IPL's
2005 Summer Capacity

Presentation to IURC

May 5, 2005

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Presentation Overview

- Customer demand assessment
- Supply resource availability
- Market conditions
- Customer DSM options
- IPL generation
- MISO Day 2
- Transmission readiness

IPL Historical Summer Peaks

	2002	2003	2004
MW	3,003	2,892	2,915
Date	July 22	Aug. 26	July 22
Hour	4:00 PM	5:00 PM	4:00 PM
Temp.	92°F	89°F	88°F
Relative Humidity	58%	55%	57%
THI	84.0	81.0	80.9

IPL 2005 Summer Projected Peaks (MW)

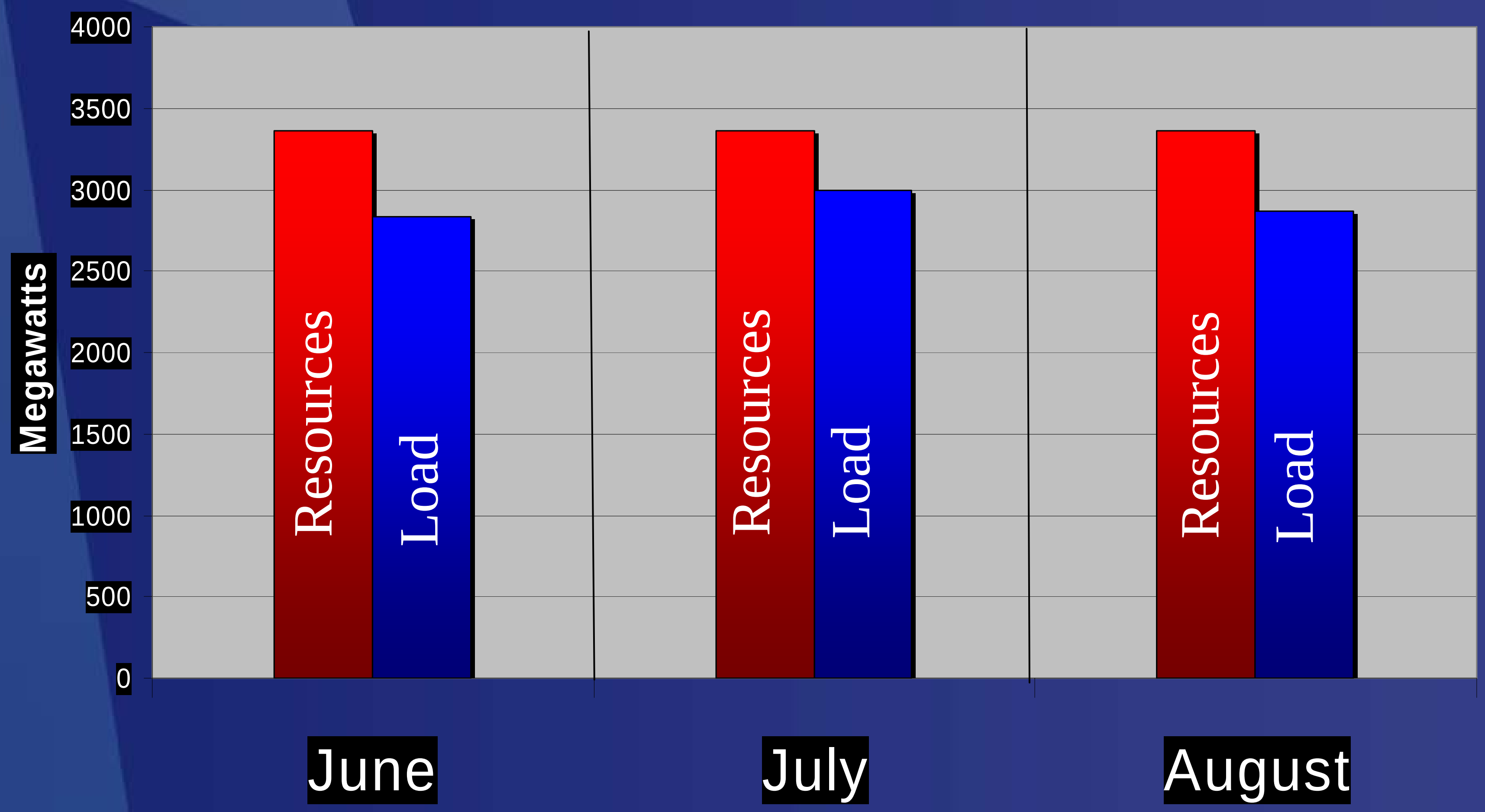
	June	July	August
Total Demand	2,899	3,065	2,938
Load Management (DSM)	67	67	67
Net Demand	2,832	2,998	2,871

