

NEWS



A NiSource Company

801 E. 86th Avenue
Merrillville, IN 46410

FOR IMMEDIATE RELEASE

January 31, 2006

FOR ADDITIONAL INFORMATION

Tom Cuddy, Manager
NIPSCO Communications
219-647-6556

NIPSCO RECEIVES FAVORABLE ORDERS FROM IURC

Programs Allow Customers to Choose Services

MERRILLVILLE, IN -- Northern Indiana Public Service Company (NIPSCO) today announced it has received two favorable orders from the Indiana Utility Regulatory Commission (IURC) regarding the company's Alternative Regulatory Plan and Winter Warmth program.

"We're pleased with today's IURC orders regarding what we believe are two very important programs that will provide benefits to all of our natural gas customers," said NIPSCO President Mark Maassel. "Today's orders afford NIPSCO the opportunity to provide its customers with choice through unique products and services, and continue to offer a program that will help to keep low-income customers safe and warm in their homes."

Alternative Regulatory Program (ARP)

As part of the ARP, NIPSCO's basic gas rates and charges will remain flat at least until May 1, 2010. In addition, the ARP continues to allow the company's natural gas customers to shop around for a competitive natural gas supplier through NIPSCO Choice, as well as taking advantage of fixed or capped rates through Price Protection Services (PPS) and Depend-a-Bill.

"The ARP is good news to all of our customers, regardless if they participate in these programs," said Maassel. "We're focused on providing our customers with a safe and reliable supply of natural gas at rates that will remain flat for at least the next four years and offering them unique products and services such as NIPSCO Choice, PPS and Depend-a-Bill."

NIPSCO is the only utility in the state that offers these optional products and services. Nearly 115,000 customers are enrolled in or participating in NIPSCO Choice, PPS or Depend-a-Bill, provided for under a separate ARP.

-more-

NIPSCO RECEIVES FAVORABLE ORDERS FROM IURC

Page 2

Winter Warmth Program

In a separate order, the IURC today approved an extension of the Winter Warmth program, which will direct up to \$7.9 million in bill and deposit assistance to persons with low incomes or those experiencing a hardship. NIPSCO will contribute \$1.15 million toward the program, which is effective Feb. 1, 2006 and expires Dec. 31, 2006.

“Winter Warmth is a targeted program that allows low-income customers to stay warm and be safe in their homes,” said NIPSCO President Mark Maassel. “With gas costs at record levels, we recognize that some of our customers are struggling to pay their heating bills and we, along with our existing network of agencies, are already prepared to serve them.”

One of the unique aspects of the program is the ability for Winter Warmth agencies to provide assistance to families and individuals who have hardship cases, such as an illness, job loss, or a breadwinner who has been called up for active military service. In addition to providing bill and deposit assistance, Winter Warmth will allocate up to \$750,000 of program funds to weatherize the homes of qualifying low-income customers.

As approved by the IURC, tenets of the program are as follows:

- Customers with incomes up to 150 percent of the poverty level would be eligible;
- Qualifying customers may receive a one-time \$450 benefit per heating season;
- Deposits for qualifying customers are reduced to one-twelfth (one month) of the annual estimated bill for that customer;
- Winter Warmth recipients would be required to enroll in NIPSCO’s BudgetPlan, which spreads bills out over 12 months;
- Winter Warmth recipients who miss more than three payments under the BudgetPlan would not be eligible for program funds; and
- Customers interested in applying for program funds can apply at one of 26 existing energy assistance sites across NIPSCO’s service area (a list of Winter Warmth agencies is attached).

Last year, the Winter Warmth directed more than \$5 million in bill and deposit assistance to more than 14,000 customers. The program is designed to supplement existing energy assistance programs such as the Indiana Energy Assistance Program (EAP).

NIPSCO, with headquarters in Merrillville, Ind., is one of the 10 energy distribution companies of NiSource Inc. (NYSE: NI). With nearly 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 3.7 million natural gas and electric customers primarily in nine states. More information about NIPSCO is available at www.nipSCO.nisource.com.

###