



June 25, 2010

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: NERC Notice of Penalty regarding Northern Indiana Public Service Company
FERC Docket No. NP10-115-000

Dear Ms. Bose:

On June 2, 2010, the North American Electric Reliability Corporation (“NERC”) submitted a Notice of Penalty regarding Northern Indiana Public Service Company (“NIPSCO”) in the referenced docket. By this filing, NERC supplements the Notice of Penalty to correct two numbers (190 and 590) contained in the fifth paragraph on page 4 of the Notice of Penalty and to make clarifying changes in that paragraph related thereto. The paragraph filed on June 2, 2010 states:

ReliabilityFirst determined that the violations of BAL-003-0a R1 and R2 did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because, based on NERC’s 2008 CPS2 Bounds Report, NIPSCO’s Frequency Bias comprised only 0.87% of the total Eastern Interconnection Frequency Bias. Additionally, when NIPSCO’s Frequency Responses were utilized to calculate the 2008 Frequency Bias Setting, the Frequency Response was actually less (at absolute value of 190) than the 2007 Frequency Bias Setting (absolute value of 590).

As corrected, the fifth paragraph on page 4 should be read as follows:

ReliabilityFirst Corporation (ReliabilityFirst) determined that the violations of BAL-003-0a R1 and R2 did not pose a serious or substantial risk to the reliability of the BPS because, based on NERC’s 2008 CPS2 Bounds Report, NIPSCO’s Frequency Bias comprised only 0.87% of the total Eastern Interconnection Frequency Bias. NIPSCO’s average Frequency Response to frequency events that occurred in 2008 was calculated to be -19.9 MW/0.1 Hz. NIPSCO’s Frequency Bias Setting for 2008 was -59.0 MW/0.1 Hz. NIPSCO’s 2008 Frequency Response was

actually less (at absolute value of 19.9) than the 2008 Frequency Bias Setting (absolute value of 59.0).

Also, as set forth in the Notice of Penalty, on January 6, 2009, Midwest ISO became the balancing authority for NIPSCO, and consequently Midwest ISO became responsible for compliance with, *inter alia*, BAL-003-0a.

Accordingly, NERC respectfully requests that the Commission accept this supplemental filing and issue an order consistent with the comments provided herein.

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael

*Attorney for North American Electric
Reliability Corporation*

cc: Official service list in Docket No. NP10-115-000