

NEWS



A NiSource Company

801 E. 86th Avenue
Merrillville, IN 46410

FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

Tom Cuddy
NIPSCO Communications
219-647-6556

NIPSCO RESPONSE TO IURC RULING ON COMPANY PLAN TO CONSOLIDATE LOCAL OPERATING AREAS

MERRILLVILLE, IN (Aug. 11, 2005) – The Indiana Utility Regulatory Commission (IURC) yesterday announced its decision rejecting Northern Indiana Public Service Company’s (NIPSCO) plan to consolidate its local operating areas (LOA).

While deferring full reaction until it reviews the associated impacts, NIPSCO President Mark Maassel today offered the following statement:

“NIPSCO remains firm in its position that the consolidation of our LOA’s represents what our customers have said they wanted – safe and reliable service supported by a stronger, more visible local presence in the communities in which we serve,” said Maassel. “We are conducting a full review of the order issued yesterday by the IURC and will be exploring a number of options available to us as it relates to the consolidation of our LOA’s. We are pleased that the IURC shares our view that the Area Service Model is a concept that represents a sound approach and is in the public interest.”

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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 3.7 million natural gas and electric customers primarily in nine states. More information about NIPSCO is available at www.nipSCO.com

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