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NIPSCO ANNOUNCES NATURAL GAS COSTS FOR JUNE *Prices Continue to Hold at Low Levels*

MERRILLVILLE, Ind. – Northern Indiana Public Service Company announced today that customers will see a moderate increase in natural gas costs for the month of June, due primarily to the increased cost of natural gas on the wholesale market. Overall gas prices, however, remain at low levels.

“Although there was an increase in the price per therm this month, gas prices remain in the lowest range that we have seen in more than five years, which is great news for our customers,” said Eileen O’Neill Odum, CEO of NIPSCO. “We are pleased to be able to take advantage of today’s market prices as we fill our natural gas storage units during this period to help offset market prices during the upcoming winter months, when gas costs are usually much higher.”

Residential customers using 50 therms of natural gas can expect their June bill to total \$37.73, based on this month’s price per therm of 57.84 cents. In comparison, the total bill for customers using 50 therms of natural gas last month was \$27.81, based on the May price per therm of 36.03 cents. Actual bills will vary based on customer usage, with the summer months typically being when customer use is relatively low.

As a regulated utility monthly gas costs paid by customers – which represent three-fourths of a customers’ total bill – are approved by the Indiana Utility Regulatory Commission. The adjustment each month reflects the fluctuations in the price NIPSCO pays in the marketplace for natural gas. Those costs are passed through to the customer with no mark-up.

Commodity prices in the market are mainly determined by such factors as supply and demand, weather and storage levels. The current price per therm appears each month on the top right corner of customers’ utility bills.

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Aside from the gas supply charge, the other components of NIPSCO's monthly gas statements include service costs for gas delivery, and state and local taxes. These service costs, which are also regulated by the IURC, vary with monthly natural gas use.

According to the American Gas Association, many analysts believe that the market price for natural gas still has room at the bottom to fall given high storage inventories, lackluster demand and a relatively strong supply position compared to potential summer demand.

"NIPSCO strives to purchase both very cost-effective and highly reliable supplies of natural gas for our customers," added Odum. "We feel it is important for our customers to be knowledgeable about their monthly gas prices so that they are able to manage their household budgets and make informed decisions concerning their usage and investments in efficiency."

NIPSCO offers a number of choices to help manage their utility costs. 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 true-up. 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 reminds customers about their ability to complete various transactions through its automated phone service, DirectLink, including several convenient bill payment options that differ from traditional mail, such as writing a check via phone or paying with a credit or debit card. Customers with Internet access can also pay with a credit, debit card, or check online, or enroll in NIPSCO's Online Bill Payment program. For more information about DirectLink services and options, customers can call NIPSCO at 1-800-4-NIPSCO (1-800-464-7726).

Helpful consumer information on natural gas prices and managing utility bills is also available from the Indiana Office of Utility Consumer Counselor toll-free at (888) 441-2494, or visit their website at www.in.gov/oucc. The OUCC is the state agency that represents the interests of all Indiana consumers in matters related to the provision of utility services.

The IURC may be contacted toll-free at (800) 851-4268, or via their website at www.in.gov/iurc. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure that utilities provide adequate and reliable service at reasonable prices.

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 457,000 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.