NIPSCO
A NiSource Company

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

2025 Summer Reliability Forum

May 20, 2025

NIPSCO Leadership

Vince Parisi

President & Chief Operating Officer, NIPSCO

Orville Cocking

Senior Vice President, Electric Operations

Vince Ransom

Vice President, Power Delivery

Brian McCaul

Vice President, Electric Generation

Karl Stanley

Vice President, Supply & Optimization

NIPSCO Profile

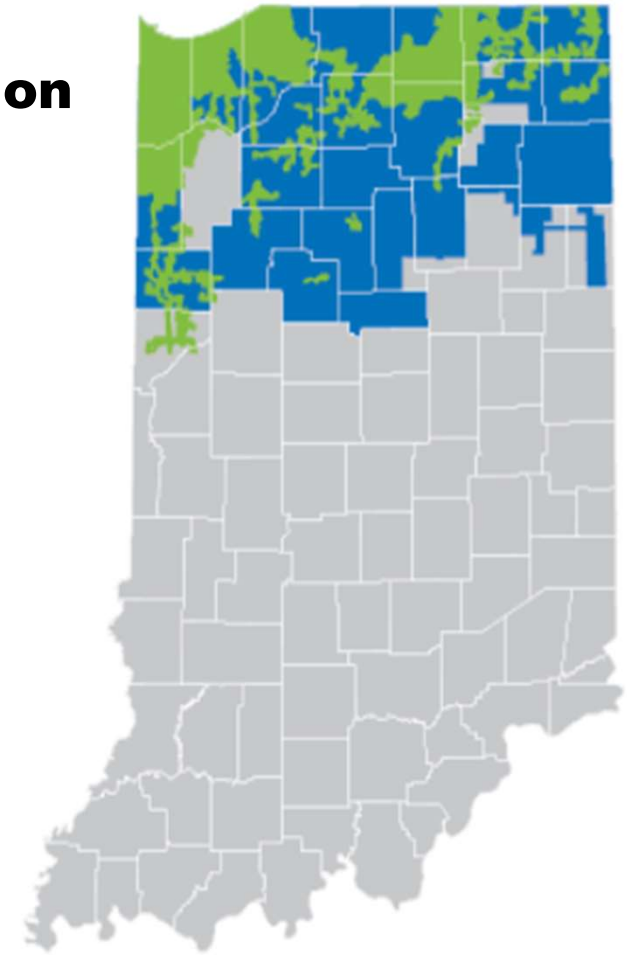
Improving the lives of more than 1.3 million customers across northern Indiana

Electric

- ~500,000 electric customers
- Second largest electric distribution company in Indiana
- 3,430 MW generating capacity
  - 2 coal generation facilities
  - 1 CCGT
  - 2 hydro electric generation facilities
  - 6 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

Natural Gas

- ~900,000 natural gas customers
- Largest natural gas distribution company in Indiana
- ~17,900 miles of distribution main pipeline
- ~690 miles of transmission main pipeline
- Two on-system storage facilities



3,100 Employees

Merrillville, IN Headquarters

Summer Preparation

Please describe summer preparation actions taken to prepare for severe or abnormally hot weather and how these might differ by the type of facility. Describe the planned actions one week prior to the expected start of a major storm event and provide timeline as the arrival of the weather event moves closer.

Severe Weather actions for Electric Operations (T&D)

- Electric System Dispatch monitors the weather continuously and collaborates with Emergency Management team
- NIPSCO also monitors the 15-day outlook that is provided by a contracted meteorological service
- When any adverse weather is identified, a detailed forecast for NIPSCO's service territory is created
- Based on the anticipated impact, NIPSCO implements NIPSCO's Electric Emergency Response Plan
- Up to one week prior to expected start of a major storm event, NIPSCO works to place as much of the Transmission and Distribution system back into its normal configurations

Response continued

Severe Weather Event Timeline for Generation

7 days out

- Learn of upcoming severe weather event (weather.gov; contracted weather service; MISO; etc.)
- Re-verify operability of HVAC systems and plant cooling systems are all available at maximum capacity for any heat related event.
- Ensure proper operation of sump pumps and clear drains to avoid flooding in critical areas
- Escalate any deficiencies in maintenance schedule for immediate work.

3 days out

- Secure loose objects that may become airborne during tornado or high wind conditions
- Verify any corrective maintenance identified on day 7 has been corrected or contingency plans have been put in place to mitigate risk.

1 day out

- Execute plans to protect employee health and safety under severe weather conditions

Event

- Closely monitor and respond to high temp alarms and perform checks using heat detectors on critical equipment bearings and motors that are not electronically monitored
- Implement Emergency Action Plans for high flow events at hydros
- Wind turbine blades cut out at high wind conditions to protect the blades
- Solar panels will be placed into “stow” mode prior to high wind conditions.

Generation wide

- Summer preparedness work orders are performed each spring and are issued automatically in the maintenance management system. These are station specific and are designed to prepare the site for summertime operation.
- Readiness drills and/or tabletop exercises are executed for emergency weather events both seasonally and as a “Just in time” reminder.
- Water management plans are reviewed seasonally and upon notification of an upcoming event. Plans are executed when water flows (drought or flood) meet trigger levels. (Schahfer Generating Station and Hydros).

Spring Planned Maintenance Outages

What is the date by which all spring maintenance outages are planned to be completed? Has scheduling fall or spring maintenance become more difficult with changing weather patterns, other changes in regional resource portfolios, or RTO requirements?

2025 NIPSCO Generation Outage Season: February through July				
July	Week 1			
June	Week 4			
	Week 3			
	Week 2			Unit 12
	Week 1			
May	Week 4			
	Week 3		Sugar Creek	
	Week 2	Unit 16B		
	Week 1			
April	Week 4			
	Week 3			
	Week 2			
	Week 1			
March	Week 4			
	Week 3			
	Week 2			
	Week 1			
February	Week 4			
	Week 3			
	Week 2			
	Week 1			
January	Week 4			

Abnormally Dry Conditions Impacts on Generating Stations

When conditions in Indiana are abnormally dry, please identify and discuss any water-related (cooling or other environmental limitations) concerns that you have considered or may reasonably need to consider in your generation resource availability this summer.

