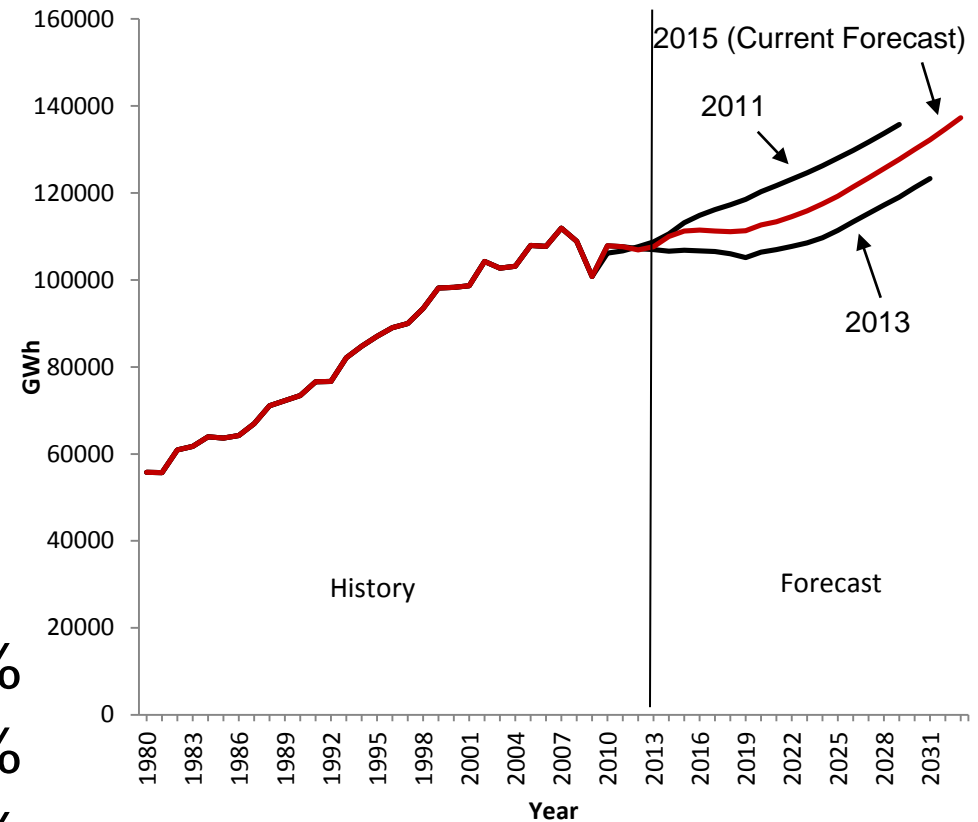


INDIANA ELECTRICITY PROJECTIONS: THE 2015 FORECAST

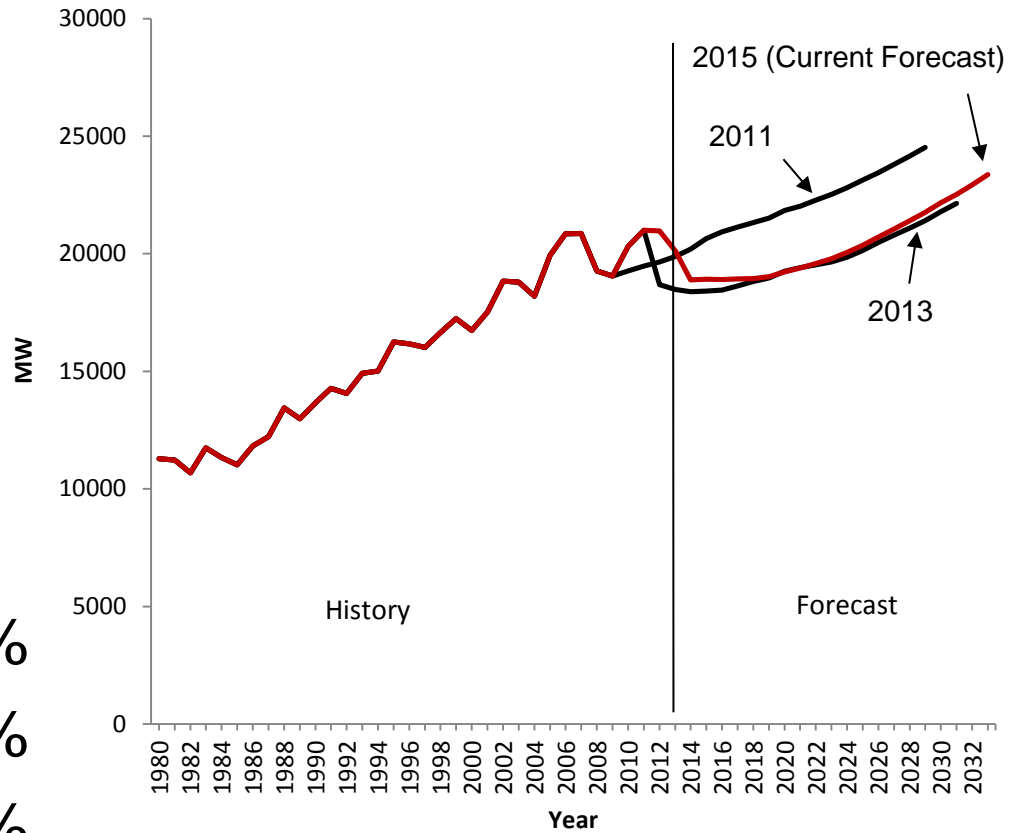
Indiana Electricity Requirements

- Retail sales by investor owned and not-for-profit utilities
- Includes estimated transmission and distribution losses
- Growth rates
 - 2015 forecast: 1.17%
 - 2013 forecast: 0.74%
 - 2011 forecast: 1.30%



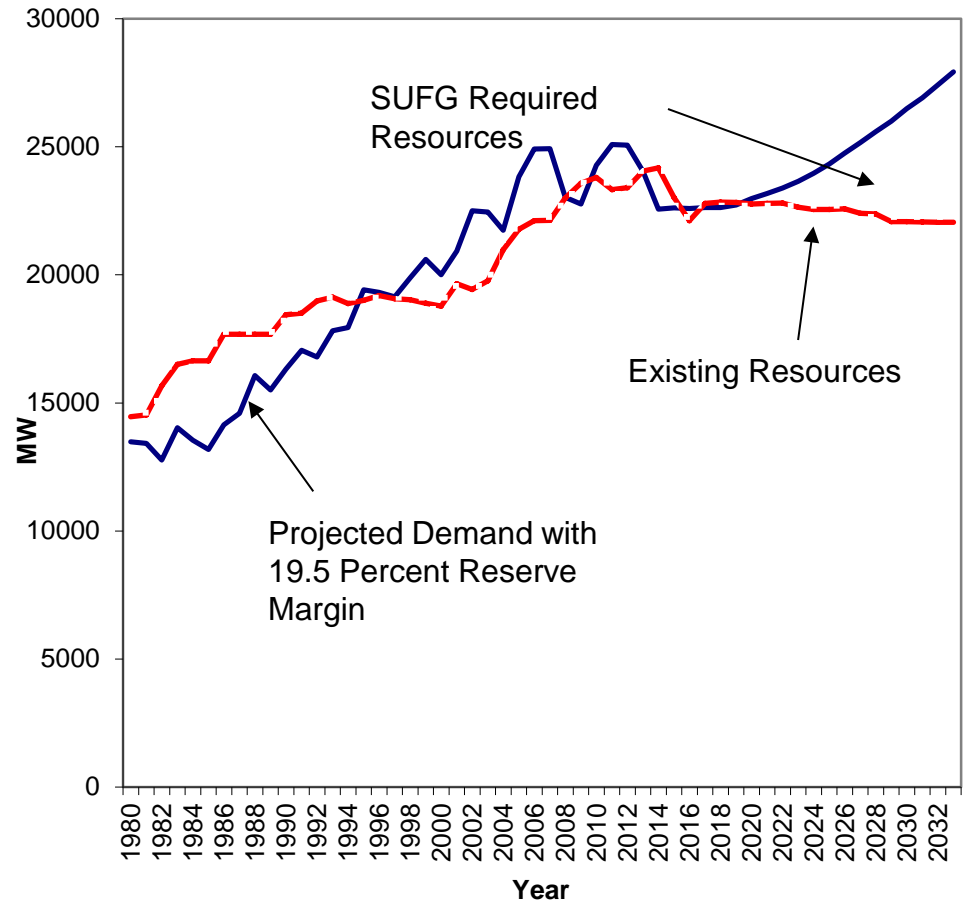
Indiana Peak Demand Requirements

- Peak demand is net of DSM (Energy Efficiency and Demand Response loads)
- Growth rates
 - 2015 forecast: 1.13%
 - 2013 forecast: 0.90%
 - 2011 forecast: 1.28%



Indiana Resource Requirements

- Resources may be provided by conservation measures, contractual purchases, purchases of existing assets, or new construction
- Existing resources are adjusted into the future for retirements, contract expirations, and IURC approved new resources

