2 Hydro)
 - Additional 100 MW of Wind Purchased Power
- 2,800 Miles of Electric Transmission
 - Interconnect with 5 Major Utilities (3 MISO; 2 PJM)
 - Serves 2 Network Customers and Other Independent Power Producers
- Constructing Two New Electric Transmission Lines in Indiana
- 10,000 Miles of Electric Distribution

Summer 2013 Peak Outlook



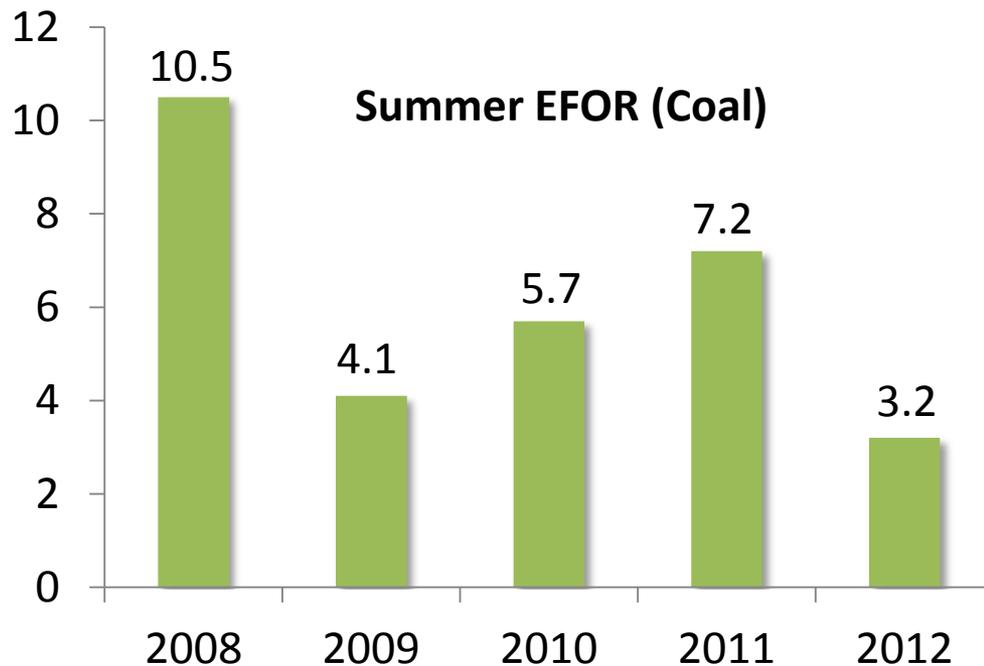
Sufficient Supply to Meet Customer Demand



Improving Generation Efficiency and Reliability

Maximizing Existing Resources

- 1st Quartile Performance During Record Temps
- 53% EFOR Improvement From 2011 to 2012



Low gas prices dramatically shift facts on the ground

By Jason Makansi, Pearl Street Inc.

1. NipSCO's Sugar Creek Generating Station, a 566-MW combined cycle facility, has seen its capacity factor rise from less than 15% between 2002 and 2008 to close to 70% in 2012.

Sugar Creek

- Achieved Summer Net Capacity Factor of 69%
- Recognized as Nation's Leading Plant

(2012, Combined Cycle Journal)

Long-Term Resource Planning

Comprehensive Planning, Review and Consideration

- Recent Proceedings Demonstrate Commitment to Collaboration
- Process for Evaluating Options and Addressing Future Customer Needs

Outlook

- Capital Intensive Era for Generation, Distribution and Transmission
- Industry-wide Coal Retirements – 15 GW in Midwest by 2017 (EIA)
- Regional Planning and Modernization Efforts Driving Investment
- 2013 Legislation - Filing Under Development for 7-year Plan (SB560)

Coordination of Natural Gas Supply

- ✓ *No current problems in securing adequate gas supplies and delivery*
- ✓ *Greater use of firm interstate pipeline capacity may be utilized*

The industries are working toward building consensus as to how future natural gas-fired generation should be served.

