Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-005:

Please provide a work paper showing the derivation of the Company's current AFUDC rate.

Response:

Attached as Attachment A is the NiSource Inc. notification to Columbia Gas of Pennsylvania, Inc. on the applicable Allowance for Funds Used During Construction (AFUDC) for 2012. CPA utilizes the NiSource rate, which is 7.58%.

Attached as Attachment B is the worksheet showing the computation of the current AFUDC rate of 7.58%.

NiSource
Delivering life's essential resources

May 24, 2012
No. 2012-27

From: J. Veurink

To: J. Konold, R. Plantz, S. Taylor, W. Telzerow

CC:

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2012 Allowance for Funds Used During Construction (AFUDC) Borrowed and Equity Rates

Listed below are the updated AFUDC rates to be used for 2012 shown alongside the rates last published in Controller's Letter 2011-57 (issued December 2011) and NIPSCO Electric rates published in Controller's Letter 2011-61 (issued December, 2011). Interim rates are published to capture significant rate trends prior to year-end. For the rates that changed, please record a cumulative adjustment from January 1, 2012 in order to reflect the changes.

	Using 12 Months Ended November 30, 2011			Using 12 Months Ended April 30, 2012			
	Borrowed (A/C 700310000)	Equity (A/C 703124000)	Total	Borrowed (A/C 700310000)	Equity (A/C 703124000)	Total	
NiSource	1.56%	0.00%	1.56%	1.62%	0.00%	1.62%	(1)
NIPSCO (GAS)	2.37%	3.72%	6.09%	2.30%	3.73%	6.03%	
NIPSCO (ELECTRIC)	2.37%	5.41%	7.78%	2.29%	5.40%	7.69%	(2)
CMA	1.56%	0.56%	2.12%	1.65%	0.54%	2.19%	(3)
CMD	8.03%	0.00%	8.03%	8.03%	0.00%	8.03%	(4)
CGV	3.597%	4.327%	7.924%	3.597%	4.327%	7.924%	(5)
CKY	2.370%	5.470%	7.840%	2.350%	5.500%	7.850%	
COH	2.780%	5.410%	8.190%	2.680%	5.590%	8.270%	(6)
CPA	2.750%	5.240%	7.990%	2.530%	5.050%	7.580%	(7)

NiSource
Delivering life's essential resources

(1) The NiSource consolidated AFUDC rates increased from November 30, 2011 due to higher average average money pool rates.

(2) The NIPSCO Electric AFUDC Borrowed rate decreased from the prior period primarily resulting from a 3 basis point decrease in the long-term debt borrowing rate and a $37.8 million decrease in average long-term debt.

(3) The Columbia Gas of Massachusetts (CMA) AFUDC Borrowed rate increased from the prior period resulting from a 10 basis point increase in average short-term debt interest rates. The AFUDC Equity rate decrease was caused by an incremental increase in the average short-term debt to average CWIP ratio.

(4) The Columbia Gas of Maryland (CMD) AFUDC rate of 8.03%, effective as of April 1, 2009, was a result of negotiated rate filling settlement approved on March 27, 2009.

(5) The Columbia Gas of Virginia (CGV) is allowed AFUDC of 7.924% (debt and equity) for construction work in progress balances on and after January 1, 2011, per "Treatment of AFUDC Pursuant to Virginia Code Section 56-235.9," used to determine rates in CGV's most recent rate case.

(6) The Columbia Gas of Ohio (COH) AFUDC Equity rate increased primarily resulting from a current period $44.9 million increase in common equity.

(7) The Columbia Gas of Pennsylvania (CPA) AFUDC rates decreased resulting from an increase in the average short-term debt to average CWIP ratio.

Notes on certain key components of the AFUDC Rate calculation:

ST Debt Interest Rate: Generally, an increase in the ST Debt Interest Rate will increase the AFUDC-Borrowed Rate and have no impact on the AFUDC-Equity Rate. Operating company rates are based on the consolidated rate. The ST Debt Interest Rate is based on Money Pool Borrowings.

Ratio of Average ST Debt to Average CWIP (S/W Ratio): An increase in the S/W Ratio will decrease both the AFUDC-Borrowed Rate and AFUDC-Equity Rate, as the AFUDC formula assumes that ST borrowings are used first for construction before costs of LT debt and equity are factored in. Average ST Debt is based on Money Pool Borrowings. In the event average ST borrowings exceeds the average CWIP balance for the period, the AFUDC-Equity Rate will be zero, and the AFUDC-Borrowed Rate will equal the ST borrowing rate.

Cost of Equity Rate: An increase in the Cost of Equity Rate will increase the AFUDC-Equity Rate and have no impact on the AFUDC-Borrowed Rate. The Cost of Equity Rate is based on regulatory filings and is a weighted average rate at the NiSource Consolidated level.

Attached are schedules showing the computation of the 2012 AFUDC rates.

If you have any questions regarding the AFUDC calculations, please contact Nick Drew (614) 460-4638 or Lacey Dangelo at (614) 460-4877.

AFUDC Rates Calculation
4/30/2012
Procedure: To update spreadsheet for current period, manually update white cells and notes. Gray boxes are formula / Smartview driven and will update automatically.

AFUDC Rates

	CKY032	COH034	CPA037	Note B CMD035	Note C CGV038	BSG066 CMA080	TCOCONS	CGT014	Note K NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
AFUDC Debt	2.35%	2.68%	2.53%	8.03%	3.597%	1.64%	1.63%	1.66%	N/A	2.29%	2.30%	1.62%
AFUDC Equity	5.50%	5.59%	5.05%	0.00%	4.33%	0.54%	0.00%	0.00%	N/A	5.40%	3.73%	0.00%
Total AFUDC	7.85%	8.27%	7.58%	8.03%	7.92%	2.19%	1.63%	1.66%	N/A	7.69%	6.03%	1.62%

AFUDC Debt = s(S/W)+d(D/(D+P+C)*(1-S/W)
AFUDC Equity = (1-S/W)*[(p[P/(D+P+C)]+c(C/(D+P+C))]

AFUDC Formula Inputs

	CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
D - LTD	82,055,000	565,576,000	313,215,000	26,480,000	223,175,000	221,000,000	385,500,000	67,890,000	1,022,082,915	885,737,054	136,345,861	6,524,280,492
d - LTD Interest Rate (see Note E)	4.94%	5.80%	5.84%	5.69%	5.81%	5.80%	5.52%	5.52%	6.02%	6.02%	6.02%	6.05%
P - Preferred Stock (see Note F)												
p - Preferred Stock Cost Rate (see Note F)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C - Common Equity	90,343,578	658,559,188	382,631,402	29,225,096	191,388,321	437,227,318	1,593,821,208	105,102,970	1,563,996,353	1,355,359,239	208,637,113	4,997,381,371
c - Common Equity Cost Rate (see Note A)	10.50%	10.39%	10.20%	10.25%	10.10%	9.95%	12.98%	12.50%	9.77%	10.20%	7.00%	11.00%
												Note D
s - ST Debt Interest Rate	0.00%	1.38%	1.65%	1.55%	1.65%	1.62%	1.63%	1.66%	1.66%	1.66%	1.68%	1.62%
S - Average ST Debt	17,961	2,225,785	708,418	1,241,358	15,777,551	95,626,607	7,137,307	23,217,623	19,897,734	3,319,889	404,019,886	
W - Average CWIP	5,066,178	39,304,965	22,465,588	1,523,442	9,967,968	16,643,196	95,626,607	7,137,307	188,427,145	160,531,177	27,895,968	404,019,886

CWIP - Ending Balance

100129000		CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	Note I NIPSCO Electric	Note I NIPSCO Gas	LEGAL
2011	Apr	4,957,799	33,333,641	20,241,924	1,767,892	4,960,064	13,758,818	69,596,733	7,955,792	104,282,506	81,980,997	22,301,509	269,394,826
2011	May	5,325,643	33,934,053	21,291,509	2,046,920	5,621,498	15,102,212	80,004,158	8,767,161	120,482,647	97,415,861	23,066,786	301,785,630
2011	Jun	5,906,513	38,519,037	30,601,675	2,001,333	9,625,879	16,042,465	80,945,674	10,241,608	142,167,077	117,737,566	24,429,511	346,632,397
2011	Jul	6,528,676	45,239,199	31,680,427	1,950,309	10,313,021	17,628,688	106,857,762	6,097,738	145,320,596	118,480,123	26,840,473	384,085,339
2011	Aug	5,133,702	45,944,654	33,089,685	1,844,354	12,607,826	19,871,852	128,229,049	7,613,740	165,465,789	136,306,789	29,159,001	433,481,711
2011	Sep	4,706,844	45,316,761	26,230,479	1,555,285	13,158,472	21,842,619	155,307,104	2,989,313	186,487,421	154,967,589	31,519,832	479,860,741
2011	Oct	4,679,035	48,457,962	25,256,363	1,178,934	14,419,869	22,090,326	79,746,286	4,190,408	193,063,112	162,176,357	30,886,754	413,939,768
2011	Nov	4,991,918	45,348,804	19,390,653	1,364,045	11,018,946	21,080,421	76,328,140	5,466,637	215,518,335	183,511,634	32,006,702	422,231,081
2011	Dec	2,628,873	23,612,232	15,609,308	888,219	9,242,816	15,281,535	81,448,507	5,475,504	211,572,353	181,322,874	30,299,479	387,339,335
2012	Jan	4,237,594	27,142,122	13,948,288	1,054,635	8,061,720	10,748,983	78,827,634	6,770,047	211,199,881	182,790,243	28,409,640	384,881,471
2012	Feb	5,777,544	33,832,003	15,132,473	1,227,550	8,419,060	11,653,075	89,462,346	7,204,898	231,252,315	203,239,352	28,012,963	428,290,419
2012	Mar	5,378,734	41,535,727	18,103,848	1,871,225	9,662,397	13,399,100	99,996,990	7,625,343	253,693,600	226,772,909	26,920,691	474,391,043
2012	Apr	5,640,332	52,220,420	18,262,776	1,349,114	9,868,155	16,195,344	111,134,534	8,454,773	265,422,720	241,324,657	24,098,063	513,256,574
Average CWIP Ending Balance		5,084,093	39,572,047	22,218,416	1,526,139	9,775,363	16,515,034	95,221,917	7,219,459	188,152,181	160,637,458	27,534,723	403,043,410
										OK	NIPSCO Allocation Check		