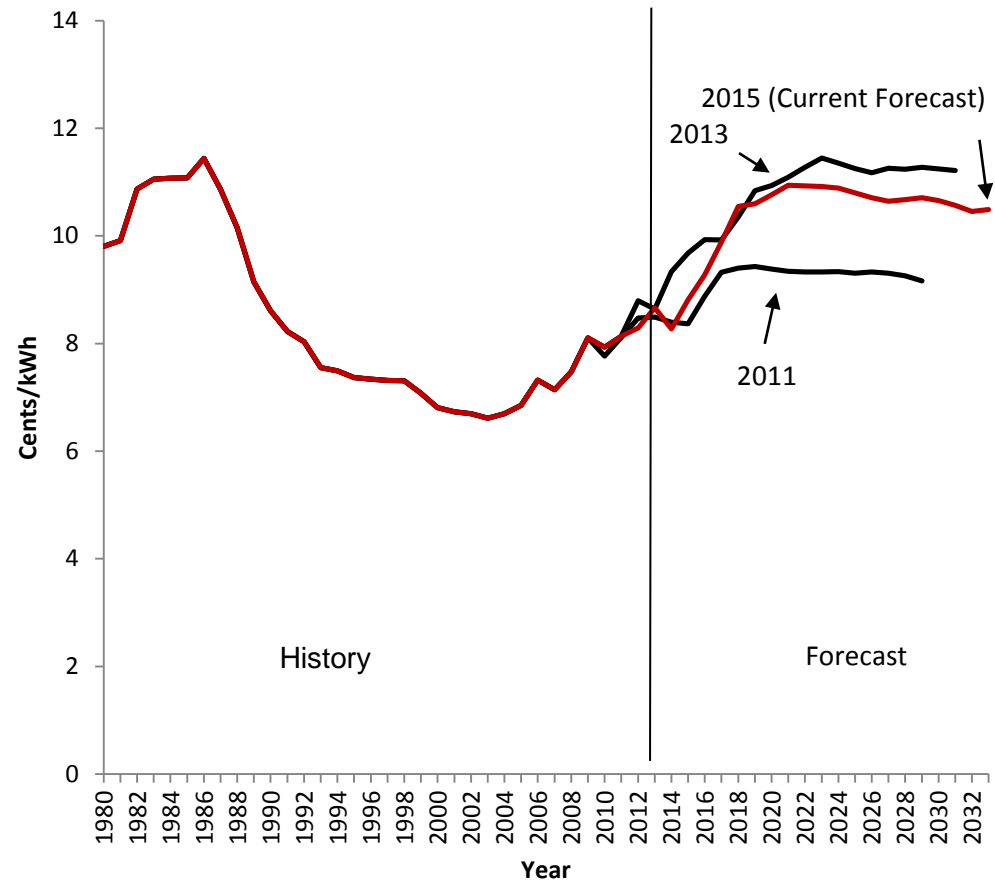


	Uncontrolled Peak Demand ¹	Demand Response ²	Net Peak Demand ³	Existing/ Approved Capacity ⁴	Incremental Change in Capacity ⁵	Projected Additional Resource Requirements ⁶				Total Resources ⁷	Reserve Margin ⁸ (percent)
						Peaking	Cycling	Baseload	Total		
2013				24,060							
2014	19,860	973	18,887	24,176	116	-	-	-	-	24,176	28
2015	20,068	1,146	18,922	23,016	-1,160	150	90	30	270	23,286	23
2016	20,099	1,196	18,903	22,119	-897	250	170	100	520	22,639	20
2017	20,075	1,141	18,934	22,786	667	220	110	140	470	23,256	23
2018	20,097	1,157	18,939	22,847	61	220	90	180	490	23,337	23
2019	20,184	1,164	19,020	22,824	-23	240	120	240	600	23,424	23
2020	20,398	1,168	19,230	22,770	-54	290	120	310	720	23,490	22
2021	20,564	1,169	19,395	22,789	20	330	140	360	830	23,619	22
2022	20,751	1,172	19,579	22,799	10	390	180	460	1,030	23,829	22
2023	20,969	1,175	19,794	22,647	-152	530	210	620	1,360	24,007	21
2024	21,231	1,177	20,054	22,558	-88	630	260	840	1,730	24,288	21
2025	21,541	1,179	20,361	22,558	0	740	310	940	1,990	24,548	21
2026	21,891	1,181	20,710	22,580	22	840	360	1,120	2,320	24,900	20
2027	22,240	1,183	21,057	22,402	-178	1,010	440	1,410	2,860	25,262	20
2028	22,597	1,185	21,412	22,383	-19	1,150	520	1,560	3,230	25,613	20
2029	22,949	1,185	21,764	22,077	-306	1,310	590	2,030	3,930	26,007	19
2030	23,351	1,186	22,165	22,080	2	1,470	690	2,240	4,400	26,480	19
2031	23,714	1,186	22,528	22,073	-7	1,630	770	2,450	4,850	26,923	20
2032	24,123	1,186	22,937	22,055	-18	1,760	910	2,670	5,340	27,395	19
2033	24,553	1,186	23,367	22,056	1	1,920	1,010	2,930	5,860	27,916	19

