

NEWS



A NiSource Company

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FOR ADDITIONAL INFORMATION

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HEATING BILLS PROJECTED TO INCREASE THIS WINTER *While Gas Prices Remain Steady, Weather Could Increase Customer Cost*

MERRILLVILLE, Ind. – When compared to last year’s warmer than normal winter, Northern Indiana Public Service Company (NIPSCO) customers could see a 20 percent increase in their home heating bills this heating season assuming normal winter temperatures, NIPSCO announced today.

“NIPSCO strongly encourages our customers to manage winter heating bills through home weatherization and conservation efforts,” said NIPSCO President Mark Maassel. “Customer can take advantage of Fall Energy Fairs being sponsored by NIPSCO across our service area to learn more about home weatherization and conservation and available energy assistance being offered this heating season.”

Over the entire winter heating season – Nov. 1 to March 31 – the average residential customer could expect to pay approximately \$751. This compares to about \$624 for a typical customer during the last winter heating season.

NIPSCO customers benefited from lower natural gas bills last winter primarily due to favorable natural gas prices and reduced usage from warmer than normal winter weather.

If temperatures are colder than normal this winter, the cost to heat a home most likely will be higher as customers will be consuming more gas and wholesale natural gas prices could rise in response to the increased demand.

NIPSCO has no mark-up and makes no profit on the cost of natural purchased for customers. “Our goal is to purchase supplies of natural gas that our safe, secure and reliable at the lowest possible cost for our customers,” said Maassel.

According to the American Gas Association (AGA), robust production activity, abundant natural gas storage, the expected expansion of liquefied natural gas (LNG) terminals and construction of new pipelines are likely to benefit natural gas customers nationally over the 2007-08 winter and allow for an abundant supply of natural gas for this heating season

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In addition to home weatherization and conservation efforts NIPSCO customers have other options to manage their winter bills. For customers who want consistent monthly payments, NIPSCO's BudgetPlan allows customers to spread gas costs over an entire year, and the Depend-a-Bill program provides a fixed monthly bill with no annual reconciliation. NIPSCO's Price Protection Service option allows customers to fix or cap their per unit cost of natural gas. Also, the NIPSCO Choice program gives customers an opportunity to choose an alternative natural gas supplier.

NIPSCO also encourages customers to be safe in their homes this winter by inspecting their natural gas furnace to be sure it is operating safely and efficiently, using space heaters sparingly and following operating directions carefully, and purchasing a carbon monoxide detector.

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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