



FOR IMMEDIATE RELEASE

November 1, 2007

FOR ADDITIONAL INFORMATION

Colleen Reilly

Director, NIPSCO Communications

219-647-6388

NIPSCO FILES 2007 INTEGRATED RESOURCE PLAN

Results Show Need for Added Efficiency and Additional Power Generation

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) today announced the filing of its 2007 Integrated Resource Plan (IRP) with the Indiana Utility Regulatory Commission. In the document, the utility recognizes the need for customer-oriented energy efficiency programs, as well as additional electric generating capacity from wind energy and environmentally-positive combined cycle gas turbines.

The Integrated Resource Plan (IRP), developed every two years, is a process that assesses future customer needs for electricity and approaches to meet that need. NIPSCO's goal is to reliably and cost-effectively serve its customers today and for the next 20 years.

“NIPSCO is committed to providing safe and reliable energy for its customers while maintaining and improving the integrity of its electric distribution and transmission system,” said NIPSCO President Mark Maassel. “The action plan derived from the IRP findings resolves long standing issues while minimizing costs to customers and taking advantage of environmentally-sound generating options, including renewable wind resources, and natural gas as a fuel.”

The 20-year view includes several assumptions, including the probability of mandates requiring the reduction of carbon emissions, economic growth in the region and the expectation that the utility will be required to carry a 15 percent operating reserve. NIPSCO's current generating portfolio is insufficient to meet these future needs and the company must consider additional resource options.

The IRP considered multiple resource approaches to serve customers. All approaches considered by NIPSCO include programs to encourage electric conservation, specifically, financial incentives to customers to reduce the amounts of electricity they use, especially at peak times when maximum usage occurs. Supply resource options that were reviewed included the potential restart of the idled Dean H. Mitchell Generating Station, building new generating facilities, entering into long-term contracts to buy power, and the potential to acquire existing natural gas generating facilities.

-more-

NIPSCO's 2007 INTEGRATED RESOURCE PLAN
PAGE 2 of 2

In June, a Request for Proposals (RFP) was issued to seek bids for NIPSCO to purchase additional electric generating power plants. To ensure a fair and non-biased decision in the selection process, NIPSCO hired an independent consultant, NewEnergy Associates from Atlanta, Ga., to evaluate proposals, consider all feasible market alternatives, review bids from multiple electric generating companies and advise NIPSCO of the best option.

NewEnergy evaluated the most viable options for acquiring one or more natural gas combined cycle natural gas turbines (CCGT), implementing a direct air conditioning load response program, establishing a photovoltaic (PV) rebate program and executing long-term purchased power agreements for 100 MW of renewable power generated by wind.

“We are pleased to see the renewable energy in the form of wind power and customer-focused energy efficiency programs are an important part of this plan,” said Maassel. “Our overall goal was to find solutions that are cost effective.”

NIPSCO will continue to keep customers and stakeholders informed about its resource strategy as the process moves forward.

NIPSCO, with headquarters in Merrillville, Ind., is one of the 10 energy distribution companies of NiSource Inc. (NYSE: NI). With over 712,000 natural gas customers and 445,000 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 nine states. More information about NIPSCO is available at www.nipsco.com.

###