



FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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NIPSCO ANNOUNCES ADDITION OF WIND POWER

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) today announced that the company will be adding wind to its generating capacity. The 100 megawatts (MW) of wind power will be supplied from Buffalo Ridge I LLC and Barton Windpower LLC, which are both subsidiaries of Iberdrola Renewables – the largest owner and operator of wind farms in the world.

“NIPSCO is pleased to be able to add wind to our renewable energy portfolio,” said Eileen O’Neill Odum, Chief Executive Officer of NIPSCO. “Increasing NIPSCO’s renewable energy capacity is a positive step for the environment and for our customers.”

The purchased power agreement with Buffalo Ridge is for wind generated in Brookings County, South Dakota, and it will provide 50.4 MW for 15 years. Barton Windpower’s purchased power agreement will supply NIPSCO with 50 MW of electricity generated from wind farms located in Worth County, Iowa for a term of 20 years.

As a part of NIPSCO’s comprehensive Integrated Resource Plan (IRP) filed with the Indiana Utility Regulatory Commission (IURC) in November of 2007, the company proposed the wind purchase to add to its existing generating portfolio. The purchase was approved by the IURC last week.

“Before a decision was reached, we conducted a competitive bidding process. Buffalo Ridge and Barton Windpower were selected as the most cost-effective and reliable sources of wind energy for our customers,” added Odum, “Proposals from Indiana-based wind farms were considered, however, the Iberdrola companies’ proposals offered a lower cost and a more consistent source of wind power. We are hopeful that as we evaluate adding additional wind to our capacity mix, Indiana wind farms will present sound economic options.”

Electricity from the newly-added wind power will be delivered to the Midwest Independent Transmission System Operator’s (Midwest ISO) transmission grid, of which NIPSCO is a member. Purchases of wind energy are expected to commence in the first quarter of 2009.

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NIPSCO's renewable energy portfolio also includes 10 MW of hydroelectric energy produced by the Oakdale and Norway dams in Indiana's White and Carroll Counties.

NIPSCO, with headquarters in Merrillville, Ind., is one of the 10 energy distribution companies of NiSource Inc. (NYSE: NI). With over 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 3.8 million natural gas and electric customers primarily in nine states. More information about NIPSCO is available at www.nipsco.com.

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