- 1 Uncontrolled peak demand is the peak demand prior any load reduction from demand response programs being called upon.
- 2 Demand response is all the measures designed to shift load away from peak demand periods. These include interruptible and direct load control programs affecting peak demand. These numbers are net of peak reductions that were called on in the calibration year (2013).
- 3 Net peak demand is the peak demand after load reductions from demand response programs are taken into account.
- 4 Existing/approved capacity includes installed capacity plus approved new capacity plus firm purchases minus firm sales.
- 5 Incremental change in capacity is the change in existing/approved capacity from the previous year. The change is due to new, approved capacity becoming operational, retirements of existing capacity, and changes in firm purchases and sales.
- 6 Projected additional resource requirements is the cumulative amount of additional resources needed to meet future requirements.
- 7 Total resource requirements are the total statewide resources required including existing/approved capacity and projected additional resource requirements.
- 8 Resources may be required by individual utilities even if the state as a whole meets or exceeds the statewide reserve margin. Individual utility reserve margins are not allowed to fall below 6 percent.

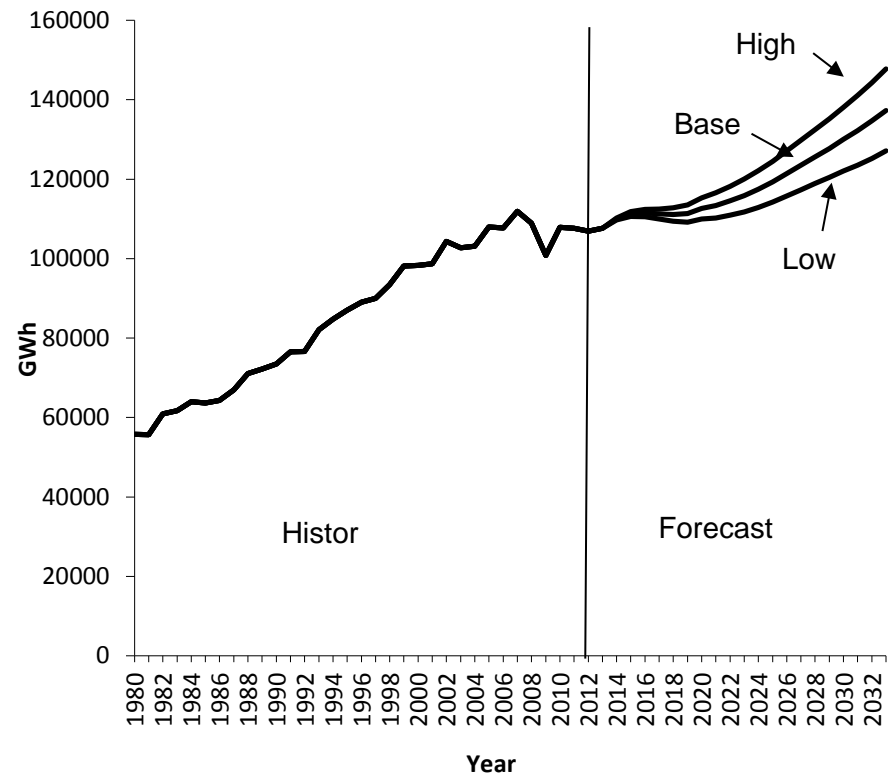
Indiana Real Price Projections (2013 \$)

- Effect of inflation removed
- Includes the cost of new resources
- Due to timing of the release of the final version of the EPA Clean Power Plan, it is not included
- Other finalized rules (e.g., MATS) are included

