

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION:

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NIPSCO Outlines Path for Meeting the Customer Energy Needs of Tomorrow
Plans to retire 50 percent of coal power by the end of 2023; future replacement energy to be determined in years ahead

MERRILLVILLE, Ind. – NIPSCO today submitted its Integrated Resource Plan (IRP) to the Indiana Utility Regulatory Commission (IURC), outlining its plans for meeting the anticipated energy needs of customers over the next 20 years.

The IRP process — presently conducted every two years by Indiana energy providers — involves several months of analysis, public meetings and input from customers, consumer representatives, environmental organizations and other stakeholders.

The goal of the IRP is to identify a long-term plan for continuing to provide customers with cost-effective, reliable, flexible and sustainable supplies of electricity while addressing the inherent uncertainties and risks that exist in the electric utility industry.

“Customer needs and the energy industry continue to evolve, and it’s vital that we plan for tomorrow, today,” said NIPSCO president Violet Sistovaris. “We’ve identified a preferred path that provides customer and environmental benefits, reflective of our goal to focus on providing affordable, clean energy while maintaining flexibility for future technology and market changes.”

NIPSCO analyzed a range of options for its existing electric generating fleet, while evaluating the unique impacts on customer costs, environmental compliance, communities and workforce needs.

Based on a combination of those factors, the results led to a plan that will include the retirement of four of the company’s seven coal-fired electric generating units at two different power plants over the next seven years — that is, roughly 50 percent of the power it currently produces from coal.

Sistovaris reiterated that the company’s goal is to provide ongoing work opportunities for existing employees by proactively working with union leadership and affected employees.

Specifically, NIPSCO plans to retire its Bailly Generating Station coal-fired units as soon as mid-2018 and two of its R.M. Schahfer Generating Station coal-fired units by the end of 2023. These retirements would be subject to review and approval by the Midcontinent Independent System Operator (MISO).

NIPSCO cites an aging fleet, low market prices for natural gas and new environmental regulations that would require significant investments — beyond what NIPSCO recently invested — as some of the primary drivers behind the need for a change. Under the plan outlined by the company, some of these incremental costs will be avoided, providing long-term benefits to customers.

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Short- and Long-Term Plans

Regarding electric capacity in the short term, we will rely primarily on existing resources through 2019. There may be a window of time when purchased power is needed during the transition.

For those units where environmental upgrades are needed to comply with newly added environmental regulations, NIPSCO will be moving forward with required environmental compliance filings consistent with the results indicated in the IRP.

NIPSCO will continue to assess the plan for long-term generation; the plan will be further revisited and refined in the next IRP.

In the meantime, NIPSCO will begin work to identify affordable replacement options. Based on current findings in the IRP, NIPSCO expects that a combined-cycle gas turbine (CCGT) is a likely candidate, but this option is subject to change, based on key market, compliance and technology developments.

NIPSCO's portfolio for electric supply has already shifted in the last decade to include less coal-fired generation. In 2010, NIPSCO's energy supply mix included about 90 percent coal-fired generation, while today, that mix is only 72 percent coal fired. NIPSCO has also invested more than \$800 million in new environmental technologies for certain coal-fired units — nearly all of which was directed toward those units expected to continue operating — to improve air quality in compliance with federal regulations.

More information about NIPSCO's energy plan and the IRP process can be found at NIPSCO.com/IRP.

About NIPSCO

Northern Indiana Public Service Company (NIPSCO), with headquarters in Merrillville, Ind., has proudly served the energy needs of northern Indiana for more than 100 years. As Indiana's largest natural gas distribution company, and the second-largest electric distribution company, NIPSCO serves approximately 810,000 natural gas and 460,000 electric customers across 32 counties. NIPSCO is part of NiSource's (NYSE: NI) seven regulated utility companies. NiSource is one of the largest fully regulated utility companies in the United States, serving approximately 4 million natural gas and electric customers through its local Columbia Gas and NIPSCO brands. More information about NIPSCO and NiSource is available at NIPSCO.com and www.nisource.com. NI-F

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed include, but are not limited to, the result of the IRP process with the Indiana Utility Regulatory Commission; any decision of MISO in connection with the matters discussed in this press release; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the price of energy commodities and related transportation costs; the reliability of customers and suppliers in fulfilling their payment and contractual obligations; potential impairments of goodwill or definite-lived intangible assets; changes in taxation and accounting principles; potential incidents and other operating risks associated with our business; the impact of an aging infrastructure; the impact of climate change; potential cyberattacks; risks associated with construction and natural gas cost and supply; extreme weather conditions; and other matters set forth in the "Risk Factors" section of NiSource's Annual Report on Form 10-K and in other filings of NiSource with the Securities and Exchange Commission. NiSource expressly disclaims any duty to update, supplement or amend any of its forward-looking statements contained in this release, whether as a result of new information, subsequent events or otherwise, except as required by applicable law. NI-F

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