Michigan City and Sugar Creek Generating Stations

- No limitations

R.M. Schahfer Generating Station

- Kankakee River water withdrawal limitations restrict the amount of net water flow to/from the river at different stream flows which could theoretically lead to impacted cooling water systems within the plant

Hydros – Norway and Oakdale

- Abnormal low flow requires the units at hydro facilities to be taken offline to help protect aquatic life

Renewables

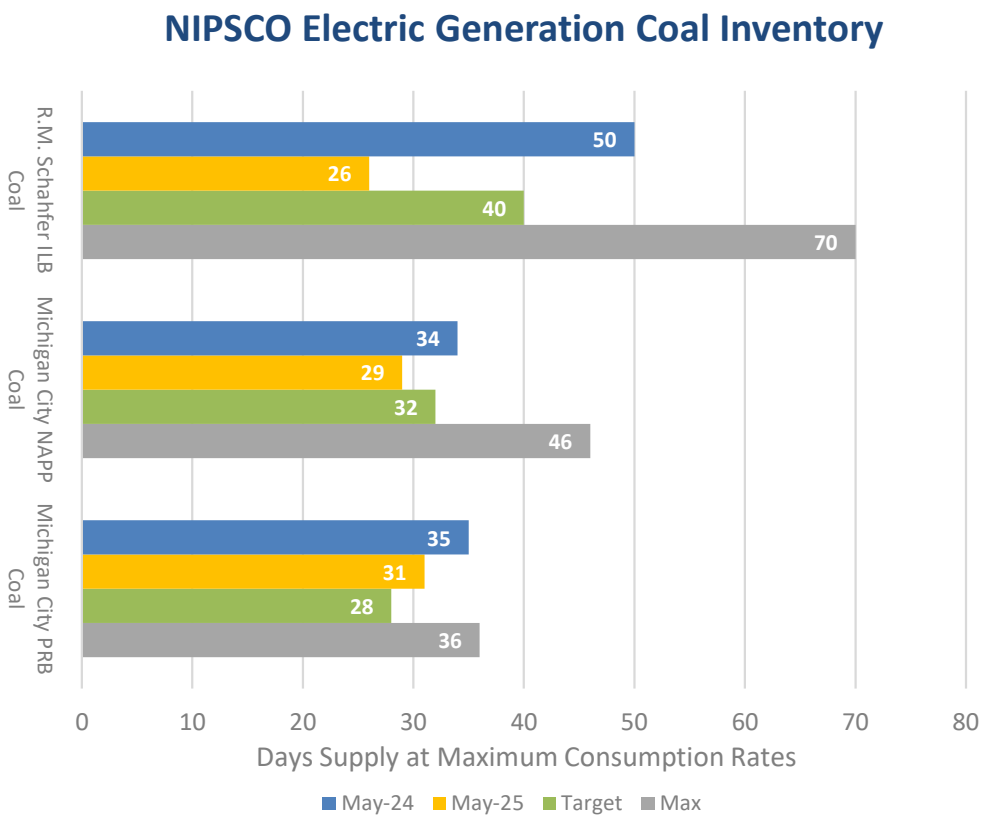
- Dry weather by itself has minimal impacts on solar or wind facilities

Fuel Availability

How is fuel availability, of all types, considered in reliability planning? What are the targeted coal and gas inventories for a generation or distribution facility? How do current inventories compare to the targeted level?

Coal Supply

- NIPSCO's coal inventory balances the costs associated with maintaining coal inventory with reliability to ensure units are available to supply energy during periods of high demand, extreme weather, fuel transportation disruptions, or mine production problems.
- NIPSCO Fuel Supply has maintained inventory levels near target levels despite variable consumption rates. Class I railroad performance has improved significantly over the last two years which has helped control inventory levels.
- NIPSCO typically builds inventory ahead of winter and summer peaks and is projecting Michigan City inventories will be at or modestly above targets at the start of summer. For Schahfer, inventory is slowly being reduced during 2025 to ensure all usable coal is consumed by year end to minimize environmental and customer costs.
- NIPSCO has firm coal supply contracts, coal transportation agreements, and an adequate fleet of railcars to ensure reliable coal supply for all electric generation needs.

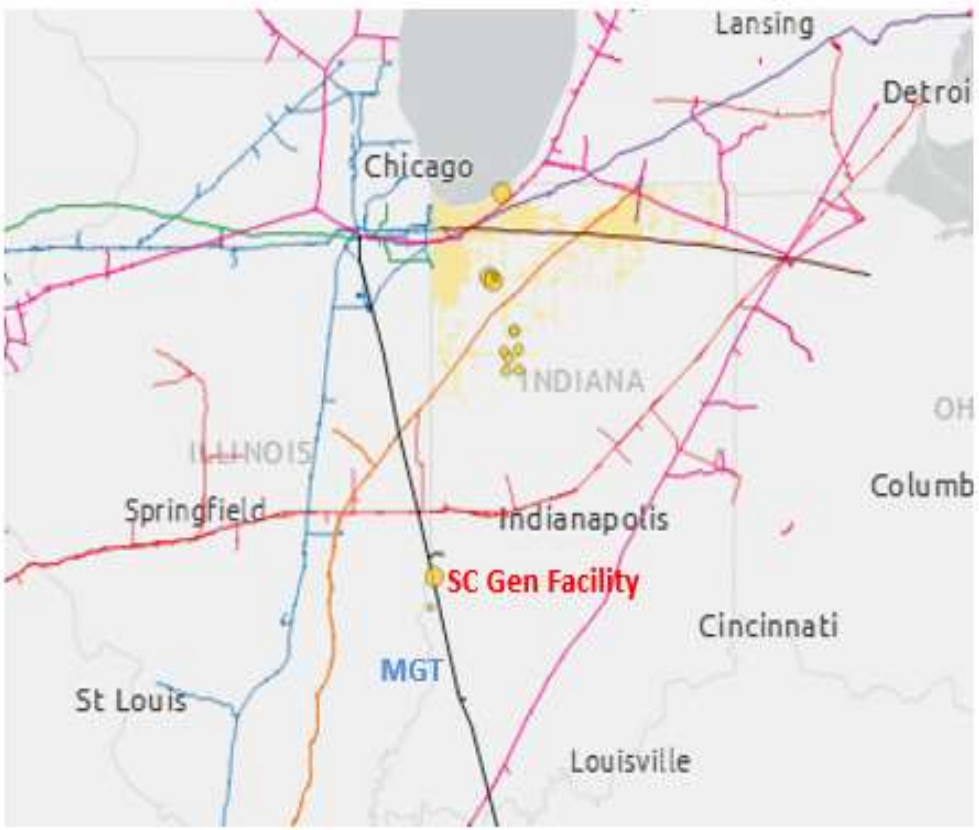


Response continued

Fuel Availability

Natural Gas Supply

- NIPSCO has firm natural gas to ensure reliable natural gas supply for all electric generation needs.
- The Customer will see the benefits of 100% generation availability for gas and coal due to our firm fuel contracts.
- NIPSCO's electric operations procure natural gas for electric generation. NIPSCO holds 70,000 Dth/d of firm transportation directly on Midwestern Gas Transmission Interstate pipeline. This contract ensures fuel supply reliability and resource adequacy planning.



