STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC SERVICE COMPANY FOR AUTHORITY TO MODIFY ITS RATES AND CHARGES FOR ELECTRIC UTILITY SERVICE AND FOR APPROVAL OF: (1) CHANGES TO ITS ELECTRIC SERVICE TARIFF INCLUDING A NEW SCHEDULE OF RATES AND CHARGES AND CHANGES TO THE GENERAL RULES AND REGULATIONS AND CERTAIN RIDERS; (2) REVISED DEPRECIATION ACCRUAL RATES; (3) INCLUSION IN ITS BASIC RATES AND CHARGES OF THE COSTS ASSOCIATED WITH CERTAIN PREVIOUSLY APPROVED QUALIFIED POLLUTION CONTROL PROPERTY, CLEAN COAL TECHNOLOGY, CLEAN ENERGY PROJECTS AND FEDERALLY MANDATED COMPLIANCE PROJECTS; AND (4) ACCOUNTING RELIEF TO ALLOW NIPSCO TO DEFER, AS A REGULATORY ASSET OR LIABILITY, CERTAIN COSTS FOR RECOVERY IN A FUTURE PROCEEDING.	)	**CAUSE NO. 44688**

COMPLIANCE FILING
PERFORMANCE METRIC COLLABORATIVE UPDATE

Ordering Paragraph 10 of the Indiana Utility Regulatory Commission's July 18, 2016 Order issued in this Cause ("Rate Case Order") directed Northern Indiana Public Service Company LLC ("NIPSCO") to participate in a collaborative for the purpose of implementing performance metrics. The Commission ordered that

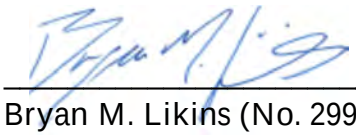
NIPSCO shall keep the Commission apprised of the progress of the collaborative through compliance filings made under this Cause as described in its Order as follows:

> [W]e find that NIPSCO shall facilitate a meeting with interested stakeholders within six weeks of the effective date of the Order in this Cause to collaborate on a path for moving forward with a performance metrics initiative.
>
> * * *
>
> In order that the Commission and interested stakeholders may stay abreast of the collaborative process, we direct NIPSCO to make a progress update filing with the Commission within 90 days of the initial meeting of the collaborative. We also order NIPSCO to file quarterly reports for the first year and an annual report by July 1, 2017, and for each year thereafter until otherwise indicated by the Presiding Officers.

Attached please find NIPSCO's Performance Metric Collaborative Report dated July 1, 2022, which incorporates revisions and language as provided by the interested stakeholders participating in NIPSCO's Performance Metrics Collaborative.

NIPSCO will file an annual Performance Metrics Collaborative Report for each year hereafter until otherwise indicated by the Presiding Officers.

Respectfully submitted:



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The undersigned hereby certifies that the foregoing was served by email transmission upon the following:

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Dated this 1st day of July, 2022.

Bryan M. Likins

July 1, 2022

Via Electronic Filing

Honorable James F. Huston
Chair
Indiana Utility Regulatory Commission
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

RE: Cause No. 44688; Compliance Filing – Performance Metric Collaborative Update

Dear Chair Huston:

Enclosed please find the 2021 Performance Metric Collaborative Report prepared by Northern Indiana Public Service Company LLC ("NIPSCO"). As in previous years, NIPSCO provided the stakeholders involved in Cause No. 44688 with the opportunity to review and comment on the document, but the information was compiled by NIPSCO. The first two pages of the report provide an overview of the 2021 results and the appendix includes the data utilized in developing the graphs.

NIPSCO appreciates the participation of the stakeholders, particularly during the June 23, 2022 meeting to review the 2021 results. Please contact me if you have any questions or concerns.

Sincerely,

Erin E. Whitehead
Vice President, Regulatory and Major Accounts

Encl.
cc: (w/ encl. – via email transmission) to Service List in Cause No. 44688

PERFORMANCE METRIC REPORT

2021

Northern Indiana Public Service Company LLC

July 1, 2022

Performance Metric Report

EXECUTIVE SUMMARY

This document is the sixth performance metric report Northern Indiana Public Service Company LLC (NIPSCO) has submitted to the Indiana Utility Regulatory Commission (Commission or IURC) in compliance with the Commission's July 18, 2016 Order in Cause No. 44688. The purpose of this report is to communicate NIPSCO's performance in areas such as safety, reliability, customer service, and operations in 2021. This submission contains the same data sets used in the prior reports and expands on these to enable interested stakeholders, the Commission, and NIPSCO, to understand and utilize key metrics. NIPSCO strives to deliver customer value in a balanced manner across four key dimensions – safety, customer experience, being a great place to work, and affordability. In 2021 NIPSCO continued to experience challenges because of the COVID-19 pandemic and many of the metrics reflect the pandemic, as well as the lifting of various restrictions throughout the year.

Safety. In 2021, NIPSCO held steady with slight improvement in recordable injury rate from its previous year, had an increase in days away, restriction or transfer injury rate, and held steady with slight improvement in the vehicle crash rate. NIPSCO's underground damages held steady with slight improvement from the year prior as well. NIPSCO furthered its efforts to protect its employees, contractors, customers, and communities through the continued use of the Safety Management System by completing the rollout and fully implementing SMS for the electric business. Although this started as a gas initiative, all employees have been trained in and adopted the principles of SMS, adding rigor to work processes and helping NIPSCO address risks through observations programs and use of a Corrective Action Program before they become issues. Additionally, NIPSCO began developing written programs for certain types of work that are considered High Consequence Tasks critical operational processes that, if not performed properly, have the possibility of leading to a high consequence outcome and putting the Company's teams, customers, and communities at risk.

Reliability. *Power Deliverability:* NIPSCO saw an increase to its reliability indices, meaning performance decreased, in 2021 because of the highest number of major event days (10) and severe weather days (27) impacting its customers. The Company also saw workforce availability impacts from COVID-19 worker safety protocols, which also contributed to the ability to respond to events. The Company is focused on improvement by staying with core reliability improvement programs such as vegetation management and grid modernization. *Power Generation:* NIPSCO saw a reduction in performance around the Equivalent Forced Outage Rates for the generating units. This reduction in performance was driven, in large part, by the forced outage of Unit 14 for the entire duration of its operating period in 2021 before its retirement due to the main power transformer fire in 2020 and due to forced outages on Units 12 and 18. The generating units have also seen impacts to performance driven by the changing market conditions that have driven changes in operation.

Customer Service. NIPSCO continues to enjoy relative stability with the transactional customer satisfaction score. Noteworthy this year, J.D. Power scores for residential electric customer satisfaction again reflected a new high score for the Company. Only 50 IURC complaints were filed by customers in 2021, with none of those being substantiated. This is the second lowest number of complaints filed with the IURC since NIPSCO began collecting metrics for this report.

In addition, NIPSCO's abandonment rate decreased from 2020, likely due to efforts to provide additional options for customers to obtain information.

Investment and Spending. NIPSCO reduced operational O&M costs in many areas in 2021. While total O&M costs increased by over $100 million, driven by fuel costs that increased by $123 million, non-fuel O&M declined by $23 million in 2021 compared to 2020. Current benchmarking results reflect this reduction in costs, despite an increase in total retail sales, and an increase in the number of retail customers. Due to continuous improvement efforts at both NiSource and NIPSCO, the Company continues to drive down costs per retail customer and costs per MWh. NIPSCO saw an increase in sales in 2021, likely driven by the return to normal after sales declined in 2020 due to COVID-19-driven shut downs of commercial and industrial customers.

Affordability. NIPSCO continued to see a positive trend regarding the use of its program that allows for customers to make payments over the telephone while the technician is on-site to complete the disconnection, thereby providing a final opportunity to avoid disconnection. In addition, NIPSCO has continued to work with customers to make payments manageable. For customer's struggling to pay their bills the Company has various payment plans that range from three months up to 12 months to help the customers. The Company also encourages customers to sign up for budget billing to keep payments consistent throughout the year and promotes energy efficiency programs to help reduce usage.

NIPSCO is committed to continuous improvement of its various processes. NIPSCO looks forward to continued improvement in 2022.

SAFETY

Safety is a core value of the NIPSCO organization. The Company's safety policies reflect a "just culture" mindset, which is a model used by high consequence industries to improve the way they approach system safety and staff accountability.

Organizations foster a just culture by looking first at systematic issues rather than individual performance. This approach recognizes that all employees err, and therefore a company should design its systems and procedures so that when an error occurs, injuries are limited due to multiple layers of protection. This is the "Fail Safely" approach incorporated by the Company.

NIPSCO employees have increasingly embraced safety initiatives through the past few years. Three metrics used by the Company to measure its safety efforts are discussed below.

Vehicle Safety

Due to the COVID-19 pandemic, several training requirements were reviewed and revised in consideration of employee safety and company policy. This included prohibiting more than one employee per vehicle during the pandemic. This has subsequently been discontinued but can be reimplemented as needed. All employees authorized to operate company vehicles must complete a Smith System defensive driver training program. This program was adjusted to offer a virtual training solution for employees. Also, all NIPSCO employees must pass multiple driving safety related computer-based learning modules each year.

In 2018, NIPSCO installed GreenRoad telematics in its fleet vehicles. This system gives real-time feedback to the driver when unsafe driving practices, such as hard braking or excessive speed, are detected and sends certain information regularly to the Company for corrective follow-up. This system allowed supervisors the opportunity to coach their employee's driving behaviors. NIPSCO will continue to make program adjustments to further increase the viability and sustainability of the telematics technology. These types of programs are currently under review as NIPSCO is working towards updating its driver policies in accordance with regulations and best practices from the industry.

Figure 1. Preventable vehicle crash rate

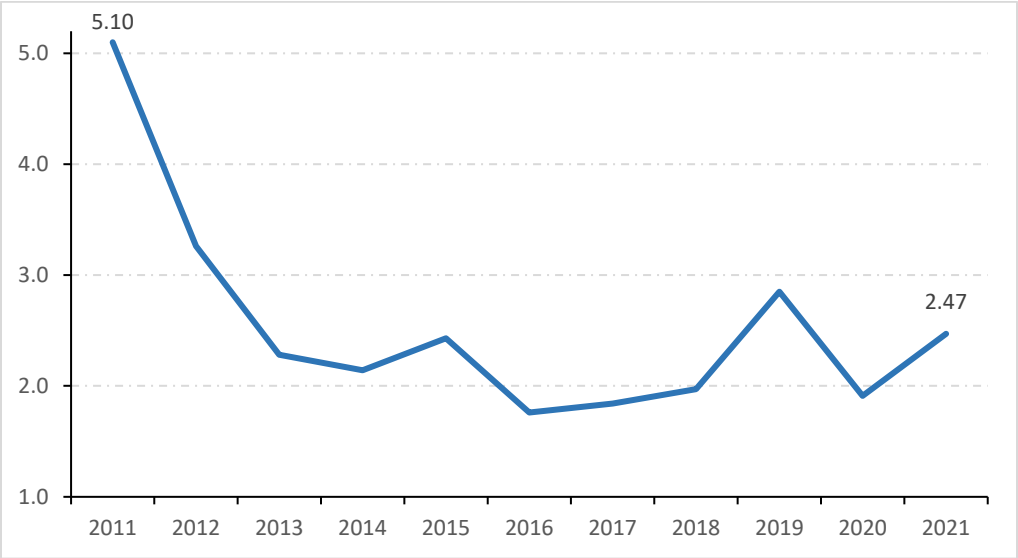

Figure 1 illustrates NIPSCO's *preventable vehicle crash rate*, which represents the number of crashes per one million miles driven in which any employee, while driving on Company business, failed to do everything reasonably possible to avoid a collision. This metric is combined for gas and electric. NIPSCO continues to focus on decreasing these accidents.

NIPSCO benchmarks this metric against American Gas Association (AGA) data for combination utilities. In 2021, NIPSCO was in the second quartile in this category.

Field Safety

NIPSCO strives to make safety a foremost priority for its employees every day. In the office, supervisors are encouraged to begin each meeting with a safety moment so that safe working practices become engrained in the Company's culture. During the height of the pandemic, these types of meetings were either held virtually, or within spaces where essential workers could meet the requirements of our pandemic protocols. The Company has been able to resume normal meetings. Field employees receive Human Performance Improvement (HPI) training, which includes emphasis on human error reduction tools such as pre-job briefing and Stop Work Authority. The Company is committed to ensuring our employees have a deeper understanding of human error and how to prevent it. HPI places an emphasis on understanding personal capabilities, assessing levels of risk, and controlling that risk through use of layers of protection and error prevention techniques. Employees conduct a pre-job briefing before each work task. This includes the identification of unique site hazards, required personal protective equipment, energy control, and critical work procedures. Local management then reviews these analyses to follow up on any potential operating issues. NIPSCO has also developed and implemented a Stop Work policy, which promotes and empowers employees to stop work whenever they see an employee, business partner or member(s) of the public who is at risk of harm.

The *OSHA recordable incident rate* represents the number of recordable injury or illness cases for every 100 full-time employees. Most injuries or illnesses that require more than first aid treatment are recordable.

The *days away, restricted, or transferred (DART)* metric represents the number of injury and illness cases requiring days away, restricted duty, or job transfer for every 100 full-time employees. This number indicates the rate of injuries that result in an employee being unable to perform its typical job requirements.

Figure 2. Employee injuries – Generation and Power Delivery Divisions

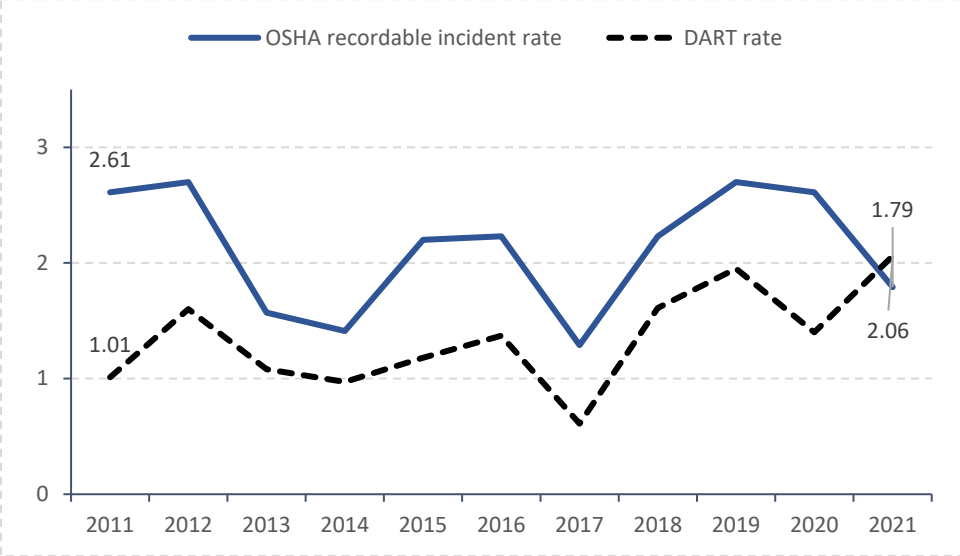

Figure 2 illustrates the two metrics NIPSCO uses to measure employee safety in the field for electric employees in the generation and power delivery divisions. While OSHA recordable rate had a 31% improvement from prior year, NIPSCO's DART rate was impacted by the number of COVID-19 related cases requiring employees to be off work while recovering.

Figure 3. Employee injuries – NIPSCO with Business Service Allocation

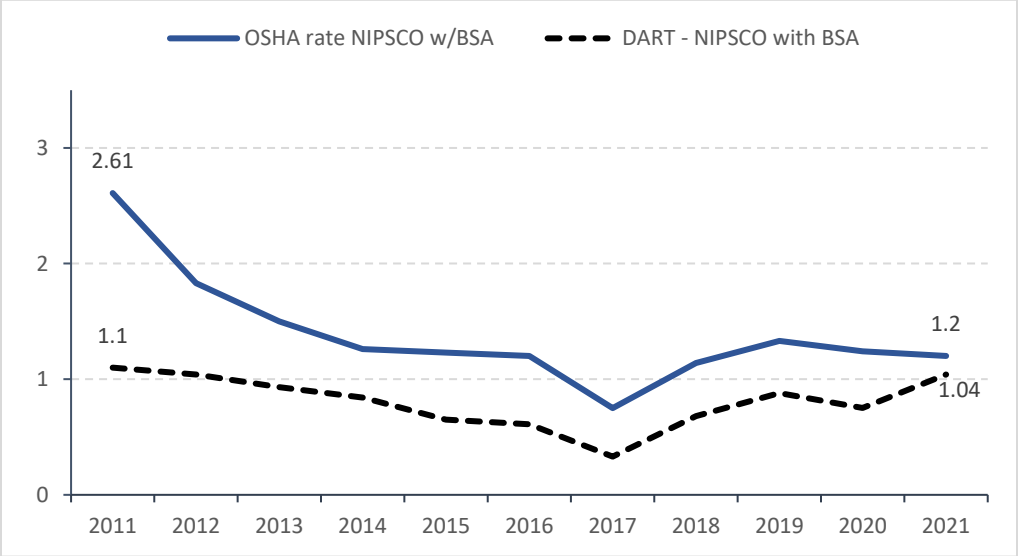

Figure 3 illustrates the two metrics NIPSCO uses to measure employee safety in the field for all NIPSCO employees.

