

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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NIPSCO OUTLINES PLAN TO MODERNIZE NATURAL GAS SYSTEM

Customers benefit from maintained safety, reliability and access to low-cost gas

MERRILLVILLE, Ind. – NIPSCO today announced a \$713 million plan to invest in its natural gas infrastructure through the end of the decade, which will provide a number of direct benefits to homes and businesses across northern Indiana.

Safety, reliability and maintaining access to low natural gas prices are central to the comprehensive, seven-year plan. Planned projects will range from the elimination of remaining bare steel natural gas lines, to the installation of 80 miles of transmission lines and the construction of new service to customers in rural areas.

“Homes and businesses across the 32 counties we serve depend on safe, reliable and affordable natural gas service,” said Jim Stanley, NIPSCO CEO. “We are proud to be among the lowest cost natural gas providers in Indiana. And, this plan helps to ensure a safe and modern natural gas system for the future, while continuing to maintain competitive rates for customers.”

NIPSCO’s plan provides a number of direct benefits to customers and communities, such as:

- Maintaining the overall safety and integrity of NIPSCO’s natural gas system
- Providing the ability to continue delivering low-cost natural gas options to customers
- Supporting hundreds of direct and indirect jobs – including local trades – associated with these projects throughout the decade
- Investments of more than \$713 million through 2020 resulting in a direct local economic boost
- Including consumer protections, external review and oversight to ensure the necessity of these investments
- Gradual and minimal bill impact over time

A key focus of the plan is to make the necessary improvements while minimizing the impact on customer bills. Rather than making these investments at one time, NIPSCO is spreading out the work to help eliminate sudden spikes in customer bills.

Customers will experience minimal bill impacts, with little-to-no change in their natural gas bills for the first two years of the plan. Average bills are projected to see a gradual average increase of approximately 1.4 percent annually through 2020, with no change in 2014 and a one percent annual increase in 2015.

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NIPSCO's Natural Gas Infrastructure Modernization Plan

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With some investments expected in mid-2014, the bulk of the project activity is expected to increase in the following years. Sample projects include:

Example Natural Gas System Modernization Projects	Estimated Total Cost
Install 80 miles of transmission pipeline, add automated valves	\$280 million
Eliminate bare steel gas mains, replace low pressure systems	\$61 million
Construct natural gas service to rural areas	\$99 million
Retrofit lines for in-line inspection	\$46 million

The plan must be approved by the Indiana Utility Regulatory Commission (IURC), including input and review from other customer stakeholder groups, including the Indiana Office of Utility Consumer Counselor (OUCC).

For more information about the plan, visit NIPSCO.com/modernize.

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.

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