

NEWS



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FOR IMMEDIATE RELEASE

October 7, 2008

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FOR ADDITIONAL INFORMATION

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HEATING BILLS PROJECTED TO INCREASE THIS WINTER *Customers Encouraged to use Energy Efficiently*

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) advised today that customers could see a 10-20 percent increase in their home heating bills this heating season, assuming normal winter temperatures.

“We understand the impact that high energy prices can have on household budgets, and it’s important that customers have a sense of what to expect this winter, so they can take the necessary steps to begin preparing now,” said Eileen O’Neill Odum, CEO of NIPSCO.

“While gas market prices have sharply declined since reaching an all-time high in July, the current and projected bills still remain higher than last year.”

Over the course of the winter heating season – Nov. 1 to March 31 – the average residential customer could expect to pay approximately \$906. This compares to about \$756 for a typical customer using the same amount during the last winter heating season.

“The only force driving this increase is the cost of natural gas,” added Odum. “Prices, whether high or low, are controlled by market conditions occurring on a national level. While NIPSCO has no control over the market, the company is committed to securing safe and reliable supplies of natural gas at the lowest cost for our customers.”

The cost of natural gas represents the largest portion of customer bills, making up three-fourths of the typical overall bill. NIPSCO has no mark-up and makes no profit on the cost of natural gas purchased for customers on the wholesale market. Before being recovered from customers, costs are filed with the Indiana Utility Regulatory Commission (IURC) on a monthly basis.

Commodity prices in the market are mainly determined by such factors as supply and demand, weather and storage levels, but the higher-than-normal gas costs this year can also be attributed to drilling limitations of offshore supplies of natural gas, the increasing use of natural gas to generate electricity, and increased international demand from Europe and the Far East.

The figures provided by NIPSCO are only projections. If temperatures are colder-than-normal this winter, the cost to heat a home will likely be higher as customers will be using more gas and wholesale natural gas prices could rise in response to the increased demand.

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NIPSCO WINTER HEATING BILL PROJECTIONS

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NIPSCO offers a number of solutions to help customers use energy wisely, make smart energy decisions and manage their monthly bill, including:

- **Energy Assistance Program (EAP):** Customers falling within 150 percent of federal poverty guidelines may be eligible to receive state and federal utility assistance dollars by visiting their local community action agency.
- **Energy Harvest:** Offers rebates to all NIPSCO residential customers who purchase new, energy-efficient natural gas furnaces, water heaters, boilers or programmable thermostats.
- **Winter Warmth:** Provides up to \$450 in annual energy assistance towards natural gas deposits and the payment of utility bills for customers that fall within 200% of the federal poverty guidelines, or those who have a financial hardship situation determined by an administering Winter Warmth agency.
- **BudgetPlan:** Free service to all NIPSCO customers to help manage their monthly energy bills by spreading out gas costs over an entire year.
- **DependaBill and Price Protection Service (PPS):** DependaBill provides a fixed monthly bill with no annual reconciliation, while the PPS option allows customers to fix or cap their per-unit cost of natural gas.
- **NIPSCO Choice Program:** Gives customers an opportunity to choose an alternative natural gas supplier for their home.
- **Gift of Warmth:** Individuals wanting to provide assistance to those in need with their energy bills may make donations to the Gift of Warmth. NIPSCO will match those donations dollar-for-dollar up to \$500,000. Donations are tax deductible and may be sent to any local Winter Warmth agencies.
- **Energy Tips:** Additional low-cost tips and improvements to help use energy more efficiently may be found by visiting www.nipSCO.com.

As always, customers experiencing bill-payment trouble, regardless of income, are reminded to call NIPSCO at 1-800-4-NIPSCO in order to provide an opportunity to work together to get customers available assistance.

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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