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Via electronic Mail

Dr. Brad Borum, Director
Research, Policy, and Planning Division
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500E
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Dear Dr. Borum:

The Indiana Coal Council (ICC) has reviewed NIPSCO's response to comments from various parties on its IRP. The ICC is encouraged by NIPSCO's willingness to meet with stakeholders, to evaluate developing a compliance option for Schahfer 17/18, and to incorporate modifications in its IRP process on a going-forward basis. However, we continue to stand behind our previous comments to NIPSCO's IRP and do not believe our comments have been adequately addressed by NIPSCO. Therefore, we continue to have genuine concerns about the adequacy of NIPSCO's IRP.

The ICC is also concerned with NIPSCO's position that Bailly 7/8 should be retired due to a low dispatch rate of the plant. The ICC believes at a time of such dramatic change in the industry, there is value to maintaining all generation that can store fuel at the plant. However, given the decision NIPSCO has made, we question if the plant with lowest costs has been designated as the one for closure. While not the argument explicitly made in its IRP, NIPSCO does discuss that it considered two options for retirement due to low dispatch rates and that the reason Bailly 7/8 was chosen over Michigan City 10 was ELGs. Both plants are similarly sized and have similar operating histories. As a result, the recent changes in ELG compliance assumptions should lead NIPSCO to re-analyze which station to close.

As shown below, delivered fuel costs to Bailly 7/8 were lower than delivered fuel costs to Michigan City 10 in four of the last five years. Further, Bailly 7/8 has historically burned Indiana coal while Michigan City burns a blend of coal from the Powder River Basin (Wyoming) and Northern Appalachia (Pennsylvania). ICC respectfully requests that the IURC direct NIPSCO to prepare a review and comparison of Bailly 7/8 and Michigan

City 10 and that such review consider all aspects of the retirement, including delivered fuel costs.

Period	Michigan City		Bailly		Bailly vs Michigan City
	Tons	C/MMBtu	Tons	C/MMBtu	C/MMBtu
2017 (2 Months)	185,888	216.2	80,630	202.8	-13.4
2016	942,946	207.2	826,431	216.2	8.9
2015	1,001,995	250.6	879,533	230.9	-19.8
2014	1,530,533	247.2	1,062,758	229.3	-17.9
2013	1,114,660	247.6	1,044,534	234.2	-13.5

Source: FERC Form 923

The ICC believes coal plants are very important for providing adequate and reliable baseload power and have great importance for national security. As we discussed in comments submitted on the NIPSCO IRP, there have been multiple sales of coal generating assets in the recent past. Given recent and continued changes in the industry, other parties are also likely to have an interest in acquiring assets of this nature. We believe prior to the closure of any coal plant, all alternatives for that plant should be evaluated including the IURC being involved in a process to evaluate if a sale is in the best interest of the ratepayer.

If you have any questions or would like to follow up on these comments, please contact me at the information above.

Respectfully Submitted,



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