Resource Adequacy

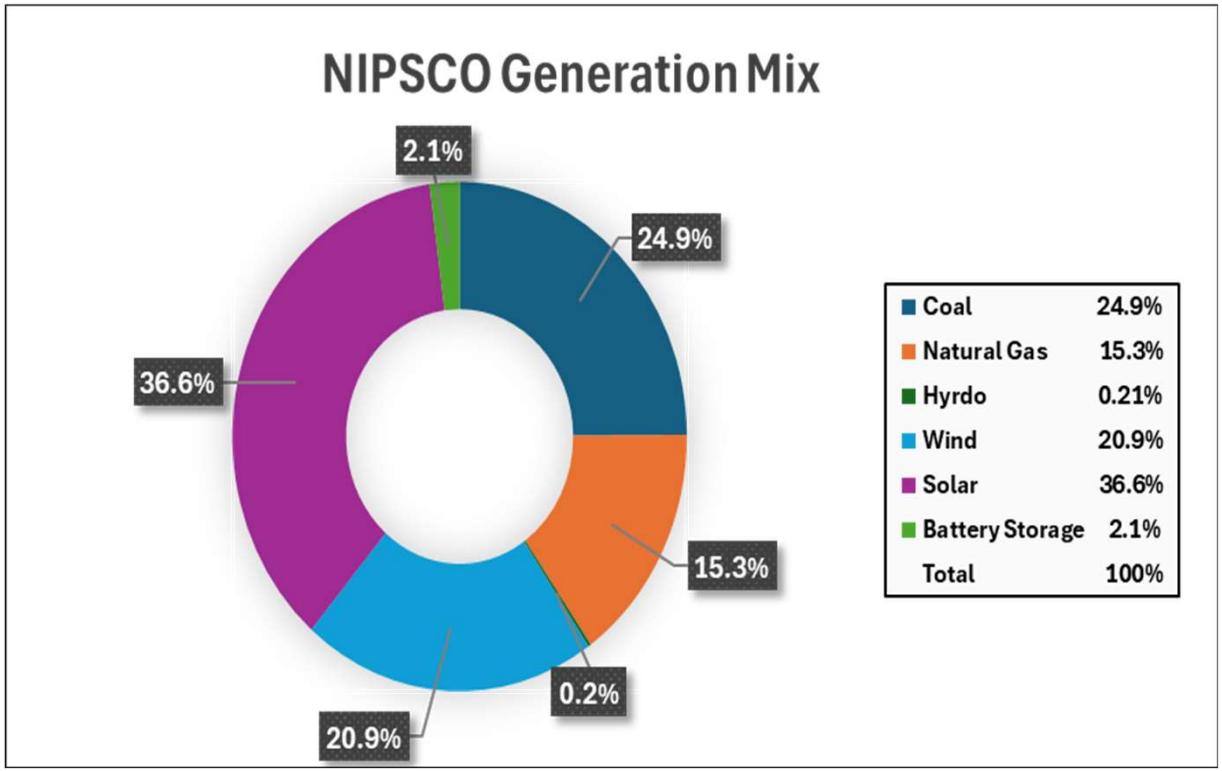
For MISO territory utilities, please share any summer or fall result observations following the implementation of MISO's seasonal construct and any resulting concerns. How do demand response programs factor into reliability planning? How does interstate natural gas pipeline capacity impact long-term reliability and resource adequacy planning?

Seasonal Resource Adequacy Construct

- MISO's Planning Resource Auction (PRA) results were released on April 28, 2025. There are no operational and resource concerns for the Planning Year 2025-2026.
- NIPSCO participated in MISO's PRA with surplus capacity of 147 MW in the summer season and 252 MW in the fall season.
- NIPSCO was party to several successful seasonal transactions and believes that the current planning year will be easier to navigate as participants become more comfortable with the process, capacity market design questions are satisfied, and seasonal markets become more robust.
- There is a greater emphasis on unit availability, performance, and outages by MISO Seasonal construct that could drive the need for unexpected replacement capacity during seasons.
- The demand response program does not factor into NIPSCO's jurisdictional demand. However, it is used by Rate 531 large industrial customers to balance their resource adequacy requirement.
- The NIPSCO gas delivery system has 38 interconnects with seven interstate gas pipelines. The transmission system that NIPSCO operates allows for flexibility in the amount of gas needed through the 38 delivery points. This flexibility helps ensure safe, reliable, and cost-effective service and allows for a more efficient operation of the system.

Generation Resources

What percentage of your generation resources are renewable, thermal, and energy storage?



Vegetation Management

What vegetation management-related activities will you undertake this season to minimize outages during severe storms? How have your vegetation management practices changed over the last 5-10 years? How have vegetation related outages changed over the last 5-10 years?

System Average Interruption Frequency Index (SAIFI): NOTES

2016-2019 Average Severe Days 20.0 Average Major Event Days (MEDs) 4.75

2020-2024 Average Severe Days 17.4 Average Major Event Days (MEDs) 7.0

Tree Outages Excluding MEDs	Year End
2016 - 2019 Avg. Tree Outages	3,492
2020 -2024 Avg. Tree Outages	2,897

- NIPSCO continues to work toward a shorter cycle length for tree trimming. Last year, NIPSCO trimmed 1,157 miles of distribution and sub transmission conductors. This year during the first quarter, NIPSCO has already trimmed 301 miles of distribution and sub transmission conductors. Additional contracted tree crews were added to the system during 2nd quarter 2024 and these additional resources remain on property to perform all line clearance activities including maintenance and storm work.
- In the last 5-10 years, NIPSCO has focused on pursuing additional tree removals both inside and outside the ROW. The arborists who patrol our system evaluate each individual tree to determine species (growth rates), distance from conductors, percent of the canopy to be removed, and the health of the tree when determining which trees to attempt to remove, if permission is granted.
- NIPSCO has also increased the clearance specifications on the contractor statements of work. This increase in clearance will be utilized for faster growing trees to minimize the impacts of regrowth after trimming prior to the next trim cycle.
- Average tree related outages from 2020 through 2024 are less than the average number of outages from 2016 through 2019.

