

**FOR IMMEDIATE RELEASE**

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**FOR ADDITIONAL INFORMATION**

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## **NIPSCO, MAJOR STEEL MAKER REACH ELECTRIC RATE SETTLEMENT**

### **Agreement “Good for Northern Indiana,” Has No Impact on Other Customers**

**MERRILLVILLE, Ind.** – Northern Indiana Public Service Company (NIPSCO) and NLMK Indiana Corp., have reached an agreement on electric rates and services that will help one of northern Indiana's major employers receive reliable and affordable energy to remain competitive in a global marketplace.

The agreement between the utility and one of its largest electric customers also has implications for NIPSCO's current electric rate case, the companies noted.

NIPSCO and NLMK maintain that the compromises reached in the agreement offer a reasonable solution to the complex cost allocation and rate design challenges presented in NIPSCO's electric rate case. Located in Portage, NLMK Indiana specializes in the production and sale of hot-rolled coil to steel service centers and tube and pipe manufacturers. The company's melt shop can produce 700,000 tons of steel per year, while its hot strip rolling mill has an annual capacity of 1.1 million tons. The company employs about 350 people.

“This settlement is good for Northern Indiana and the economic vitality of this region,” NIPSCO CEO Jimmy Staton noted. “Like so many of our customers, NLMK competes on a global scale and is highly price-sensitive when it comes to energy costs. This settlement demonstrates that we are intently focused on listening to our customers and responding to their needs. More importantly, this is a positive solution for northern Indiana's long-term economic growth and development.”

NIPSCO's current rate case (filed in November 2010) seeks to lessen the bill impact on residential electric customers from a prior rate case – reducing the average residential increase approved in the company's 2008 rate case in half. Under NIPSCO's current electric rate case filing, residential electric bills would increase by an average of \$5.94 per month, or 7.9 percent, when compared with current bills. The case also allows NIPSCO to continue investing in service, reliability and infrastructure improvements that will help improve overall customer service.

Upon IURC approval, NIPSCO's settlement with NLMK will result in electric rates that are lower than the rates currently held by NLMK. The agreement has no impact on the outcome of rates for other customers.

Staton noted that NIPSCO continues to work with the other intervening parties in the rate case – including consumer representatives – to identify balanced solutions that meet the needs of all stakeholders.

NIPSCO, with headquarters in Merrillville, Ind., is one of the nine energy distribution companies of NiSource Inc. (NYSE: NI). With more than 712,000 natural gas customers and 457,000 electric customers across the northern third of Indiana, NIPSCO is the largest natural gas distribution company, and the second largest electric distribution company, in the state. NiSource distribution companies serve 3.8 million natural gas and electric customers primarily in seven states. More information about NIPSCO is available at [www.nipsco.com](http://www.nipsco.com).

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