CWIP - Average Monthly Balance

		CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
2011	May	5,141,721	33,633,847	20,766,717	1,907,406	5,290,781	14,430,515	74,800,446	8,361,476	112,382,577	89,698,429	22,684,148	285,590,228
2011	Jun	5,616,078	36,226,545	25,946,592	2,024,127	7,623,689	15,572,339	80,474,916	9,504,385	131,324,862	107,576,714	23,748,149	324,209,014
2011	Jul	6,217,594	41,879,118	31,141,051	1,995,819	9,969,450	16,835,576	93,901,718	8,169,673	143,743,837	118,106,845	25,634,992	365,358,868
2011	Aug	5,831,189	45,591,927	32,385,056	1,917,330	11,460,424	18,750,270	117,543,405	6,855,739	155,393,193	127,393,456	27,999,737	408,783,525
2011	Sep	4,920,273	45,630,708	29,660,082	1,699,819	12,883,149	20,857,235	141,768,077	7,801,527	175,976,605	145,637,189	30,339,417	456,671,226
2011	Oct	4,792,939	46,887,362	25,743,421	1,367,109	13,789,170	21,966,472	117,526,695	6,089,861	189,275,266	158,571,973	31,203,293	446,900,254
2011	Nov	4,935,476	46,903,383	22,323,508	1,271,489	12,719,407	21,585,373	78,037,213	4,828,522	204,290,723	172,843,995	31,446,728	418,085,424
2011	Dec	3,810,396	34,480,518	17,499,981	1,126,132	10,130,881	18,180,978	78,888,323	5,471,070	213,570,344	182,417,254	31,153,091	404,782,206
2012	Jan	3,433,234	25,377,177	14,778,798	971,427	8,652,268	13,015,259	80,138,070	6,122,775	211,411,118	182,056,558	29,354,559	386,107,403
2012	Feb	5,007,569	30,487,062	14,540,381	1,141,092	8,240,390	11,201,029	84,144,990	6,987,472	221,226,098	193,014,797	28,211,301	406,585,945
2012	Mar	5,578,139	37,683,865	16,818,160	1,399,387	9,040,729	12,526,088	94,729,668	7,415,120	242,472,957	215,006,131	27,466,827	451,340,731
2012	Apr	5,509,533	46,878,074	18,183,317	1,460,169	9,815,276	14,797,222	105,565,762	8,040,058	259,558,160	234,048,783	25,509,377	493,823,808
TTM Average CWIP Balance		5,066,178	39,304,965	22,465,588	1,523,442	9,967,968	16,643,196	95,626,607	7,137,307	188,427,145	160,531,177	27,895,968	404,019,886
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Interest Expense - Money Pool

							BSG066				Note H	Note H	Note G

700102000		CKY032	COH034	CPA037	CMD035	CGV038	CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
2011	May					218	15,398	408,386	124,053	28,480	23,027	5,453	1,413,794
2011	Jun					374	14,351	371,052	125,547	31,062	25,725	5,338	1,148,584
2011	Jul					565	17,896	286,776	100,424	5,914	4,822	1,092	1,016,756
2011	Aug					587	26,087	277,178	92,388	19,927	16,415	3,512	1,099,287
2011	Sep				323	278	34,666	294,521	82,977	13,221	10,986	2,235	1,232,622
2011	Oct			2,261	2,587	262	46,447	360,522	73,198	5,262	4,420	842	1,380,636
2011	Nov			4,889	4,591	288	53,253	337,672	67,467	16,230	13,820	2,410	1,285,284
2011	Dec			14,752	8,096	5,995	65,595	371,970	84,716	74,809	64,098	10,711	1,283,722
2012	Jan			14,380	8,847	10,037	77,681	408,275	104,719	133,425	115,477	17,948	1,432,038
2012	Feb			408	5,092	1,278	55,478	311,370	90,765	27,467	24,140	3,327	994,847
2012	Mar				3,315	515	46,524	320,789	94,038	16,070	14,365	1,705	1,101,807
2012	Apr		247		1,119	130	26,309	301,833	102,207	14,697	13,363	1,334	783,793
TTM MP Interest Expense			247	36,689	33,970	20,527	479,683	4,050,343	1,142,500	386,564	330,658	55,906	14,173,170

OK NIPSCO Allocation Check

Average Daily Balance of Short-term Borrowings (Money Pool)

		CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	Note G LEGAL	Monthly MP Rate
2011	May					130,760	9,248,900	245,305,676	74,515,340	17,106,861	13,831,698	3,275,163	849,225,806	0.17%
2011	Jun					221,685	8,522,431	220,348,285	74,556,007	18,446,217	15,276,481	3,169,736	682,083,333	0.17%
2011	Jul					400,189	12,679,354	203,180,468	71,150,318	4,190,094	3,416,190	773,903	720,370,967	0.14%
2011	Aug					435,069	19,843,208	205,528,221	68,505,803	14,775,975	12,172,097	2,603,878	815,124,194	0.13%
2011	Sep				249,472	215,014	26,778,975	227,497,126	64,094,109	10,212,100	8,486,066	1,726,034	952,116,733	0.13%
2011	Oct			1,697,861	1,942,833	196,910	34,880,134	270,738,802	54,968,933	3,951,526	3,319,351	632,176	1,036,807,613	0.13%
2011	Nov			3,721,273	3,494,795	219,414	40,537,629	257,042,623	51,857,514	12,354,825	10,520,006	1,834,819	978,384,800	0.13%
2011	Dec			10,736,631	5,892,300	4,363,692	47,741,878	270,732,208	61,659,378	54,448,492	46,652,714	7,795,778	934,334,806	0.14%
2012	Jan			10,213,173	6,283,805	7,128,796	55,192,976	289,979,279	74,377,097	94,765,540	82,018,114	12,747,426	1,017,112,387	0.14%
2012	Feb			340,487	4,250,122	1,066,922	46,301,672	259,866,114	75,751,396	22,923,677	20,146,796	2,776,881	830,288,828	0.12%
2012	Mar				2,604,877	404,481	36,555,996	252,060,341	73,890,822	12,627,346	11,287,396	1,339,951	865,746,871	0.13%
2012	Apr		215,529		974,901	113,159	22,928,637	263,056,585	89,076,291	12,808,826	11,645,897	1,162,929	683,098,300	0.11%
TTM Avg. ST Borrowings			17,961	2,225,785	2,141,092	1,241,358	30,057,483	247,111,311	69,491,917	23,217,623	19,897,734	3,319,889	863,724,553	

OK NIPSCO Allocation Check

Short-term Borrowings Used for AFUDC Calculation

		CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
2011	May					130,760	9,248,900	74,800,446	8,361,476	17,106,861	13,831,698	3,275,163	285,590,228
2011	Jun					221,685	8,522,431	80,474,916	9,504,365	18,446,217	15,276,481	3,169,736	324,209,034
2011	Jul					400,189	12,679,354	93,901,718	8,169,673	4,190,094	3,416,190	773,903	365,358,868
2011	Aug					435,069	18,750,270	117,543,405	6,855,739	14,775,975	12,172,097	2,603,878	408,783,525
2011	Sep				249,472	215,014	20,857,235	141,768,077	7,801,527	10,212,100	8,486,066	1,726,034	456,671,226
2011	Oct			1,697,861	1,367,109	196,910	21,966,472	117,526,695	6,089,861	3,951,526	3,319,351	632,176	446,900,254
2011	Nov			3,721,273	1,271,489	219,414	21,585,373	78,037,213	4,828,522	12,354,825	10,520,006	1,834,819	418,085,424
2011	Dec			10,736,631	1,126,132	4,363,692	18,180,978	78,888,323	5,471,070	54,448,492	46,652,714	7,795,778	404,782,208
2012	Jan			10,213,173	971,427	7,128,796	13,015,259	80,138,070	6,127,775	94,765,540	82,018,114	12,747,426	386,107,403
2012	Feb			340,487	1,141,092	1,066,922	11,201,029	84,144,990	6,987,472	22,923,677	20,146,796	2,776,881	406,585,945
2012	Mar				1,399,387	404,481	12,526,088	94,729,668	7,415,120	12,627,346	11,287,396	1,339,951	451,340,731
2012	Apr		215,529		974,901	113,159	14,797,222	105,565,762	8,040,058	12,808,826	11,645,897	1,162,929	493,823,808
TTM Avg. ST Borrowings for AFUDC			17,961	2,225,785	708,418	1,241,358	15,277,551	95,626,607	7,137,307	23,217,623	19,897,734	3,319,889	404,019,886

OK NIPSCO Allocation Check

Interest Expense on ST Borrowings for AFUDC

		CKY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	NIPSCO Electric	NIPSCO Gas	LEGAL
2011	May					218	15,398	124,528	13,920	28,480	23,027	5,453	475,452
2011	Jun					374	14,351	135,515	16,005	31,062	25,725	5,338	545,947
2011	Jul					565	17,896	132,536	11,531	5,914	4,822	1,092	515,680
2011	Aug					587	25,287	158,521	9,246	19,927	16,415	3,512	551,291
2011	Sep				323	278	27,002	183,535	10,100	13,221	10,986	2,235	591,232
2011	Oct			2,261	1,820	262	29,251	156,501	8,109	5,262	4,420	842	595,102
2011	Nov			4,889	1,670	288	28,356	102,516	6,343	16,230	13,820	2,410	549,230
2011	Dec			14,752	1,547	5,995	24,980	108,388	7,517	74,809	64,098	10,711	556,147
2012	Jan			14,380	1,368	10,037	18,325	112,830	8,621	133,425	115,477	17,948	543,618
2012	Feb			408	1,367	1,278	13,421	100,822	8,372	27,467	24,140	3,327	487,169
2012	Mar				1,781	515	15,942	120,559	9,437	16,070	14,365	1,705	574,406
2012	Apr		247		1,119	130	16,978	121,127	9,225	14,697	13,363	1,334	566,618
TTM MP Interest Expense for AFUDC			247	36,689	10,996	20,527	247,185	1,557,377	118,426	386,564	330,658	55,906	6,551,872

OK NIPSCO Allocation Check

GAS-ROR-005
Attachment B
Page 2 of 3

Long-term Debt / Preferred Stock / Common Equity

2011	Dec	CXY032	COH034	CPA037	CMD035	CGV038	BSG066 CMA080	TCOCONS	CGT014	NIPSCO	Note J 86.66% NIPSCO Electric	Note J 13.34% NIPSCO Gas	LEGAL
201299000	Long Term Debt (Incl: Capital Leases)	82,055,000	460,792,004	248,390,000	20,715,000	177,575,000	221,000,000	250,550,000	44,140,000	1,020,572,835	884,428,419	136,144,416	6,267,064,619
300199000	Current Portion of Long Term Debt		107,172,619	64,825,000	5,765,000	45,600,000				860,972	746,118	114,854	327,340,623
300201233	Short-term Debt I/C (Note L)							134,950,000	23,750,000				
300129000	Less: Capital Leases in Current LTD		222,619										11,295,035
201230225	Less: Unamortized Premium												150,426
201235226	Less: Unamortized Discount									(649,108)	(562,517)	(86,591)	(37,602,085)
201240000	Less: Interest Rate Swaps												56,705,141
201249000	Less: Capital Leases in LTD		2,166,004										39,576,233
Long-term Debt		82,055,000	565,576,000	313,215,000	26,480,000	223,175,000	221,000,000	385,500,000	67,890,000	1,022,082,915	885,737,054	136,345,861	6,524,280,492
201099000	Preferred Stock												
											Note J	Note J	
200999000	Common Equity	90,341,578	658,659,188	382,631,402	29,225,096	191,388,321	437,227,318	1,593,821,208	105,102,970	1,563,996,353	1,355,359,239	208,637,113	4,997,381,371
										OK	NIPSCO Allocation Check		

Note A - The Common Equity Cost Rate's were obtained from Jenni Leonard (Columbia), Jenn Shikany (NIPSCO), and Ryan Mayo (NGT&S).