NIPSCO's safety culture has continued to make progress over the years. In 2021, NIPSCO continued work on its Safety Management System (SMS) by fully integrating the program into its electric operations. These efforts are making progress with the Company's safety culture by addressing issues related to safety, through our SMS program, which is based on the American Petroleum Institute (API) Recommended Practice 1173. SMS is anchored by NIPSCO's Core Four Responsibilities which include: Following Our Processes and Procedures; Identifying and Reporting Risks; Continually Improving Processes and Procedures; and Identifying and Proactively Taking Action. NIPSCO's SMS journey is taking safety to a new level of continuous improvement. It brings together people, processes and culture to proactively find and act on risks to employees, contractors, customers and communities. SMS drives learning from past experiences, enhanced risk models and teams on the front lines. These lessons drive improvements that protect our customer and communities, along with our employees and contractors. The Corrective Action Program (CAP) is a foundational part of that effort. The CAP offers a simple way to document identified risks and a systematic process to review, prioritize, address and track progress to reduce risks. Submitting an issue, concern or risk in the CAP starts a rigorous process that can lead to resolving a prioritized risk through corrective action.

To continue building a stronger safety culture, this past year, NIPSCO began developing written programs for certain types of work that are considered High Consequence Tasks (HCTs)—critical operational processes that, if not performed properly, have the possibility of leading to a high consequence outcome and putting our teams, customers, and communities at risk. This initiative in 2021 paid special attention to those riskiest tasks by developing guides to document critical operations and safety protocols. Employees and contractors review these guides before performing the work, to be certain the processes and standards that apply are fresh in their minds. Employee feedback was incorporated into the design, providing a simple way to consistently navigate through the critical steps of HCTs.

Figure 4. Underground damages per 1000 locates

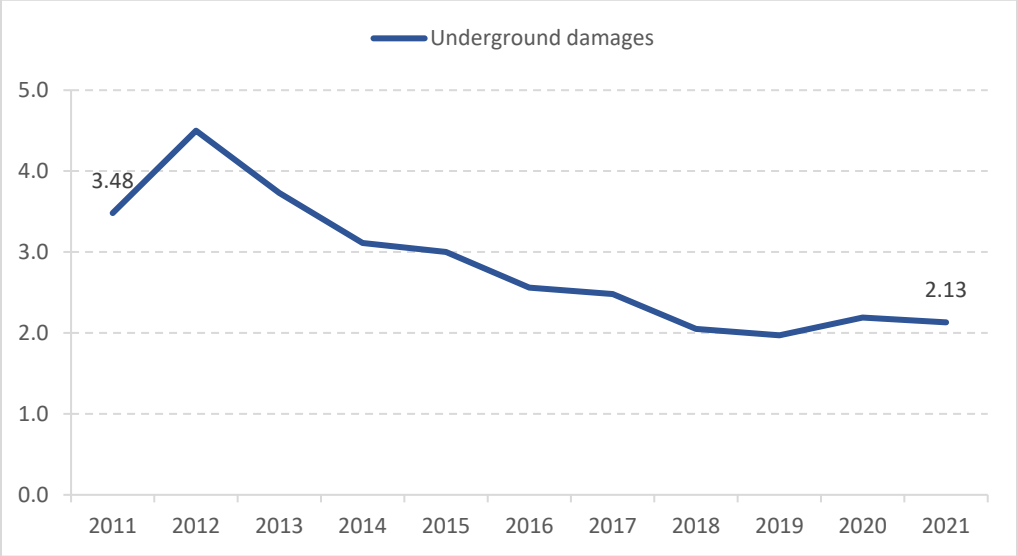

Figure 4 illustrates the *underground damages* metric represents the number of reported gas and electric damages divided by the number of locate tickets received through the 811 process multiplied by 1,000. NIPSCO reports this information to the federal Pipeline and Hazardous Materials Safety Administration (PHMSA).

RELIABILITY[1]

Power Delivery

A *major event day* (MED) is a day on which a weather or operational event causes a utility's daily System Average Interruption Duration Index (SAIDI) to exceed a calculated threshold (TMED).[2] A single event may cause multiple MEDs, and power outages may remain for days after the event is over.

Figure 5. Major event day metrics

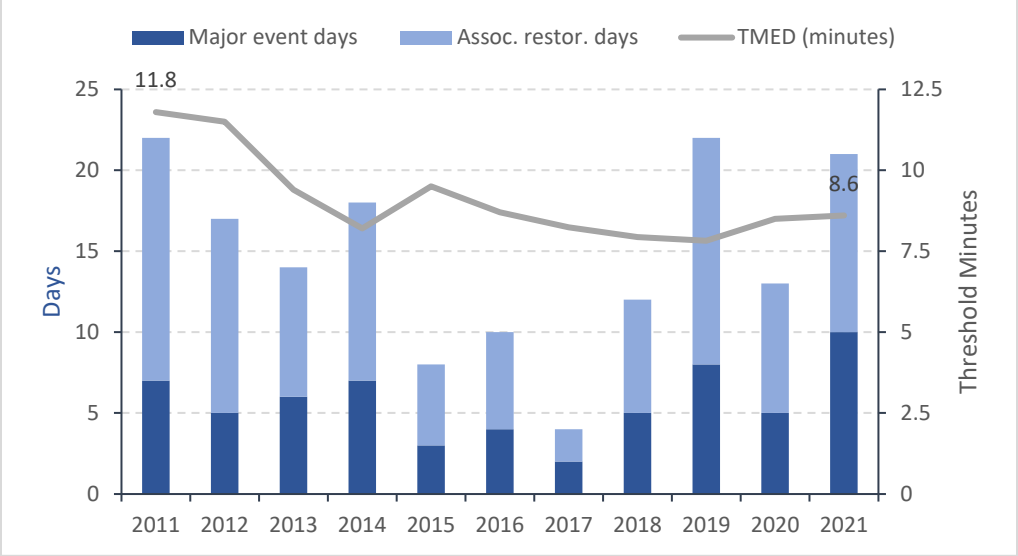

Figure 5 illustrates the number of MEDs in NIPSCO's service territory, the number of restoration days associated with those MEDs, and the TMED that was used to identify major event days each year.

The increase in MEDs and associated restoration days in 2021 is the result of increased severe weather in 2021, with ten MEDs, which is the highest in the past 10 years.

Since 2017, in an effort to improve reliability for power delivery, NIPSCO has steadily increased funding for its vegetation management program that specifically focus on trimming more circuit miles on distribution and subtransmission circuits. Much of the increase in spending has been on circuits that have the highest tree-related outages. NIPSCO continues to strive for a five-year cycle; however, the Company has found that a vast majority of the priority circuits have had a higher tree density than originally anticipated. For this reason, along with a high demand for tree contractor labor, NIPSCO has been hampered in achieving a five-year cycle at this time. NIPSCO

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[1] In this report, NIPSCO includes both power delivery and power generation as "reliability" as it has done since the report was first generated. This has been continued in the interest of continuity.

[2] The TMED calculation is based on IEEE Standard 1366-2012. It uses a utility's daily SAIDI values for the past five reporting years.

saw an increase in vegetation related outages in 2021 to around 3,233 outages from 2,892 outages in 2020, but the overall downward trend against the average over the last eight years has continued to stay under the 3,500 outage average.

Utilities use three principal indices to measure service reliability.

SAIDI: represents the average outage duration of each electric customer served. In 2021, the average NIPSCO electric customer did not have electric service for 175 minutes due to reliability issues. NIPSCO's SAIDI has been below or slightly above the IEEE industry median for medium-sized utilities since 2014.

$$SAIDI = \frac{\sum customer\ outage\ minutes}{customers}$$

System Average Interruption Frequency Index (SAIFI): represents how many times per year the average customer experiences an interruption in electric supply. A customer must lose service for more than five minutes for the incident to be defined as an interruption. In 2021, the average NIPSCO electric customer experienced a power interruption 1.06 times. NIPSCO's SAIFI continues to be below (better than) the IEEE industry median for medium-sized utilities.

$$SAIFI = \frac{customer\ interruptions}{electric\ customers}$$

Customer Average Interruption Duration Index (CAIDI): represents the average length of outage for customers who experience an outage. CAIDI is therefore equal to SAIDI divided by SAIFI. In 2021, the average NIPSCO electric customer that experienced a power interruption had to wait 165 minutes before power was restored.

$$CAIDI = \frac{\sum customer\ outage\ minutes}{customer\ interruptions}$$

Figure 6. Reliability indices (including MED data)

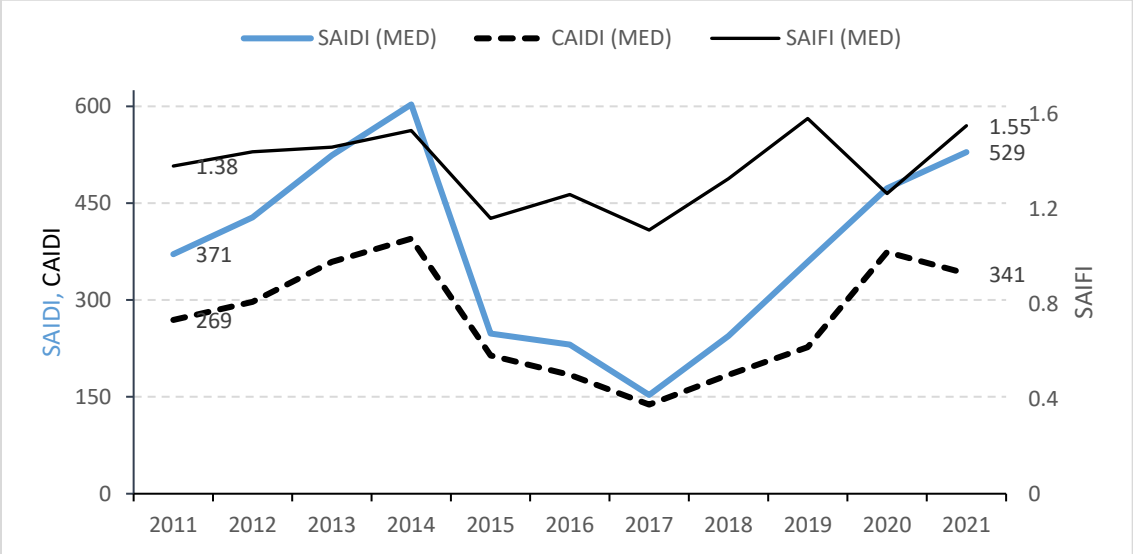

Figure 6 illustrates NIPSCO's three reliability indices using MED data.

Below, the reliability indices are reported without MEDs, which are primarily storms or severe weather events more destructive than typical storm events. The data that is excluded (called MED data) is identified by using TMED. If a utility's daily SAIDI exceeds the TMED, the outage data on that date will be excluded from the utility's non-MED reliability indices.

Figure 7. Reliability indices (excluding MED data)

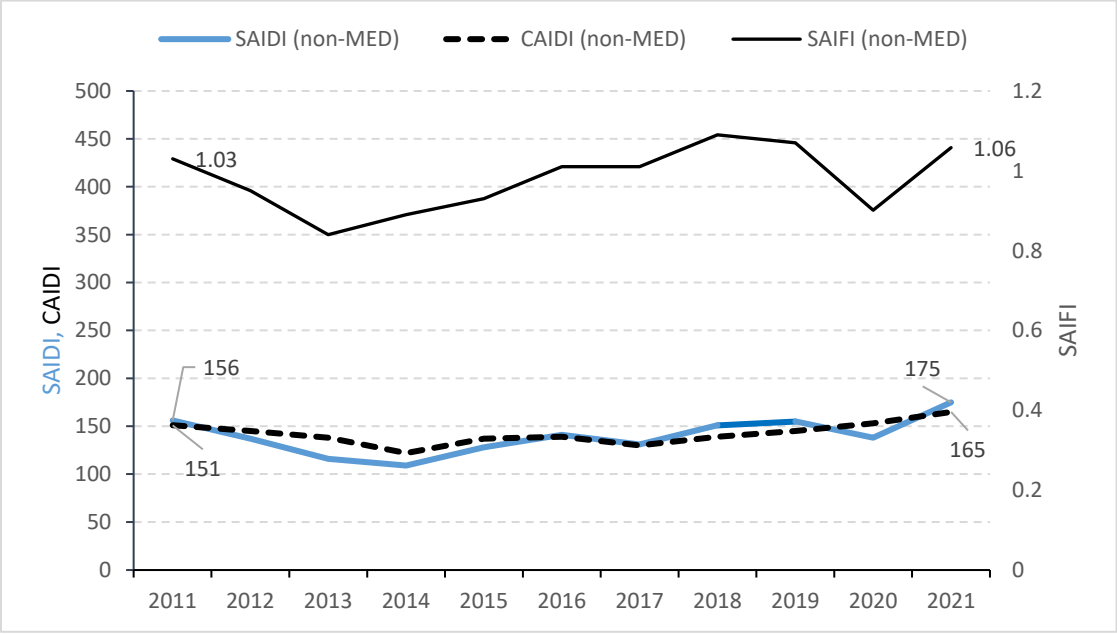

Figure 7 illustrates NIPSCO's three reliability indices excluding MED data.

NIPSCO's SAIFI performance has been below (better than) the IEEE industry median for medium-sized utilities for the past 10 years. NIPSCO's 2020 SAIFI performance represents IEEE industry first quartile performance for mid-size utilities.

For CAIDI, in 2021, the average NIPSCO electric customer that experienced a power interruption waited 165 minutes for power restoration, an increase from 2020. The recent negative trend from 2020 to 2021 in CAIDI illustrated above, which excludes MED data, is primarily due to major storms, equipment failure, reduced system resiliency from planned outage work, and slowed response from extensive COVID-19 health and safety protocols implemented to protect the workforce (i.e. social distancing within field crews, single response vehicle use). However, NIPSCO continues to invest capital in its electric system to improve reliability, including increased investment in grid modernization and the upgrading of the distribution automation system to isolate and restore customers in 2021. This includes "Grid Modernization" investments under a new transmission, distribution, storage, and infrastructure charge (TDSIC) plan approved by the Commission in December of 2020, through which NIPSCO will provide value to its customers through reduced outage severity and duration, improving the customer experience. In addition, NIPSCO investigates all outages affecting more than 1,000 customers and utilizes the lessons learned to improve construction standards, material selection, system configuration, and operating procedures.

Regarding SADI, in 2021, the average NIPSCO electric customer did not have electric service for 175 minutes, which is a 36-minute increase from 2020 (where the average was 138 minutes). NIPSCO had 27 days in 2021 (86.2 minutes towards SAIDI) where restoration was elevated above normal due to weather but not to the threshold to reach the TMED designation. These days were the leading cause of the 36-minute increase in SAIDI in 2021

Power Generation

This report presents NIPSCO's generation productivity metrics by large generator type: coal and combined cycle natural gas. NIPSCO's coal units include those at the R.M. Schahfer Generating Station (Schahfer), Michigan City Generating Station (Michigan City), and Bailly Generating Station (Bailly), and the coal metrics shown are weighted by unit capacity. Bailly Units 7 and 8 were retired on May 31, 2018. Bailly is included in the generation productivity numbers through 2018, but is excluded beginning in 2019. Sugar Creek Generating Station (Sugar Creek) is the Company's combined cycle gas turbine plant. The two combustion turbines[3] are peaking units that are rarely used. Schahfer Unit 14 remained in forced outage from mid-2020 through October 1, 2021 and Unit 15 was back online from December 1, 2020 until its retirement in October 2021. Both units were included in the 2021 performance metrics.

[3] Unit 10 retired on July 15, 2020.

