



FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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**NIPSCO AWARDS NISOURCE ENVIRONMENTAL CHALLENGE FUND GRANTS
TO COMMEMORATE EARTH DAY 2006**
11 Groups Awarded More Than \$48,000

MERRILLVILLE, Ind. – To commemorate Earth Day 2006, Northern Indiana Public Service Company (NIPSCO), a wholly owned subsidiary of NiSource Inc. (NYSE: NI), awarded 11 local grants totaling more than \$48,000 through the NiSource Environmental Challenge Fund.

The Environmental Challenge Fund, a not-for-profit corporation, offers an annual grant competition that supports local natural resource and wildlife enhancement projects and related educational efforts in communities across NiSource's market area. This geographic area includes 19 states stretching from the Gulf Coast through the Midwest to New England.

“With these grants, NIPSCO lends its support to local organizations that work to improve the environment and the quality of life in the local communities where our employees and customers live and work,” said NIPSCO President Mark Maassel. “We hope other local organizations and individuals will join them in making a permanent difference in our cities and towns.”

Within NIPSCO's service area, a local Environmental Challenge Fund Advisory Board reviewed and selected the winning proposals from grant requests submitted earlier this year.

“The Environmental Challenge Fund is one of many programs in which NiSource demonstrates its environmental commitment. We believe in encouraging, recognizing and supporting community and environmental involvement on the part of organizations and individuals,” added Art Smith, senior vice president, environmental counsel and ECF board member. “NiSource and its subsidiaries make their local communities stronger by promoting sustainable business practices and supporting initiatives that improve the quality of life.”

In total, NiSource operating companies are awarding about \$136,000 in grants to not-for-profit organizations in conjunction with Earth Day 2006.

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**NIPSCO AWARDS ENVIRONMENTAL CHALLENGE GRANTS
PAGE 2**

About NiSource Environmental Challenge Fund

The NiSource Environmental Challenge Fund was established in 1995 and has contributed nearly \$994,000 to 276 projects since its inception. The Environmental Challenge Fund is funded primarily by a grant from the NiSource Charitable Foundation. For more information about the Fund, visit www.nisource.com/enviro/ecf.asp.

About NiSource Inc.

NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com.

About NIPSCO

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.

Editor's Note: A full listing, including project overviews, of this year's recipients follows.

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Environmental Challenge Fund 2006 Awards Summaries

Project Name: Bahls Property Savanna Restoration (\$5,000.00)

Organization: Lake Heritage Parks Foundation

The staff from the Lake Heritage Parks Foundation will assist the site manager in planting and maintaining 50-75 trees on a 55-acre Oak Savanna that will eventually become part of the future Beaver Dam County Park west of Crown Point.

Project Name: Waterfowl Nesting and Wetland Enhancement (\$3,334.00)

Organization: Waterfowl U.S.A. Northwest Indiana Chapter

This project will provide wood duck boxes, mallard tunnel nests and bluebird boxes, and help preserve the wetlands via the eradication of exotic species and planting of a variety of native trees.

Project Name: Augment Wetland Demonstration Planting at the Cowles Bog (\$3,120.00)

Organization: Friends of the Dunes

Funding for this project would support restoration and management of rare wetland habitat (Cowles Bog Wetland Complex wetland demonstration planting) through invasive plant control and native plant establishment. Much needed supplies including native plant, brush cutter, and invasive plant control supplies would be purchased. Work would be completed by volunteers, school groups, and park staff.

Project Name: Native Plant Restoration and Wildlife Enhancement (\$3,500.00)

Organization: Taltree Arboretum & Gardens

This project will convert about one acre of abandoned roadway and old field to a high diversity native plant habitat. Plant species selection focuses on providing food and habitat for birds, butterflies, moths, dragonflies, and other insects. The area being restored will provide a physical connection with an existing tall grass prairie, Taltree's Native Plant Garden, and a 2-acre ephemeral wetland. A grass path will allow visitors to enjoy and learn about the relationships between plants and animals.