Note: Forecasted values are based on a THI of 84.0

Supply Resources 2005 (MW)

IPL Owned Generation	3,252
Network Resource (CTE)	19
Power Purchase	73
Scrubber Option	19
Total Supply Resources	**3,363**

Supply Resources vs. Projected Peak Load

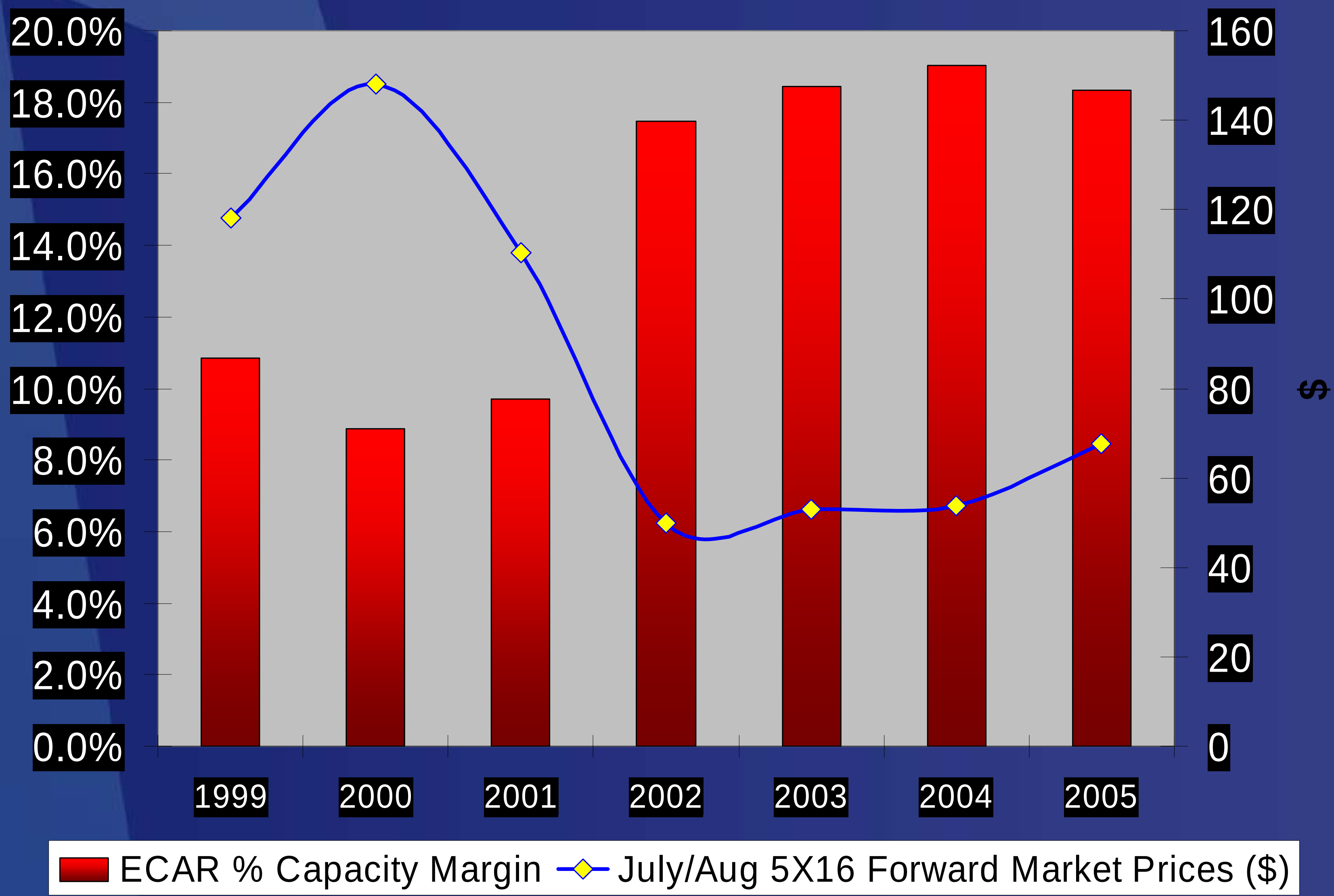


	June	July	August
Reserve Margin (MW)	**531**	**365**	**492**
Reserve Margin (%)	**18.8%**	**12.2%**	**17.1%**

