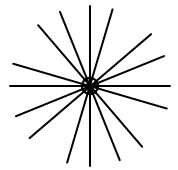
NiSource Presentation of Work Paper on Request to Create a Standard Energy Day

January 2005



Overview

- Lack of Standard Energy Day increases risks to electric power generators using natural gas.
- Having a Standard Energy Day will add costs and cause operational impacts that outweigh the benefits.
- Status Quo plus changes to some electric timelines that provide increased coordination and communication between industries is preferred.

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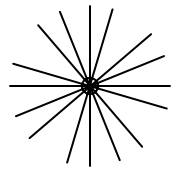
Status Quo versus Standard Energy Day

- Current natural gas day and electric industry's rolling days, based on geography, have served both industries well
- Standard energy day will significantly increase costs:
  - systems/programming
  - administrative
  - field



Status Quo versus Standard Energy Day (contd.)

- A move to 9 AM will increase administrative costs to electric industry because peak schedules will be broken into two energy days.
- A move to Midnight will negatively impact natural gas safety and reliability.
- A move to Midnight will require revisions to other NAESB WGQ timeline standards.

Observations

- Gas-fired electric generators participating in the day-ahead market should receive their requirements before the gas nomination deadline.
- Risk from lack of standard energy day can be mitigated through commodity, transportation and storage services.

Strawman

- Maintain current standard gas day
- Maintain current electric days
- Add provision to electric timelines to assure that gas-fired generators in the day ahead market receive their requirements in time sufficient to meet the nomination deadline