



**FOR IMMEDIATE RELEASE**

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**FOR ADDITIONAL INFORMATION**

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## **NIPSCO MODIFIES ELECTRIC RATE CASE FILING**

**MERRILLVILLE, Ind.** – Northern Indiana Public Service Company (NIPSCO) today announced it has made modifications to the company's electric rate case proposal that is on file with the Indiana Utility Regulatory Commission (IURC).

In the Company's filing in late August, NIPSCO proposed a change in rates for all electric customers – its first base rate adjustment request in more than 20 years. However, with the recent addition of the Sugar Creek electric generating facility which began serving NIPSCO's customers on December 1, the Company amended its filing to remove the two-step rate implementation and simplify the proposal to include only one overall rate adjustment.

Under the company's modified proposal, NIPSCO is seeking an increase that is less than the previously-filed combination of steps one and two. An overall 9.8 percent base rate increase is requested to reflect the increased cost of operating the utility since its last electric rate case, and to reflect the addition of Sugar Creek.

If approved by the IURC, a typical NIPSCO residential electric customer would see an increase of approximately \$12.76 in their monthly electric bill.

"We recognize the challenges facing our customers in managing their monthly energy bills, and NIPSCO has made a concerted effort to strike a balance between the interests of our residential, commercial and industrial customer segments," said Eileen O'Neill Odum, Group CEO for Northern Indiana Energy (NIE). "This request reflects what is necessary to invest in electric system improvements, meet escalating fuel, transportation, environmental and material costs and provide for our customers' increasing demand for energy."

Hearings on NIPSCO's case are still planned to be held in January 2009.

After thorough review, which can take 12 to 18 months, the Indiana Utility Regulatory Commission (IURC) will determine the new rates which are expected to be effective in late 2009 or early 2010. This revision has eliminated the need for the second step which would have been implemented in June 2010.

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Included in the process will be participation by interested parties, called intervenors, and the Indiana Office of Utility Consumer Counselor (OUCC), which represents all NIPSCO customers throughout the proceedings. All regulated utilities in Indiana are required to file a rate case proceeding in order to make any modifications to their base rates.

Additional information and updates may be accessed through the NIPSCO website at [www.nipsco.com](http://www.nipsco.com).

**Attached:**

**NIPSCO Rate Case Fact Sheet (Including Schedule)**

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](http://www.nipsco.com).

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