Figure 8. Generation portfolio (MW)

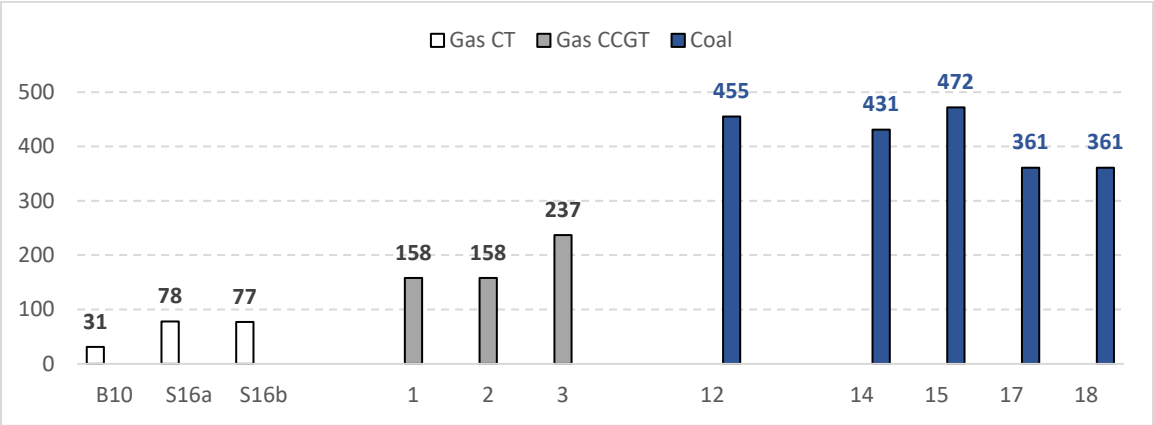

Figure 8 shows NIPSCO's current generation portfolio in megawatts.

Figure 9. Equivalent availability factor

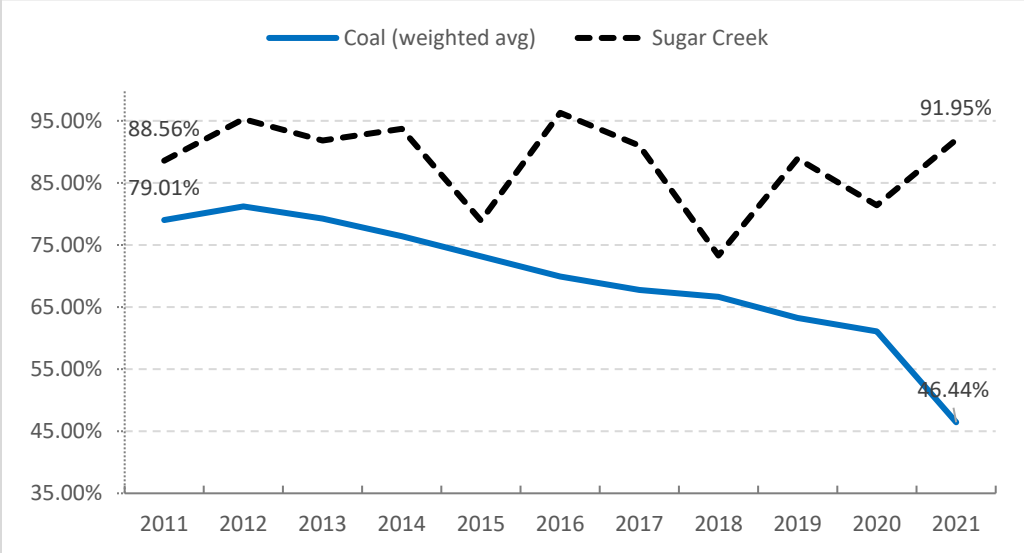

Figure 9 illustrates the *equivalent availability factors* (EAF) of NIPSCO's units.[4] This metric represents the percentage of time a unit was available to generate power. The "equivalent" part of the definition accounts for times in which the unit was derated, meaning it could generate power but not up to 100% of its potential.

Although Bailly was retired in the middle of the year, the 2018 numbers above include it for the entire year. When Bailly is removed, the EAF for the coal units is 71.62%. The EAF for 2019

[4] EAF = [(Available Hours – Equiv. Planned Derate Hours – Equiv. Unplanned Derate Hours) / Period Hours] × 100%

does not include Bailly. The decrease in 2021 was impacted by Unit 14 being in forced outage until its retirement.

A unit's *equivalent forced outage rate* (EFOR) represents the percentage of time (in hours) the unit was unable to generate power for reasons other than planned maintenance.

$$EFOR = \frac{FO + EFD}{FO + S + EFDRS} \times 100\%$$

These reasons include forced outages (FO) or equivalent forced derates (EFD), which occur if a unit is unable to produce 100% of its typical capacity. The denominator in the equation is the sum of forced outage hours, service hours, and equivalent forced derates when the unit is in reserve shutdown.

Figure 10. EFOR

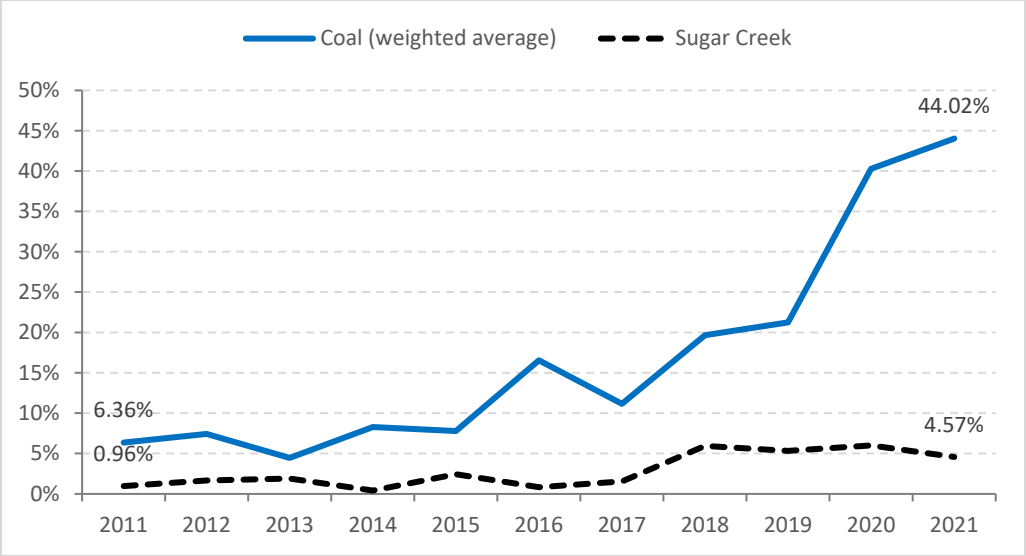

Figure 10 illustrates NIPSCO's EFOR during the period. Although Bailly was retired in the middle of the year, the 2018 numbers above include it for the entire year. When Bailly is removed, the EFOR for the coal units is 16.87%. Units 14 and 15 at Schahfer were retired on October 1, 2021, and Unit 14 was out of service for all of 2021 until retirement. The 2021 numbers include Units 14 and 15.

NIPSCO's coal EFOR has been significantly affected by the changing power markets, which has changed the economical dispatch for coal. Infrequent operation for years, which imposes high thermal stresses on a unit leading to an increase in forced and maintenance outage hours followed by an increase in the demand for operating hours later in the year exacerbates the issues. Unit 14 continued the extended outage after the fire in 2020 into 2021 which impacted the 2021 EFOR metric. Other factors for the increase in 2021, included a turbine blade failure in the low pressure section of the turbine on Unit 18 at Schahfer resulting in an extended outage. Also, Unit 12 at

Michigan City experienced two longer outage events that resulted from an air heater failure and an induced draft fan motor failure.

Figure 11. Coal generation

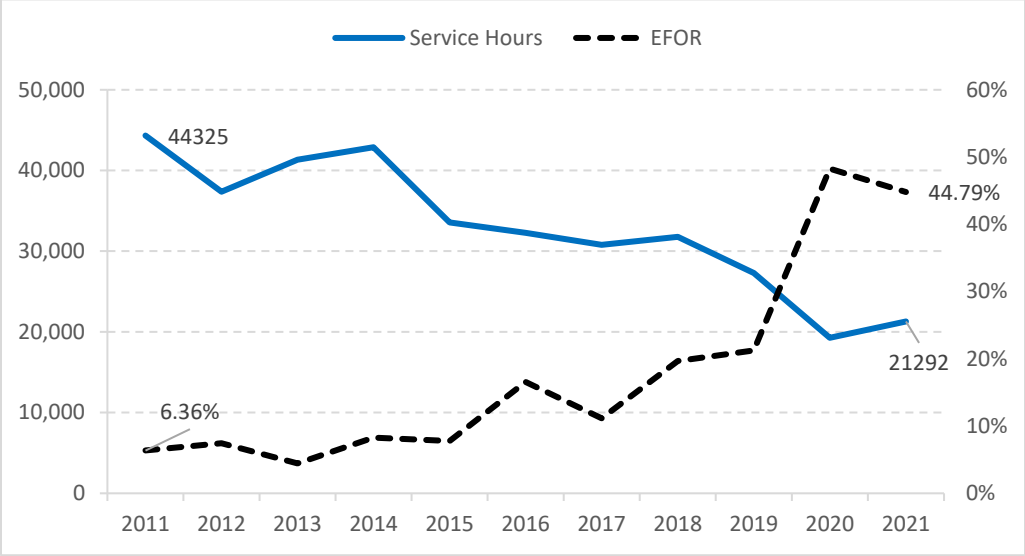

Figure 11 illustrates the relationship between the total service hours of NIPSCO's coal generation and the EFOR of those units. In 2021, Unit 14 was in outage for the year until its retirement on October 1, 2021. The EFOR improved in 2021 over 2020 despite Unit 14's outage. The remaining coal units were dispatched more often, increasing the service hours in 2021. Further improvement would have been achieved if not for two additional forced outages on Units 12 and 18. Unit 12 experienced a twenty-day forced outage for an air heater failure, and Unit 18 experienced a three-month forced outage for an internal steam turbine blade failure. These additional outages limited further decline in EFOR and increase in service hours.

Figure 12. Net capacity factor[5]

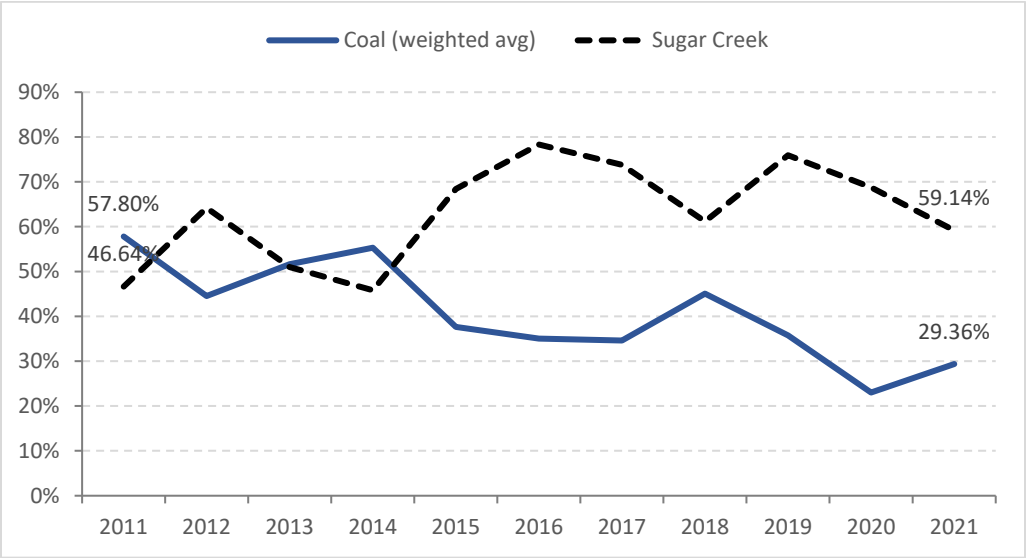

Figure 12 illustrates the *net capacity factor* (NCF) of NIPSCO's units. This metric represents the percentage of a unit's full capacity that it is allowed to produce on average during the period.

Net capacity factor is a function of a unit's availability and its variable operating costs. A unit that has frequent forced or planned outages, or high operating costs compared to other generating units, will have a lower capacity factor. A unit's NCF is affected by the amount of time it is available to run but has not been selected due to economics. A unit that is always available to generate and has competitive operating costs will have a higher capacity factor. This largely explains why NIPSCO's gas-fired units at Sugar Creek have a much higher NCF than its coal-fired units. As discussed with other metrics, the long forced outages at Units 12, 14 and 18 impacted both their NCF, as well as the overall NCF for the coal units in 2021.

[5] Generating units continue to consume a small amount of power even when they are not generating energy. This auxiliary power is subtracted from a unit's generation total and decreases the unit's NCF.

CUSTOMER SERVICE

Customer Service

NIPSCO's highest priority is the delivery of safe, reliable service for customers. NIPSCO values its ability to quickly respond to the needs of its customers in the communities it serves across northern Indiana. The Company regularly benchmarks and measures the success of its customer service efforts to continually improve on processes and scores.

Figure 13. Call center operations

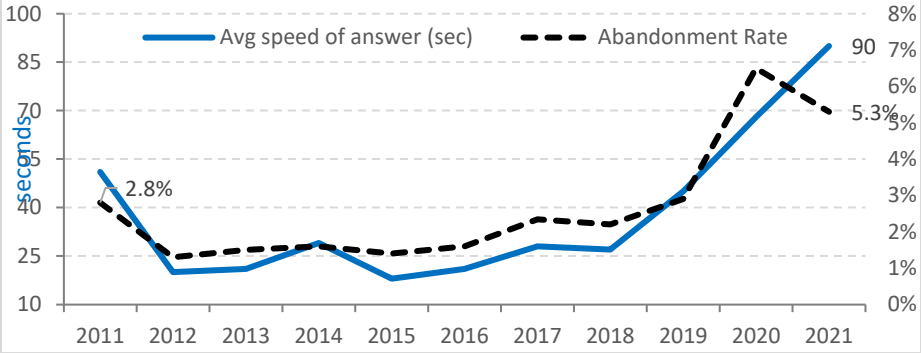

Figure 13 shows the average speed of answer and the abandonment rate.

The *average speed of answer* (ASA) metric represents the average number of seconds a caller waits before his or her call is answered by a Customer Service Representative, exclusive of the time a caller is navigating through the interactive voice response phone system. The increased ASA was the result of a combination of longer handle times and a business decision to bring customer value with minimal impact to customer satisfaction. Handle times increased primarily due to changes in process because of COVID-19 that remained in place through 2021 such as additional payment plan options for customers and explaining COVID-19 protocols for orders requiring servicemen to enter customer homes.

The *abandonment rate* represents the percentage of telephone calls made to NIPSCO that are abandoned by the customer before speaking with a Customer Service Representative. The call center telephone system informs customers of their estimated wait time and gives them the option to receive a "virtual callback," in which the Virtual Hold technology auto dials the customer, in the order that the customer called, when a Customer Service Representative is available for the next caller. The metrics shown in Figure 13 are both indirectly related to the two metrics discussed below.

Figure 14. Employee efficiency

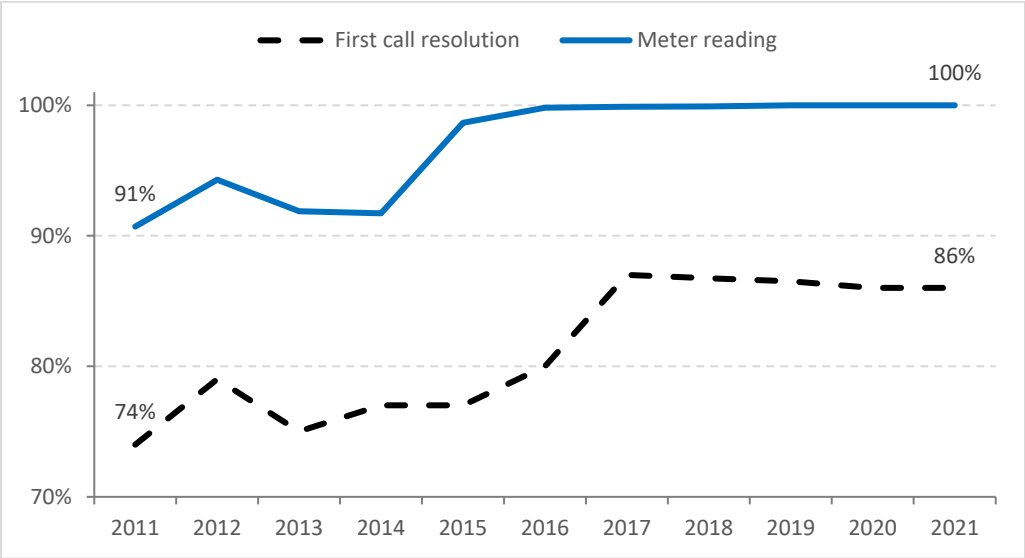

Figure 14 shows first call resolution and the meter reading rate.