TDSIC Impacts to Reliability & Resilience

How have TDSIC (and similar types of activities) impacted electric service reliability and resilience? Can this be better documented?

Reliability – Temporary Negative Impact

- Due to the nature of replacing, upgrading, and deploying of new assets, during construction portions of the system are out of service
- This reduces NIPSCO's ability to automatically or manually restore during outage events
- This also at times increases the number of customers impacted
- In 2024, 9.7 min of SAIDI can be attributed to TDSIC construction efforts

Reliability & Resiliency Positive Impact

TDSIC and other capital investments have had a positive impact on NIPSCO reliability and resiliency. Below are the categories of investments and their impacts.

Grid Modernization

- Focused on increasing visibility and control for NIPSCO T&D system for better planning, decreased outage frequency, and decreased response times for outages
- Through communication expansion, substation and distribution automation, over 39,000 customer interruptions were avoided in 2024, and over 50,000 were saved in 2025 YTD
- Estimated savings of approximately 30% of customer interruptions by 2034

Aging Infrastructure

- Focused on assets in poor condition and/or at end of life
- Allowed for planned replacements, removing unplanned, long duration outages, such as substation transformer failures or underground cable failures
- Over 90% of NIPSCO's underground faults are associated with its unjacketed cable population; hundreds of miles have been replaced, removing potential future outages
- Wood and steel life extension programs have strengthened the existing support structures fleet while removing those at their end of life under planned conditions

Deliverability & Capacity

- Focused on upgrading system to accommodate load growth, while providing capacity to back up other loads during an outage event
- Upgraded substation equipment and circuit conductors to meet load demand before asset fail due to overloads
- Created new circuit tie points to provide alternative sources in the event of an outage, allowing customers to be restored faster

Customer Bill Projections

What do you expect the trend of customer bills to reflect in the 2025 summer season? Please provide the estimated average monthly bill by both average customer usage and by 1000 kWh.

- For electric, the average residential bill is projected to be $151.49 based on an average monthly usage of 767 kW/h for summer, and $194.24 for customers using 1,000 kW/h per month.

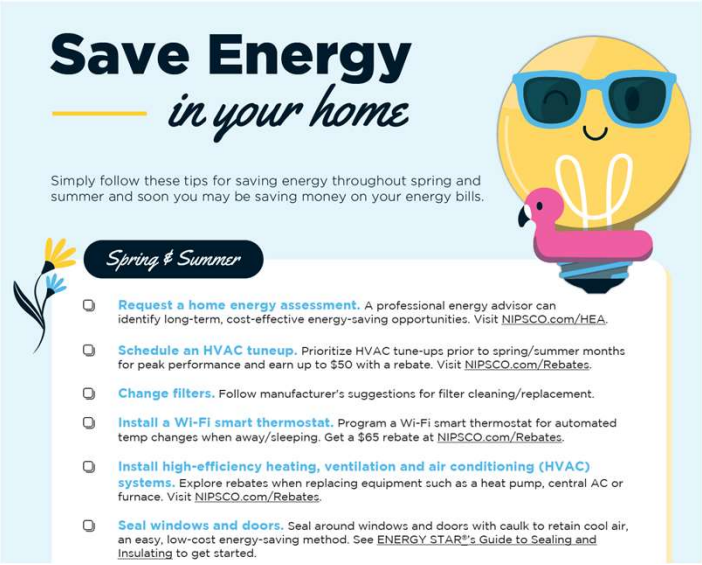
NIPSCO Summer Bill Projections

	2025 (Projected)	2024 (Actual)	Projected Usage (kWh)		2025 (Projected)	2024 (Actual)	Usage (kWh)
May	$101.51	$97.64	469.7		$199.74	$183.40	1000
Jun.	$137.44	$131.33	664.2		$199.74	$183.40	1000
Jul.	$183.31	$171.58	912.6		$199.71	$183.40	1000
Aug.	$179. 87	$161.68	965.6		$186.01	$182.08	1000
Sep.	$155.34	$154.19	822.2		$186.01	$182.08	1000
Total	**$757.47**	**$716.42**	**3834.3**		**$971.21**	**$914.34**	**5000**

- NIPSCO residential electric customers should expect their summer cooling bills this season to be higher compared to last year due primarily to higher forecasted tracked costs, which include the new Environmental Cost Tracker (began Aug. 2024) and the Generation Cost Tracker (began May 2025).

Billing Assistance & Energy Efficiency

Please describe any utility billing assistance or energy efficiency programs your company has to support customers struggling during the summer months.



Energy Efficiency Rebates Program

- NIPSCO offers rebates to help customers save energy and money on high-efficiency equipment including air conditioners, ENERGY STAR room air conditioners, ENERGY STAR ceiling fans and pool pumps.
  - NIPSCO.com/Rebates

Home Energy Assessment Program (HEA)

- During a Home Energy Assessment, an energy advisor will take customers step-by-step to identify long-term, cost-effective energy savings opportunities in their home. They may even be eligible for on-the-spot installs at no cost to them.
  - NIPSCO.com/HEA

Billing Assistance Programs offered year-round, such as:

- Payment Plans (ranging from 3 to 12-month options)
- Budget Plans
- Hardship Program (through community agencies) and Silver/Serve are company sponsored programs available until May 30th
  - NIPSCO.com/IncomeEligible

Billing Assistance & Energy Efficiency

What percentage of your customers are utilizing payment arrangements? What kind of trends do you see relating to customer accounts in arrears?

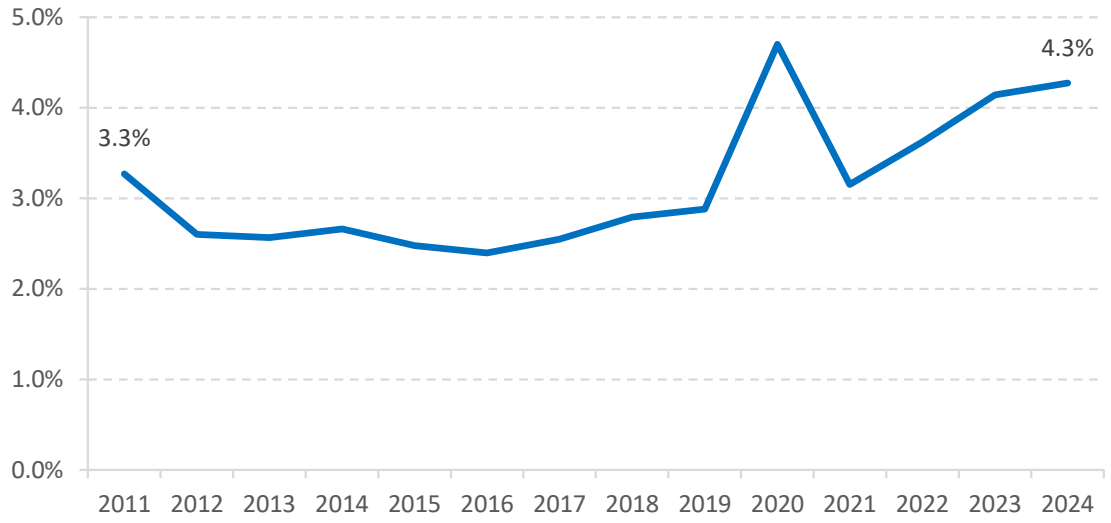
Customers Utilizing Payment Arrangements