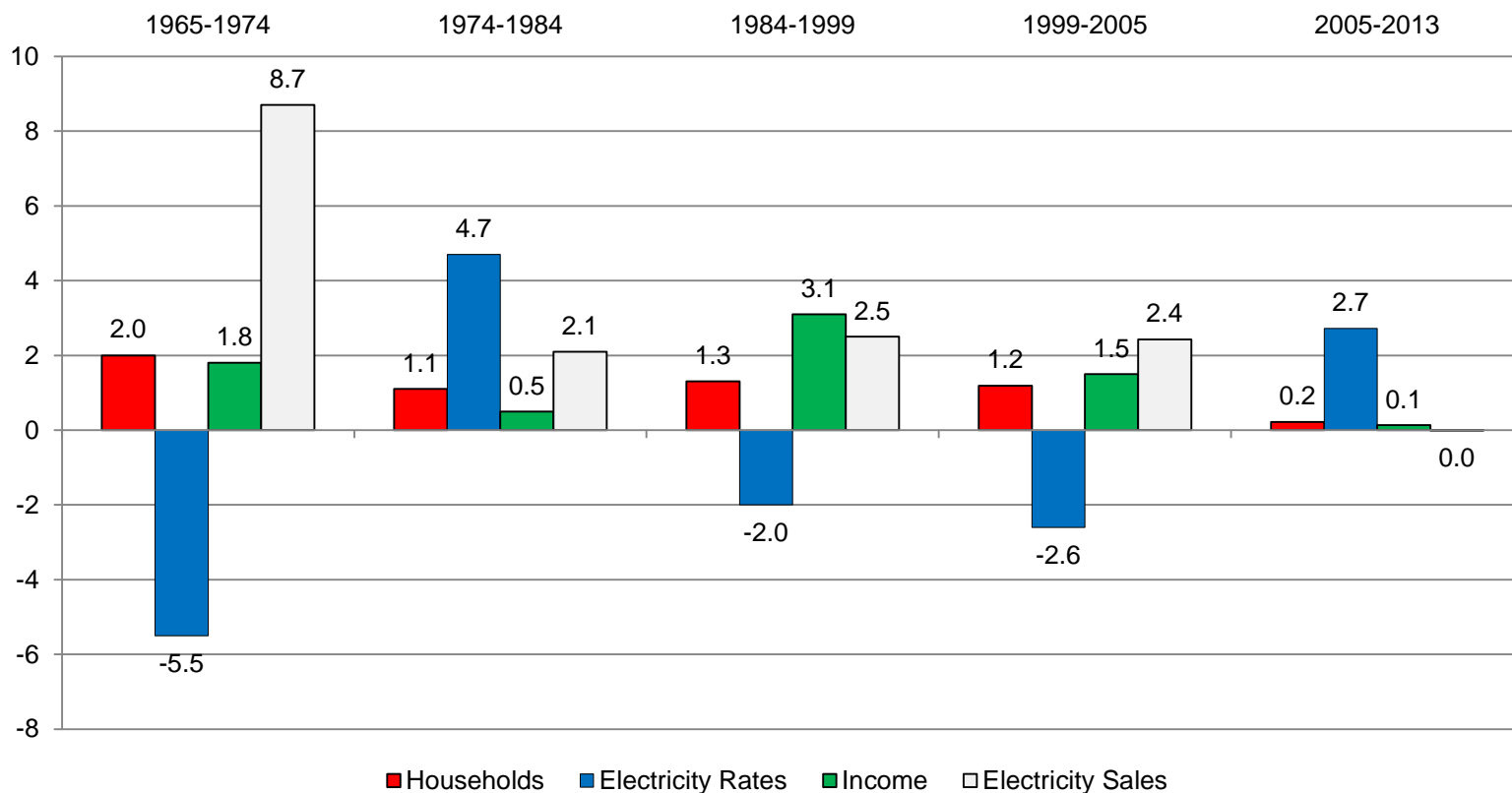


Alternative Scenarios

- Any forecast contains uncertainty
- CEMR provides alternative low and high growth econometric forecasts
- Low and high growth scenarios are intended to give a plausible bound to uncertainty



Residential Trends (Annual Percent Change)