The *first call resolution* metric is measured by an outside vendor and represents how often NIPSCO is able to meet a customer's needs during the first telephone call. Customers highly value the ability of NIPSCO to resolve their issues quickly. NIPSCO continues to be in the high 80% range for this metric.

The *meter reading metric* represents the percentage of NIPSCO's residential and commercial electric meters that the Company accurately reads each month. The rollout of the Company's automated meter reader program in 2015 and 2016 accounts for the significant improvements in that period.

Customer Satisfaction

Figure 15. Customer satisfaction score

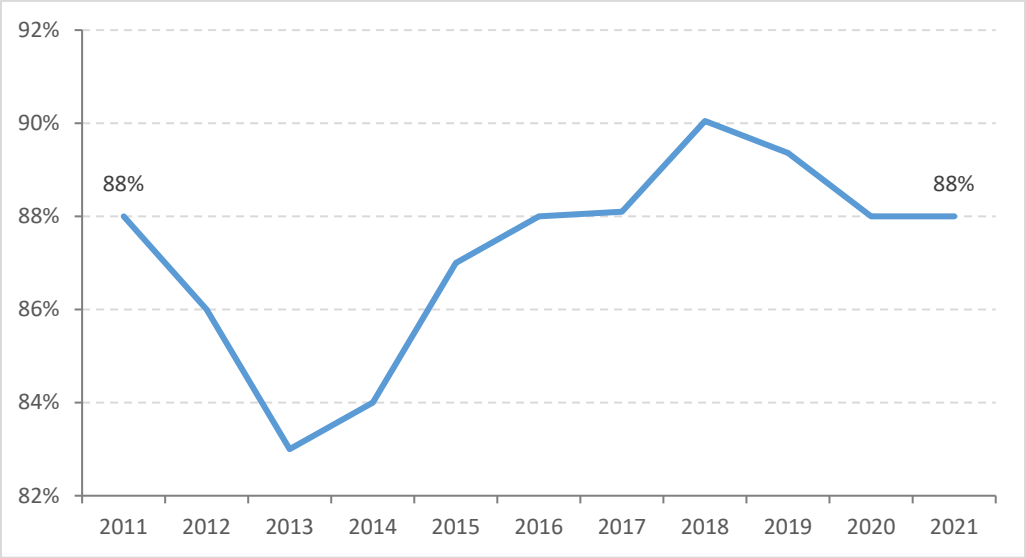

Figure 15 is the customer satisfaction score. NIPSCO engages a third party to measure how well the Company interacts with its customers. The *customer satisfaction (CSAT) score* reflects the average customer's experience when the customer interacts with (1) a Customer Service Representative on the telephone; (2) the interactive voice response telephone system; (3) an employee on the customer's property; or (4) NIPSCO's self-service website.

Prior to 2015, the CSAT score primarily reflected customers' interactions with NIPSCO's call center, and customers were only asked a single question. The Company modified its satisfaction survey that year to better measure its performance in discreet channels, and weighted each channel's score according to the number of surveys completed for that channel. NIPSCO has found that measuring customer satisfaction in different channels better identifies successful practices and opportunities for improvement.

In 2017, NIPSCO hired a new vendor and made three significant changes to determining the CSAT score. First, customers were allowed to complete online surveys. All surveys had previously been conducted over the telephone. Second, NIPSCO began weighting each communication channel equally in the CSAT score calculation. Third, the Company switched from quantitative responses (1-10) to qualitative responses (such as "I am somewhat satisfied"). For these reasons, NIPSCO uses the 2017 score as the new benchmark for this metric.

NIPSCO incorporated the residential gas and electric J.D. Power scores into its corporate incentive plan calculation in 2016 as part of its commitment to customer service. The Company incorporated the CSAT score into that calculation the following year. Despite the challenges presented by the COVID-19 pandemic, NIPSCO continues to have a high CSAT score, at 88% for the year.

Figure 16. J.D. Power scores

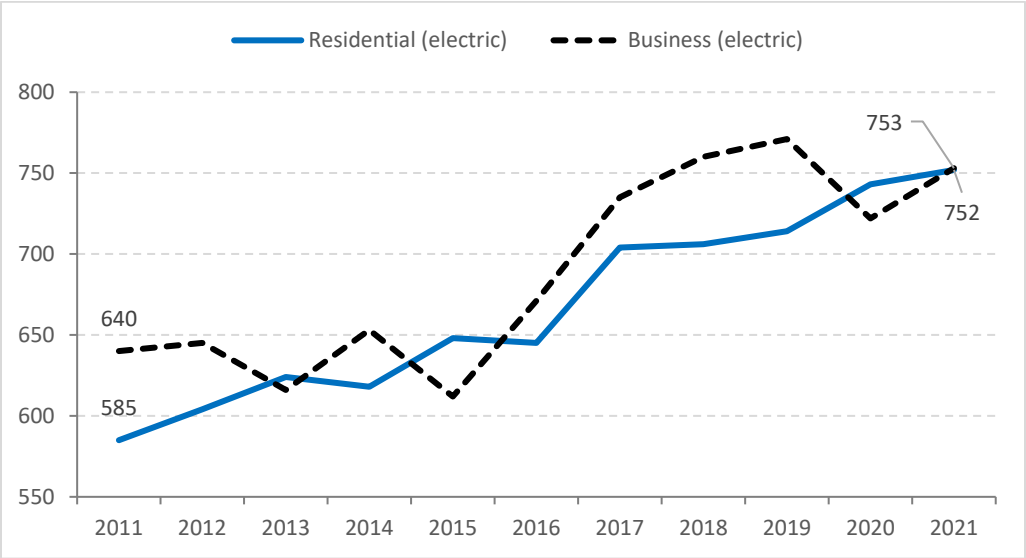

Figure 16 shows the J.D. Power Electric Utility scores for residential and business customers. The *J.D. Power Electric Utility Customer Satisfaction* studies examine residential and business customer satisfaction across six factors – power quality and reliability, price, billing and payment, communications, corporate citizenship, and customer service. In 2021, NIPSCO again achieved its highest rating of 752 for overall customer satisfaction in the electric residential study. This score was a 9 point improvement over the year-end 2020 score of 743. In the electric business study, NIPSCO ended 2021 with an overall customer satisfaction score of 753 which was an improvement of 31 points over the 2020 year end score of 722.

Figure 17. IURC electric complaints

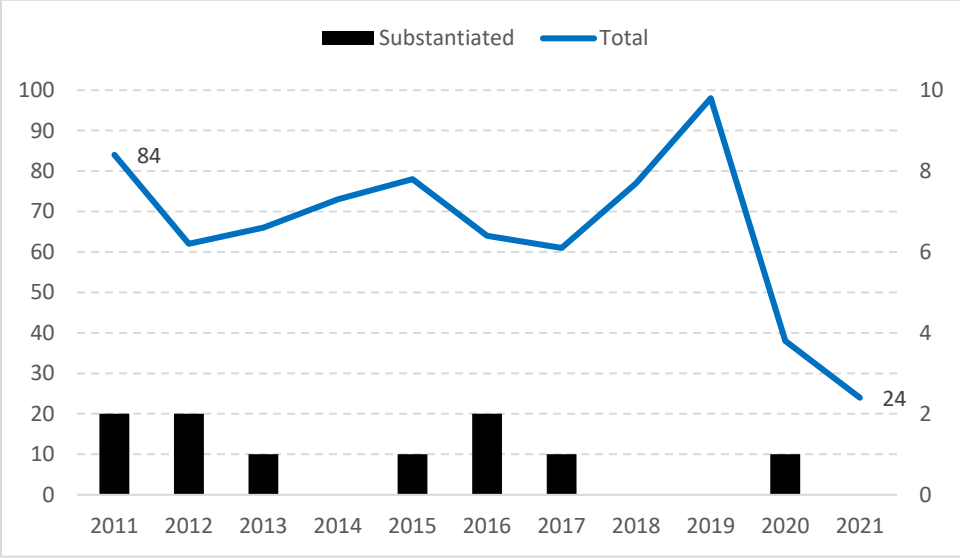

Figure 17 is the number of formal complaints filed with the Commission. Utility customers in Indiana may file a complaint with the Commission if they feel aggrieved. The Commission's Consumer Affairs Division investigates each complaint and determines whether the complaint is substantiated. Figure 17 illustrates the number of electric complaints filed with the Commission against NIPSCO and the number of complaints that uncovered a violation. Due to the disconnection moratorium coming to an end in 2020 and the number of complaints related to disconnections, NIPSCO expected the number would return to more normal levels in 2021 from the record low in 2020 due in large part to COVID-19 and the disconnection moratorium. However, the number decreased to a record low and there were no substantiated complaints. NIPSCO attributes part of this success to the fact that the Company kept some of the additional payment plans available to customers that were developed due to COVID-19.

INVESTMENT & SPENDING

This section analyzes NIPSCO's operations and maintenance (O&M) expense. The data is the same as the data included in NIPSCO's Federal Energy Regulatory Commission (FERC) Form 1.

The Electric O&M Expense section of the FERC Form 1 is divided into eight parts. Part 1 covers power production, which is divided into steam, nuclear, hydro, and other (gas). Parts 2-4 cover power delivery functions: transmission, regional market, and distribution. Parts 5-7 cover customer service, and Part 8 covers corporate administration.

In this report, megawatt hours (MWh) represent either retail sales (Figures 18, 25, 26 and 27), or total sales including sales for resale (Figures 20, 21, 22 and 23), with the legends marked accordingly. Figure 20 also expresses non-fuel production O&M expense as a function of MWh generated by the utility. The "non-fuel" numerators exclude Accounts 501 (steam fuel), 547 (other generation fuel), and 555 (purchased power). Figure 21 also expresses transmission O&M expense as a function of line miles. These accounts can be found on pages 320 and 321 of the Form 1.

Total O&M

Figure 18. O&M Expense per Retail MWh[6]

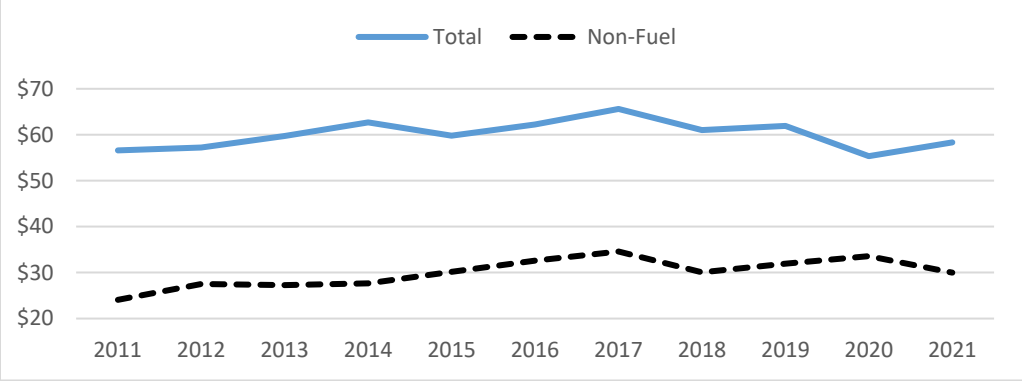

Figure 18 shows O&M expense per retail megawatt hour.

[6] Page 323, line 198 / Page 301, line 10 (d).

Figure 19. O&M Expense per Retail Customer[7]

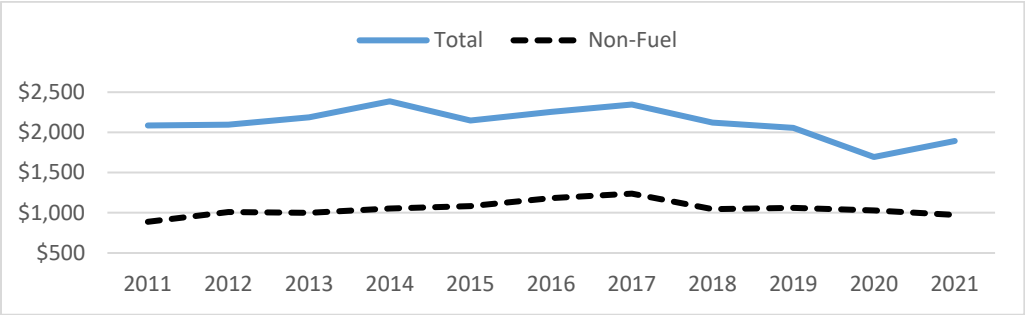

Figure 19 shows O&M expense per retail customer.

O&M Components

Figure 20. Non-Fuel Production O&M Expense[8]

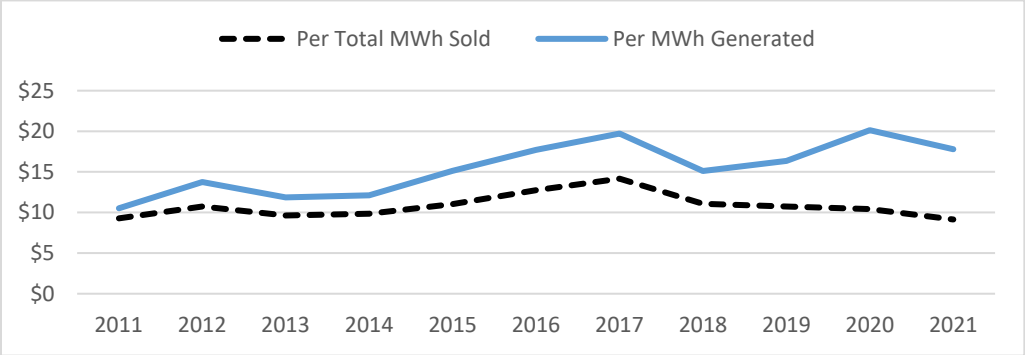

Figure 20 illustrates NIPSCO's non-fuel production O&M expense.

[7] Page 323, line 198 / Page 301, line 10(f).
[8] Page 321, line 80– lines 5, 25, 63, and 76 / Page 301, line 12(d); per MWh generated uses Page 401a. line 9.

Figure 21. Transmission and Distribution O&M expense[9]

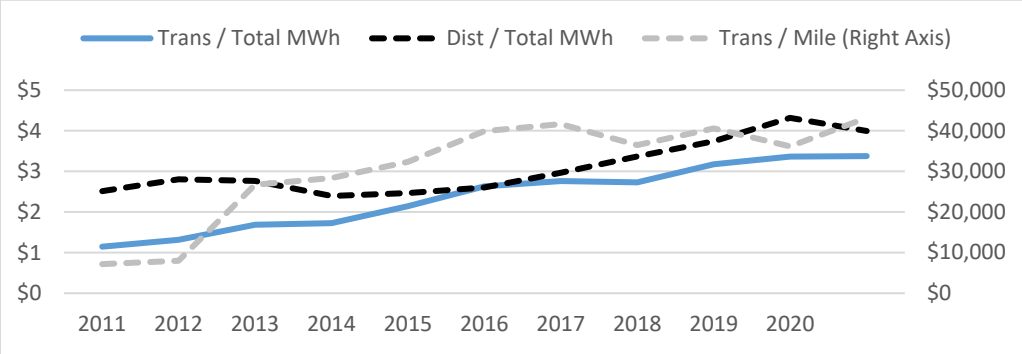

Figure 21 illustrates NIPSCO's transmission and distribution expenses as a function of total energy sales. It also shows transmission expenses as a function of line miles. In 2013, NIPSCO reclassified its 69 kV circuit miles from transmission to distribution in accordance with FERC's seven-factor test.