- Just over 3% of NIPSCO customers are taking advantage of payment arrangements.

Customer Accounts in Arrears

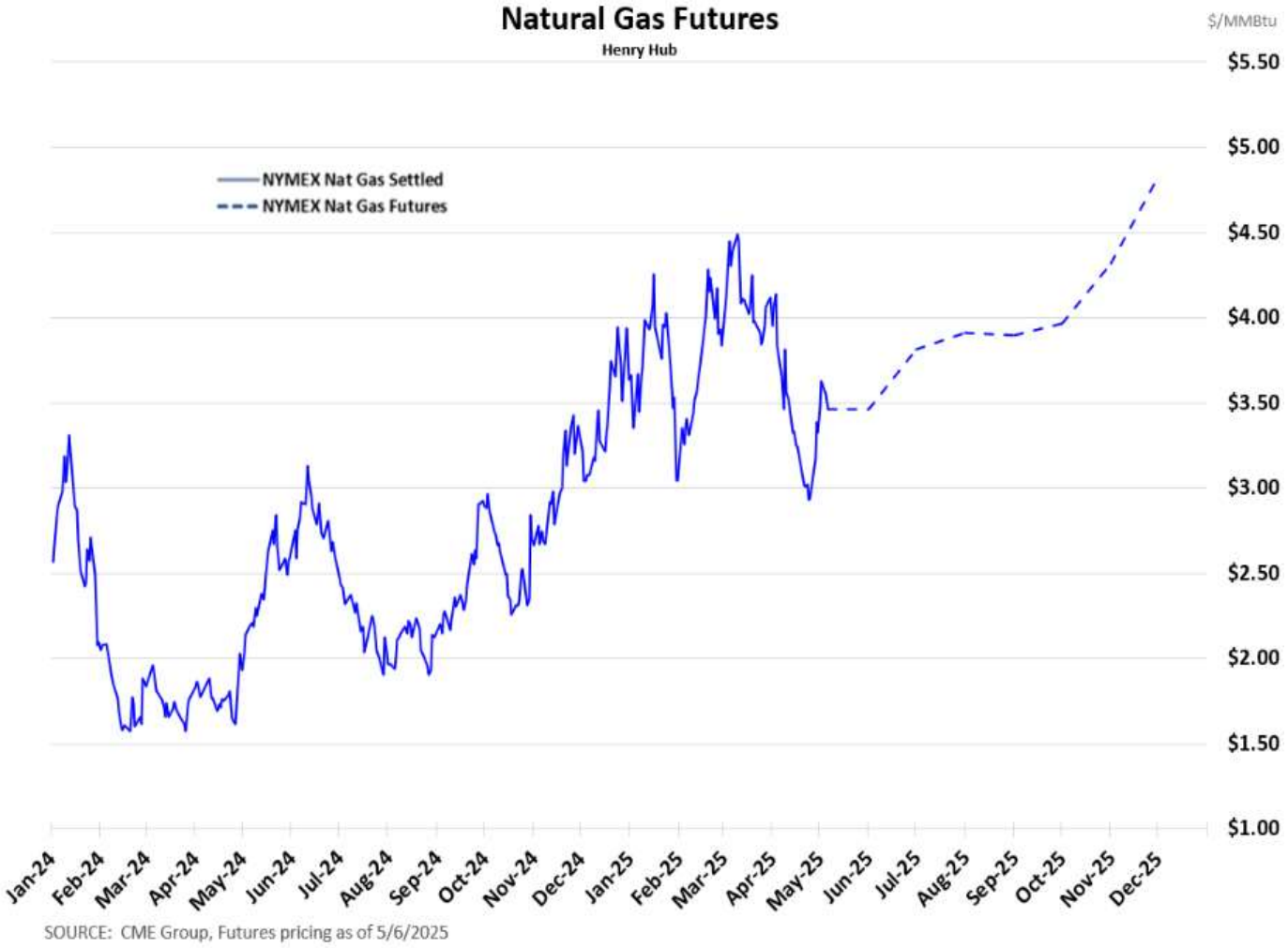
- 2024 to 2025 arrearages are trending up 30% in the 60/90-day category. This may partially be attributed to lower LIHEAP grant assistance availability for those that qualified.

