



FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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**NIPSCO EXPLORING OPTIONS TO MEET POTENTIAL
INCREASE IN POWER DEMAND**

Utility Plans to Issue Requests for Proposals to Secure Power Supplies

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) today announced that it is exploring potential options to meet the future needs of its residential, commercial and industrial electric customers.

The company plans to issue two Requests for Proposals (RFP) seeking bids on power supplies. The long-term RFP (3 to 40 years) seeks capacity and energy proposals and alternatives for up to 600 megawatts of electricity to address the company's projected electricity supply needs during the 2009-2014 time period. A short-term RFP seeks seasonal capacity and energy needs for the period of 2007-2008. Schedule and details will be made available at the time of release of each RFP. Parties interested in receiving notice regarding the release of the RFP's are encouraged to register at www.nipSCO2006RFP.com and monitor the site for updates.

"Looking at capacity and energy resources available within the industry is a part of the process to ensure a safe, reliable supply of electricity for our customers and the company," said NIPSCO President Mark Maassel. "We're committed to providing reliable, environmentally sound, cost-effective power to our customers. This is simply one step in our integrated power supply planning process as we look into the future."

The company has historically provided electricity to customers using a portfolio that combines its own generating capacity with purchased power. However, with the strengthening economy and the continued growth of customers' demand, electricity forecasts indicate that NIPSCO needs to supplement its current generation capacity.

Evaluation of any proposals will be done over the coming months this year, with the goal to award the short-term power supply contracts by the end of 2006 and the long-term power supply contracts in 2007. The evaluations will include many factors, such as cost, reliability, operating characteristics, timing of availability and location of resources used to provide the electricity, as well as the capability of transmission facilities to deliver the power to NIPSCO's service area. NIPSCO anticipates selecting a portfolio of products from the bids received to add to its current generating capacity to meet Northern Indiana's electricity needs.

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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.

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