Note B - The Columbia Gas of Maryland (CMD) AFUDC rate of 8.03%, effective as of April 1, 2009, was a result of negotiated rate filing settlement approved on March 27, 2009. Confirmed the rate was still effective for April 2012 with Julie Covert, Sr. Financial Analyst - NGD Asset Accounting //Components below are included for use in the consolidated calculation.

Note C - The Columbia Gas of Virginia (CGV) is allowed AFUDC of 7.924% for construction work in progress balances on and after January 1, 2011, per "Treatment of AFUDC Pursuant to Virginia Code Section 56-235.9," used to determine rates in CGV's most recent rate case. Calculation for borrowed and equity AFUDC rates provided by Robert Horner, Mgr., Regulatory Policy. //Components below are included for use in the consolidated calculation.

Note D - The consolidated weighted average cost of equity is calculated by using only the companies whose cost of equity (or the calculation to determine the cost of equity) were explicitly authorized by a state commission

5,052,393,434 Common Equity used to calculate weighted average cost of equity

Note E - LTD Interest Rate obtained from Financial Reporting Debt Cost worksheets obtained from Diana Baldwin, Financial Reporting ('Average Debt Costs' includes NiSource Consolidated and NIPSCO, there is also 'BSG Notes' and 'Columbia Intercompany')

Note F - NiSource does not have any preferred stock at this time.

Note G - Amounts obtained from Ken Black's Money Pool Spreadsheet which is provided to Accounting Research on a monthly basis.

Note H- NIPSCO Electric/Gas split for ST Borrowings is based on the CWIP Allocation

Note I - NIPSCO Electric/Gas split for CWIP was obtained from Jenny Perez, NIPSCO Accounting. Note also, NIFL and Kokomo CWIP balances for April, May and June were manually added to the NIPSCO Gas column as prior to July 1, 2011 these entities were not consolidated into the "NIPSCO" HFM entity.

Note J - NIPSCO Electric/Gas split for LTD and Common Equity (aka Ratio H) obtained Carol Holmquest, Lead Analyst NIPSCO Accounting

Note K - An AFUDC Rate for NIPSCO Consolidated is not calculated. NIPSCO rates are calculated individually for the Electric and Gas segments.

Note L -Peoplesoft account 2330000 - Notes Payable Affiliated is mapped to this intercompany short-term debt account in Hyperion. As these balances represent a current portion of long-term debt and not short-term borrowings, account must be included herein. As this account is marked as intercompany, these balances are eliminated in consolidation so there is no missclassification between short-term borrowings and current portion of long-term debt on the consolidated balance sheet. For FERC purposes, the balances are appropriately recorded in a 233 Notes Payable account.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-006:

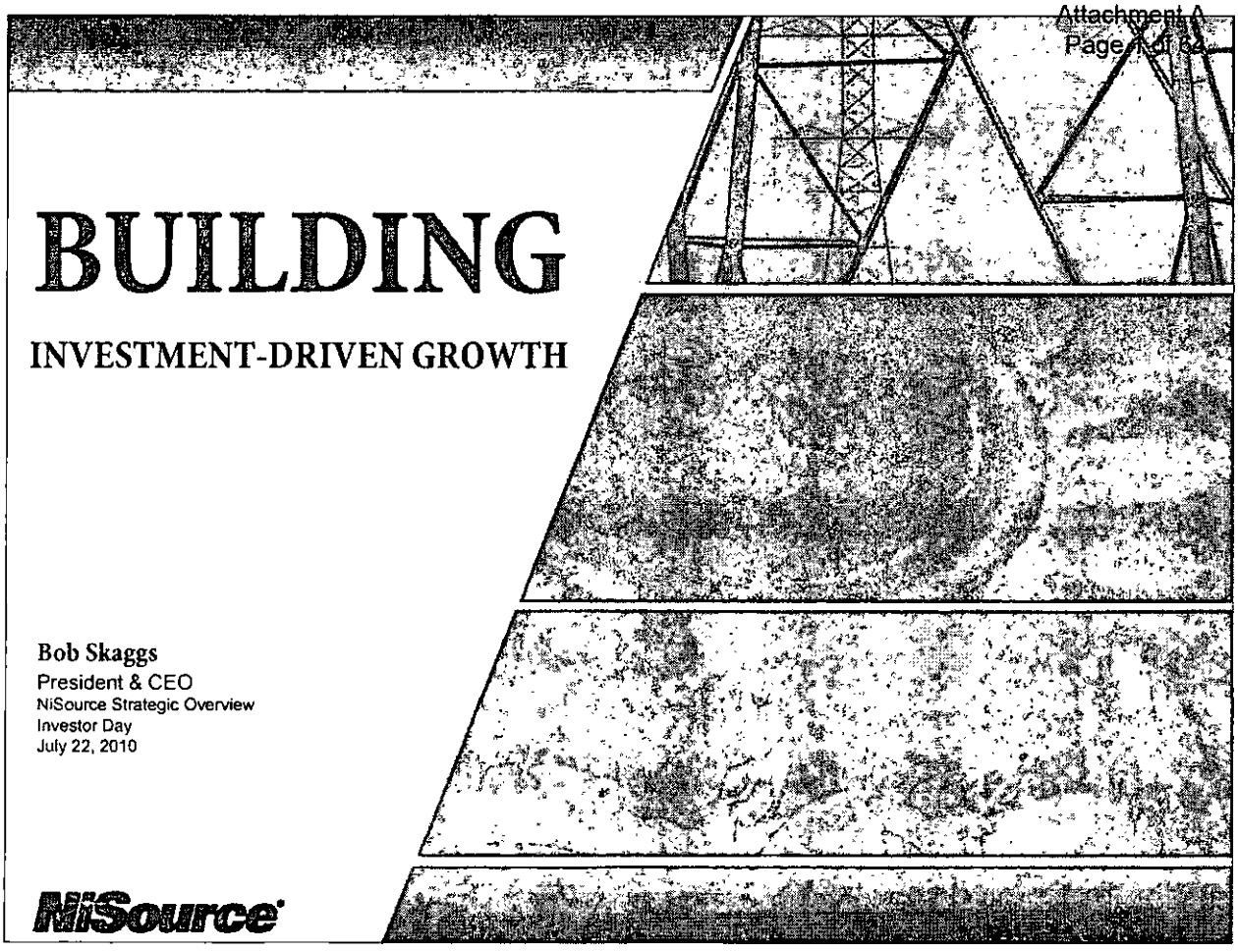
Please supply copies of all presentations by the Company's and, if applicable, its parent's management to securities analysts during the past 2 years. This would include presentations of financial projections.

Response: Columbia Gas of Pennsylvania, Inc.

Columbia Gas of Pennsylvania, Inc. (Company) is a wholly owned subsidiary of Columbia Energy Group, which is a subsidiary of NiSource Inc. (Parent). All debt of the Company is held by the Parent and is not publicly traded.

Response: NiSource Inc.

Presentations made by the Parent from June of 2010 through present are included in Attachments A – S.



BUILDING

INVESTMENT-DRIVEN GROWTH

Bob Skaggs
President & CEO
NiSource Strategic Overview
Investor Day
July 22, 2010

NiSource

Forward Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. The factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk, and the matters set forth in the "Risk Factors" section in NiSource's 2009 Form 10-K (which section is incorporated herein by reference) and in conjunction with other SEC reports filed by NiSource, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 2012 illustrative earnings do not constitute guidance by the company. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2010 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, restructuring costs and accounting changes. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2009 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

Today's Agenda

- Strategic Overview & Introductions
  - Bob Skaggs, President & CEO
- Business Unit Discussions
  - NIPSCO Electric, Jimmy Staton, Group CEO
  - NiSource Gas Distribution, Jimmy Staton, Group CEO
  - NiSource Gas Transmission & Storage, Chris Helms, Group CEO
- NiSource's Financial Profile
  - Steve Smith, CFO
- Closing Remarks
  - Bob Skaggs

NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Utility Infrastructure Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Management

NiSource: A Compelling Investment

- Balanced, Diverse Portfolio of Regulated Businesses
- Highly Predictable Revenue Streams
- Substantial, Highly Visible Inventory of Growth Investments
- Disciplined Operational, Commercial, Regulatory and Financial Execution
- Secure, Attractive Dividend

Building Investment-Driven Growth

NISOURCE GAS DISTRIBUTION	25-Yr Low-Risk Growth Inventory	Fully De-Risked Rates	3+%/Yr. Run-Rate Growth
NIPSCO Electric	Ongoing Low-Risk Environmental Compliance Programs	Partially De-Risked Rates	3%/Yr. Run-Rate Growth
NiSource Gas Transmission & Storage	Low-Risk Supply-Driven Growth + Steady Market Growth	Fully De-Risked Rates	4%-6%/Yr. Growth

Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

BUILDING

Sustainable Growth, Premium Valuation

NiSource's Performance

- Meeting Earnings Guidance + Demonstrated Commitment to Dividend

- Executing an Ambitious Regulatory Agenda
  - 10 Base Rate Cases Delivered, Including 2 Settlements in 2010, 3 Cases in Process
  - Revenues Significantly De-Risked
  - Long-Term Infrastructure Growth Platform Established

- Delivering NGT&S Growth Projects On-Time, On-Budget
  - 2007-2010: ~$450M Growth Cap-Ex Resulted in ~$75M Operating Income
  - Attractive Economics
  - Low-Risk Revenue Streams

NiSource's Performance

- Highly Successful Execution of 2009 Liquidity Plan
  - Financing in Place Through 2011
  - Stable, Investment Grade Ratings
  - $1.5B of Liquidity at 3/31/10
- Significantly Improved Operations
  - Increased Generating Capacity Reserve Margin (Sugar Creek)
  - Substantially Enhanced Reliability/Integrity Profile
  - Best-of-Class Service Metrics
  - Solid, Improving Employee Safety Metrics
- Legacy Issues Resolved (Whiting, Tawney, IBM)

