



**FOR IMMEDIATE RELEASE**  
**May 3, 2010**

**FOR ADDITIONAL INFORMATION**

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**NIPSCO FILES TO MODERNIZE GAS RATES, EXTEND CUSTOMER PROGRAMS**

*Goal is to Maintain Lowest Gas Bills in Indiana*

**MERRILLVILLE, Ind.** - Northern Indiana Public Service Company (NIPSCO) today filed a natural gas rate case seeking to modernize its rate structure and extend programs that help customers reduce their gas usage and better manage their monthly bills.

NIPSCO's proposal, filed with the Indiana Utility Regulatory Commission (IURC), also contains provisions designed to allow the company to maintain the state's lowest natural gas bills while continuing to invest in northern Indiana's energy infrastructure. Such investments will help NIPSCO continue to meet northern Indiana's energy needs now and in the future.

"This filing benefits NIPSCO customers by introducing a much more contemporary natural gas rate structure along with the continuation of important programs to help consumers manage and potentially reduce their energy use," Jimmy Staton, NIPSCO executive vice president and group CEO, noted. "This filing also substantially holds the line on energy costs, which is an important part of our commitment to provide clean, reliable and affordable energy solutions that meet the needs of our customers and support Indiana's long-term economic growth."

**New Rate Structure Offers More Predictable Bills**

The proposal provides for a fixed monthly charge for delivery, based on NIPSCO's cost of providing service, which will help customers to clearly see how their usage affects the gas cost in their bills. This will offer customers more predictable bills from month-to-month and an opportunity to better track their gas use.

**Maintaining Indiana's Lowest Gas Bills**

Under NIPSCO's filing, the company's first gas base rate change in more than 20 years, a typical residential customer's gas bill will increase by an average of \$1.67 per month, or about 2.65 percent.

"NIPSCO customers have the lowest gas bills in Indiana, and we want to *continue* offering the lowest bills under this proposal," Staton said. "We realize any increase is challenging, which is why we also are seeking approval to extend some of our most successful programs helping our customers reduce gas usage and lower their monthly bills."

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## **NIPSCO FILES GAS RATE CASE**

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### **Energy Efficiency and Customer Assistance Programs Extended**

Among the beneficial programs that NIPSCO customers can expect from this filing, highlights include:

- Cash incentives for buying energy-efficient gas appliances
- Energy assistance for income-eligible customers who are facing financial challenges
- High-efficiency furnace replacement for qualifying low-income households
- Convenient self-service tools to give you more control over your energy use and your bill
- Incentive programs for new construction homes that meet ENERGY STAR guidelines
- Energy efficiency education for local schools to create future energy-wise consumers

Staton also noted that NIPSCO has made a decision to reduce security deposit requirements for low-income customers. The change will be implemented in the fall of this year – separately from the rate case – to coincide with the Energy Assistance Program start-up date for the winter heating season.

The IURC will thoroughly review NIPSCO's proposal before taking action. NIPSCO expects the Commission's review to be completed by early-2011 or sooner.

Customers with questions regarding NIPSCO's proposal may visit [NIPSCO.com](http://NIPSCO.com) for more information.

NIPSCO, with headquarters in Merrillville, Ind., is one of the nine energy distribution companies of NiSource Inc. (NYSE: NI). With over 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).

Caution regarding forward-looking statements:

Some of the statements provided herein include forward-looking information, in addition to historical information. Readers should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized including, but not limited to the success of regulatory initiatives, the regulatory process, regulatory and legislative changes, as well as the items discussed in the "Risk Factors" section of NiSource Inc.'s 2009 Form 10-K. Such factors could cause actual results to differ materially from those projected. All such forward-looking statements are expressly qualified by these cautionary statements. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially. NiSource Inc. expressly disclaims a duty to update any of the forward-looking statements contained in this release.

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