Figure 22. Customer O&M Expense per Total MWh[10]

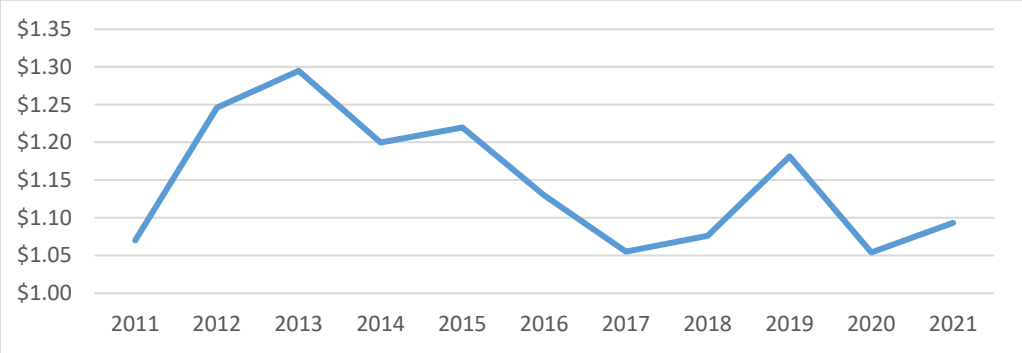

Figure 22 illustrates the customer O&M expense per total MWh. Customer expense accounts in the FERC Form 1 are organized into three parts: customer accounts, customer service and information, and sales. Figure 22 illustrates the sum of these accounts divided by total sales. The decline in 2020 was mostly driven by changes in spending related to COVID-19 and by reduced load, and although the 2021 values show a subsequent increase, they are still below 2019 levels.

The principal driver of transmission expense during the period has been *Account 561.8, Reliability, Planning, and Standards Development Services*. This account reflects the costs of three regional transmission expansion (TEP) project types that MISO has billed to NIPSCO through Schedule 26. The Commission authorized NIPSCO to begin recovering these costs through the utility's Regional Transmission Organization tracker (Rider 871) in 2012.

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9 Transmission (Page 321 line 112); distribution (Page 322, line 156) / MWh (Page 301, line 12(d); per pole mile uses (Page 422, line 36).

10 Page 323, line 164 + line 171 + line 178 / Page 301, line 12(d).

The largest component of distribution expense each year is *Account 593, Maintenance of Overhead Lines*, which has averaged greater than 50% of the total expenses in this category since 2011. The reliability section in this report discusses how NIPSCO's investment in vegetation management the past few years has positively affected its reliability indices.

Administrative and general (A&G) expenses are the final O&M component shown in the FERC Form 1. This part includes accounts such as A&G salaries, office expenses, outside services employed, and employee benefits. These expenses are primarily fixed, meaning they do not rise and fall in the short run with changes in sales levels.

Figure 23. A&G O&M Expense per Total MWh[11]

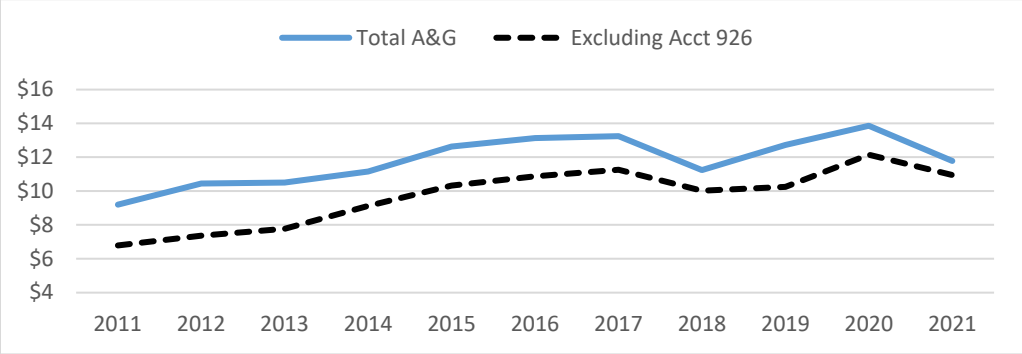
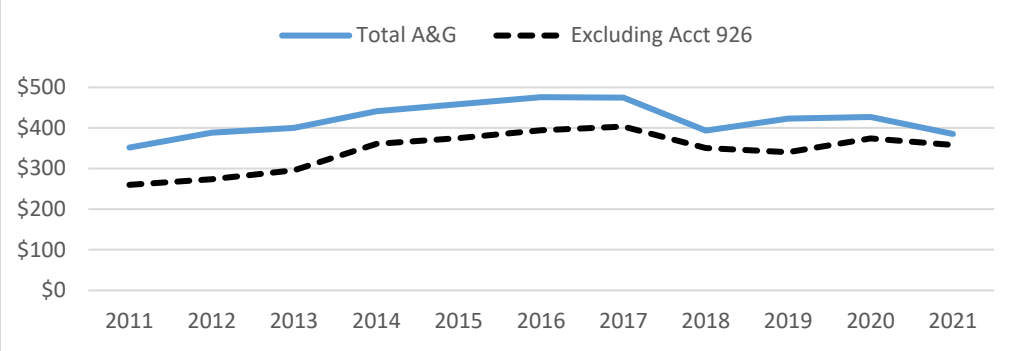


Figure 24. A&G O&M Expense per Retail Customer[12]



Figures 23 and 24 show A&G expenses as a function of total sales and retail customers. The figures also represent the metrics without *Account 926, Employee Pensions and Benefits*. This account is largely driven by interest rates and investment returns, two functions significantly outside of the utility's control.

[11] Page 323, line 197 / Page 301, line 12(d); Acct 926 is Employee Pensions and Benefits expense (Page 323, line 187).

[12] Page 323, line 197 / Page 301, line 12(f); Acct 926 is Employee Pensions and Benefits expense (Page 323, line 187).

Benchmarking Analysis

This section illustrates the respective metrics of NIPSCO and the median Indiana electric investor-owned utilities against nationally comparable data. The data of the 20% of U.S. utilities with the lowest (best) metrics (i.e., the first quintile) is represented within the dark blue section at the bottom of each graph. Each colored area above the first quintile represents a successive quintile.

Figure 25. O&M Expense per Retail MWh

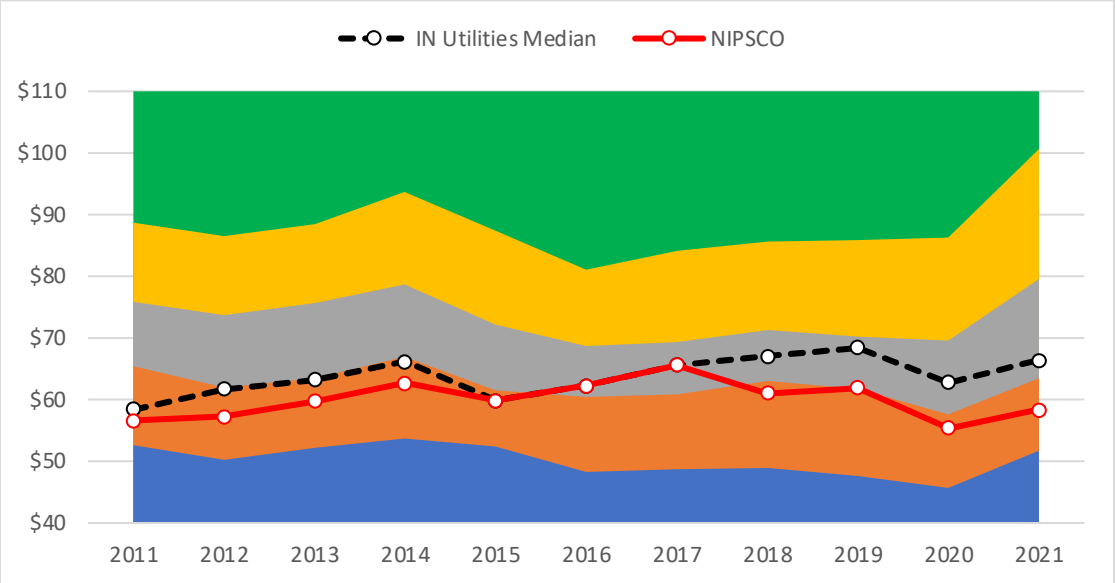


Figure 25 illustrates the O&M expense per retail megawatt hour.

Figure 26. Non-fuel O&M Expense per Retail MWh

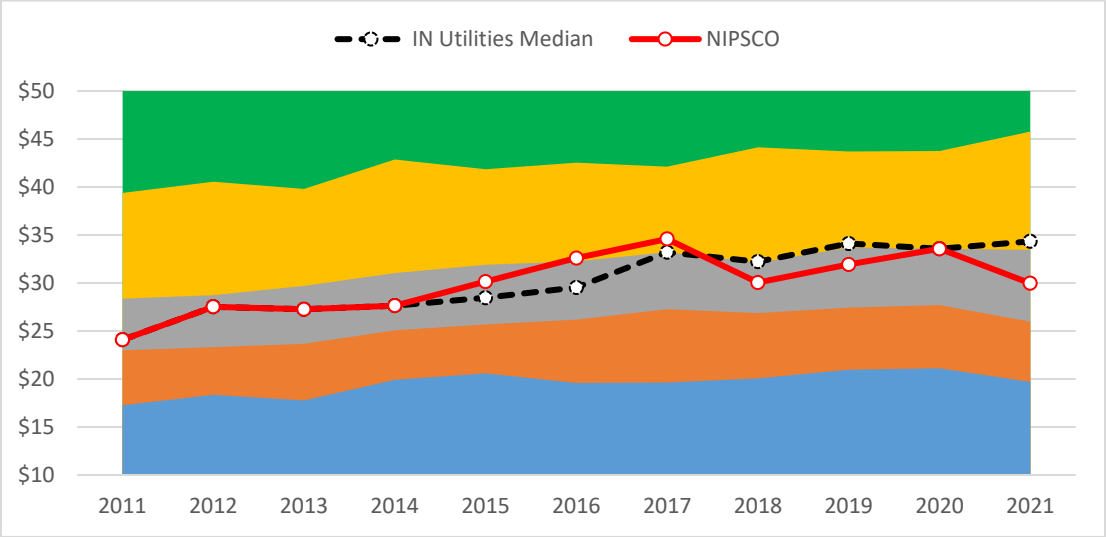


Figure 26 illustrates the non-fuel O&M expense per retail megawatt hour.

Figure 27. A&G O&M Expense (net of Acct 926) per Retail MWh

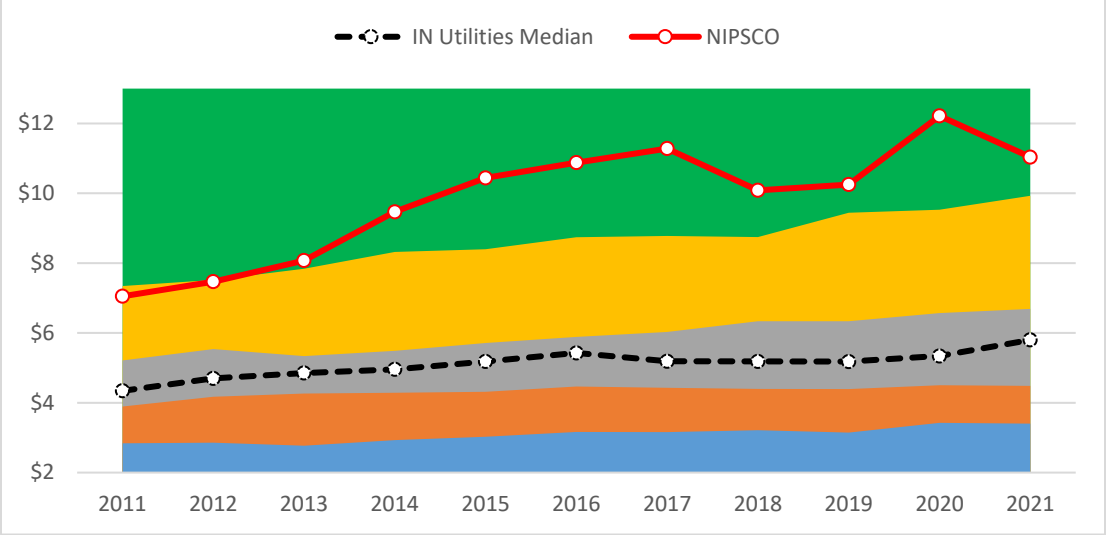


Figure 27 is the A&G O&M expense (net of Acct 926) per retail megawatt hour. The increase in 2020 is due to declining sales volumes related to COVID-19 and the implementation of Rate 831. While costs declined 4% in 2021, volumes (primarily industrial) increased by 6.7% in 2021.[13]

[13] Total retail sales in 2020 were 14.6 M MWh in 2020 compared to 15.6 M MWh in 2021. Total A&G expense in 2020 was $204M compared to $185M in 2021.

AFFORDABILITY

Customer Bills

NIPSCO's electric base rates in 2020 went into effect on January 1, 2020 and changed from 700 to 800 series.

Figure 28. Residential bills[14]

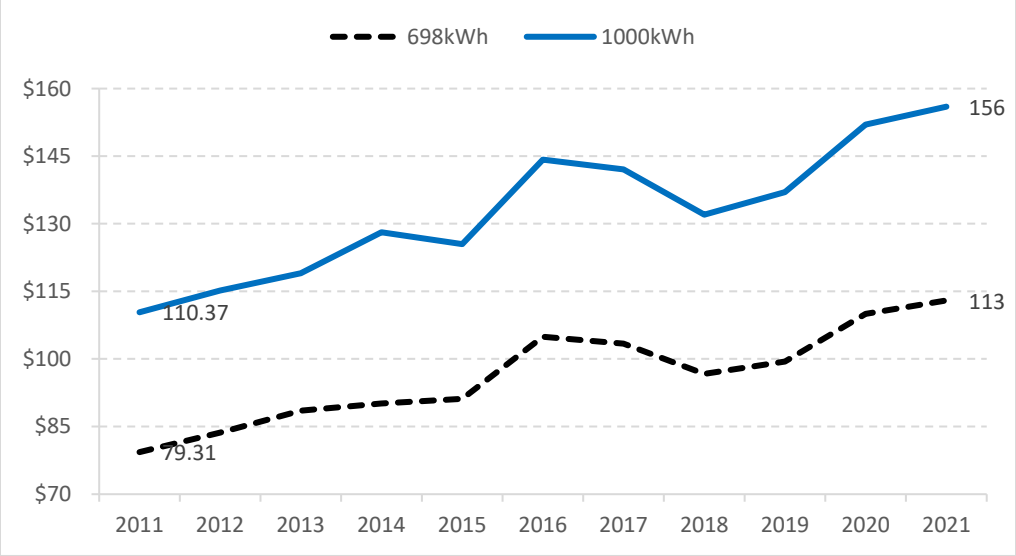


Figure 28 illustrates the average monthly bill for residential customers. NIPSCO's customers experienced a decrease in bills in 2018 primarily driven by the Tax Cuts and Jobs Act of 2017. The average monthly usage of NIPSCO's residential customers during the test year of the Company's rate case establishing these rates was 698 kWh.

The figures below depict seven of the 15 demand and usage combinations that the Edison Electric Institute includes in its *Typical Bills and Average Rates Report*, which is published each winter. The average rates for all 15 combinations are included in the appendix to this report. Where applicable, the figures below reference "X" as the first number of the rate to indicate 2011-2019 is the 700 series rates and 2020 is the 800 series. Because of the change in rate structure for industrial customers (see below) a separate figure is included for some of the new 800 series rates beginning in 2020.

[14] The IURC calculates each utility's electric bill on July 1 each year and reports this information at https://www.in.gov/iurc/2761.htm. For consistency, the 698 kWh number reflects July 1, 2020 data as well.

Figure 29. Commercial bills

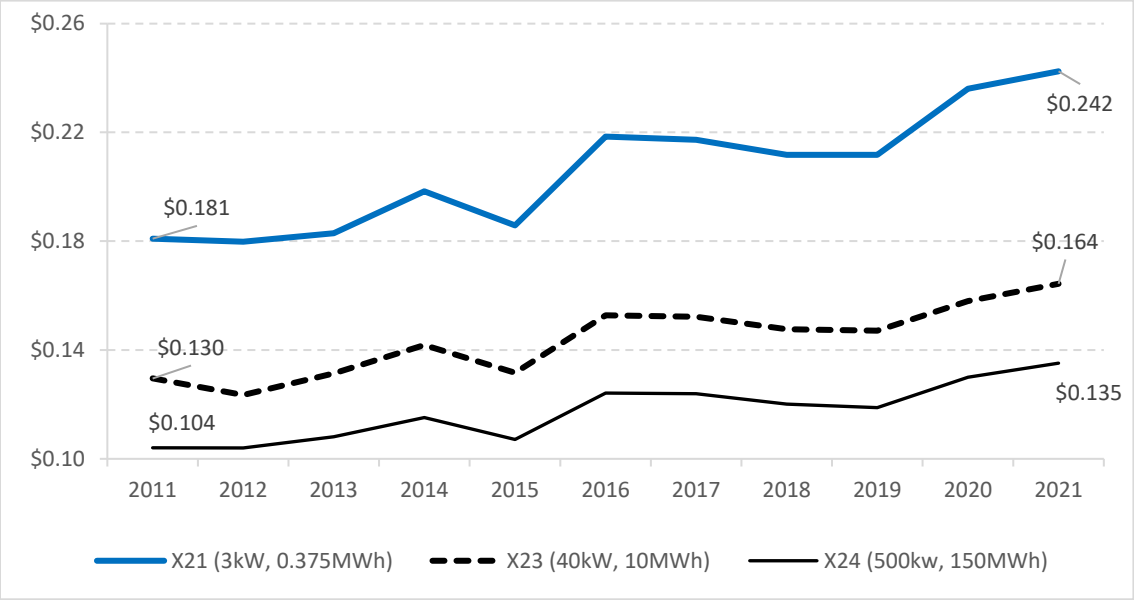


Figure 29 illustrates the average commercial bill per kilowatt hour.