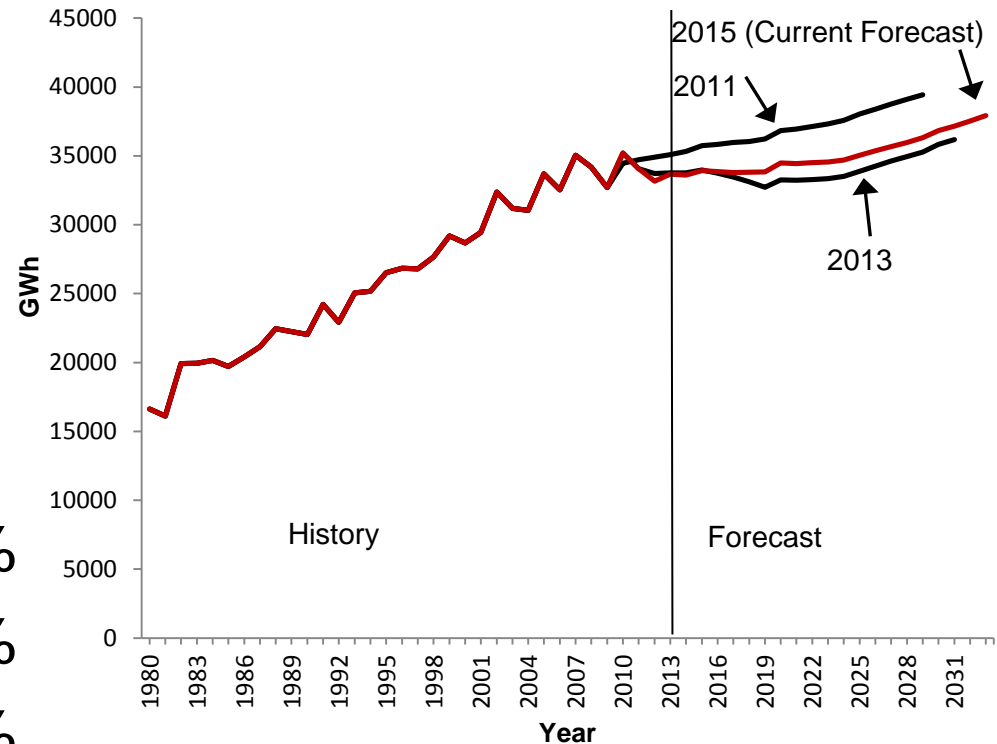


Residential Growth Rates

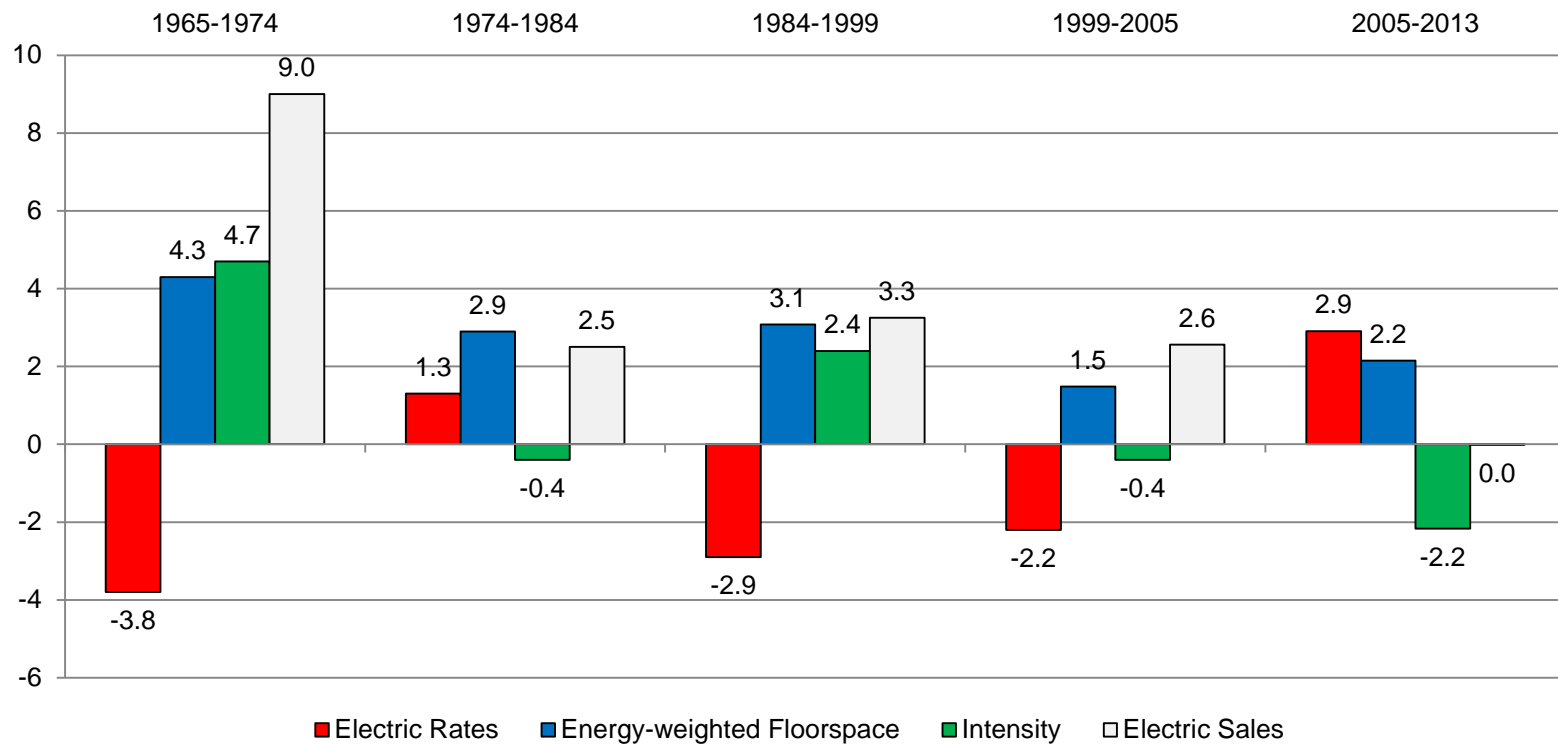
Forecast	No. of Customers	Without DSM		With DSM	
		Utilization	Sales Growth	Utilization	Sales Growth
2015 SUFG Base (2014-2033)	1.07	-0.35	0.72	-0.43	0.64
2013 SUFG Base (2012-2031)	1.17	-0.32	0.85	-0.80	0.37
2011 SUFG Base (2010-2029)	1.00	-0.23	0.77	-0.29	0.71

