

Northern Indiana Public Service Company

Issues and Challenge Facing NIPSCO/NiSource

Jimmy D. Station
Chief Executive Officer, NIPSCO

National Conference of Regulatory Attorneys
Indianapolis, IN
May 23, 2012



Issues and Challenges Facing NIPSCO/NiSource

- Introduction | NiSource
 - A little about NiSource Inc.
- Issues & Challenges | Future of Coal
 - Increasing environmental regulation
- Issues & Challenges | Infrastructure
 - Staying ahead of aging facilities
- Issues & Challenges | RTO Coordination
 - Lack of communication and collaboration

Introduction | NiSource

- Fortune 500 Energy Company
 - One of 6 Headquartered in Indiana
- Publicly traded
 - NYSE: NI
- Serving 3.8 million customers
 - Electricity and natural gas
- Presence in more than 20 states
 - Gulf Coast to the Midwest to New England



Issues & Challenges | Future of Coal

- Anticipated environmental regulation
 - Cost impact of new rules
 - Balancing act: Environmental, Economic Development, Affordability
- Switching to Natural Gas
 - Long-term decisions based on short-run prices
 - Harmonizing gas and electricity
 - Curtailment concerns
 - Need firm pipeline contracts



Issues & Challenges | Infrastructure

- Opportunity for development
 - Aging infrastructure and promoting economic development
 - Virginia legislation
 - *NEED (Natural Gas Infrastructure Expansion for Economic Development)*
 - Ohio PUC approval
 - Infrastructure cost recovery mechanism
 - Rebuilding the interstate pipeline system



Issues & Challenges | RTO Coordination

- Lack of collaboration and need to coordinate
 - Active issue for companies whose area abuts neighboring regional transmission organization (RTO)
 - NIPSCO is the “meat” of proverbial MISO / PJM sandwich



Issues & Challenges | RTO Coordination



Map Source: NERC.com

Issues and Challenges Facing NIPSCO/NiSource

Questions?