Average Residential Accounts in Arrears at Least 60 Days



Appendix

Henry Hub Summer 2025 Natural Gas Futures

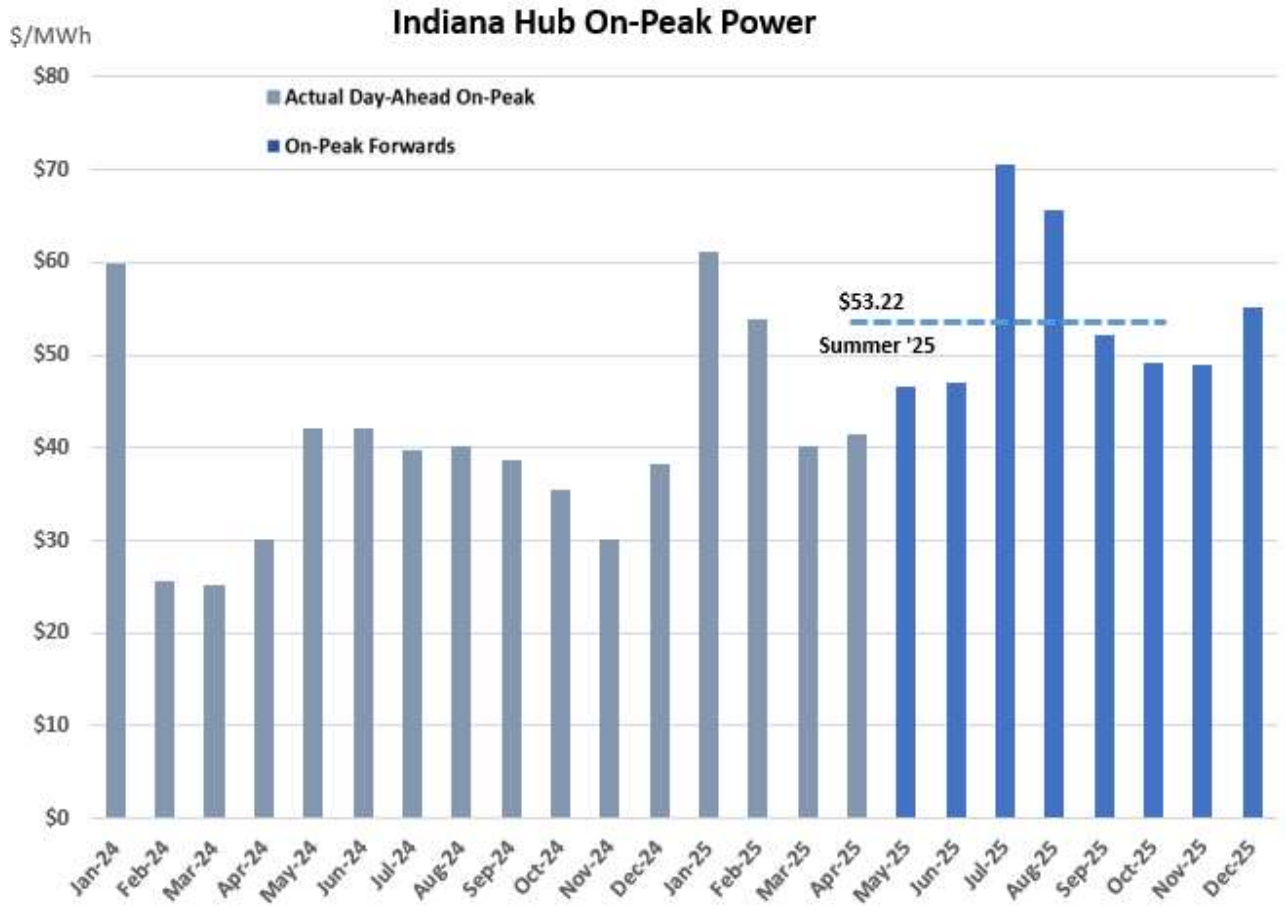


SOURCE: CME Group, Futures pricing as of 5/6/2025

Summer 2025 natural gas futures through October are expected to average ~$3.50/MMBtu driven by increased demand for exports, below average storage levels, and steady production.

Per the EIA, Henry Hub natural gas prices are expected to average $4.10 in 2025

MISO Summer 2025 Forward Electric Energy Price Curve



SOURCES: MISO: Actual Day-Ahead On-Peak; OTCGH for Forward Power as of 5/6/2025

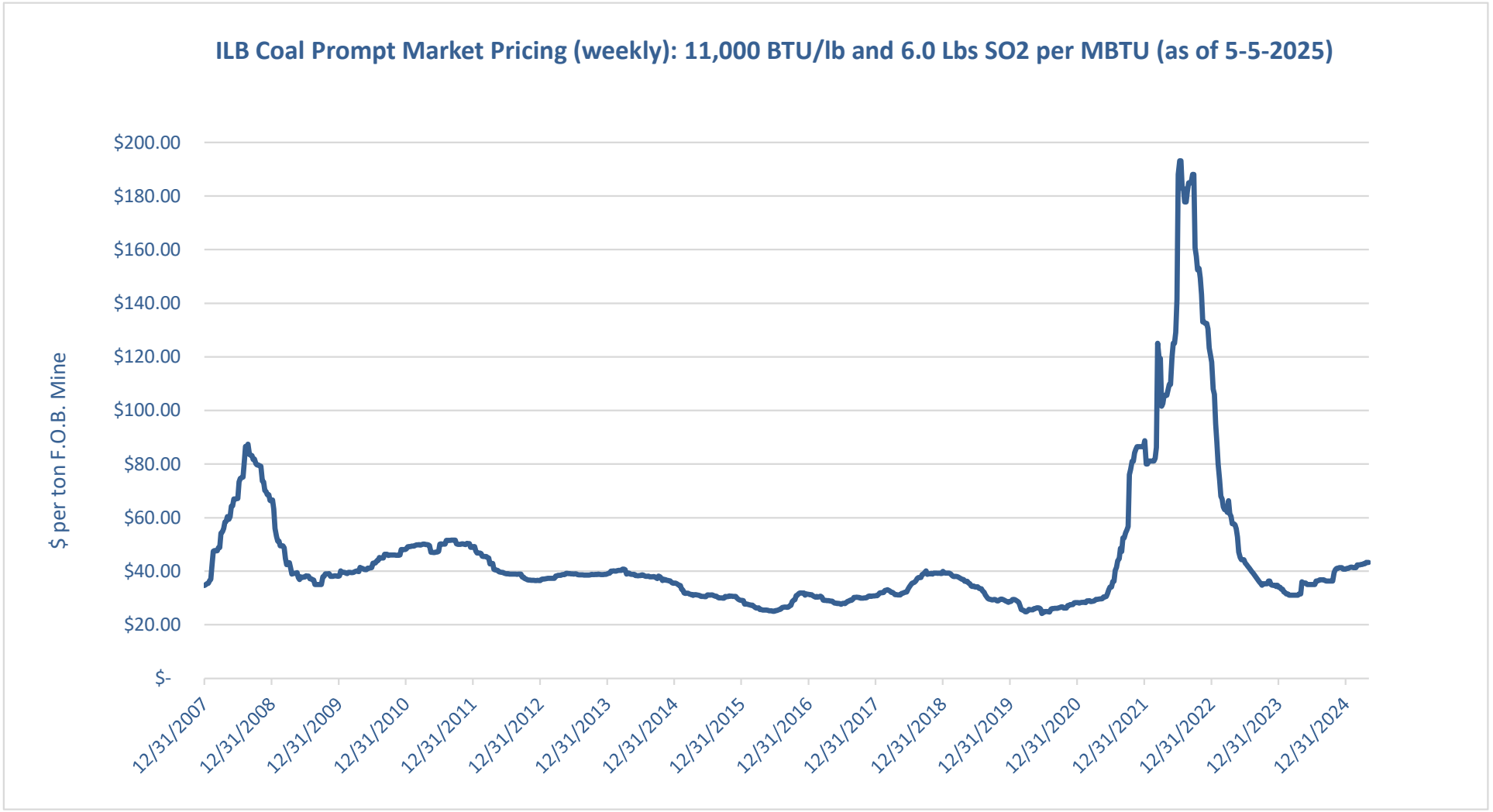
Summer 2024 On-Peak power averaged ~$38/MWh

Summer 2025 On-Peak power forwards are averaging ~$53/MWh.

