



NIPSCO'S ELECTRIC RATE CASE APPROVAL

Frequently Asked Questions

*Delivering Clean, Reliable and Affordable Energy
Supporting Indiana Jobs and Economic Growth
Helping Customers Manage Energy Use and Save Money*

Powering Life in Northern Indiana

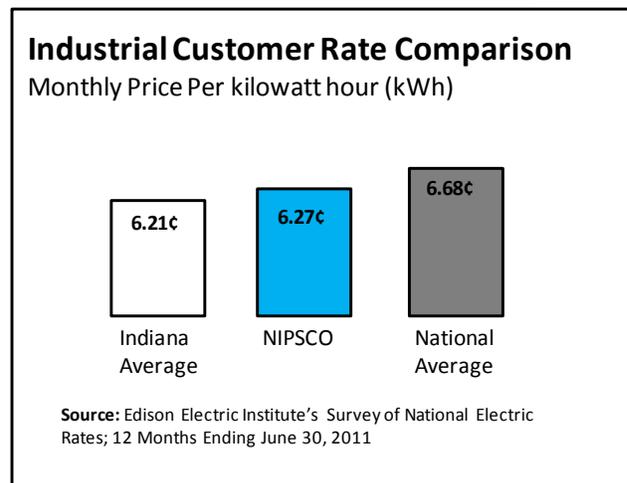
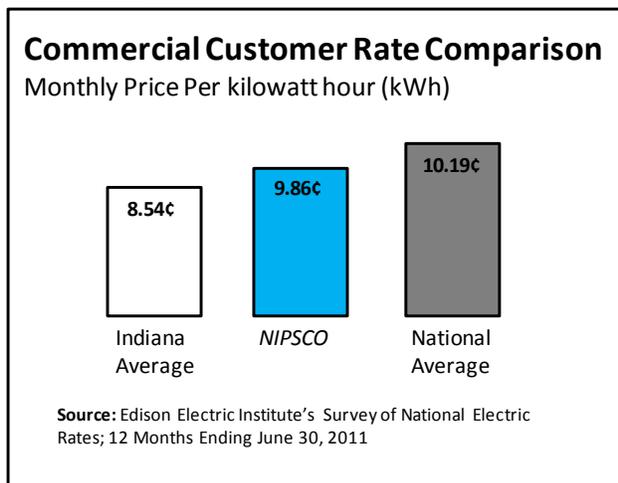
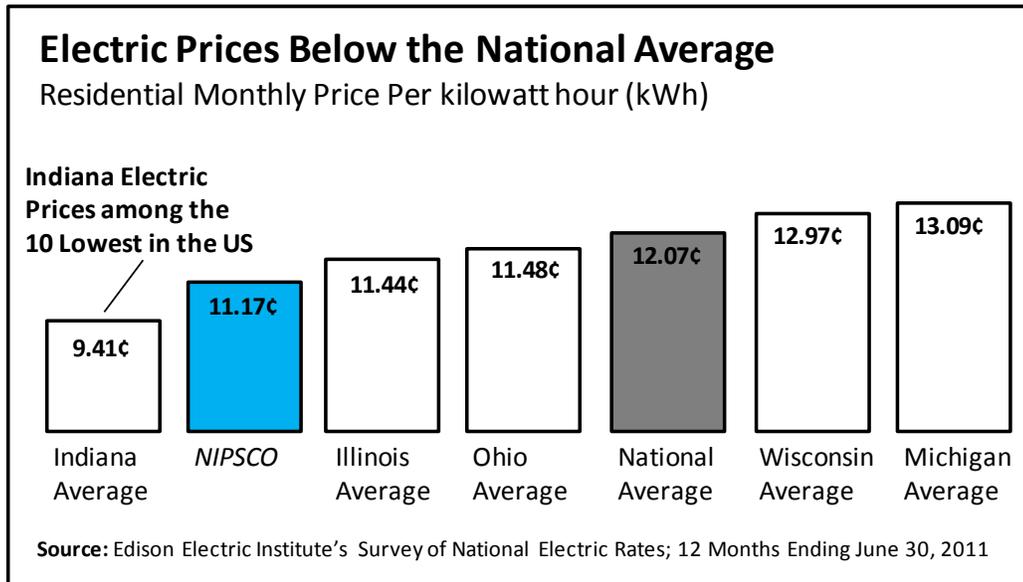
On December 21, 2011 the Indiana Utility Regulatory Commission (IURC) approved a collaborative settlement reached in July by NIPSCO, the Indiana Office of Utility Consumer Counselor (OUCC), NIPSCO's industrial customers and a coalition of northern Indiana Municipalities regarding new rates for its more than 457,000 electric customers across northern Indiana.

- 1. How will electric bills be impacted?** A residential electric customer using 688 kilowatt hours a month on average will see a 4.5 percent base rate increase (or \$3.33 per month). This effective change is half of the request NIPSCO filed in 2010 and three times less than what was approved by the IURC in the company's 2008 case but never applied to customer bills.

Residential Electric Customer Bill Impact				
Monthly Usage (kilowatt hours)	Current Bill	Proposed Bill	Increase Amount	Percent Increase
Average 688	\$74.88	\$78.21	\$3.33	4.45%

- 2. When will the new electric rates go into effect?** The newly approved electric rates are expected to take effect immediately.
- 3. Why are rates going up?** NIPSCO has not modified its base rates for electric service in 24 years, and this case was filed to address investments made to improve service reliability and environmental technology, including the \$330 million purchase of the highly efficient Sugar Creek natural gas-fired power plant in West Terre Haute, Ind., as well as costs associated with customer growth, system upgrades and ongoing maintenance.
- 4. How will customers benefit from this approval?** By reaching a comprehensive and balanced solution, it allows NIPSCO to continue investing in northern Indiana's energy infrastructure to help fuel job creation and economic growth. Customers will benefit from:
 - A lower bill increase than what was originally requested
 - A platform for ongoing NIPSCO investments in improving customer service, reliability and environmental technology.
 - NIPSCO-funded rebates to convert electric furnaces to more efficient natural gas units.
 - Resolution of Municipality Group's concerns regarding rates for streetlights and traffic lights.
 - An expanded interruptible service program for NIPSCO's largest industrial customers. This voluntary program ultimately benefits all customers by meeting near-term and planned system energy needs, including periods of peak demand when market prices are high.
- 5. How can I lower my electric bill?** Participating in programs like our Appliance Recycling program provides you with \$35 for donating your old refrigerator or freezer, and you'll benefit by saving \$100 in energy costs from running that old, inefficient appliance. We currently offer a number of programs and tips on ways to save, available at NIPSCO.com/SaveEnergy.

6. **How do NIPSCO's electric rates compare to other areas?** Indiana has some of the lowest electric rates in the country. According to the most recent Edison Electric Institute's survey of electric rates, NIPSCO's residential, commercial and industrial electric rates are below the average price nationally for electricity.



7. **How will electric rates for Industrial and Commercial customers change?** Ensuring that rates for business customers remain affordable and competitive is important. The impact on individual commercial and industrial customers will vary. Many factors determine commercial and industrial customers' rates. On average, rates for commercial and industrial customers would increase approximately 4.8 to 11 percent per month compared with current bills.

8. **What has NIPSCO done to improve customer service?** NIPSCO is working harder than ever to keep rates affordable while providing the efficient, reliable energy customers depend on, in addition to:

- Offering programs and educational initiatives to help customers save money and manage their bill
- Keeping customers informed through online power outage map and estimated restoration times
- Reducing service appointments to 2-hour windows
- Reducing deposit requirements for low-income customers
- More ways found at NIPSCO.com