Building Investment-Driven Growth

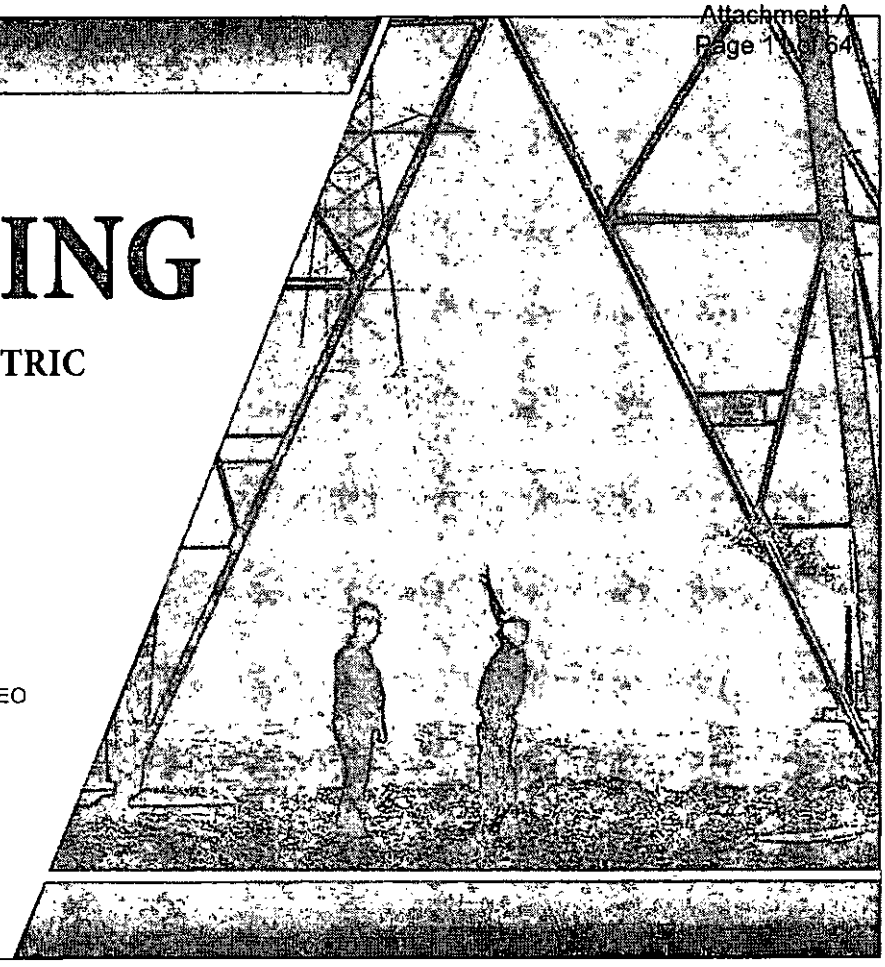
- NIPSCO Electric
  - 2010-2012: Significant Earnings Uplift from Executing Regulatory Agenda
  - 2012 Forward: Environmental Investments with State-of-the-Art Rate Tracking Mechanism
- NiSource Gas Distribution
  - Long-Term Infrastructure Replacement Programs Coupled with Timely Rate Recovery
- NiSource Gas Transmission & Storage
  - Leveraging Unparalleled Marcellus Shale Footprint

A Compelling Investment Proposition

- Low-Risk, Regulated Business Platform
- 3-5% Annual EPS Growth + Secure, Attractive Dividend
- Stable Investment Grade Credit
- Exceptional Long-Term Growth Investment Opportunities
- Disciplined Execution with Full Transparency

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NIPSCO ELECTRIC



Jimmy Staton
Executive Vice President & Group CEO

NiSource

NIPSCO Electric Business Strategy

- Restore Earnings Power
- Continue to Strengthen Stakeholder Relationships
- Capture Environmental Investment Opportunities
- Continuous Operational Improvement

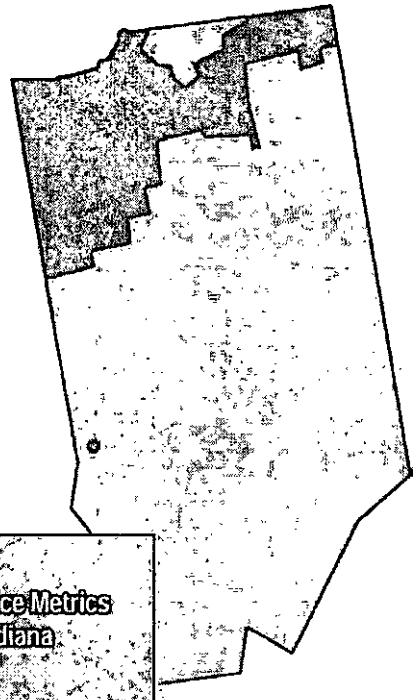
NIPSCO Electric

Electric Distribution & Transmission

- 450,000 Electric Customers
- 15,500 GWH Electricity Sales
- 10,000 Miles of Electric Distribution
- 2,800 Miles of Electric Transmission

Electric Generation

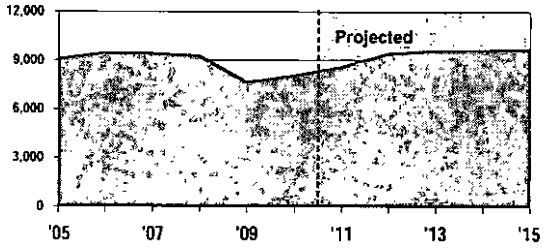
- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled



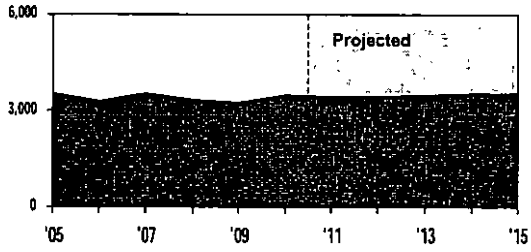
- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership in Indiana
- $2.7B Rate Base

NIPSCO Electric Deliveries (GWH)

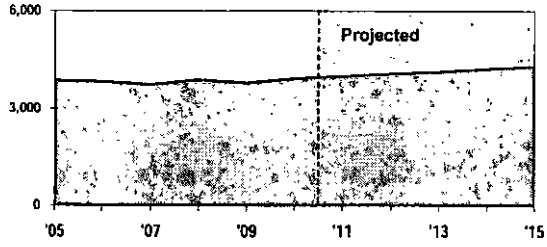
Industrial



Residential



Commercial



NIPSCO Performance Summary

- Materially Enhanced Capacity Reserve Margin (Sugar Creek)
- Substantially Strengthened Reliability Profile
- Initiated Comprehensive, Proactive Regulatory Strategy
- Improved Stakeholder and Customer Relationships
- Addressed Significant Legacy Issues
- Continued Environmental Leadership in Indiana

NIPSCO 2008 Electric Rate Case

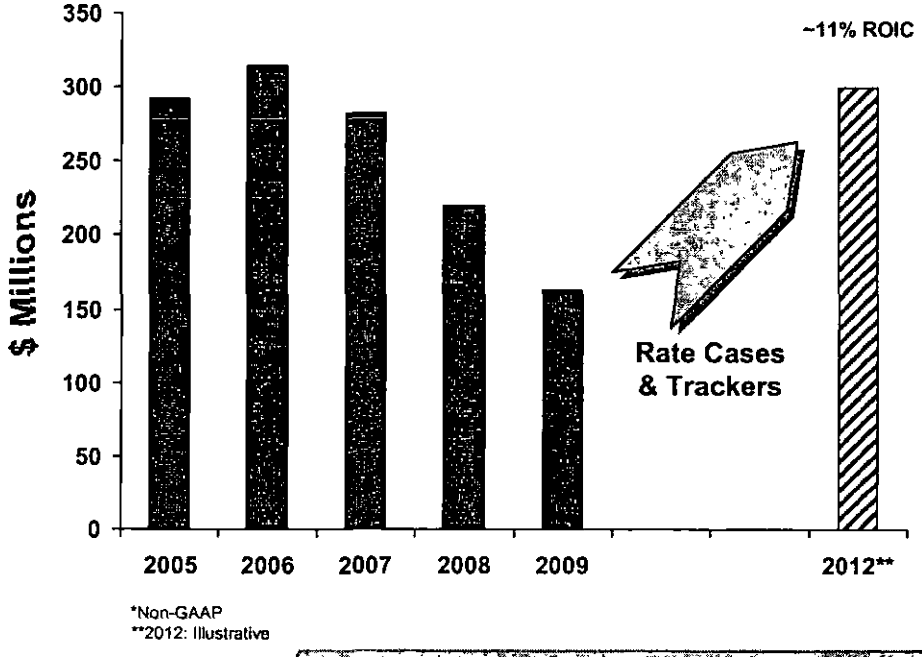
- First Electric Rate Case in 20 Years
- Filed Case-in-Chief August 2008
- December 2008: IURC Authorized Deferral of Sugar Creek Costs
- Rates Based on 2007 Test Year
- Rate Base: $2.6B
- ROE 12%, Overall Return 8.37%
- Primary Focus: Cost Allocation and Rate Design

NIPSCO 2010 Electric Rate Case

- Filing Fall 2010 ⇒ 2012 "Run Rate"
- Collaborative Stakeholder Engagement Approach
- Test Year: 12 Months Ended March 2010
- Updated Deliveries, Pension and OPEB Costs
- Platform for Enhanced Energy Efficiency, Low-Income Programs
- Focused, More Straightforward Case

Building Growth: 2010 - 2012

NIPSCO Electric Operating Earnings*

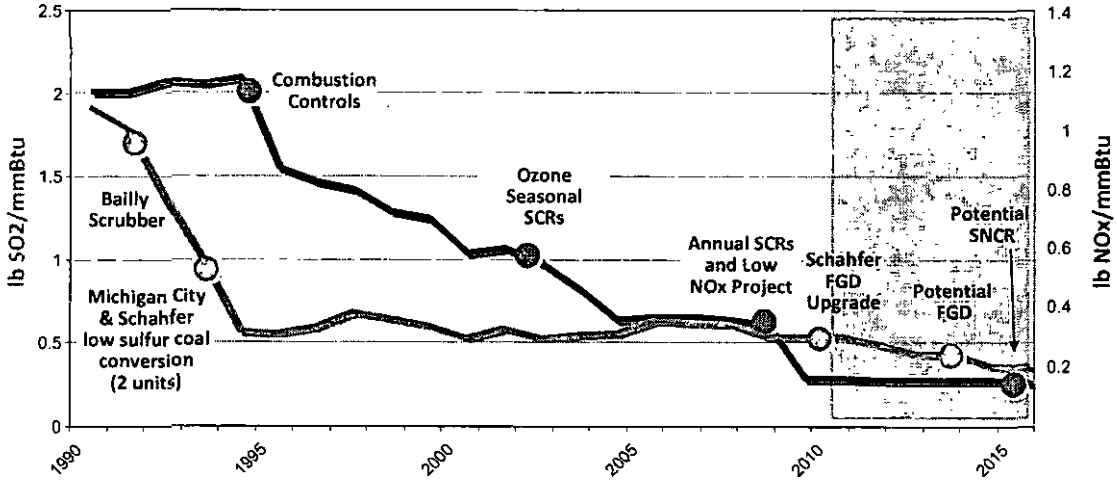


*Non-GAAP
**2012: Illustrative

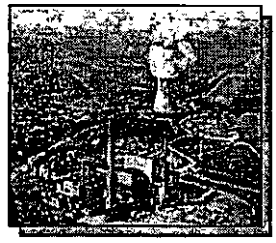
Longer Term, Low-Risk Environmental Investments