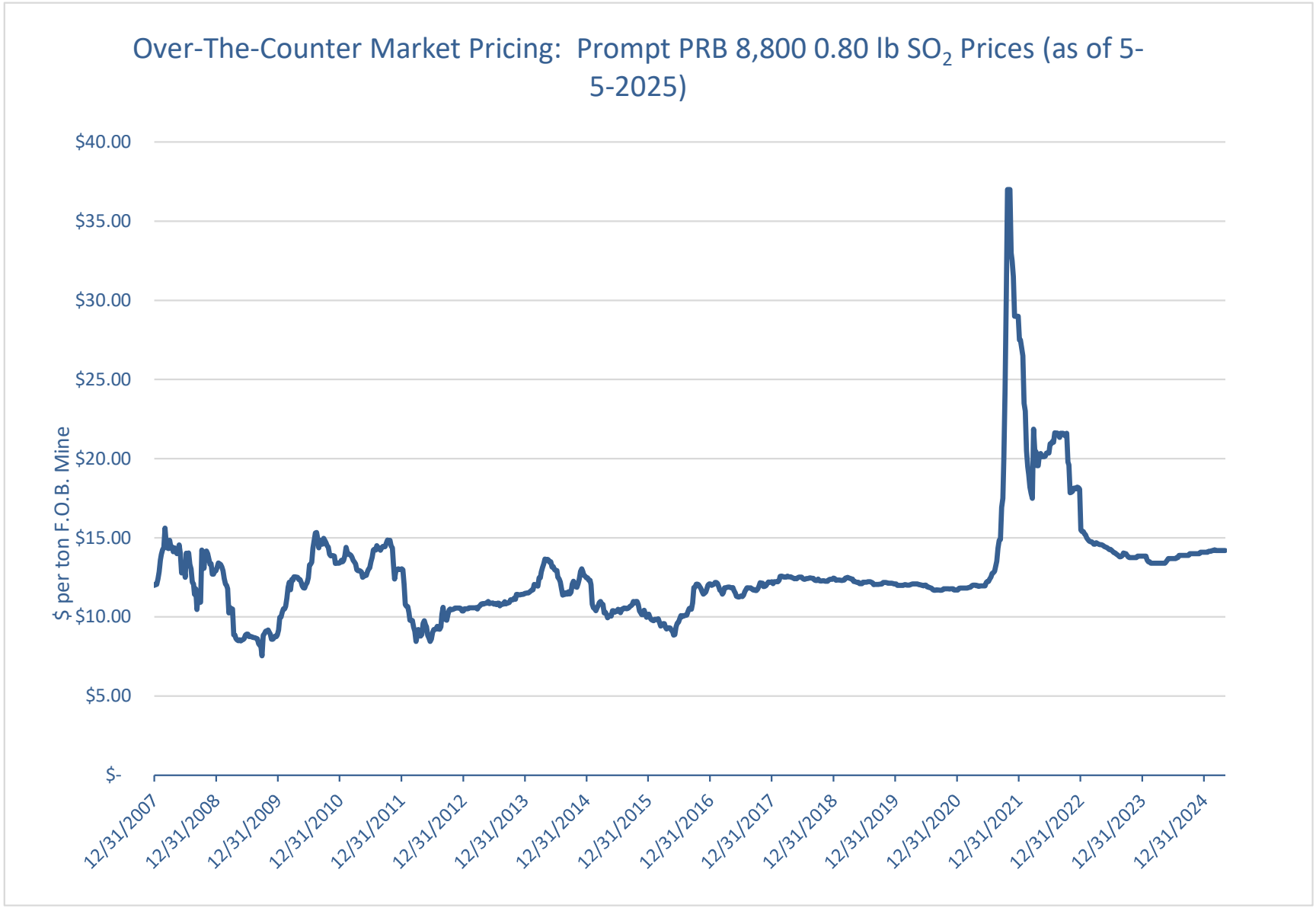
Volatility remains, weather and other events can create transient increases in power prices

The National Oceanic and Atmospheric Administration (NOAA) is expecting Summer 2025 temperatures for NIPSCO's service territory to be normal to somewhat above-average