IPL & ECAR *Reserve Margins*
Summer 2005

	June	July	August
IPL Reserve Margin %	18.8%	12.2%	17.1%
ECAR (Stand Alone) %	31.1%	25.5%	25.8%
ECAR (w/ Sched Inter) %	32.6%	27.2%	27.5%

ECAR Capacity Margin vs. Forward Market Prices



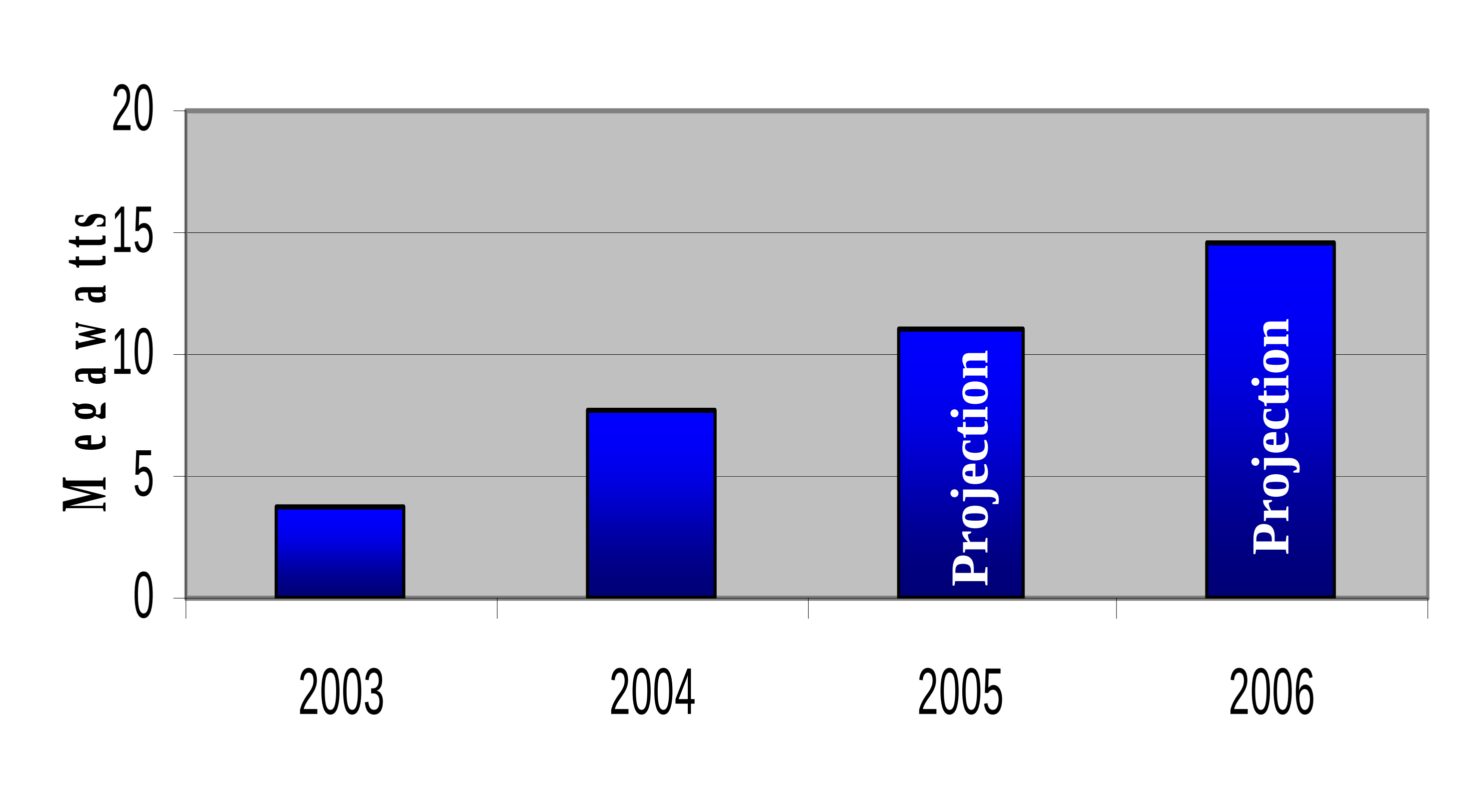
Market Prices are on the rise…
What are the drivers?