Key Considerations Revolve Around Economic , Reliability Issues

- Proper Incentives to Resolve Any Future Capacity Constraints
- Firm Service Quality and Priority Between Electric and Gas

NIPSCO Experience

- Utilizes Firm Transportation at Sugar Creek Generating Station (CCGT)
 - Paired with firm gas supply to the facility

NIPSCO's Environmental Control Strategy

Driver	Location	Control Technology	Compliance Date
Consent Decree, MATS, CAIR/CSAPR II	Schahfer	U14 & U15 FGDs, NOx Enhancements	2015
Consent Decree, MATS	Michigan City	U12 FGD, NOx Enhancements	2016
Consent Decree, CAIR/CSAPR II	Bailly	NOx Enhancements	2014
MATS	System	Enhanced Mercury and Particulate Controls	2016
Effluent Limitation Guidelines, 316(b)	System	Enhanced Waste Water Treatment, Intake Structure Modification	2017-2022
Coal Combustion Residuals Rule	System	Upgraded Ash Handling and Disposal	2017-2022

Continued Successful Project Execution



Schahfer Unit 14 & 15 FGD

- On-time, Within Authorized Budget
- 78% Complete (Combined)
- Unit 14 Expected to Go On-line in 2013
- Nearly 40 Contracting Companies, Approx. 600 Employees On-site

Michigan City Unit 12 FGD

- Construction Underway
- Expected Completion by End of 2015
- Regularly Meet with OUCC and Stakeholders to Update on Status



Strengthening the Energy Infrastructure

Reynolds-Topeka 345kV Transmission Line

- 100 Miles, \$250 Million Investment
- Conducting Route, Environmental Assessments
- Route Options to be Shared at July Public Open House Meetings, Final Route Identified Q4
- 2015 Expected Construction, 2018 In-service



Public Involvement

Feb Open House Meetings,
Four Locations, 150-200
Attendees



Reynolds-Greentown 765kV Transmission Line

- Joint Project with Pioneer
- 60 Miles, \$150 Million Investment (NIPSCO Portion)
- Finalizing Agreements/Plans with Parties
- 2015 Expected Construction, 2018 In-service

Prepared for Storm Season

Reliable and Responsive

- 2012 SAIFI 0.83 (top quartile is 0.90)
- Conducted Drills and After Action Reviews Following Each Major Event
- Completed Preventive Maintenance & Inspections
- Participated in MISO Operations Simulations
- Enhanced Restoration Capabilities
- Reduced Risk of Storm Damage through Tree Trimming Initiative
- Continued Implementing Improvements to NIPSCO's System



Superstorm Sandy Response

NIPSCO Dedicated 40% of its Field Operations to Assist with Restoration Efforts

Enhancing Customer Communication and Outreach

Keeping Customers Informed

- Increased Traffic to NIPSCO's Mobile Site
- More Robust Information Available to All Customers During Storms
- Fine-tuning Estimated Restoration Times with Better Field Intel from Employees

The screenshot shows the NIPSCO website's 'OUTAGE CENTER' page. At the top, there are navigation links for 'Emergencia?', 'Brochures', 'Have a Question?', 'Outage Center', and 'Manage Your Account'. Below this is a search bar and a row of service categories: 'OUR SERVICES', 'BILLING & PAYMENT', 'SAVE ENERGY', 'STAY SAFE', 'ABOUT US', and 'CONTACT US'. The main content area is titled 'OUTAGE CENTER' and features a sidebar with icons for 'REPORT A POWER OUTAGE ONLINE', 'VIEW OUTAGE MAP', 'DAMAGE TO YOUR SERVICE LINE?', 'HOW WE RESTORE POWER', 'USING A GENERATOR DURING AN OUTAGE', 'HOW TO PREPARE FOR OUTAGES', 'REPORT A STREETLIGHT OUT', and 'HAVE A FALLEN TREE?'. The main content includes a 'Report an Electric Power Outage' section with online and mobile device reporting options, a phone number (1-800-4-NIPSCO), and a 'Frequently Asked Questions' section with three questions: 'Why does my power go out?', 'Do you reimburse for lost food in my refrigerator/freezer?', and 'Why do my neighbor's have power and I don't?'. A 'Did You Know?' tip states that trees are the number one cause of power outages. A small image of power lines is also visible.



Thank You