Residential Electricity Sales

- Estimated from:
 - demographics
 - households
 - energy prices
- Growth rates
 - 2015 forecast: 0.64%
 - 2013 forecast: 0.37%
 - 2011 forecast: 0.71%



Commercial Trends (Annual Percent Change)

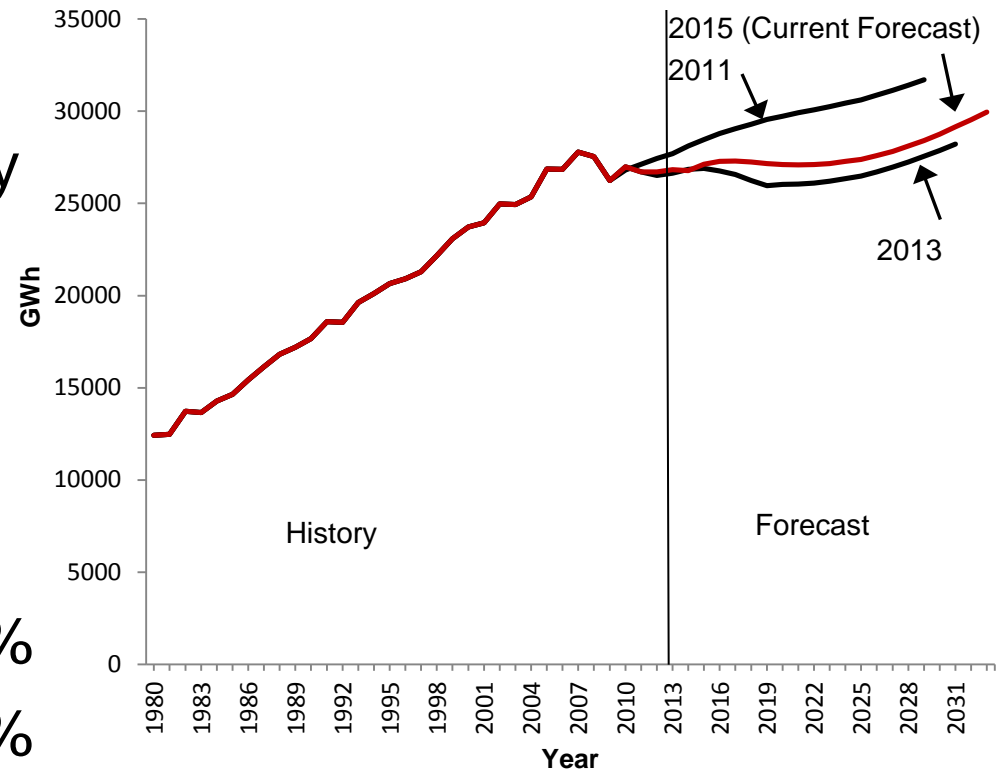


Commercial Growth Rates

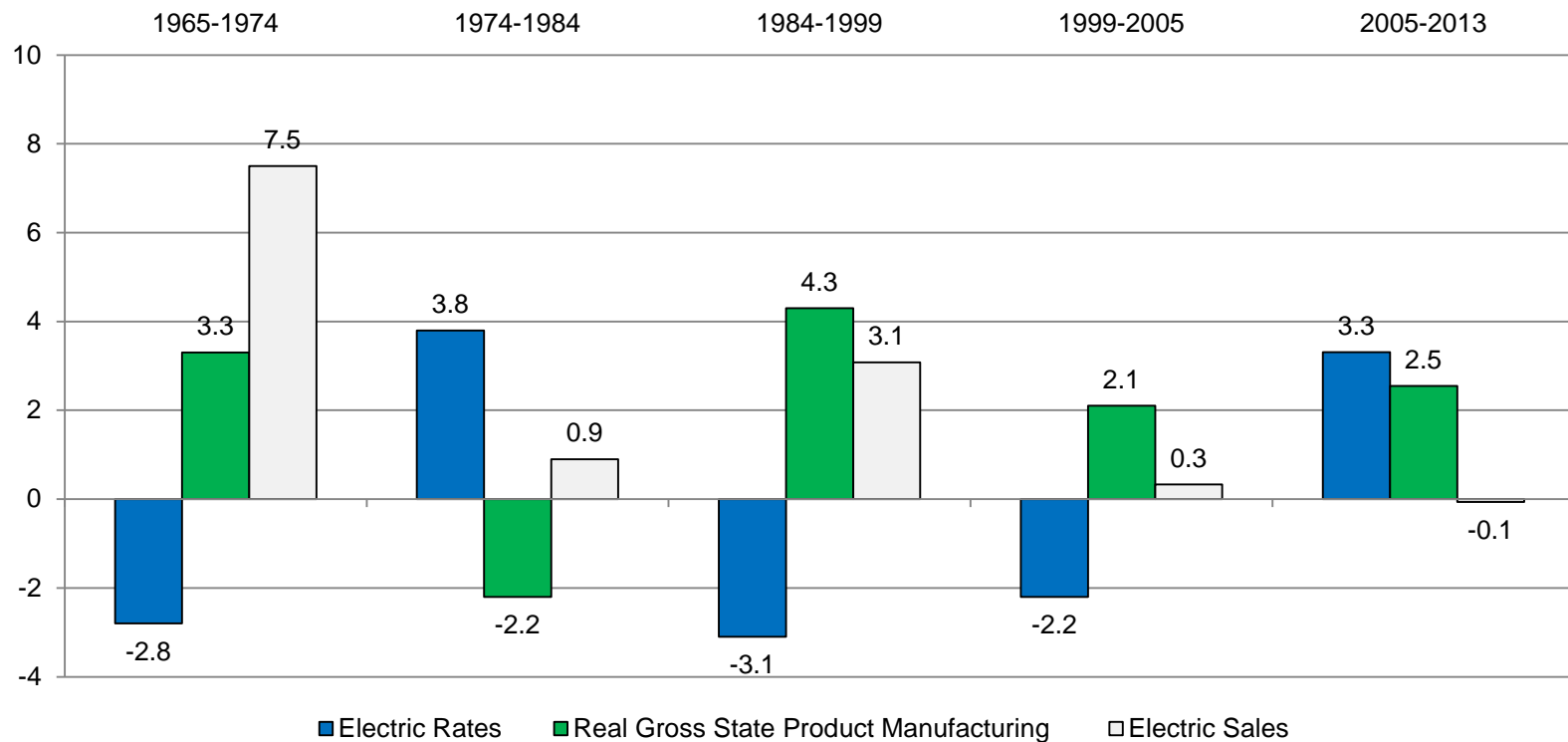
Forecast	Electric Energy-weighted Floor Space	Without DSM		With DSM	
		Utilization	Sales Growth	Utilization	Sales Growth
2015 SUFG Base (2014-2033)	0.84	-0.13	0.71	-0.25	0.59
2013 SUFG Base (2012-2031)	0.90	-0.07	0.83	-0.57	0.33
2011 SUFG Base (2010-2029)	1.18	-0.23	0.95	-0.29	0.89

Commercial Electricity Sales

- Estimated from:
 - floor space inventory
 - end use intensity
 - employment
 - energy prices
- Growth rates
 - 2015 forecast: 0.59%
 - 2013 forecast: 0.33%
 - 2011 forecast: 0.89%



Industrial Trends (Annual Percent Change)



Industrial Growth Rates

Forecast	Output	Mix Effects	Electric Energy-weighted Output	Without DSM		With DSM	
				Intensity	Sales Growth	Intensity	Sales Growth
2015 SUFG Base (2014-2033)	3.02	-0.18	2.84	-0.92	1.92	-0.94	1.90
2013 SUFG Base (2012-2031)	2.86	-0.08	2.78	-1.05	1.73	-1.49	1.29
2011 SUFG Base (2010-2029)	3.95	-0.12	3.83	-1.67	2.16	-1.72	2.11

Industrial Electricity Sales

- Estimated from:
 - GSP by industry
 - energy prices
- Growth rates
 - 2015 forecast: 1.90%
 - 2013 forecast: 1.29%
 - 2011 forecast: 2.11%

