Senator Eric Koch
Chair, Interim Study Committee on Energy, Utilities, and Telecommunications
Indiana Senate
Indiana General Assembly
200 W. Washington Street
Indianapolis, IN 46204-2786

Subject: NIPSCO Internal Review

Dear Chairman Koch and Members of the Interim Study Committee:

I am writing to provide an update on NIPSCO's response to the August storms, including our initial steps to strengthen our preparedness and response protocols for future storms.

As I shared during my testimony when I appeared before the Committee in September, the August 11th derecho, compounded by the storms that followed, caused substantial damage to Northwest Indiana and to our electric system. NIPSCO is committed to continuous improvement by learning from this event, acting on those lessons, and doing better for the communities we serve. This letter presents our key findings from our internal review as well as our planned actions to address the identified areas for improvement.

As a general matter, while our systems and people were prepared for the storm that was originally predicted, the extreme weather conditions that blew into our region – and the challenges they presented for our communities – exceeded what our protocols, structure, and organization were designed to handle. Our systems and procedures were built to meet applicable standards but could not withstand the unprecedented August storm and address the resulting damage. The internal review identified both the limitations in our system that affected our response and the opportunities to improve for next time. What's more, like every other utility company across the country, we know that because of changing weather patterns there will most definitely be a next time, and even after implementing changes, outages will still occur. NIPSCO's focus is on showing up as best we can and delivering for our customers in the face of these challenges.

Our goal remains to strengthen our preparedness and response to future storms, and to deliver an improved experience for our communities. Given the experience from these extraordinary storms, NIPSCO has engaged Filsinger Energy Partners, a nationally recognized expert in utility disaster mitigation and proactive program management. Filsinger is conducting an independent review of our response to the August storms and our broader storm preparedness.

This independent review is an important step in our effort to learn from the storms and strengthen our operations. It will provide an independent perspective on our preparedness and response, help identify additional opportunities for improvement, and inform changes we implement going forward. We expect the review to be completed by mid-to-late February 2027, and we will share Filsinger's report publicly.

Below we present findings from our internal review. We expect Filsinger's independent review will add to this record, and we look forward to their report.

Finding #1: Our Local Operating Areas (LOAs) responded to the storm by operating individually rather than following a unified operating protocol across the multiple geographic areas affected.

Summary

In response to the storms, our LOAs – which are the different geographic operating areas within our service territory – used different procedures, roles, tracking tools, and decision processes. This approach prevented consistent execution of our response. It also meant that the information provided by affected areas was not initially comparable. For example, even the slightest differences in dispatching authority, repair ownership, resource tracking, and reporting led to incomplete or non-comparable data being provided to the Incident Management Team overseeing the overall response. As a result, we needed to take extra steps to synthesize these varying inputs. This led to significant challenges, including determining accurate restoration times and communicating with customers.

How we are addressing

1. We are establishing a coordinated emergency response process with consistent systems, procedures, escalation processes, and performance measures. This process will ensure a unified response across our teams and affected areas to strengthen restoration efforts.
2. We are ensuring consistent staffing and reporting requirements to enhance restoration coordination.

Finding #2: Our damage assessment capabilities constrained restoration planning and hampered response time.

Summary

NIPSCO's local operating areas (LOAs) were empowered to make real-time decisions and to take appropriate actions to begin the restoration process quickly. However, our damage assessments varied across the LOAs. We used manual processes to plan and advance restoration efforts. This manual process led to inconsistencies as technicians provided varying damage assessments to planning teams, which inhibited the flow of critical information and slowed our response.

How we are addressing

1. We are creating a consistent process to facilitate complete and consistent damage assessments, enabling more timely and accurate estimated restoration times.
2. We will transition from a largely manual paper process for cataloging damage assessment to a technology-based approach using recent technological enhancements. There is an opportunity to leverage technology more effectively and better equip technicians with the latest tools we currently have and new ones we intend to adopt, allowing command centers to better track progress and update projections.