Figure 30. Industrial bills[15]

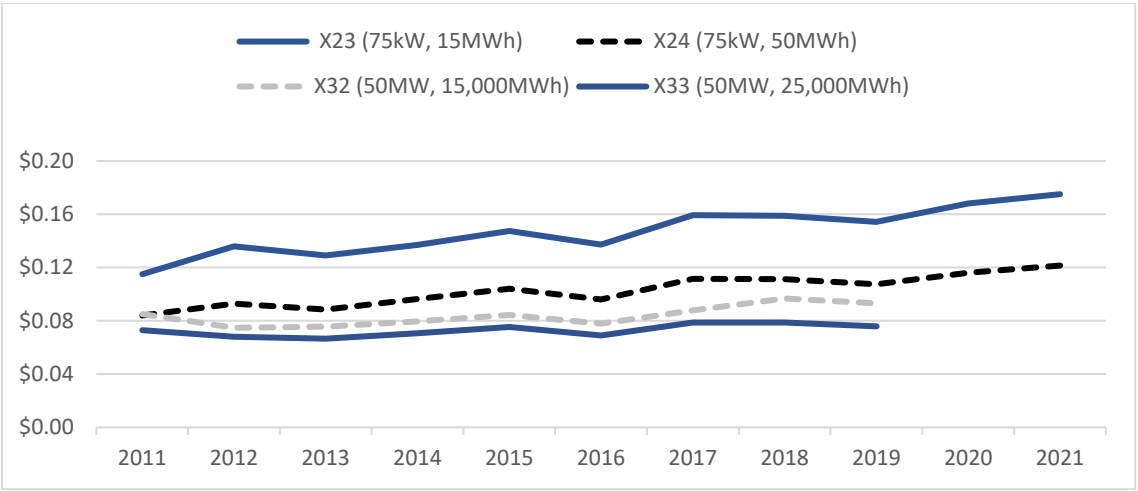


Figure 30 is the average industrial bill per kilowatt hour.

[15] Rates are not continued for Rate 832 and Rate 833 data due to the changes in these Rates in 2020. The criteria used (50 MW) no longer applies to Rates 832 and 833. Maximum Demands for these two Rates is 25 MW.

Figure 31. Industrial bills (800 series rates)[16]

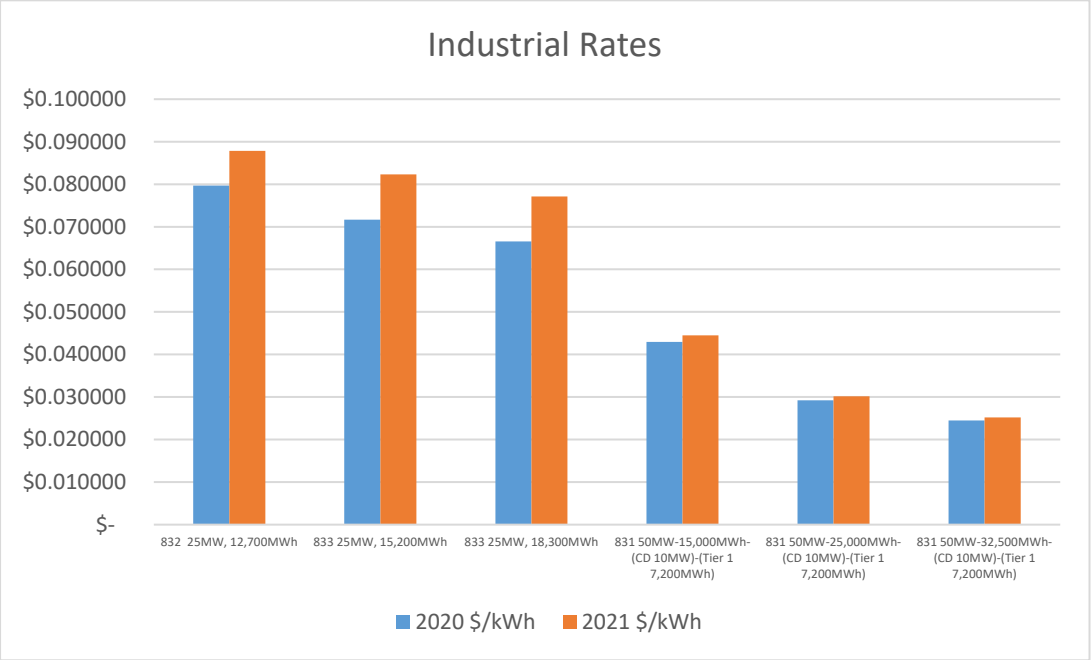


Figure 31 represents the average industrial bill for Rates 831, 832, and 833.

On January 1, 2020, NIPSCO implemented its new base rates including the introduction of a new industrial rate structure. NIPSCO's Electric Rate 831, Industrial Power Service – Large is available to Industrial Customers taking service at Transmission (> 69,000 volts) or Subtransmission voltage (34,500 volts). Customers contract for a definite amount of electrical demand which shall not be less than 10,000 kW. Rate 831 offers aggregation of premises held under common ownership and having the same qualifying service voltage.

Rate 831 offers three Tiers of service.

–Tier 1: Firm (NIPSCO supplied)

–Tier 2: Non-firm market price (market supplied)

–Tier 3: Non-firm 3rd Party generation (generator/marketer or market supplied)

Tier 1 is traditional firm utility service. The default Tier 1 Contract Demand is 30,000 kW with an option to elect above or below the default amount down to 10,000 kW. Tier 1 has a Demand

[16] The rates for Rate 831 do not include Tier 2 and/or Tier 3 Energy Charges and costs to obtain Tier 2 and/or Tier 3 Capacity.

Charge. Tier 1 firm energy is calculated on an hourly basis and is subject to Tier 1 energy charges, transmission charges and applicable Riders.

Tier 2 allows the option of 24/365 MISO Day Ahead locational marginal prices (LMPs). Tier 2 is curtailable unless the customer firms up capacity. Energy is calculated on an hourly basis and is subject to transmission charges and applicable Riders.

Tier 3 allows customer to bid their own load within MISO as Day Ahead or Real Time LMP. Customers can also arrange for third party energy and capacity. Tier 3 Energy is subject to transmission charges.

Rate 831 reduced NIPSCO's sales volumes, which impacts a variety of metrics. As with 2020, those impacts are addressed throughout the report. NIPSCO will continue to monitor the various metrics and is committed to working with stakeholders on the best way to illustrate Rate 831 and its influence on the various metrics.

Service Disconnections

Figure 32. Residential service disconnections

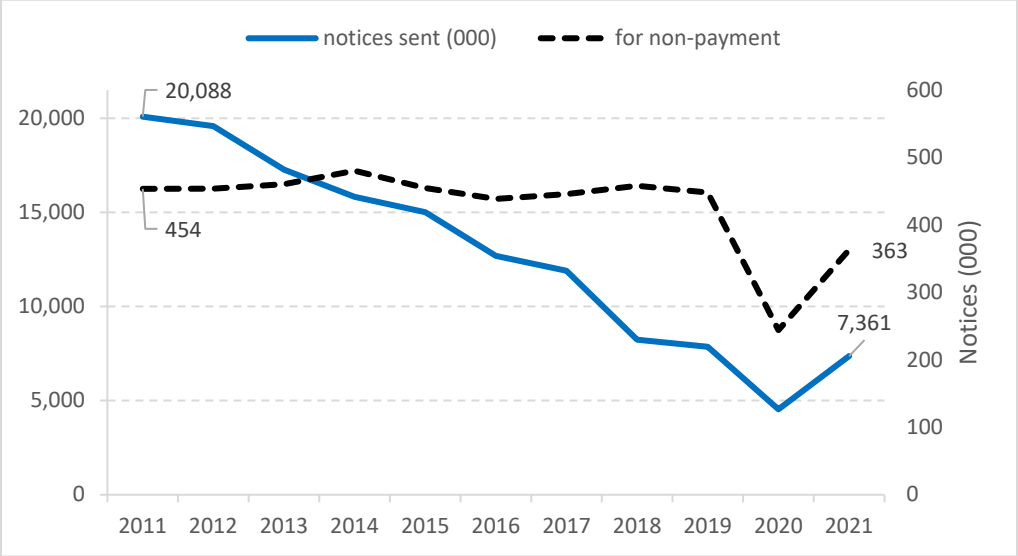


Figure 32 illustrates the number of notices sent to residential customers regarding disconnection for non-payment and the number of disconnections performed.[17] NIPSCO mails a notice of disconnection to a customer 12 days after the customer's bill is due. NIPSCO continues to work with customers with arrears by initiating telephone calls to facilitate payment arrangements.

As a result, fewer orders for disconnection are sent to the field. In addition, in June 2018, NIPSCO launched a new program that allows for customers to make payments over the telephone while the

[17] Please note, this figure will not match the numbers reported in Cause No. 45380 (the COVID-19 investigation) as that includes all disconnections and not just residential electric customers as reported here.

technician is on-site to complete the disconnection, thereby providing a final opportunity to avoid disconnection. These efforts have led to significant reductions in disconnections for non-payment as compared to earlier years. In, 2021 disconnections returned to pre-pandemic levels because of the return to normal operations, which include an end to the disconnection moratorium. However, NIPSCO has continued to work with customers to make payments manageable. For customer's struggling to pay their bills the Company has various payment plans that range from three months up to 12 months to help the customers. The Company also encourages customers to sign up for budget billing to keep payments consistent throughout the year and promotes energy efficiency programs to help reduce usage.

Figure 33. Average residential accounts in arrears at least 60 days

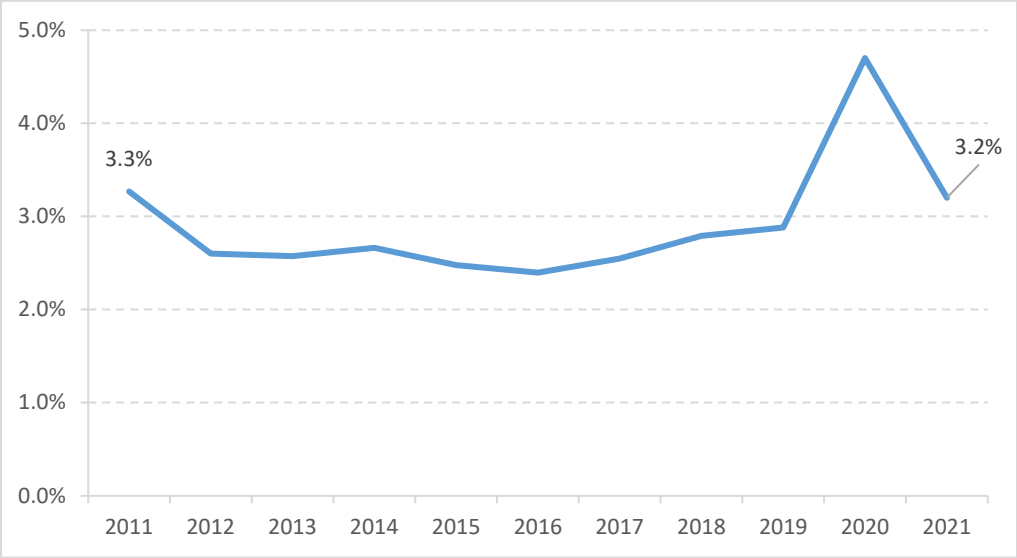


Figure 33 shows the average percentage of residential accounts in arrears at least 60 days. In 2021, residential accounts in arrears approached normal levels because of returning to normal collections activity.

STAFFING

Figure 34. Employee turnover

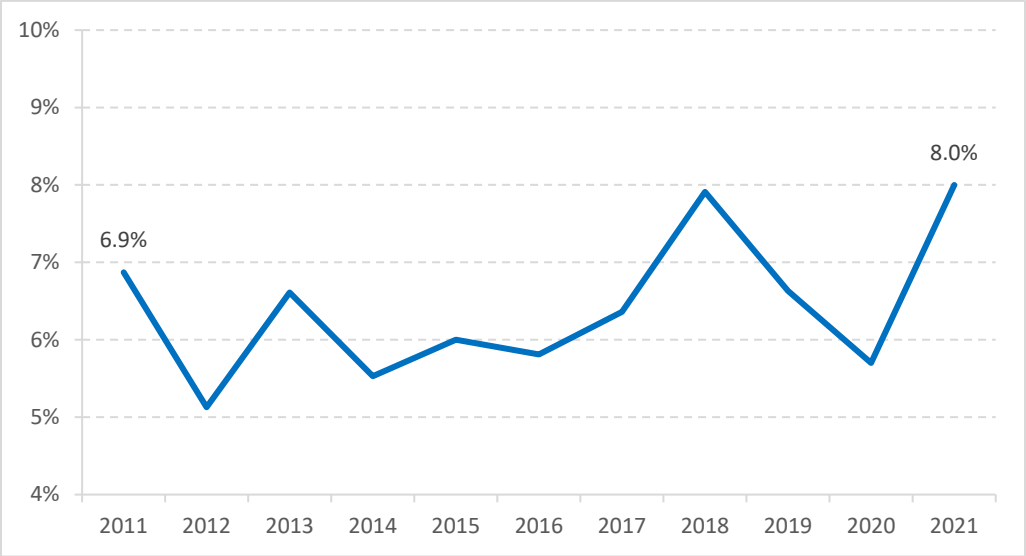


Figure 34 illustrates employee turnover. NIPSCO's employee turnover ratio is calculated using the average number of employees during the year. The uptick in 2018 was primarily driven due to retirements. In 2021, NIPSCO, like many other companies throughout the country, saw a significant uptick in turnover during the year due to voluntary departures, including retirements.

Figure 35. Diverse Employees

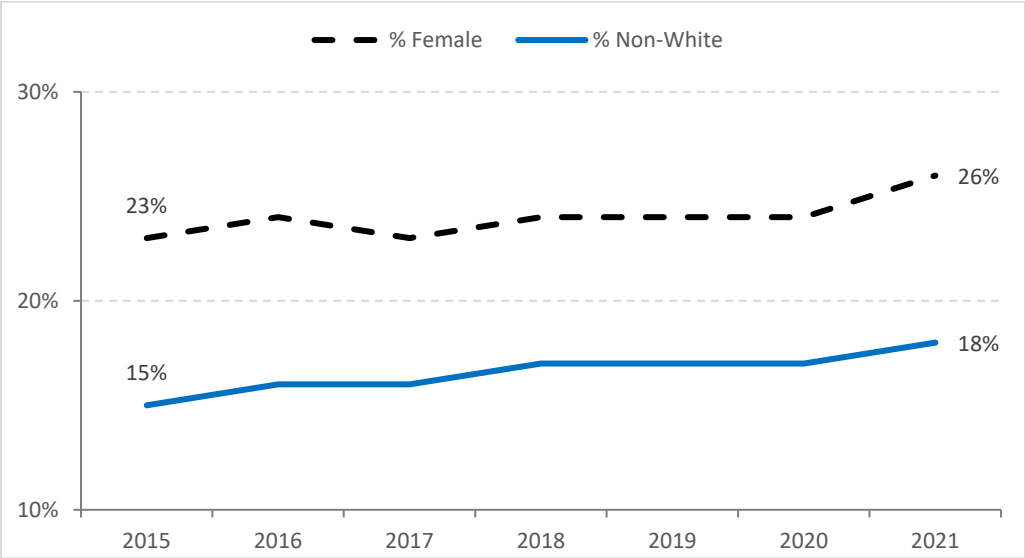


Figure 35 shows the data back to 2015, the earliest for which it was available. Approximately one-quarter of NIPSCO's workforce is female and 18% is non-white. NIPSCO is committed to attracting and retaining a diverse and qualified workforce. Inclusion and diversity, not only of race or gender, but of thought, life experience, culture, ability, generation, sexual orientation, and other characteristics, is an ongoing, strategic initiative that is part of the Company's operating plan. NIPSCO sponsors and participates in job fairs which include the American Association of Blacks in Energy National Conference, the United States Hispanic Leadership Institute, Indiana Black Expo, and the Times of Northwest Indiana. NIPSCO posts to well over 480 job sites, including military networks, University/College sites, Disability sites, Federal Government, State Government, Metro Areas, Diversity and others such as those that cater to engineers. NIPSCO engages in community outreach to over 45 organizations and also uses 39 specific sites in CareerBuilder to engage with diverse groups.