- State-of-the-Art Environmental Tracker
  - Statutory Recovery Mechanism
  - Tracked in Semi-Annual Filings
  - Earn Return on Investment in ~11 Months
  - Return Based on Most Recent Allowed Level

Trackable Environmental Investments



Portfolio of Prospective Environmental Investments


	Schahfer	Michigan City	Bailly
SO_2	$300M	$170M	-----
NOx	$30M	-----	-----
Mercury	$60M	$4M	-----
Ash	~$50M	~$10M	~$10M

NIPSCO Electric Business Strategy

- Restore Earnings Power
- Continue to Strengthen Stakeholder Relationships
- Capture Environmental Investment Opportunities
- Continuous Operational Improvement

BUILDING

NISOURCE GAS DISTRIBUTION

Jimmy Staton
Executive Vice President & Group CEO

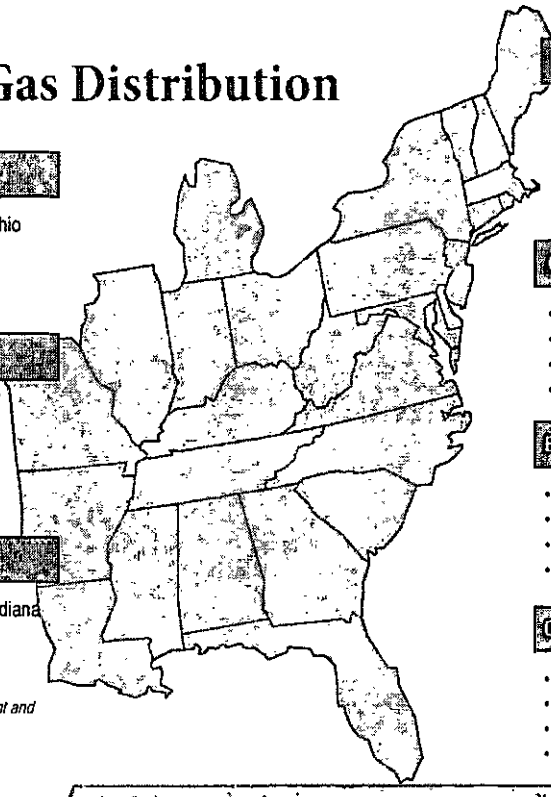
NiSource

NiSource Gas Distribution (NGD) Business Strategy

- Drive Growth Through Long-Term, Low-Risk Infrastructure Investments
- De-Risk Earnings
- Restore Earnings Power of NIPSCO Gas
- Maintain Operational Excellence

Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe
- Rate Base ~$1B

Columbia Gas of Kentucky

- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers
- 2,500+ Miles of Pipe
- Rate Base ~$165M

NIPSCO Gas*

- Largest Natural Gas Provider in Indiana
- 785,000 Customers
- 16,000+ Miles of Pipe
- Rate Base ~$400M

**Including Northern Indiana Fuel & Light and Kokomo Gas and Fuel*

Columbia Gas of Pennsylvania

- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers
- 9,300+ Miles of Pipe
- Rate Base ~$650M

Columbia Gas of Maryland

- Complementary to PA Operations
- 33,000 Customers
- 750+ Miles of Pipe
- Rate Base ~$50M

Bay State Gas

- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$450M

Columbia Gas of Virginia

- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$400M

NGD Performance Summary

- Delivered Ambitious Regulatory Agenda
  - 10 Base Rate Cases Delivered, Including 2 Settlements in 2010, 2 Cases in Process
  - Revenues Significantly De-Risked
  - Long-Term Infrastructure Growth Platform Established
- Solid Execution of Long-Term Infrastructure Replacement Projects – On-Time and On-Budget
  - ~$500M Invested (2008-2010)
- Disciplined Operational, Commercial Execution
  - Solid, Improving Safety Metrics
  - Maximized Value of Energy Efficiency Programs
  - Best-in-Class Customer Service Metrics

De-Risking Earnings – 2007

	OH	IN	PA	MA	VA	KY	MD
Levelized Rates; Decoupling; Customer Charge Increased							
Uncollectible Expense Tracker; Gas Cost Uncollectibles in GCA	☑			☑			
Accelerated Infrastructure Tracker; Expedited Rate Treatment							
Pension/OPEB Tracker; Pension/OPEB Deferral				☑			

De-Risking Earnings – 2010

	OH	IN	PA	MA	VA	KY	MD
Levelized Rates; Decoupling; Customer Charge Increased	☑	Filed	☑	☑	☑	☑	☑
Uncollectible Expense Tracker; Gas Cost Uncollectibles in GCA	☑	Filed	☑	☑	Filed	☑	☑
Accelerated Infrastructure Tracker; Expedited Rate Treatment	☑	NA	☑	☑	☑	☑	☑
Pension/OPEB Tracker; Pension/OPEB Deferral	☑	Filed	☑	☑	*	*	*

* *Rates reflect current pension costs.*

2010 Regulatory Agenda

Company	Case Filed	Request	Rates in Effect
Columbia Gas of Pennsylvania✓ • Settlement Filed	January 28, 2010	$32M	Q4 2010
Columbia Gas of Maryland✓ • Approved Settlement and Rates in Effect	January 28, 2010	$2.2M	May 28, 2010
Columbia Gas of Virginia • Includes Capital Investments Through 2011 • Strong Opportunity for Settlement	May 3, 2010	$13M	Q1 2011
NIPSCO Gas • Improved Earnings Profile • Depreciation Reduction/Deferral	May 3, 2010	$0	Early 2011 or Sooner
Columbia Gas of Kentucky✓ **Columbia Gas of Ohio**✓ **Bay State Gas**	**Annual Infrastructure Tracker Filings**		

NIPSCO Gas 2010 Rate Case

- Filed May 2010
- Restore Earnings to Appropriate Level (~10-11% ROE)
- Address Depreciation Expense Issue
- Modernize Rate Structure
- Extend Low-Income/Energy Efficiency Programs
- Mitigate Rate Impact On Customers
- Actively Pursuing Settlement

Long-Term, Low-Risk Infrastructure Replacement Investments

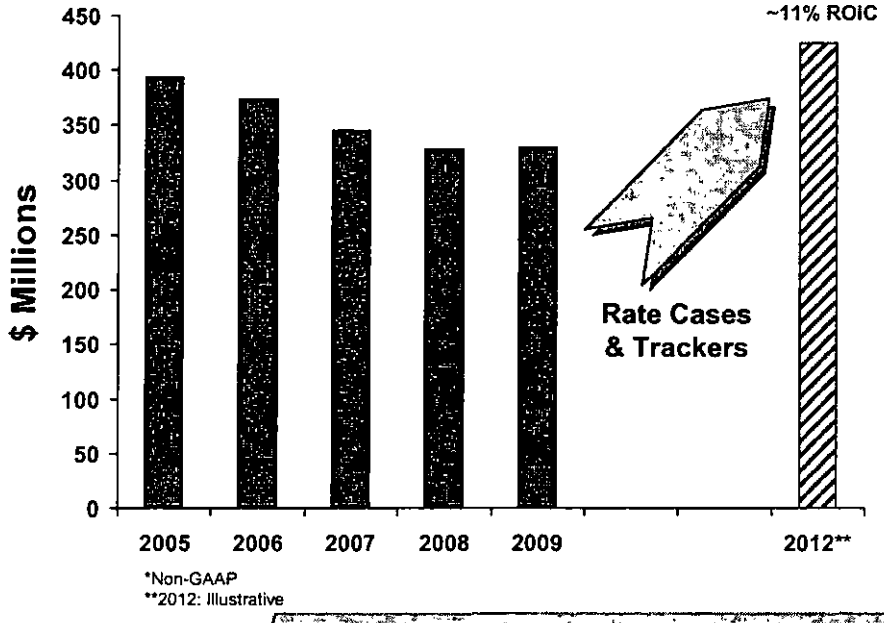
	OH	PA	MA	VA	KY	MD	Totals
Total Tracked Investment Opportunity	$1.8B	$1.7B	$400M	$150M	$200M	$100M	$4.35B
Annual Tracked Investment Range	$90-110M	$65-85M	$20-30M	$5-10M	$7-10M	$4-5M	$190-250M
AMR* Investment Opportunity	$80M	$22M	Complete	$9M	$9M	Complete	$120M
Program Length (Years)	25	20	15	NA	30	20	—
Regulatory Treatment	Tracker	Rate Case	Tracker	Tracker	Tracker	Rate Case	—

**Automated Meter Reading*

Investment-Driven Growth

	OH	IN	PA	MA	VA	KY	MD	Total
Maintenance	$35M	$15M	$12M	$30M	$25M	$2M	$2M	$121M
Growth – New Business	$15M	$25M	$10M	$12M	$15M	$6M	$1M	$84M
Growth – Infrastructure Replacement	$130M	$0	$68M	$20M	$5	$7M	$5M	$235M
Total	$180M	$40M	$90M	$62M	$45M	$15M	$8M	$440M

NGD Operating Earnings*



*Non-GAAP
**2012: Illustrative

NiSource Gas Distribution

- Drive Growth Through Long-Term, Low-Risk Infrastructure Investments
- De-Risk Earnings
- Restore Earnings Power of NIPSCO Gas
- Maintain Operational Excellence

BUILDING

NISOURCE GAS TRANSMISSION & STORAGE

Chris Helms
Executive Vice President & Group CEO



NiSource

NGT&S Business Strategy

Maximize Value from Existing Assets

- Manage Long-Term Contracts
- Expand Customer Base
- Optimize Short-Term Opportunities
- Operational Excellence

Drive Growth Through Disciplined Investment

- Robust Inventory of Development Opportunities
  - Marcellus Shale
  - Storage
  - Columbia Gulf Mainline

The NiSource Advantage

- Low-Risk, Regulated Business Platform + Excellent Growth Potential
- Track Record of Disciplined Project Execution
- 'Game Changing' Marcellus Shale Opportunity
- Great Assets Serving Great Markets

