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FOR ADDITIONAL INFORMATION

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NIPSCO PROPOSES NEW ENERGY EFFICIENCY PROGRAMS FOR ELECTRIC CUSTOMERS

Programs Focus on Saving Energy, Money and the Environment

MERRILLVILLE, Ind. – Northern Indiana Public Service Company (NIPSCO) filed a proposal with the Indiana Utility Regulatory Commission (IURC) yesterday that will expand energy efficiency programs available to its electric customers through 2012.

NIPSCO currently offers a wide range of energy efficiency programs to its natural gas customers. This proposal would expand energy efficiency programs to electric customers, and it is hoped that the new electric programs could be available in time for the summer cooling season in 2009.

“These programs will offer our customers opportunities to use energy wisely and be compensated for their participation,” said Eileen O’Neill Odum, Group CEO for Northern Indiana Energy (NIE). “The programs that we are proposing have been tested and implemented by other utilities across the country, and have a proven track record of helping customers reduce energy consumption and achieving measurable savings on their electric bills. Moreover, these programs will play an important role in reducing both the need for future generation resources and the carbon footprint of NIPSCO and its customers.”

Under the current proposal, NIPSCO is seeking to add the following programs:

- **Residential and Non-Residential Direct Load Control Program:** Air conditioner cycling program for NIPSCO electric customers that will offer them a payment incentive or discount from June through September for allowing NIPSCO to cycle the customers’ compressor off for short periods of time during peak usage periods – typically the hottest summer days – and during system emergencies.
- **Residential Energy Efficiency Rebate Program:** Offers rebates to all NIPSCO electric residential customers who purchase new, energy-efficient refrigerators or upgrade their air conditioning units from a standard energy efficiency rating to an EnergyStar efficiency energy rating.

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- **Non-Residential Energy Efficiency Rebate Program:** Offers rebates to NIPSCO electric commercial customers who upgrade their central air conditioning units or rooftop air conditioners, as well as rebates for purchasing new, energy-efficient light fixtures and ballasts.
- **CFL Promotion Campaign:** Program aimed at promoting the use of compact fluorescent light bulbs (CFL), where NIPSCO will provide free CFLs to customers through targeted events across the service territory.
- **Residential Low-Income Program:** Provides low-income residential customers with weatherization measures and energy-efficient refrigerators in an effort to reduce their energy consumption and lower their energy bills.
- **Energy Efficiency Education Program:** Educational outreach program, intended to help customers take advantage of programs while educating them about opportunities for efficiency and management of their energy consumption.
- **Advance Metering Program:** Program designed to install Advanced Interval Data Recording (IDR) meters for commercial customers in order to provide a means to manage energy costs and obtain more accurate load research data for these customers.

“With the addition of energy efficiency programs available to our electric customers, we are pleased that all customers, regardless of income, will now have the opportunity to benefit from these opportunities,” added Odum. “As we look toward the future, we anticipate that we will expand on these programs to provide customers with additional solutions to help them make informed decisions about their energy usage.”

NIPSCO’s existing family of energy efficiency programs for natural gas customers includes an appliance rebate program, a weatherization program targeted to low-income customers, an energy education program for elementary school students, and a program to install low-flow water fixtures in apartment complexes.

For information on available energy efficiency programs and other ways customers can better manage their energy usage, please visit www.nipsco.com.

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 seven states. More information about NIPSCO is available at www.nipsco.com.

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