Retention of employees is also a key component of NIPSCO's operating plan. New Employee Orientation begins with a formal process on the first day of employment and then job-specific training is conducted. NIPSCO has also developed numerous Affinity Groups (Employee Resource Groups) to promote networking and support.

CONCLUSION

NIPSCO continues to focus on safety; reliability; customer service; investment and spending; and affordability. In 2021, in addition to navigating the challenges brought about by COVID-19, NIPSCO saw improvements in several areas, and laid plans for additional improvements in other areas. The common theme in all of these areas is NIPSCO's commitment to its customers. Building on the SMS will continue to improve safety, which benefits employees, contractors, customers, and communities. NIPSCO will strive to continue to improve its reliability metrics and maintain its focus on vegetation management. In addition, the Company recognizes the importance of providing excellent customer service and maintaining affordability, through rates, investments, and spending. Key to achieving all of these goals is continued employee engagement. NIPSCO appreciates the opportunity to review these metrics with its stakeholders as it provides valuable input into the process of continued improvement.

2021 Performance Metric Report

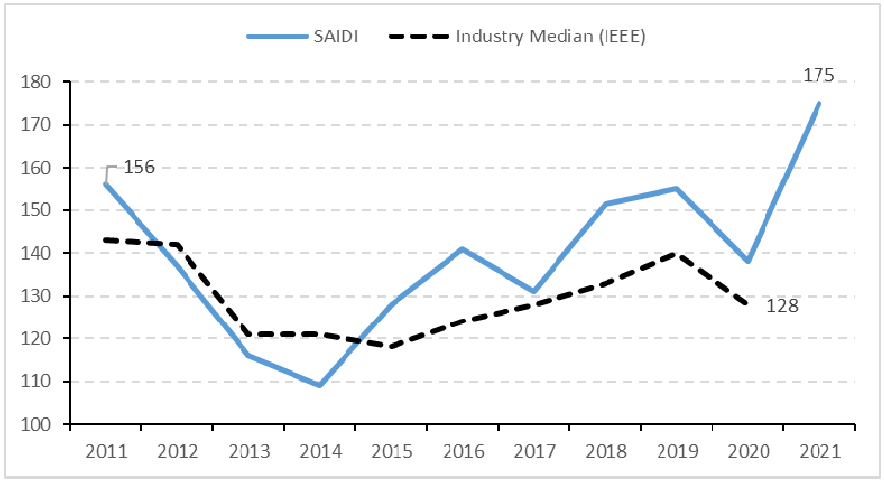
	Fig.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Safety												
Preventable vehicle crash rate	1	5.10	3.26	2.28	2.14	2.43	1.76	1.84	1.97	2.85	1.91	2.47
OSHA recordable incident rate	2	2.61	2.70	1.57	1.41	2.20	2.23	1.29	2.23	2.70	2.61	1.79
DART		1.01	1.60	1.08	0.97	1.18	1.37	0.61	1.61	1.95	1.4	2.06
OSHA rate NIPSCO w/BSA	3	2.61	1.83	1.5	1.26	1.23	1.2	0.75	1.14	1.33	1.24	1.2
DART - NIPSCO with BSA		1.1	1.04	0.93	0.84	0.65	0.61	0.33	0.68	0.88	0.75	1.04
Underground damages	4	3.48	4.50	3.73	3.11	3.00	2.56	2.48	2.05	1.97	2.19	2.13
Reliability												
Major event days	5	7	5	6	7	3	4	2	5	8	5	10
Assoc. restor. days		15	12	8	11	5	6	2	7	14	8	11
TMED (minutes)		11.8	11.5	9.4	8.2	9.5	8.7	8.2	7.9	7.8	8.5	8.6
SAIDI (MED)	6/7	371	428	524	603	248	231	153	244	359	473	529
(non-MED)		156	137	116	109	128	141	131	151	155	138	175
SAIFI (MED)		1.38	1.44	1.46	1.53	1.16	1.26	1.11	1.33	1.58	1.264	1.552
(non-MED)		1.03	0.95	0.84	0.89	0.93	1.01	1.01	1.09	1.07	0.901	1.058
CAIDI (MED)		269	297	359	395	214	184	138	184	227	374	341
(non-MED)		151	145	138	122	137	139	130	139	145	153	165
Generating unit capacity	8	(shown in figure)										
EAF	9											
12 Michigan City		89.88%	81.20%	64.72%	86.10%	55.36%	53.63%	45.38%	63.45%	49.30%	62.17	57.42%
7 Bailly		70.81%	82.09%	92.36%	78.74%	70.13%	75.29%	63.93%	42.23%	Retired	Retired	Retired
8 Bailly		74.38%	75.95%	84.12%	69.15%	67.23%	57.44%	66.03%	0.00%			
14 Schahfer		69.14%	76.55%	74.21%	77.99%	69.18%	74.89%	87.62%	61.41%	51.44%	45.21	0.00%
15 Schahfer		75.66%	81.72%	73.63%	66.22%	87.36%	80.75%	55.15%	80.28%	62.94%	48.79	44.58%
17 Schahfer		91.84%	74.69%	86.52%	81.48%	74.99%	89.12%	67.84%	87.24%	79.62%	82.13	68.29%
18 Schahfer		75.99%	96.97%	94.11%	75.52%	87.18%	60.40%	92.60%	67.51%	79.45%	73.57	57.80%
Coal (weighted avg)		*79.01%*	*81.22%*	*79.25%*	*76.40%*	*73.15%*	*69.91%*	*67.74%*	*66.64%*	*63.24%*	*61.06%*	*46.44%*
Sugar Creek		88.56%	95.27%	91.81%	93.71%	78.90%	96.28%	91.00%	73.29%	88.90%	81.38%	91.95%
EFOR	10											
12 Michigan City		5.14%	1.17%	6.59%	1.09%	0.47%	16.25%	6.68%	24.36%	15.05%	22.88%	16.86%
7 Bailly		7.47%	1.88%	3.95%	3.45%	20.69%	8.32%	15.77%	56.01%	Retired	Retired	Retired
8 Bailly		7.48%	7.81%	4.92%	8.78%	13.20%	22.01%	17.00%	100.00%			
14 Schahfer		3.20%	19.26%	10.52%	19.02%	32.89%	51.25%	17.94%	20.80%	39.83%	88.14%	100.00%
15 Schahfer		9.61%	13.12%	1.76%	11.03%	5.62%	15.46%	17.29%	19.08%	23.28%	59.74%	40.89%
17 Schahfer		7.50%	7.01%	5.20%	10.29%	0.66%	6.16%	12.75%	6.15%	10.90%	8.49%	18.23%
18 Schahfer		4.11%	1.55%	0.19%	4.89%	2.69%	6.57%	2.60%	11.19%	15.21%	13.95%	39.33%
Coal (weighted average)		*6.36%*	*7.43%*	*4.46%*	*8.28%*	*7.78%*	*16.54%*	*11.14%*	*19.66%*	*21.24%*	*40.27%*	*44.02%*
Sugar Creek		0.96%	1.66%	1.89%	0.41%	2.43%	0.82%	1.54%	5.93%	5.33%	6.00%	4.57%
Net capacity factor	12											
12 Michigan City		72.10%	56.82%	49.25%	66.67%	40.17%	41.30%	31.41%	51.19%	26.12%	37.85%	37.17%
7 Bailly		56.95%	44.48%	52.61%	53.50%	48.89%	53.58%	47.61%	36.58%	Retired	Retired	Retired
8 Bailly		60.38%	41.73%	54.68%	50.35%	26.98%	36.44%	31.33%	0.00%			
14 Schahfer		52.58%	27.12%	40.83%	40.20%	13.21%	12.21%	17.00%	38.98%	32.20%	4.65%	-0.039%
15 Schahfer		59.41%	55.92%	54.02%	47.28%	45.04%	24.13%	20.25%	51.59%	37.62%	18.16%	34.67%
17 Schahfer		47.18%	30.42%	41.62%	65.64%	38.81%	49.30%	39.76%	55.00%	39.79%	29.61%	38.88%
18 Schahfer		52.06%	51.13%	71.35%	63.88%	56.69%	44.11%	70.27%	44.64%	46.06%	26.07%	36.12%
Coal (weighted avg)		*57.80%*	*44.54%*	*51.63%*	*55.30%*	*37.64%*	*35.02%*	*34.62%*	*45.05%*	*35.76%*	*23.03%*	*29.36%*
Sugar Creek		46.64%	64.18%	50.98%	45.81%	68.41%	78.33%	73.79%	61.15%	75.91%	68.75%	59.14%

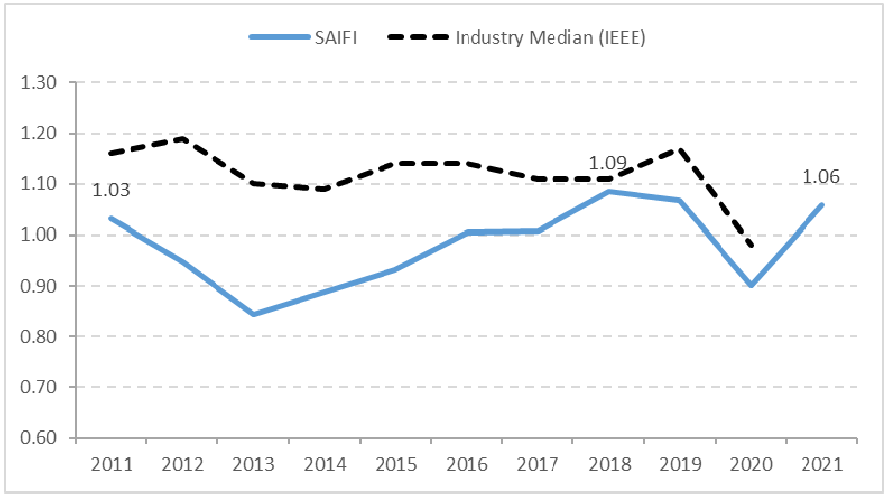
	Fig.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Customer Satisfaction												
Avg speed of answer (sec)	13	51	20	21	29	18	21	28	27	45	68	90
Abandonment rate		2.8%	1.3%	1.5%	1.6%	1.4%	1.6%	2.3%	2.2%	2.9%	6.5%	5.3%
First call resolution	14	74%	79%	75%	77%	77%	80%	87%	87%	87%	86%	86%
Meter reading		91%	94%	92%	92%	99%	100%	100%	100%	100%	100%	100%
Customer survey	15	88%	86%	83%	84%	87%	88%	88%	90%	89%	88%	88%
J.D. Power scores												
Residential (electric)	16	585	604	624	618	648	645	704	706	714	743	752
Business (electric)		640	645	616	653	612	671	735	760	771	722	753
Complaints to regulator												
Substantiated	17	2	2	1	0	1	2	1	0	0	1	0
Total		84	62	66	73	78	64	61	77	98	38	24
Unsubstatiated		82	60	65	73	77	62	60	77	98	37	24
O&M Expenses												
O&M per MWh (total)	18	$56.57	$57.19	$59.70	$62.67	$59.79	$62.21	$65.59	$61.00	$61.89	$55.35	$58.31
(non-fuel)		$24.09	$27.52	$27.26	$27.63	$30.14	$32.59	$34.59	$30.04	$31.93	$33.56	$29.97
O&M per customer (total)	19	$2,084	$2,095	$2,186	$2,386	$2,146	$2,254	$2,346	$2,120	$2,055	$1,695	$1,891
(non-fuel)		$888	$1,008	$998	$1,052	$1,082	$1,181	$1,237	$1,044	$1,060	$1,028	$972
Non-fuel production O&M												
per MWh sold	20	$9.27	$10.73	$9.63	$9.85	$11.02	$12.74	$14.17	$11.06	$10.73	$10.24	$9.14
per MWH generated		$10.53	$13.74	$11.86	$12.11	$15.13	$17.71	$19.72	$15.11	$16.35	$20.14	$17.78
Transmission per MWh	21	$1.15	$1.31	$1.69	$1.73	$2.14	$2.63	$2.76	$2.73	$3.17	$3.36	$3.38
Transmission per pole mile		$7,161	$7,985	$26,699	$28,367	$32,333	$39,913	$41,638	$36,477	$40,567	$36,159	$43,193
Distribution expense per MWh		$2.51	$2.80	$2.76	$2.40	$2.47	$2.60	$2.97	$3.37	$3.74	$4.23	$3.99
Customer operations per MWh	22	$1.07	$1.25	$1.29	$1.20	$1.22	$1.13	$1.05	$1.08	$1.18	$1.05	$1.09
A&G per MWh	23	$9.20	$10.44	$10.50	$11.15	$12.63	$13.13	$13.24	$11.24	$12.72	$13.86	$11.78
excluding Acct. 926		$6.79	$7.36	$7.76	$9.12	$10.32	$10.86	$11.26	$10.01	$10.24	$12.15	$10.95
A&G per customer	24	$352	$388	$400	$441	$459	$476	$474	$393	$423	$427	$385
excluding Acct. 926		$260	$274	$296	$361	$375	$394	$403	$351	$340	$374	$358
Benchmarking												
O&M expense per retail MWh	25											
1st quintile		$53	$50	$52	$54	$52	$48	$49	$49	$45	$46	$52
2nd quintile		$65	$62	$63	$67	$62	$61	$61	$63	$57	$58	$64
3rd quintile		$76	$74	$76	$79	$73	$69	$69	$71	$66	$70	$80
4th quintile		$89	$87	$88	$94	$88	$81	$84	$86	$90	$86	$101
Ind. IOU median		$58	$62	$63	$66	$60	$62	$66	$67	$62	$63	$66
NIPSCO		$57	$57	$60	$63	$60	$62	$66	$61	$62	$55	$58
O&M (non fuel) per retail MWh	26											
1st quintile		$17	$18	$18	$20	$21	$20	$20	$20	$20	$21	$20
2nd quintile		$23	$23	$24	$25	$26	$26	$27	$27	$25	$27	$26
3rd quintile		$28	$29	$30	$31	$32	$32	$33	$32	$32	$34	$33
4th quintile		$39	$41	$40	$43	$42	$43	$42	$44	$41	$44	$46
Ind. IOU median		$24	$28	$27	$28	$28	$30	$33	$32	$32	$34	$34
NIPSCO		$24	$28	$27	$28	$30	$33	$35	$30	$32	$34	$30
A&G (less Acct 926) per MWh	27											
1st quintile		$2.84	$2.85	$2.77	$2.93	$3.03	$3.16	$3.16	$3.21	$3.15	$3.43	$3.40
2nd quintile		$3.89	$4.17	$4.26	$4.29	$4.31	$4.47	$4.43	$4.39	$4.39	$4.49	$4.48
3rd quintile		$5.21	$5.54	$5.34	$5.48	$5.71	$5.98	$6.03	$6.34	$6.33	$6.47	$6.69
4th quintile		$7.34	$7.52	$7.84	$8.32	$8.40	$8.74	$8.78	$8.74	$9.44	$9.57	$9.93
Ind. IOU median		$4.34	$4.70	$4.85	$4.96	$5.18	$5.43	$5.19	$5.18	$5.18	$5.34	$5.80
NIPSCO		$7.05	$7.47	$8.07	$9.47	$10.44	$10.88	$11.28	$10.08	$10.25	$12.22	$11.04