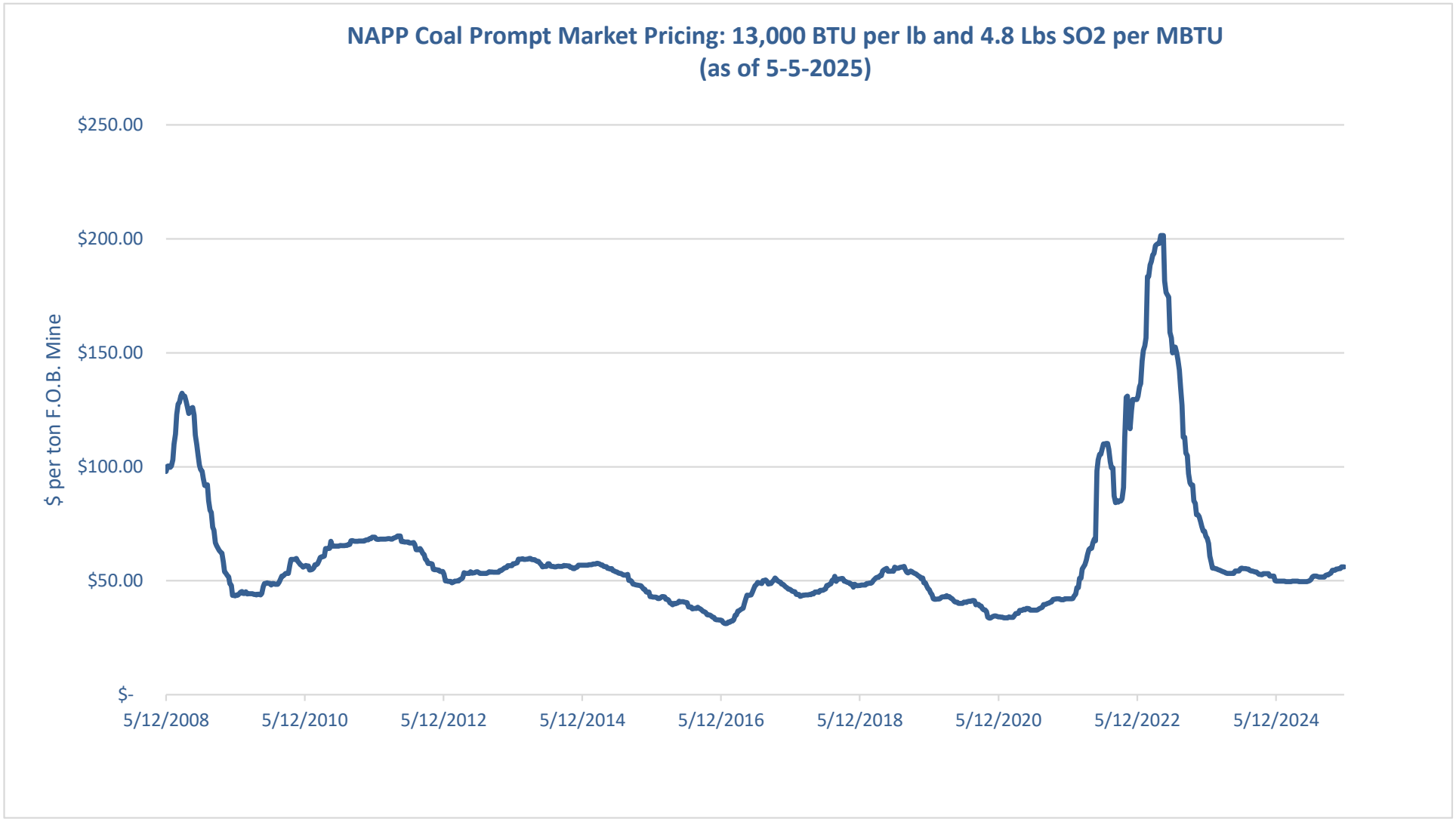
Prompt ILB Coal Market FOB Mine Prices (RMSGS Coal Supply)



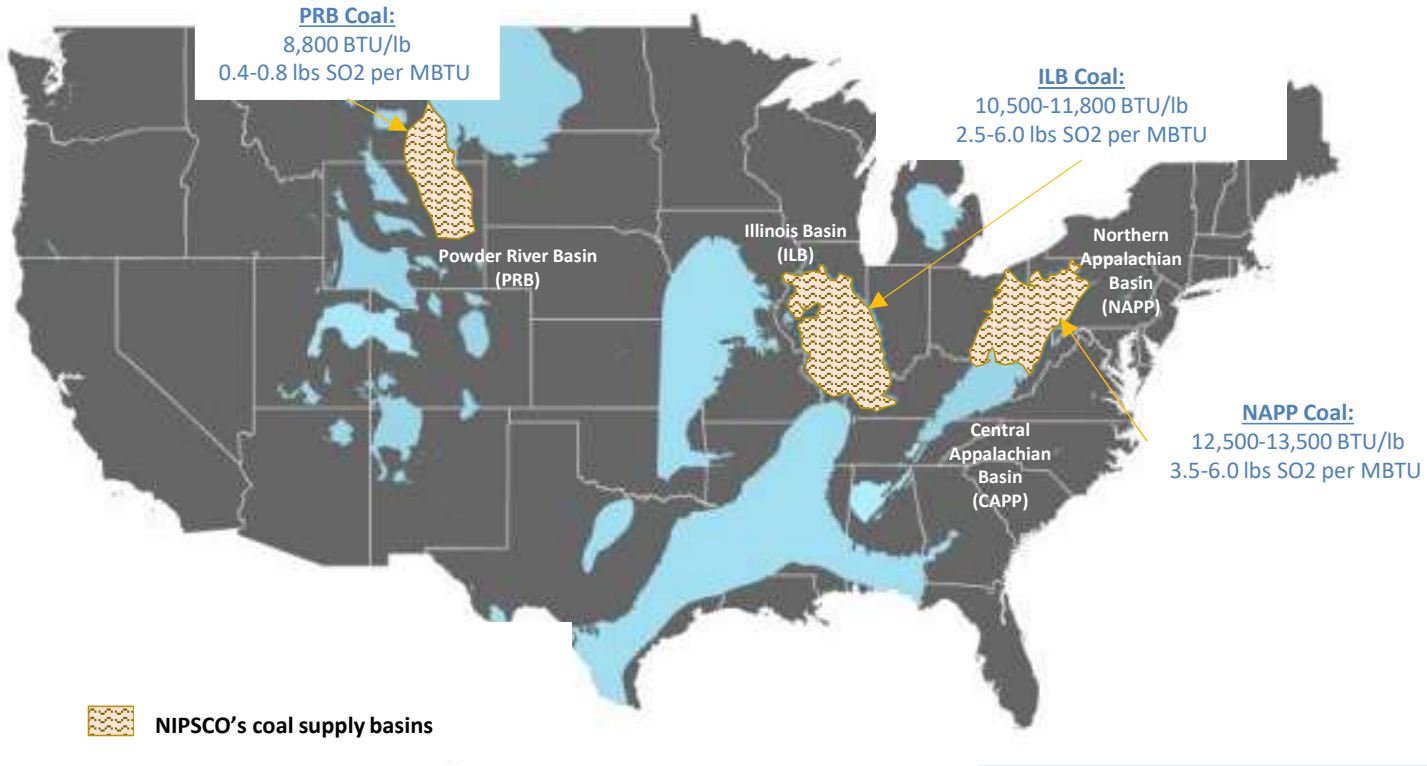
Prompt PRB Coal Market FOB Mine Prices (MCGS Coal Supply



Prompt NAPP Coal Market FOB Mine Prices (MCGS Coal Supply)



NIPSCO receives coal supply from three major coal basins: Illinois Basin (ILB), Northern Appalachian Basin (NAPP, aka "Pitt8"), and the Powder River Basin (PRB)



U.S. Coal Production (tons in millions)	2008	2023	CAGR
PRB Coal:	496.0	251.9	-4.4%
ILB Coal:	98.9	76.6	-1.7%
NAPP Coal:	135.6	90.5	-2.7%
CAPP Coal:	234.0	62.9	-8.4%
All Other Regions:	207.3	96.0	-5.0%
Total	**1,171.8**	**577.9**	**-4.6%**

https://www.eia.gov/coal/data/browser/