

FOR IMMEDIATE RELEASE

September 4, 2013



FOR ADDITIONAL INFORMATION

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IURC Extends NIPSCO Natural Gas Rates through 2020
Customers benefit from extension of lowest rates in Indiana

MERRILLVILLE, Ind. – Base rates for NIPSCO's natural gas remain unchanged after the Indiana Utility Regulatory Commission (IURC) approved a settlement agreement to extend existing rates for all natural gas customers.

The IURC approved the settlement agreement reached earlier this summer by NIPSCO, the Indiana Office of Utility Consumer Counselor (OUCC) and other key customer stakeholders, which effectively extends the same rates that were approved in the 2010 rate case order.

While NIPSCO will be required to file another rate case on or before the end of 2020, the company anticipates maintaining the same base rates throughout that time.

“Natural gas, and its projected cost in the market, continues to be a great value for customers for the foreseeable future,” said Jim Stanley, NIPSCO CEO. “This decision is great news for homes and businesses, as they’ll be able to continue taking advantage of some of the most competitive natural gas rates in the state and much of the country.”

For nearly two years, NIPSCO’s natural gas rates have been the lowest in Indiana on average (Source: IURC Natural Gas Residential Bill Survey).

Key provisions from the settlement agreement approved by the IURC include:

- No change to NIPSCO’s monthly gas delivery/service charge. The customer charge for residential customers will remain at \$11.00, and will continue to separate fixed monthly service costs from variable, usage-driven costs, allowing customers to better track and manage energy usage.
- Continuation of NIPSCO’s low-income customer heating assistance program for eligible residential natural gas customers.
- Extension of reduced deposit requirements for eligible low-income customers.
- Requirement to file another natural gas rate case on or before November of 2020.

Besides the base rates for natural gas service, the cost of the natural gas commodity itself represents the largest portion of customer bills – on average, two-thirds of an overall bill. NIPSCO has no mark-up and makes no profit on the cost of natural gas billed to its customers.

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.

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IURC EXTENDS NIPSCO NATURAL GAS RATES

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NIPSCO's purchasing strategy is a multi-faceted approach that consists of buying gas in the market from a variety of supply sources at different times throughout the year. The ability to utilize gas storage helps to offset market price volatility.

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

In October, NIPSCO plans to release its forecast for winter heating bills which compares this coming winter to last winter.

Later this year, NIPSCO also plans to file a comprehensive long-term infrastructure modernization plan for its natural gas division. The improvements and associated investments won't change base rates, but a minimal overall bill impact is anticipated. Those impacts won't likely occur until 2015 at the earliest.

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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