Strategically Positioned

NGT&S Assets

15,500
Pipeline Miles

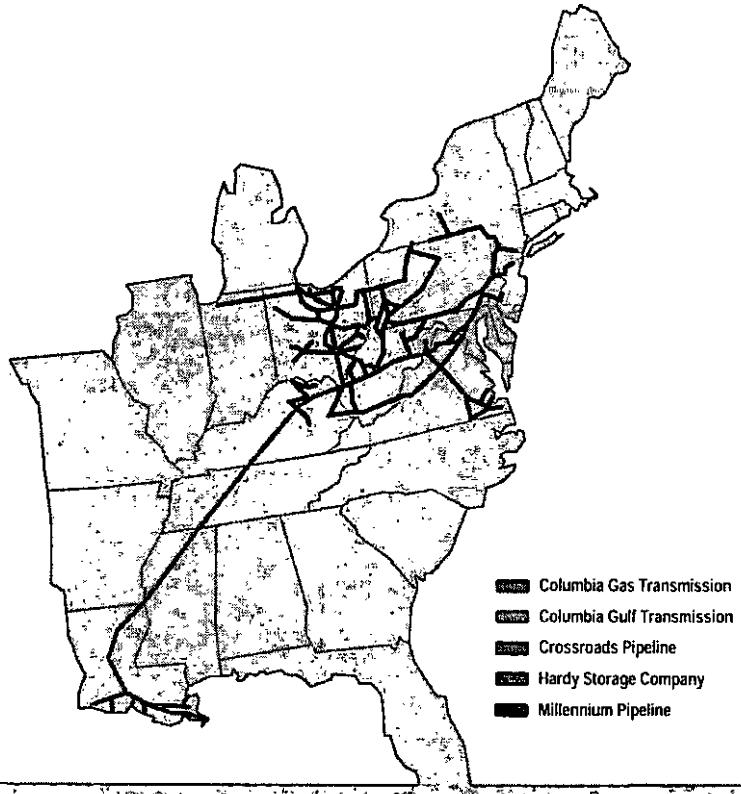
Annual Deliveries: 1.4 Tcf
Peak Day Deliveries: 7.4 Bcf
Serving 40 Markets
Operations in 16 states

37
Storage Fields

Capacity: 640 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

106
Compressor Stations

Horsepower: 1,100,000



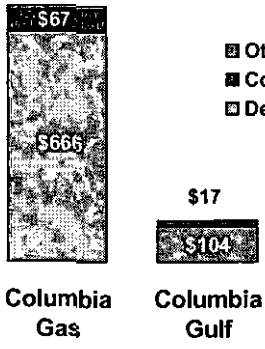
NiSource

Great Assets, Great Markets

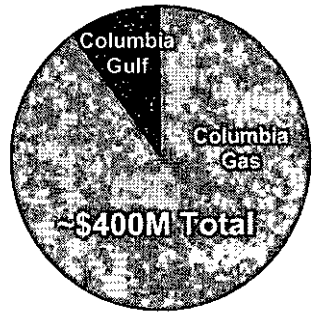
NGT&S Overview

Revenues*

~$865M Total



Operating Earnings**



Firm Contracts - Weighted Average Remaining Term	
Columbia Gas	7.5 Years
Columbia Gulf	~4 Years

** 2009, Excluding Trackers*
*** 2009 Non-GAAP*

NGT&S Performance Summary

- Growth Project Execution
- Optimizing Short-Term Opportunities
- Competitive Restructuring
- Resolution of Legacy Issues

Growth Project Execution: 2007-2010

~$450M of Growth Capital Deployed @ ~5x EBITDA

2007 - 2009

Hardy Transportation - $70M
Ohio Storage Expansion - $58M
Appalachian Expansion - $30M
Line 1570 - $26M
Eastern Market Expansion - $150M
Line 1711 Renovo/Delmont - $9M

2010

Cobb - $15M
Majorsville - $76M



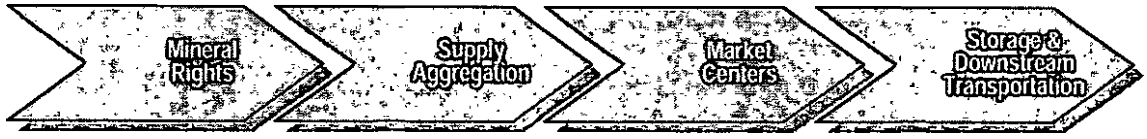
** Non-GAAP (equivalent to GAAP Operating Income)*

NiSource

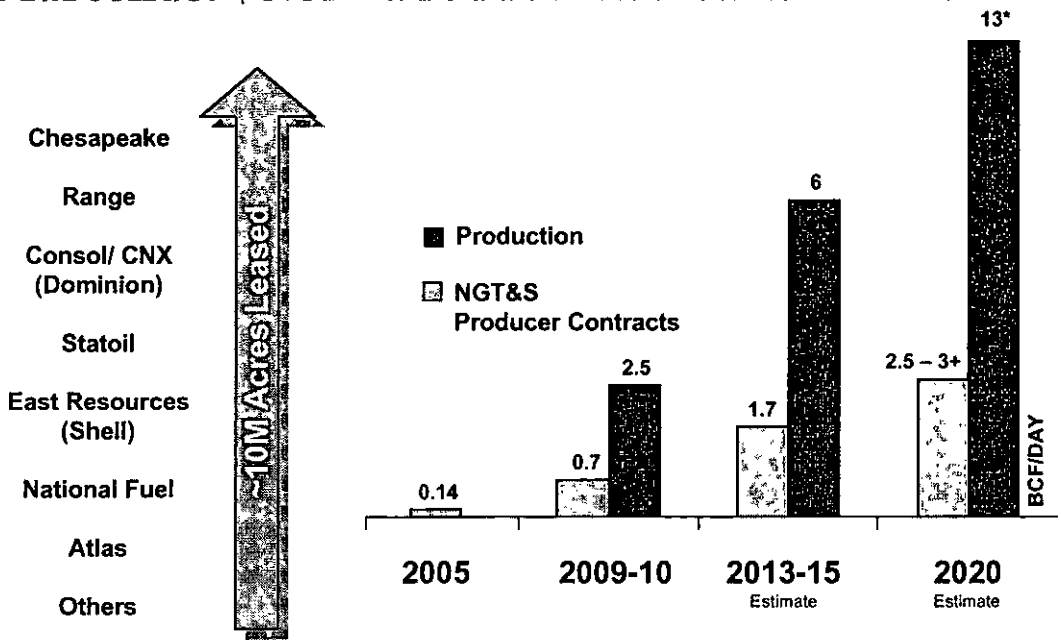
Drives ~$75M of Operating Earnings*

Marcellus Shale – A Game Changer

- Gathering and Transporting Marcellus Shale Gas Remains Primary Focus
- Maximize Leverage from Existing Geographic Footprint
- "Touch" Production Multiple Times Across Value Chain



Marcellus: $8.8B* Producer Investment in 2010



*Source: *The Economic Impacts of the Pennsylvania Marcellus Shale Natural Gas Play: An Update*, The Pennsylvania State University, May 24, 2010

New Permitted Wells – Customer-Driven Growth Strategy



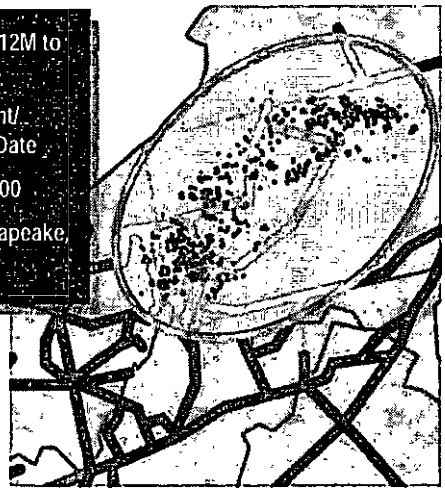
- Range
- Anadarko
- Atlas
- Cabot
- Chesapeake
- Chief/AB
- CNX
- East
- EOG
- EQT
- Fortuna
- Turm
- Ultra
- XTO/EXXON
- Others

Source: Range Resources

Mineral Rights → Supply Aggregation → Market Centers → Storage & Downstream Transportation

Mineral Rights – Alignment of Interest with Customers

- Bonus Payments: ~$12M to Date
- Annual Lease Payment/ Royalties: ~$5.5M to Date
- Acres Leased: ~132,000
- Top Producers: Chesapeake, CNX, Range

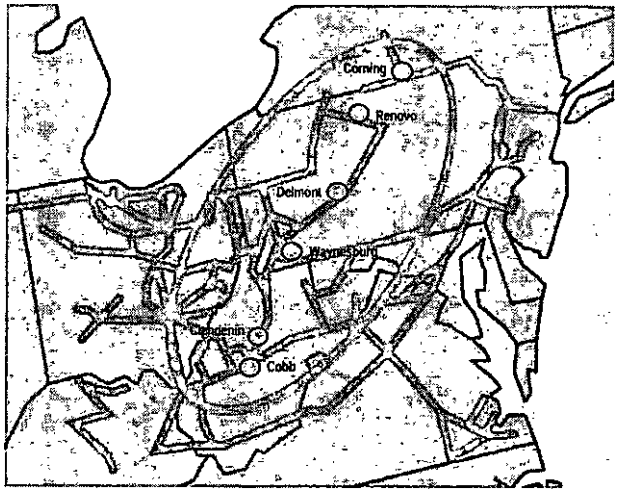


- Range
- Anadarko
- Atlas
- Cabot
- Chesapeake
- Chief/AB
- CNX
- East
- EOG
- EQT
- Fortuna
- Turm
- Ultra
- XTO/EXXON
- Others

Source: Range Resources

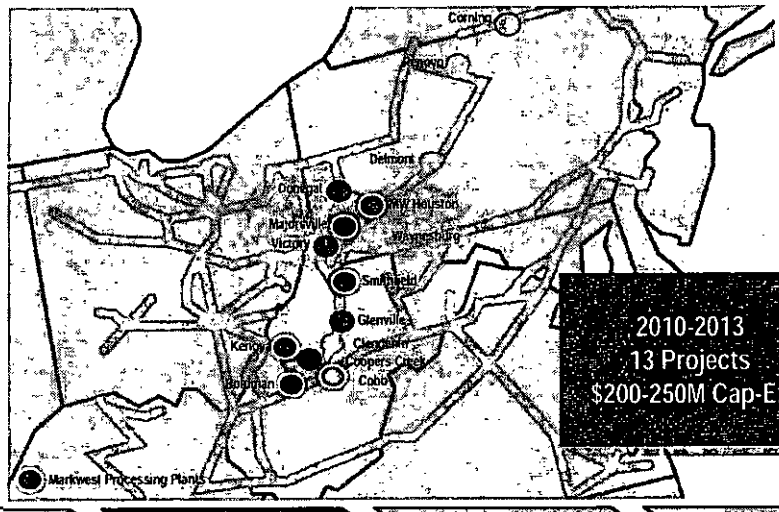
Mineral Rights → Supply Aggregation → Market Centers → Storage & Downstream Transportation

