



FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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**NIPSCO REACHES SETTLEMENT AGREEMENT WITH OUCC REGARDING
POWER PURCHASES FROM WHITING CLEAN ENERGY**

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) and the Indiana Office of Utility Consumer Counselor (OUCC) have reached an agreement, which affirms that the utility be allowed to purchase power from Whiting Clean Energy, Inc. The agreement has been filed with the Indiana Utility Regulatory Commission (IURC) and is subject to IURC approval.

The settlement agreement, also signed and agreed upon by some of NIPSCO's largest industrial electric customers, outlines parameters surrounding the amount of power NIPSCO purchases from Whiting Clean Energy, including how the costs for that purchased power are distributed across residential, commercial and industrial customer segments and provides for conditions when the purchases could be made.

“This agreement will support NIPSCO in meeting system reliability standards required by the Midwest Independent Transmission System Operator, Inc. (MISO) and the North America Electric Reliability Council (NERC),” said NIPSCO President Mark Maassel. “We are pleased that NIPSCO will have the flexibility to ensure a reliable source of power for our customers.”

Under this agreement, NIPSCO will make purchases from Whiting Clean Energy immediately through November 30, 2005. NIPSCO will continue to evaluate the options outlined in the Burns and McDonnell engineering study and provide monthly updates to the OUCC. In addition, NIPSCO agrees to file an electric base rate case on or before July 1, 2008.

The OUCC also agrees to recommend approval of the settlement previously reached between the City of Gary and NIPSCO regarding the transfer of the Dean H. Mitchell Generating Station to the city.

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.