

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

Nick Meyer

NIPSCO, Director of External Communications

(219) 647-6556

NIPSCO PROJECTS LOWER NATURAL GAS PRICES THIS WINTER

Strong domestic supply, shale production and storage levels account for low costs

MERRILLVILLE, Ind. – NIPSCO provides welcome news to its customers as market projections indicate that this winter natural gas prices will remain among the lowest in more than 10 years.

Assuming normal winter temperatures, NIPSCO customers are expected to experience a decrease of 7.7 percent in their overall home heating bills this upcoming heating season compared to last winter.

Over the course of the five-month winter heating season – Nov. 1 to March 31 – NIPSCO’s average residential customer using a total of 623 therms could expect to pay approximately \$461. This compares to \$499 for a customer using the same amount of gas during last winter.

2011/2012 Residential Winter Bill Projection vs. Last Winter						
	November	December	January	February	March	Total
2011/2012	\$48.31	\$89.77	\$115.56	\$116.66	\$90.77	\$461.07
2010/2011	\$50.63	\$95.36	\$122.91	\$127.67	\$102.81	\$499.38
Usage	59.5 therms	118.2 therms	160 therms	160 therms	125.7 therms	623.4 therms

“As household budgets remain strapped, we are glad to share favorable news about expected natural gas prices this winter,” said NIPSCO CEO Jimmy Staton. “Market prices for natural gas have stabilized because of increased domestic production, onshore shale gas discoveries, and increased storage and transportation capabilities. This stable market outlook will provide a much-needed benefit to homes and businesses across northern Indiana.”

Actual bills may vary by customer depending on the home’s age and size, number in the household, number and age of gas appliances, thermostat settings and insulation levels.

The cost of natural gas represents the largest portion of customer bills – on average, three-fourths of an overall bill. NIPSCO has no mark-up and makes no profit on the cost of natural gas billed to its customers. Before billing, natural gas commodity costs must be reviewed by the Indiana Utility Regulatory Commission (IURC).

With a history of securing the most reliable supply of natural gas at the lowest cost for customers, NIPSCO’s purchasing strategy consists of buying gas in the market from a variety of sources at different times throughout the year, while utilizing gas storage to offset market price volatility.

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NIPSCO's gas distribution system provides access to seven interstate pipelines, three on-system storage facilities and eight major North American supply basins.

While NIPSCO cannot control market conditions affecting the price of natural gas, the utility does negotiate the best possible price for the natural gas it purchases for its customers.

"Although winter bills are expected to be lower, we recognize the unique challenges that many of our customers are facing – especially seniors, the disabled and those on fixed incomes," added Staton. "It's important that any customer, regardless of their situation, contact us to determine what options might be available to offer help."

NIPSCO offers a number of solutions to help customers use energy wisely, make smart energy decisions and manage their monthly bill, including:

- **Payment Assistance Programs:** Based on income levels, customers may qualify to receive state and federal utility assistance dollars as well as support funds from separate NIPSCO programs by visiting their local community action agency.
- **BudgetPlan:** A free service to all NIPSCO customers to help manage their monthly energy bills by spreading out gas costs over an entire year.
- **NIPSCO Choice Program:** Gives customers an opportunity to choose an alternative natural gas supplier for their home or business. Customers can purchase gas from an alternative supplier, but NIPSCO is responsible for maintaining the pipeline that delivers the natural gas.
- **DependaBill and Price Protection Service (PPS):** DependaBill provides a fixed monthly bill with no annual reconciliation, while the PPS option allows customers to fix or cap their per-unit cost of natural gas.
- **Appliance Rebates:** Offers rebates ranging from \$20-\$750 to all NIPSCO residential customers who purchase select energy-efficient natural gas furnaces, water heaters, or boilers.
- **On-line Home Energy Audit:** A free, interactive on-line calculator that analyzes your home energy usage and provides customized ways to save energy in your household.

More information on billing options, payment assistance, available energy efficiency programs and helpful tips can be found at NIPSCO.com.

NIPSCO, with headquarters in Merrillville, Ind., is one of the seven energy distribution companies of NiSource Inc. (NYSE: NI). With more than 786,000 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.

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