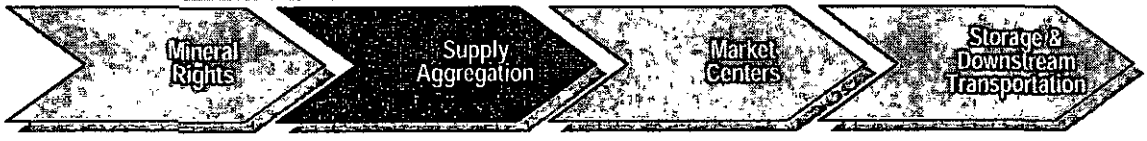
Developing Marcellus "Header" System



Mineral Rights → Supply Aggregation → Market Centers → Storage & Downstream Transportation

Supply Aggregation Strategy

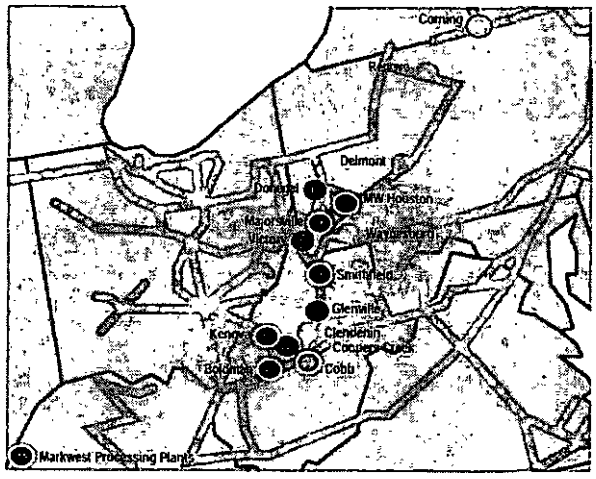




Transportation to Market Centers

Processing Plants → Market Centers

2010-2014
9 Projects
~$500M Cap-Ex



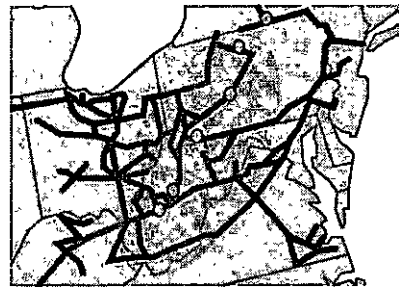
Mineral Rights → Supply Aggregation → Market Centers → Storage & Downstream Transportation

Storage & Downstream Transportation

Storage/Local Markets ← Market Center → Downstream Transportation

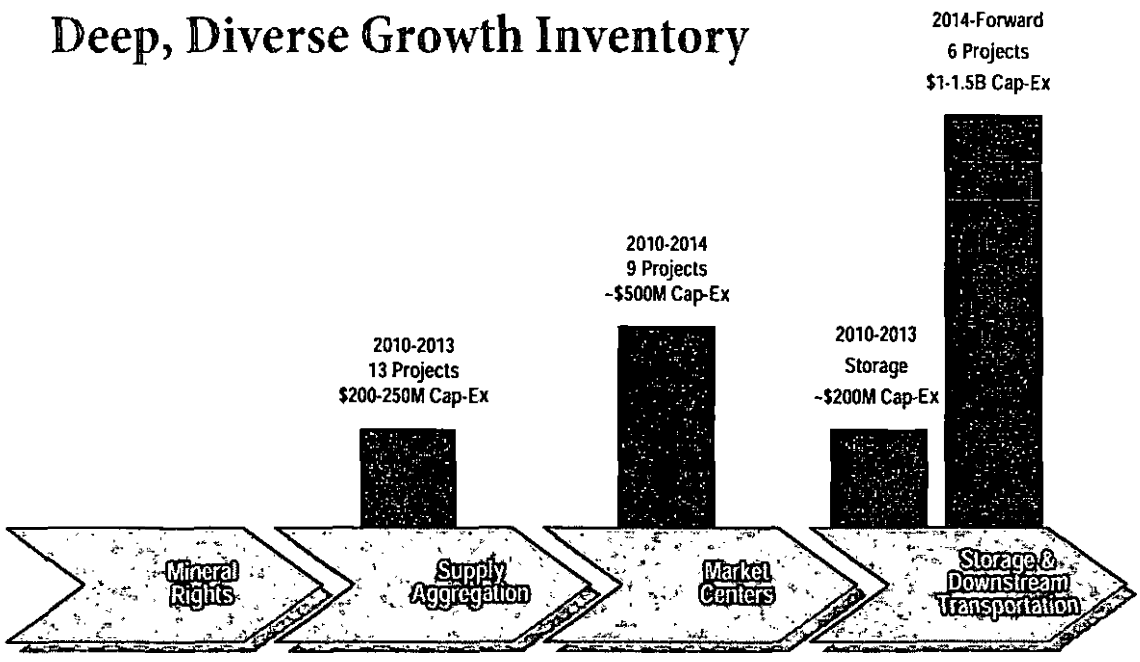
Storage
2010-2013
~$200M Cap-Ex

Downstream Transportation
2014 Forward
6 Projects
$1-1.5B Cap-Ex

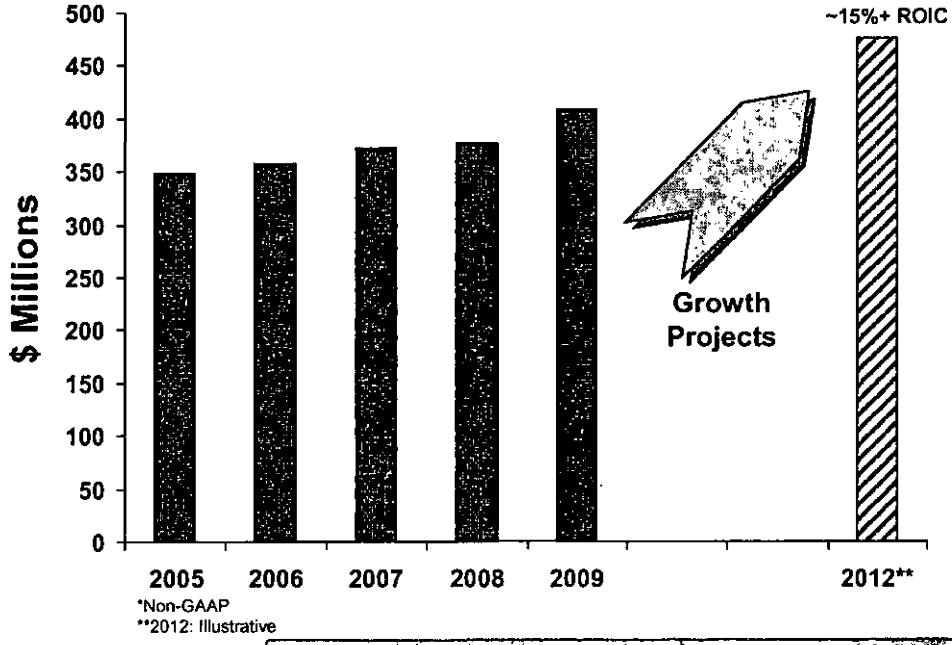


Mineral Rights → Supply Aggregation → Market Centers → Storage & Downstream Transportation

Deep, Diverse Growth Inventory



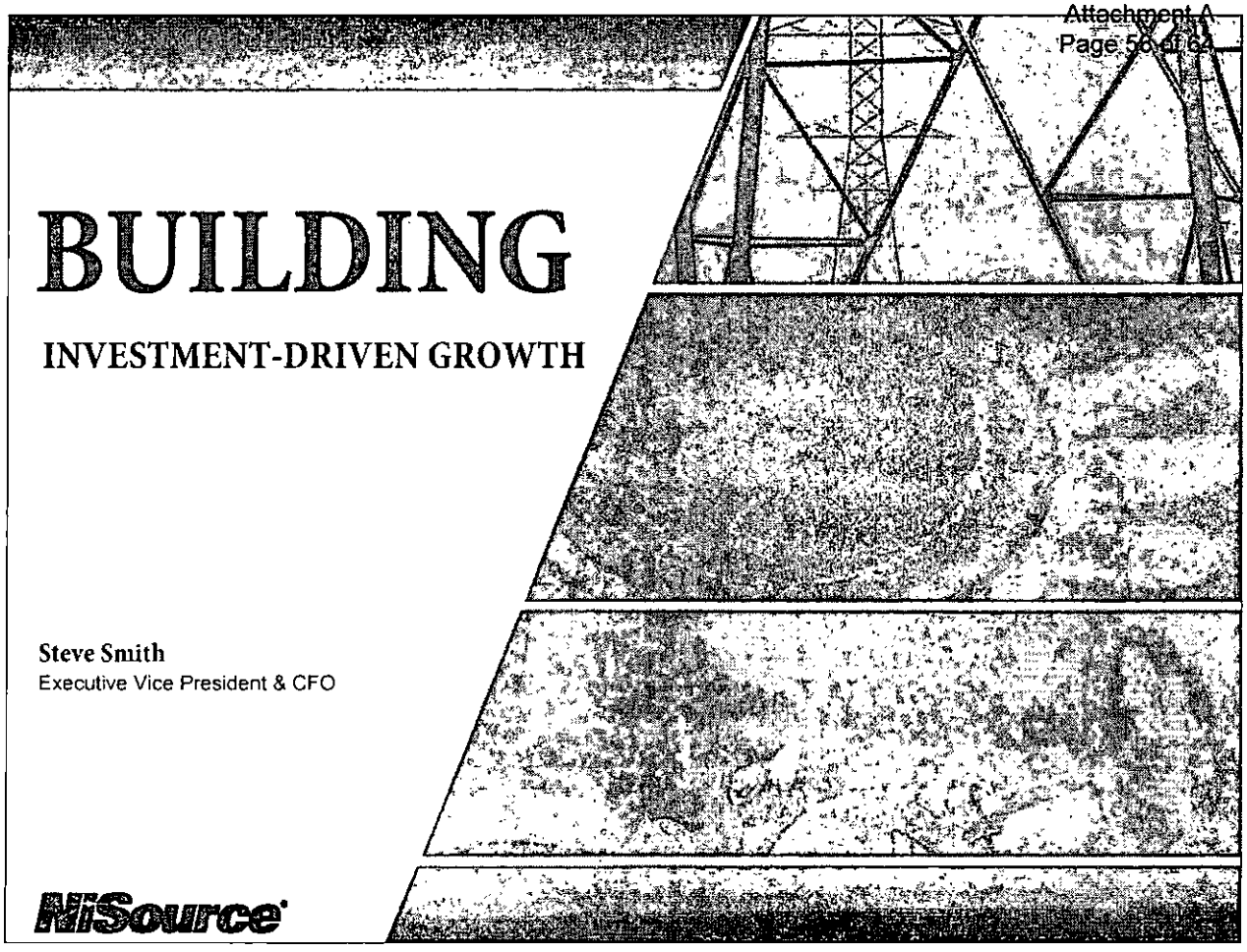
NGT&S Operating Earnings*



*Non-GAAP
**2012: Illustrative

NiSource Gas Transmission & Storage

- Low-Risk, Regulated, Fixed Charge Business
- Proven Track Record of Disciplined Growth Project Execution
- 'Game Changing' Marcellus Shale Opportunity
- Deep Inventory of Accretive Investments



