

FOR IMMEDIATE RELEASE

June 1, 2011

News Media Contacts:

NIPSCO, NIF&L, Kokomo Gas: Nick Meyer, (219) 647-6556

OUC: Anthony Swinger, (317) 233-2747

KOKOMO GAS AND NIF&L NATURAL GAS CUSTOMERS TO BECOME NIPSCO CUSTOMERS

Customers benefit from access to new programs and services beginning July 1

MERRILLVILLE, Ind. – Effective July 1, Kokomo Gas and Northern Indiana Fuel & Light (NIF&L) natural gas customers will become NIPSCO customers as the Indiana Utility Regulatory Commission (IURC) issued an order this week approving the consolidation of Northern Indiana Fuel & Light (NIF&L) and Kokomo Gas into Northern Indiana Public Service Company (NIPSCO).

“The approval of this consolidation allows NIPSCO to continue providing natural gas customers in the Auburn and Kokomo areas with not only some of the lowest bills in the state, but also the same energy-saving programs, low income assistance and alternative gas supply options currently available to NIPSCO’s natural gas customers,” said Jimmy Staton, Chief Executive Officer of NIPSCO, NIF&L and Kokomo Gas. “Throughout the process, we have received strong support from our customers, regulators and other stakeholders, and we want to ensure a smooth transition for these customers as they’re welcomed into NIPSCO.”

The IURC’s approval follows an agreement reached in February by NIPSCO, the Indiana Office of Utility Consumer Counselor (OUCC) and the Choice Program’s Natural Gas Marketers to formally consolidate the three stand-alone utilities under NIPSCO.

“Kokomo Gas and NIF&L customers will immediately be able to take advantage of the benefits from this consolidation, especially in the areas of energy efficiency and financial assistance for eligible customers,” said Indiana Utility Consumer Counselor David Stippler. “In addition to negotiating a smaller bill impact from the original rate request, we’ve helped capitalize on the economies of scope and scale that will come from a unified customer base for the benefit of all new and existing NIPSCO gas customers.”

Benefits for NIF&L and Kokomo Gas customers

NIFL and Kokomo Gas customers can expect several benefits as a result of the consolidation, including:

- Offering of energy-saving programs, such as appliance rebates, on-line energy audits, etc.
- Access to NIPSCO Customer Assistance for Residential Energy (CARE) discount program for low-income customers
- Ability to participate in the NIPSCO Choice alternative natural gas supply program, NIPSCO Price Protection Services and NIPSCO Dependbill
- Additional bill payment locations
- Web-based improvements for customer account management
- Combination of natural gas supply assets, resulting in greater supply diversity and reduced price volatility for customers
- Universal bill format and style with helpful customer information included

-more-

KOKOMO GAS AND NIF&L TO CONSOLIDATE UNDER NIPSCO

PAGE 2 OF 2

- Reduction of one utility bill for 8,000 customers who receive electric service from NIPSCO and gas from NIFL

Keeping Customer Bills Low

NIPSCO, NIF&L and Kokomo Gas consistently have the lowest gas prices in Indiana. When the consolidation becomes effective on July 1, Kokomo Gas customers will experience a \$1.50 decrease, on average, in their monthly bills, while NIF&L customers will experience an increase of less than \$2.50 per month on average from today's bills.

Approval of the consolidation finalizes what has been an ongoing integration of management and administrative functions during the past decade to improve the delivery of customer service, maximize the use of available resources and more effectively manage the utilities.

Since 2007, Kokomo Gas and NIF&L customers have used a centralized 24-hour Customer Contact Center, been provided with a newly formatted utility bill with historical usage and temperature information and been offered new payment options through newly established bill payment stations.

NiSource purchased NIF&L in 1993, and Kokomo Gas in 1992 and has operated the utilities as stand-alone subsidiaries of NiSource.

In addition, Kokomo Gas and NIF&L customers will begin receiving a NIPSCO bill and be able to manage their accounts on NIPSCO.com beginning July 1. They will receive a new customer welcome packet with information regarding the availability of NIPSCO's products and services.

All Kokomo Gas and NIF&L employees will also become NIPSCO employees effective July 1. Staffing levels will not be affected by the filing and the existing facilities where employees work will remain in place.

###

About OUCC

The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving. To learn more, visit www.IN.gov/OUCC.

About Kokomo Gas & Fuel

Kokomo Gas & Fuel, with headquarters in Kokomo, Ind., serves more than 40,000 natural gas customers in a six-county area and is one of the 10 energy distribution companies of NiSource, Inc. (NYSE: NI). NiSource distribution companies serve 3.8 million natural gas and electric customers primarily in nine states.

About NIF&L

Northern Indiana Fuel and Light, with headquarters in Auburn, Ind., is one of the nine energy distribution companies of NiSource Inc. (NYSE: NI), with more than 40,000 natural gas customers.

About NIPSCO

NIPSCO, with headquarters in Merrillville, Ind., is one of the nine energy distribution companies of NiSource Inc. (NYSE: NI). With more than 721,000 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 nine states. More information about NIPSCO is available at www.nipSCO.com.