Finding #3: We need more comprehensive training for storm response roles in light of these unprecedented storms and evolving weather patterns.

Summary

In the face of significant challenges, our people showed resolve, adaptability, and a commitment to delivering for our communities. They identified emerging needs, implemented practical solutions in real time, and adopted broader roles beyond their remits. We are especially grateful for the work of our union employees who took on expanded roles. In addition, we called upon employees from across the NiSource network to aid the response.

However, the storm's vast geographic reach and unprecedented scale underscored the need for an even stronger on-the-ground presence of personnel with specialized expertise in damage assessment and other critical response functions. We also faced staffing gaps in key operational roles that we had never experienced, which further constrained our ability to respond effectively. As the response extended over multiple days, having, at times, a limited pool of qualified personnel made it difficult to rotate crews, maintain adequate coverage, and sustain around-the-clock operations. The experience also highlighted the need for a faster, more coordinated process to assess and address security concerns, minimize delays, and enable restoration work to proceed safely and efficiently.

How we are addressing

1. We will formalize unified storm response roles across our organization to ensure that all storm restoration actions are appropriately covered.
2. We will increase training and the frequency of training, particularly for core incident management teams and damage assessors. We will train more of our existing employees and conduct additional drills so that we have a deeper bench. This will facilitate readiness and lead to better rotations and improved response times during outages.

- We are exploring additional ways that our union employees can take on more flexible roles in storm response so that our union can continue to provide value to our customers.
- We will leverage our corporate scale and assign more electric storm response roles across the NiSource family of companies.

3. We will strengthen our communications with the state Emergency Operations Center (EOC) to enhance storm partnership and coordination efforts.

Finding #4: Customer communications suffered as a result of inconsistent storm response operations.

Summary

We regularly communicated with customers, providing several updates daily, and also held daily calls with mayors across affected areas, opening a direct and consistent line of communication throughout the recovery. This process had worked in previous response efforts, but the extent of the damage and rapidly changing situation required more communication. We focused on communicating what we knew as soon as possible, which led to some incomplete updates where assessments were still taking place, such as in Gary and Portage. We know excluding certain communities from some updates when assessments were ongoing confused and frustrated customers and community leaders, and we apologize and will work to do better.

How we are addressing

1. We will improve how NIPSCO communicates ETRs and the status of the responses externally during future storms by strengthening field reporting via damage assessments and unified operational protocols across LOAs.
2. We are aligning all external communications across response and restoration efforts by enhancing and reinforcing our communication plan.
3. We will implement universal criteria for establishing ETRs across our service territory.
4. We are formalizing escalation processes from the field to operations leaders, ensuring that all communications are vetted and align with the current operational status. This will improve transparency for customers.

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Despite the challenging circumstances, we are extremely proud of how our people responded to meet this moment. They worked tirelessly to restore service to our communities – restoring 100,000 customers within the first 48 hours and approximately 93% by day 10 – all while keeping our crews safe. We are grateful for their dedication and the support from first responders, local officials, and all others who assisted in the recovery effort.

We also recognize the hardship prolonged outages caused for our customers, families, and businesses. At NIPSCO, nothing is more important than our customers and the trust they place in us to deliver safe and reliable service. We will continue to assess opportunities to strengthen our storm preparedness and response practices and work over time to rebuild the trust of our customers and communities.

The August storms were a stark reminder of the reality that weather patterns are changing and severe storms are becoming more common. Like other utilities across the region and the country, we will continue to harden our system so that customers have safe, reliable energy in the face of these growing challenges. Preparing Indiana for the next major storm will require both strengthening our preparedness efforts and a broader, more concerted effort by all of us within the state to ensure our communities are ready.

We look forward to continuing our partnership with the Committee in this ongoing effort and appreciate your attention to these important issues.

Sincerely,

Vince Parisi
President and Chief Operating Officer, NIPSCO