



FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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NIPSCO Awards Power Contract to EnergyUSA-TPC
Whiting Clean Energy plant to provide power

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) announced today that EnergyUSA[®]-TPC was selected to provide 230 megawatts (MWs) of dispatchable power necessary to meet regional capacity and reliability requirements.

“Since electricity cannot be stored, we must have a flexible yet reliable power source available to provide customers with the electricity they need when they need it,” said NIPSCO President Mark Maassel. “The EnergyUSA-TPC proposal meets NIPSCO’s requirements for reliable, immediately dispatchable and competitively priced power to serve our customers.”

The power purchase agreement will allow NIPSCO to meet system reliability standards required by the Midwest Independent Transmission System Operator (MISO) and the North America Electric Reliability Council (NERC) established to improve the operation of the electrical grid and address reliability issues discovered following the August 2003 blackout, which affected several Eastern states.

NIPSCO is a member of both the MISO and NERC. The MISO serves as an independent transmission organization responsible for the reliable and efficient operation of the electric transmission system serving much of the Midwest. NERC was formed in 1968 to promote the reliability of the electric transmission system serving North America.

The MISO is scheduled to launch its energy markets on April 1, a platform that features the centralized dispatch of generation resources throughout the Midwest and meets federal mandates to provide real-time imbalance services and a market-based mechanism for congestion management.

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EnergyUSA-TPC was selected from bidders responding to a Request for Proposal (RFP) issued by NIPSCO in October 2004. EnergyUSA-TPC will be utilizing Whiting Clean Energy to provide the power specified in the bid proposal. EnergyUSA-TPC, Whiting Clean Energy and NIPSCO are subsidiaries of NiSource Inc.

NIPSCO contracted with an independent third party, Burns and McDonnell Engineering, to assist in the development, analysis, evaluation and award of the bid proposals. The EnergyUSA-TPC proposal will require the approval of both the Indiana Utility Regulatory Commission (IURC) and the Federal Energy Regulatory Commission (FERC) prior to final acceptance by NIPSCO. The utility plans to begin the approval process immediately.

Of the 230 MWs included in the proposal, 125 MWs will be directly controlled by the utility through the use of Automatic Generating Control (AGC) equipment. The AGC will maintain and improve system reliability by allowing NIPSCO direct control over the dispatching of this power to allow for immediate load regulation in response to changing customer electrical demands.

Maassel added that while power purchased under the EnergyUSA-TPC proposal would address the varying demand on NIPSCO's system, the utility's coal-fired generating units would continue to meet the base load needs of customers.

NIPSCO has historically used a balanced portfolio combining existing generating capacity with purchased power. NIPSCO's customer profile and use of electricity, with large and varying power demands, is among the most unique in the Midwest.

NIPSCO, with headquarters in Merrillville, Ind., is one of the 10 energy distribution companies of NiSource Inc. (NYSE: NI). With nearly 700,000 natural gas customers and 440,000 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

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