

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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NIPSCO MAKES REQUEST TO INCREASE NATURAL GAS BILLS, FURTHER DELIVER VALUE AND IMPROVED SERVICE TO CUSTOMERS

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) has made a request with the Indiana Utility Regulatory Commission (IURC) to increase its natural gas base rates – a change that must go through a thorough regulatory review process that includes opportunities for public input and involvement.

It has been more than 25 years since NIPSCO’s base natural gas rates have increased, and in 2010, a regulatory review led to a slight decrease.

Since that time, NIPSCO has regularly been the lowest-cost provider in Indiana – and among the lowest-cost providers in the nation – while improving service to customers.

NIPSCO anticipates that, with the newly proposed rates, it will remain among the lowest-cost providers.

Meanwhile, the cost to comply with state and federal safety standards has increased, and the company has made additional investments in its aging gas system to improve service to 820,000 customers across 32 northern Indiana counties, while maintaining and monitoring more than 17,800 miles of natural gas pipelines.

“In addition to providing affordable natural gas service, customers expect their energy provider to be responsive to their needs, easy to do business with and safe,” said NIPSCO executive vice president and president, Violet Sistovaris. “This proposal seeks to strike the right balance of cost and service in order to continue delivering on our commitments to customers.”

How will customer bills change?

As a regulated energy provider, NIPSCO cannot change any charge without the approval of its state regulatory commission.

NIPSCO is proposing new rates that would be phased in over two steps, with the first occurring in mid-2018 and new rates fully in place by early 2019. A residential customer using 69 therms per month, paying \$50 today, would see an overall increase of approximately \$10 per month.

The total overall requested increase would be about \$143.5 million annually.

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Customers have a voice in the process in multiple ways – through written comments submitted directly to the Indiana Office of Utility Consumer Counselor, at public field hearings and through various consumer advocacy organizations that participate in the process.

Benefiting customers through improved service

Service to customers has also continued to improve, and NIPSCO’s request seeks to further its commitment to customers in several ways, including:

- Serving as Indiana’s lowest-cost natural gas provider and among the lowest in the nation
- Providing faster response times to emergency customer calls
- Offering programs to help customers save energy and be more energy efficient
- Being among industry leaders for fewest leaks on underground lines
- Upgrading and replacing old, vintage underground pipes with more modern materials
- Reducing service appointment windows
- Continuing to provide bill payment assistance for low-income customers
- Replacing customer meters with more advanced meters to help eliminate estimated bills
- Continuing to use smart technologies to inspect and detect abnormal pipeline conditions

Managing cost increases

NIPSCO is focused on managing costs to help maintain affordable natural gas service for its customers. Examples of some of the increases and future changes include:

- More than \$400 million in system upgrades, technology improvements and other investments to increase pipeline safety and reliability, with plans for future investments
- Residential monthly customer charge estimated to increase from \$11 to \$19.50 to reflect more of the actual fixed costs to serve customers regardless of usage
- Increased labor and material costs associated with infrastructure and service improvements

Customers can learn more about the request and the regulatory review process by visiting NIPSCO.com/rates.

About NIPSCO: Northern Indiana Public Service Company (NIPSCO), with headquarters in Merrillville, Indiana, 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 820,000 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 NiSource.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of federal securities laws. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Examples of forward-looking statements in this press release include statements and expectations regarding NiSource’s business, performance, growth, commitments, investment opportunities, and planned, identified, infrastructure or utility investments. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially. Factors that could cause actual results to differ materially from the

projections, forecasts, estimates, plans, expectations and strategy discussed in this press release include, among other things, NiSource's debt obligations; any changes in NiSource's credit rating; NiSource's ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; NiSource's ability to obtain expected financial or regulatory outcomes; any damage to NiSource's reputation; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the success of NIPSCO's electric generation strategy; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill 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 cyber-attacks; construction risks and natural gas costs and supply risks; extreme weather conditions; the attraction and retention of a qualified work force; advances in technology; the ability of NiSource's subsidiaries to generate cash; tax liabilities associated with the separation of Columbia Pipeline Group, Inc. and other matters set forth in Item 1A, "Risk Factors" section of NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in other filings 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 press release, whether as a result of new information, subsequent events or otherwise, except as required by applicable law.

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