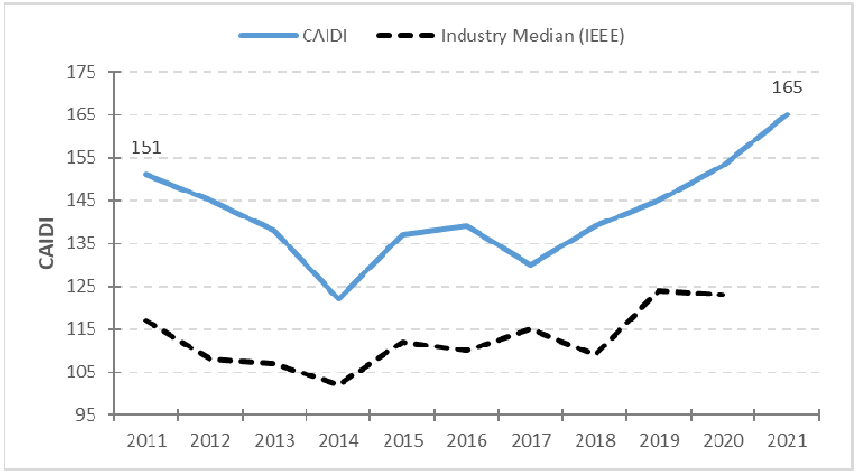
	Fig.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Affordability												
Residential rates (as of July 1)												
Bill (698kWh)	28	$79	$84	$89	$90	$91	$105	$103	$97	$99	$110	$113
Bill (1000kWh)		$110	$115	$119	$128	$125	$144	$142	$132	$137	$152	$156
Components ($/kWh, May 1 of *following* year, as of July 1 for 2021)												
base fuel								$0.0325	$0.0325	$0.0325	$0.0267	$0.0267
O&M expense								$0.0294	$0.0294	$0.0294	$0.0406	$0.0406
D&A expense								$0.0133	$0.0133	$0.0133	$0.0259	$0.0259
taxes								$0.0100	$0.0073	$0.0073	$0.0072	$0.0072
NOI and settlement adjust't								$0.0130	$0.0130	$0.0130	$0.0220	$0.0220
capital trackers								$0.0016	$0.0038	$0.0039	$0.0028	$0.0013
expense trackers								$0.0138	$0.0126	$0.0077	$0.0121	$0.0184
total								$0.1136	$0.1119	$0.1071	$0.1373	$0.1421
Variable charges (cents) (as of July 1 for 2019)												
811 energy							11.0433	11.0433	10.6764	10.6764	0.1241	0.124141
870 FAC							0.2625	0.0836	-0.3279	-0.1999	-0.0011	0.0031
871 RTO							0.1664	0.1220	0.2138	0.1015	0.0026	0.003767
872 ECR							0.9330	0.4221	0.2963	0.2745	0	0
874 RA							0.3030	0.4388	0.4160	0.3651	0.0041	-0.00031
883 DSM							0.3157	0.3770	0.2272	0.5053	0.0056	0.006331
887 FMC							-0.0011	-0.0019	0.0249	0.1325	0.0003	0.0000
888 TDSIC							0.0000	0.3204	0.3159	0.3813	0.0011	0.003722
Total variable charge							13.0228	12.8053	11.8426	12.2367	0.1368	0.1368
Customer charge ($)						$11.00	$14.00	$14.00	$14.00	$14.00	$13.50	$13.50
Commercial rates	29											
Rate *kW* *MWh* *LF%*												
721 3 0.375 17%		$0.181	$0.180	$0.183	$0.198	$0.186	$0.218	$0.217	$0.212	$0.210	$0.236	$0.242
12 1.5 17%		$0.141	$0.140	$0.143	$0.158	$0.146	$0.170	$0.169	$0.164	$0.162	$0.175	$0.182
723 40 10 34%		$0.130	$0.123	$0.131	$0.142	$0.132	$0.153	$0.152	$0.148	$0.147	$0.158	$0.164
40 14 48%		$0.115	$0.108	$0.116	$0.127	$0.117	$0.137	$0.136	$0.131	$0.131	$0.144	$0.151
724 500 150 41%		$0.104	$0.104	$0.108	$0.115	$0.107	$0.124	$0.124	$0.120	$0.119	$0.130	$0.135
500 180 49%		$0.097	$0.097	$0.101	$0.108	$0.100	$0.117	$0.116	$0.113	$0.111	$0.122	$0.127
Industrial rates	30											
Rate *kW* *MWh* *LF%*												
723 75 15 27%		$0.136	$0.129	$0.137	$0.147	$0.137	$0.159	$0.159	$0.154	$0.154	$0.168	$0.175
75 30 55%		$0.107	$0.100	$0.108	$0.118	$0.108	$0.128	$0.127	$0.123	$0.122	$0.135	$0.141
724 75 50 91%		$0.093	$0.088	$0.096	$0.104	$0.096	$0.111	$0.111	$0.107	$0.106	$0.116	$0.122
1,000 200 27%		$0.120	$0.120	$0.125	$0.132	$0.124	$0.142	$0.142	$0.138	$0.137	$0.149	$0.154
1,000 400 55%		$0.091	$0.091	$0.095	$0.102	$0.094	$0.111	$0.110	$0.107	$0.105	$0.116	$0.121
1,000 650 89%		$0.080	$0.080	$0.084	$0.091	$0.083	$0.099	$0.098	$0.095	$0.093	$0.103	$0.108
732 50,000 15,000 69%		$0.075	$0.076	$0.080	$0.084	$0.078	$0.088	$0.097	$0.093	$0.079	$0.076	$0.088
733 50,000 25,000 83%		$0.068	$0.067	$0.071	$0.075	$0.069	$0.079	$0.079	$0.076	$0.070	$0.075	$0.082
50,000 32,500 100%		$0.057	$0.065	$0.066	$0.071	$0.065	$0.072	$0.071	$0.068	$0.066	$0.067	$0.077

	Fig.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential disconnections	31											
for non-payment		20,088	19,585	17,271	15,824	15,011	12,689	11,900	8,232	7,854	4,537	7,361
notices sent (000)		454	454	460	480	455	438	446	458	448	244	363
disconnections by month												
Jan		1,408	1,875	1,466	354	863	835	1,304	22	483	837	454
Feb		866	1,560	1,284	219	323	912	1,456	415	881	600	293
Mar		2,018	1,806	1,418	1,084	1,411	1,068	1,132	928	776	468	664
Apr		1,751	1,655	1,892	1,653	1,635	953	817	861	786	0	780
May		1,748	1,571	1,580	1,665	1,318	740	1,150	1,253	628	0	645
Jun		1,711	1,339	1,145	1,635	1,393	872	962	997	726	1	642
Jul		1,482	1,029	1,323	1,353	907	885	854	801	628	0	537
Aug		1,914	1,644	1,196	1,437	1,262	1,185	1,323	808	684	12	629
Sep		1,607	1,471	1,061	1,425	908	951	745	406	691	879	839
Oct		1,436	1,553	1,365	1,341	1,158	939	1,026	619	677	668	620
Nov		1,211	1,107	796	452	999	930	804	533	456	611	585
Dec		925	963	732	1,192	819	403	327	589	438	461	673
Accounts in arrears	32											
Jan		4.0%	3.0%	2.7%	2.8%	2.8%	2.9%	2.6%	3.5%	2.8%	2.5%	4.8%
Feb		4.2%	2.8%		2.8%	2.9%	2.4%	2.4%	3.5%	2.8%	2.6%	4.5%
Mar		4.1%	2.6%	2.4%	2.5%	2.5%	2.0%	2.2%	3.2%	2.5%	2.7%	3.8%
Apr		3.6%	2.5%	2.1%	2.5%	2.3%	2.3%	2.5%	2.7%	2.6%	4.1%	3.0%
May		3.7%	2.7%	2.2%	2.7%	2.6%	2.3%	2.4%	2.3%	2.7%	5.7%	2.9%
Jun		3.0%	2.8%	2.7%	2.8%	2.4%	2.2%	2.4%	2.5%	3.1%	6.0%	2.8%
Jul		3.1%	2.3%	2.4%	2.6%	2.4%	2.4%	2.6%	2.4%	3.0%	6.5%	2.6%
Aug		2.7%	2.1%	2.3%	2.4%	2.1%	2.0%	2.0%	2.3%	2.3%	5.8%	2.5%
Sep		2.0%	2.2%	2.3%	2.2%	2.1%	1.9%	2.5%	2.5%	2.5%	5.6%	2.4%
Oct		2.5%	2.6%	2.5%	2.3%	2.3%	2.4%	2.6%	2.6%	3.0%	5.4%	2.6%
Nov		3.0%	2.7%	3.0%	3.1%	2.5%	2.7%	2.8%	2.8%	3.5%	4.9%	2.8%
Dec		3.3%	3.1%	3.6%	3.3%	2.9%	3.2%	3.6%	3.2%	3.6%	5.1%	3.1%
average		3.3%	2.6%	2.6%	2.7%	2.5%	2.4%	2.5%	2.8%	2.9%	4.7%	3.2%
Employee turnover	33	6.9%	5.1%	6.6%	5.5%	6.0%	5.8%	6.4%	7.9%	6.6%	5.7%	8.0%
% Female							23.0%	24.0%	23.0%	24.0%	24.0%	26
% Non-White							15.0%	16.0%	16.0%	17.0%	17.0%	18
Ratio data												
Energy (MWh, millions)												
Generated		15.39	13.28	14.18	14.79	12.20	12.11	12.02	12.04	10.32	7.61	8.10
Retail sales		16.84	16.76	16.80	17.51	16.56	16.81	16.69	16.63	15.71	14.62	15.61
Wholesale sales		0.65	0.25	0.67	0.68	0.19	0.02	0.03	0.114	0.010	0.08	0.12
O&M ($, millions)												
Total		$952	$958	$1,003	$1,097	$990	$1,046	$1,095	$996	$972	$809	$910
Production		$709	$680	$713	$793	$676	$713	$754	$688	$640	$472	$586
Fuel		$547	$497	$545	$614	$491	$498	$517	$506	$471	$319	$442
Transmission		$20	$22	$29	$31	$36	$44	$46	$45	$50	$49	$53
Distribution		$44	$48	$48	$44	$41	$44	$50	$55	$58	$63	$63
Customer		$19	$21	$23	$22	$20	$19	$18	$18	$19	$15	$16
A&G		$161	$178	$183	$203	$212	$221	$221	$185	$202	$204	$185

MED Data (See MED Appendix Data)


SAIDI
Industry Median (IEEE)
180
170
160
150
140
130
120
110
100
156
175
128
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


SAIFI
Industry Median (IEEE)
1.30
1.20
1.10
1.00
0.90
0.80
0.70
0.60
1.03
1.09
1.06
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


CAIDI
Industry Median (IEEE)
CAIDI
175
165
155
145
135
125
115
105
95
151
165
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021

Date	SAIDI	SAIFI	Date	SAIDI	SAIFI	Date	SAIDI	SAIFI	Date	SAIDI	SAIFI
5/29/2011	17.72	0.0434	6/29/20112	53.75	0.078	3/12/2014	30.9	0.1174	2/19/2016	9.83	0.0499
5/30/2011	2.83	0.0115	6/30/2012	7.13	0.0191	3/13/2014	0.09	0.0007	2/20/2016	0.28	0.0017
5/31/2011	0.27	0.035	7/1/2012	7.34	0.0279	5/11/2014	31.01	0.0628	2/21/2016	0.02	0.0002
6/4/2011	98.8	0.0976	7/2/2012	0.3	0.0034	5/12/2014	6.78	0.0114	2/24/2016	56.4	0.105
6/5/2011	19.47	0.0137	7/5/2012	22.23	0.0548	5/13/2014	0.73	0.0039	2/25/2016	3.65	0.0104
6/6/2011	4.46	0.0097	7/6/2012	1.9	0.0057	5/14/2014	0.1	0.001	2/26/2016	0.15	0.0011
6/7/2011	1.15	0.005	7/7/2012	0.29	0.0048	6/30/2014	202.78	0.2132	7/21/2016	9.25	0.0448
6/8/2011	0.62	0.0052	7/18/2012	20.08	0.0535	7/1/2014	168.11	0.1271	7/22/2016	0.68	0.0031
6/9/2011	2.4	0.0167	7/19/2012	6.39	0.0281	7/2/2014	9.63	0.0098	12/4/2016	15.37	0.0479
7/1/2011	13.55	0.0446	7/20/2012	0.1	0.0007	7/3/2014	3.69	0.0121	12/5/2016	1.11	0.0093
7/2/2011	2.83	0.0134	7/24/2012	100.66	0.167	7/4/2014	0.87	0.005	1/10/2017	13.44	0.0584
7/3/2011	0.16	0.0011	7/25/2012	3.13	0.0074	7/5/2014	0.15	0.0006	1/11/2017	0.81	0.0042
7/11/2011	17.71	0.0537	7/26/2012	1.49	0.0064	9/20/2014	11.17	0.0318	3/8/2017	8.78	0.0452
7/12/2011	0.42	0.0034	8/4/2012	93.59	0.14	9/21/2014	1.84	0.0089	3/9/2017	0.05	0.0003
7/13/2011	0.42	0.007	8/5/2012	6.67	0.0135	9/22/2014	0.21	0.001	7/4/2018	16.1	0.042
7/22/2011	24.27	0.0545	8/6/2012	0.25	0.0018	10/31/2014	40.66	0.0742	7/5/2018	8.37	0.0278
7/23/2011	4.56	0.0129	8/7/2012	0.13	0.0007	11/1/2014	0.72	0.0017	7/6/2018	0.39	0.0019
7/24/2011	1.78	0.0091	6/12/2013	40.36	0.0965	11/2/2014	0.14	0.0009	7/7/2018	0.08	0.0007
7/25/2011	0.27	0.0033	6/13/2013	5.55	0.0126	2/1/2015	15.65	0.0543	7/8/2018	0.45	0.0024
11/29/2011	24.1	0.0438	6/14/2013	0.18	0.0011	2/2/2015	0.24	0.0012	9/25/2018	14.2	0.0447
11/30/2011	7.41	0.0104	6/24/2013	176.66	0.216	7/18/2015	18.4	0.0046	9/26/2018	1.19	0.0065
12/1/2011	0.12	0.0006	6/25/2013	38.61	0.0457	7/19/2015	0.74	0.0027	10/20/2018	12.76	0.0377
			6/26/2013	12.42	0.0119	12/28/2015	85.89	0.1257	10/21/2018	0.13	0.0009
			6/27/2013	51.3	0.0736	12/29/2015	3.88	0.0061	11/26/2018	41.65	0.0892
			6/28/2013	7.75	0.0257	12/30/2015	0.97	0.0049	11/27/2018	0.13	0.0004
			6/29/2013	0.99	0.0061	12/31/2015	0.05	0.0002	11/28/2018	0.06	0.0006
			11/17/2013	88.4	0.1684						
			11/18/2013	5.06	0.0086						
			11/19/2013	0.87	0.0054						
			11/20/2013	0.16	0.0012						
			11/21/2013	0.29	0.0024						

Date	SAIDI	SAIFI	Date	SAIDI	SAIFI
2/12/2019	17.59	0.0553	6/9/2020	12.371	0.0428
2/13/2019	0.18	0.0014	6/10/2020	31.083	0.0483
5/23/2019	41.01	0.0891	6/11/2020	0.947	0.0022
5/24/2019	0.78	0.0048	6/12/2020	0.365	0.0029
5/25/2019	0.1	0.0005	6/26/2020	17.243	0.0418
6/26/2019	7.88	0.0297	6/27/2020	1.442	0.0049
6/27/2019	3.42	0.0167	6/28/2020	0.311	0.0017
6/28/2019	0.29	0.0027	8/10/2020	242.893	0.2105
8/18/2019	25.03	0.0594	8/11/2020	31.157	0.0194
8/19/2019	0.5	0.0026	8/12/2020	5.813	0.0045
8/20/2019	0.22	0.0013	8/13/2020	1.175	0.0013
9/3/2019	9.07	0.036	8/14/2020	1.343	0.006
9/4/2019	0.06	0.0005	8/15/2020	0.611	0.0028
9/27/2019	25.46	0.0676	1/1/2021	130.273	0.1198
9/28/2019	1.3	0.0037	1/2/2021	20.26	0.0156
9/29/2019	0.74	0.004	1/3/2021	11.454	0.0193
10/21/2019	66.08	0.1229	1/4/2021	0.503	0.0025
10/22/2019	3.18	0.0063	1/5/2021	0.074	0.0005
10/23/2019	0.38	0.0036	6/20/2021	24.499	0.0369
10/24/2019	0.19	0.0012	6/21/2021	58.089	0.104
11/27/2019	12.52	0.053	6/22/2021	0.486	0.004
11/28/2019	0.21	0.0021	6/23/2021	0.188	0.0012
			6/26/2021	11.217	0.0255
			6/27/2021	0.811	0.0027
			6/28/2021	2.462	0.0141
			8/11/2021	48.251	0.0601
			8/12/2021	26.482	0.041
			8/13/2021	0.608	0.002
			8/14/2021	0.282	0.0022
			8/25/2021	9.542	0.0269
			8/26/2021	1.13	0.0055
			12/11/2021	14.742	0.0447
			12/12/2021	0.101	0.0008
			12/13/2021	0.084	0.0006