Project Name: Natural Wetland Enhancement Project – Cedar Lake (\$5,000.00)

Organization: Cedar Lake Enhancement Association

This project will include re-establishing a deep water area in the natural wetland that has been filled with silt accumulation over the years, removal of select non-native trees in or near the natural wetland; re-establishment of native wetland vegetation in the natural wetland through plugging of native wetland vegetation, with and without coir logs; and re-establishment of a wet prairie buffer strip around the wetland to improve habitat and water quality function.

Project Name: Youth Services Natural Areas Restoration (\$4,100.00)

Organization: Youth Services Center Foundation

The at-risk youth who reside on the campus will assist with the preparation and actual planting involved in this project. This will entail restoration of approximately one acre of wooded property to native trees and plant species. The Hometown Volunteer Fire Department will execute a controlled burn. The restoration site will demonstrate ecological responsibility and conservation as well as provide an opportunity for youth to learn the names of native plants and trees, and to observe the wildlife that the woods support.

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Project Name: **Elkhart Environmental Center Prairie Restoration** (\$2,746.95)

Organization: City of Elkhart

The grant will provide funds to restore a prairie and wetland area, which in turn will enhance wildlife habitats at the Elkhart Environmental Center. This will be accomplished through trash removal, applying herbicide to existing plants, placing fresh nutrient rich soil and compost on top of the existing area and planting native prairie and mesic seeds.

Project Name: **Restoration of East Pond Shoreline and Wildlife Habitat** (\$2,000.00)

Organization: International Friendship Gardens

The purpose of the project is to restore the 100 yards of marsh wetland on the 3-acre pond of Friendship Gardens; plant the rest of the 300 yards long shoreline with wet mesic native plants which at the same time would create a wildlife habitat within the one-acre site along the eastern shore. A boardwalk would also be built above the marsh wetland to allow the seep waters to flow under the boardwalk and yet allow visitors on educational tours to walk across the seep-fed marsh. Finally, native-plant a five-foot wetland plant buffer area along the three other shores of the pond.

Project Name: **11-Acre Prairie Restoration** (\$4,400.00)

Organization: Save the Dunes Conservation Fund

The major goal of the proposed restoration work is to eradicate the spreading reed canary grass and to encourage the native seed bank to respond with controlled burns. The native seed bank contribution will be supplemented with strategic input of plugs of native wetland graminoid (grassy) species, which are important as replacement of reed canary grass and as fuel for controlled burns. Woody brush will be removed as much as possible. Locally collected native mesic and wet prairie seeds will be broadcast in the drier reed canary grass-treated areas after controlled burns and in barren, brush-cut areas. This project fits into the organization's long-range Dunes region plans to protect and restore the 115-acre complex of wild land for the benefit of local school children and the public.

Project Name: **East Chicago Beachfront Restoration Project** (\$10,000.00)

Organization: City of East Chicago

This proposed natural area restoration of 1000 feet along the Lake Michigan coastline in East Chicago will consist of clearing away the mix of non-native and invasive weeds, flowering plants and sumac on the east half of the beach; replenish coastal front with native plantings including marram grass, white pine, willow and cottonwood trees, and installing native planting enhancements in and around the newly constructed boardwalk and observation deck. This project is significant to the environment and the community because the physical restoration of the coastline represents a renewed commitment from the City and its neighbors to enhance the natural habitat.

Project Name: **Restoration at Hidden Prairie Nature Preserve** (\$5,000.00)

Organization: Shirley Heinze Land Trust, Inc.

The grant will be used to purchase native plants to re-vegetate the "spoil-bank" area. SHLT staff will prepare the site for planting by applying herbicides to exotic herbaceous species that remain, such as reed canary grass and garlic mustard, and by removing slash and fallen trees. Purchased native plants will be planted through a volunteer workday in June 2006.

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