	April 2004	April 2005	Increase
Jul/Aug 5x16 $/MWH	55.25	65.10	18%
IL/IN Spot Coal $/ton	30	37	23%
Henry Hub NG $/mmbtu	5.80	6.60	14%
#2 Fuel Oil $/mmbtu	6.29	10.73	71%
SO_2 Allowances $/ton	300	845	182%

Customer DSM Options

- Residential Customers
  - IPL "CoolCents" Program - Air Conditioning Load Management (ACLM)
- Commercial and Industrial Customers
  - Rider 14 – Interruptible Power
  - Rider 15 – Customer Owned Generation
  - Rider 17 – Curtailment Power
  - SS Special Agreement – Interruptible Power

“CoolCents” – Demand Impact (MW)



Customer DSM Options
Summer Demand Impacts (MW)

			PROJECTED
	2003	2004	2005
Rider 14	12	12	12
Rider 15	27	29	30
Rider 17	5	4	4
SS-Agreements	5	9	10
ACLM	3	8	11
Total	52	62	67

Other DSM Programs

- Comprehensive DSM Settlement approved July 2004 (Cause No. 42639)
- Three year DSM budget - $5.25 M
- Programs targeted to residential customers:
  - Income Qualified Weatherization
  - High Efficiency Heat Pump and Air Conditioner
  - Air Conditioning Load Management (extension)
  - Energy Efficiency Education
  - Renewable Energy Education

IPL Generation

Petersburg – 1,722 MW

Unit	Fuel	Output (MW)	Environmental Controls
Unit 1	Coal	232	FGD, NN
Unit 2	Coal	435	FGD, SCR
Unit 3	Coal	510	FGD, SCR
Unit 4	Coal	545	FGD, LNB

IPL Generation
Harding Street – 1,099 MW

Unit	Fuel	Output (MW)	Environmental Controls
Units 3 & 4	Oil	70	
Unit 5	Coal	106	SNCR, NN
Unit 6	Coal	106	SNCR, NN
Unit 7	Coal	435	SCR
CTs 1-3	Oil	60	
CT 4	Oil/Gas	82	
CT 5	Oil/Gas	82	
CT 6	Gas	158	

IPL Generation

Eagle Valley – 338 MW

Unit	Fuel	Output (MW)	Environmental Controls
Units 1 & 2	Oil	78	
Unit 3	Coal	43	
Unit 4	Coal	56	LNB
Unit 5	Coal	62	LNB
Unit 6	Coal	99	NN

IPL Generation
Georgetown

Unit	Fuel	Output (MW)
GT 1	Gas	79

Georgetown is a 4 unit plant:

GT 2 & 3 owned by IMPA

GT 4 owned by DTE Energy

Power Purchases

- 73 MW Unit Power Purchase
  - May—September
  - Merchant CT in IPL Control Area
  - 3-year agreement for summers 2004-2006
- Additional short-term market purchases for economic reasons or as replacement power for unexpected unit outages

MISO Day 2 Market

- Day 2 start-up challenges were expected
- IPL continues to actively work with MISO
- We foresee no reliability concerns

Transmission Preparedness

- Transmission Capacity
- Vegetation Management

Transmission Preparedness

IPL Transmission System Capacity

- Adequate transmission capacity to meet IPL's projected peak loads
- Midwest ISO and ECAR annual assessments of the IPL transmission system
- No significant problems identified

Transmission Preparedness

Vegetation Management

- IPL continues an aggressive vegetation management program for its transmission lines
- An aerial patrol is done twice a year for vegetation issues
- IPL has not experienced a tree related outage of a 345 kV line in over ten years
- IPL is in very good shape on its 345 kV lines

Summary

- IPL's Resource Portfolio of Owned Generation, DSM Options, and Power Purchases will support projected summer 2005 customer load requirements

- IPL's transmission system has been thoroughly planned and evaluated and no significant bulk transmission capacity problems are anticipated