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INVESTMENT-DRIVEN GROWTH

Steve Smith
Executive Vice President & CFO

NiSource

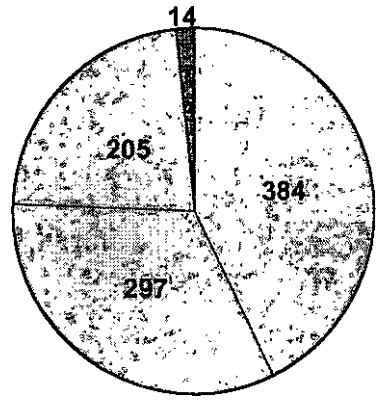
Long-Term Financial Objectives

- 3 – 5% Long-Term Earnings Growth + Attractive, Secure Dividend
- Highly Disciplined Capital Allocation Framework + Disciplined O&M Management
- Ongoing Credit Profile Improvement with Strong Liquidity

2010 Summary Cash Flows ($M)*

Primary Sources:		
Net Income (Illustrative)		335
Depreciation and Amortization		620
Deferred and Accrued Taxes		60
Total FFO Sources	$	1,015
Primary Uses:		
Capital Expenditures		(900)
Dividends		(257)
Total Uses	$	(1,157)
Uses in Excess of Sources		(142)
Debt Maturities		(696)
Required Funding	$	(838)
Revolver Utilization**		803
Equity (DRIP/DSP)		35
Total Funding and Cash Utilization	$	838

2010 Segment Cap-Ex

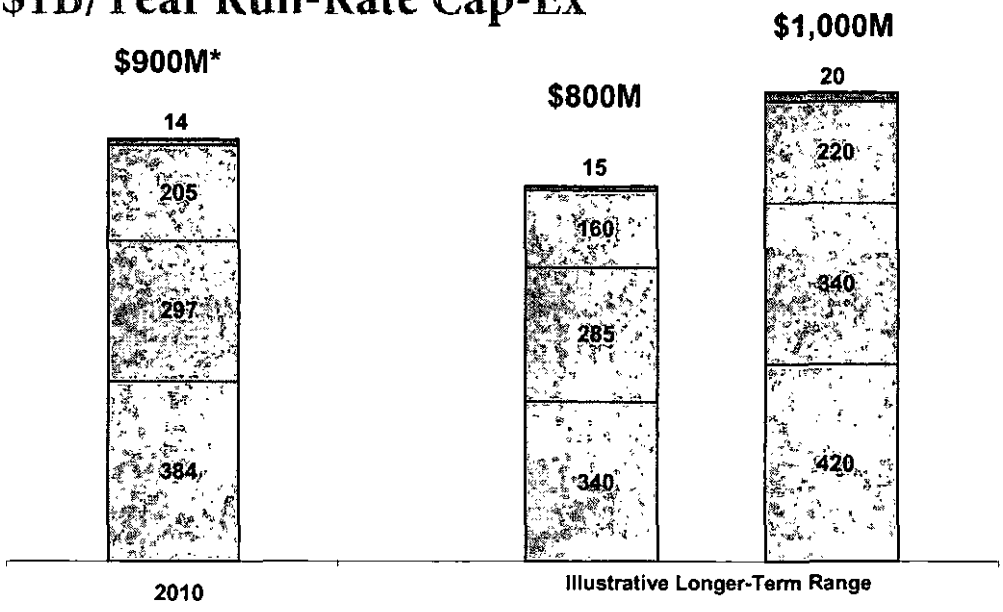


Gas Distribution
Gas Transmission & Storage
Electric
Other

** Anticipated Based on Current Plan and Mid-Point of 2010 Earnings Guidance*
*** Subject to Changes in Working Capital*

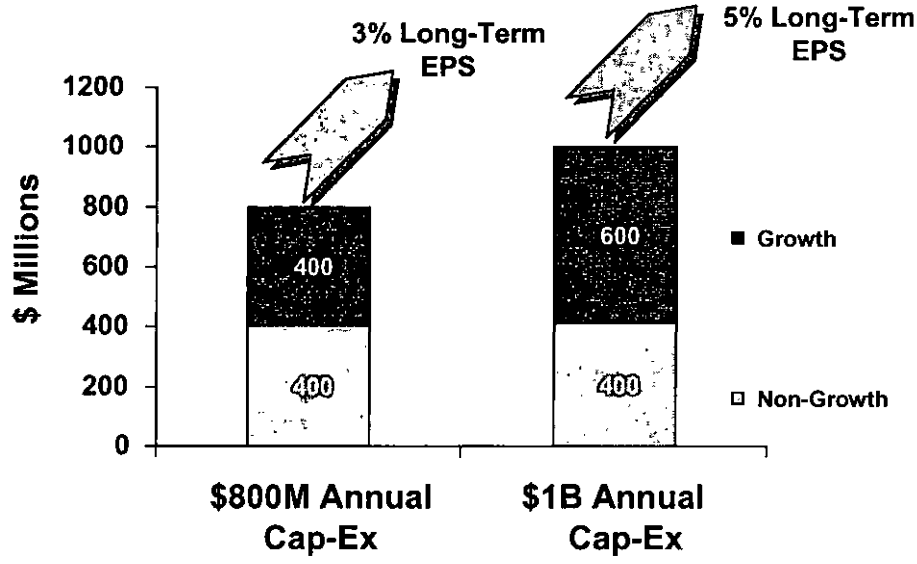
Capital Allocation: 2010 and Longer-Term

$1B/Year Run-Rate Cap-Ex



*Approximate

Incremental Accretive Investments



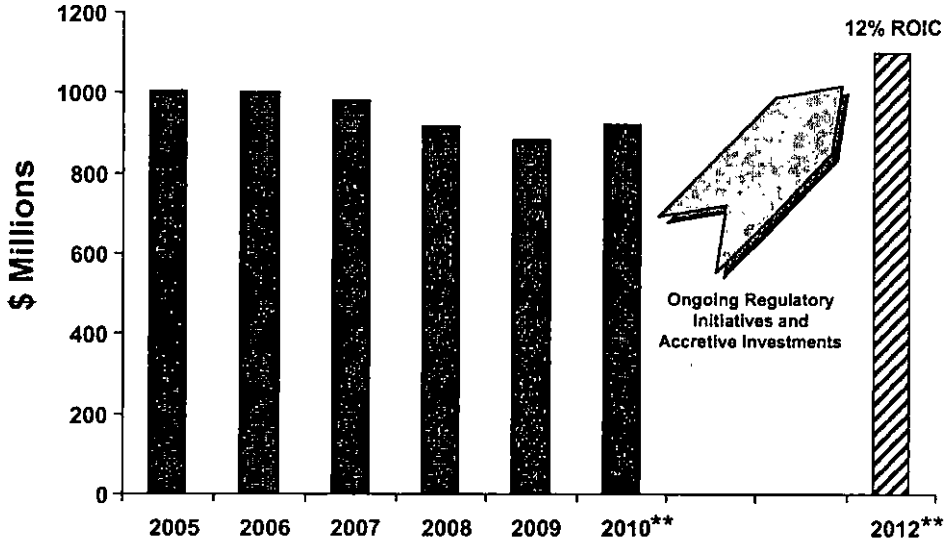
Building Investment-Driven Growth ($M)

	Illustrative Long-Term Range		Incremental Growth vs. 2009	ROIC*	Return Mechanism
	Low	High			
Gas Distribution	$340	$420	$80	11.0%	Trackers & Rate Cases
NIPSCO Electric	$160	$220	$60	11.0%	Environmental Trackers & Rate Cases
Gas Transmission & Storage	$285	$340	$55	15.0%	Fee-Based Long-Term Contracts
Total (including $5M Other)	$800	$1,000	$200	12.0%	

*Projected, Excluding Goodwill

Building Growth: 2010 - 2012

NI Operating Earnings*



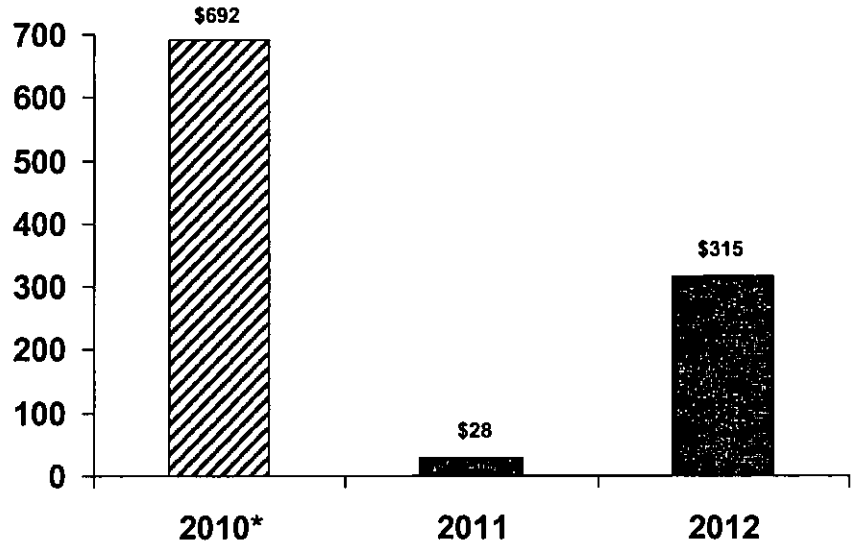
* Non-GAAP
** 2010: Mid-Point of Guidance Range; 2012: Illustrative

Current Liquidity ($M)

	Actual 3/31/10	Maturity
Committed Credit Facility	$1,500	Jul 2011
Less:		
Drawn on Credit Facility	-	
Letters of Credit [1]	(71)	
Add:		
Cash & Equivalents	111	
Net Available Liquidity	**$1,540**	

(1) Includes $53.3M LC for Tawney Settlement

Debt Maturities ($M)



* Pre-Funded in 2009

Long-Term Financial Objectives

Earnings Growth and Attractive, Secure Dividend

- Sustainable EPS Growth of 3-5%
- 2010 Outlook Range of $1.10-1.20 (NOEPS)*
- Attractive, Stable Dividend
- Risk Reduction via Rate Design and Rate Case Activity at NGD and NIPSCO
- On-Time, On-Budget Project Execution
- Highly Predictable Revenue Streams

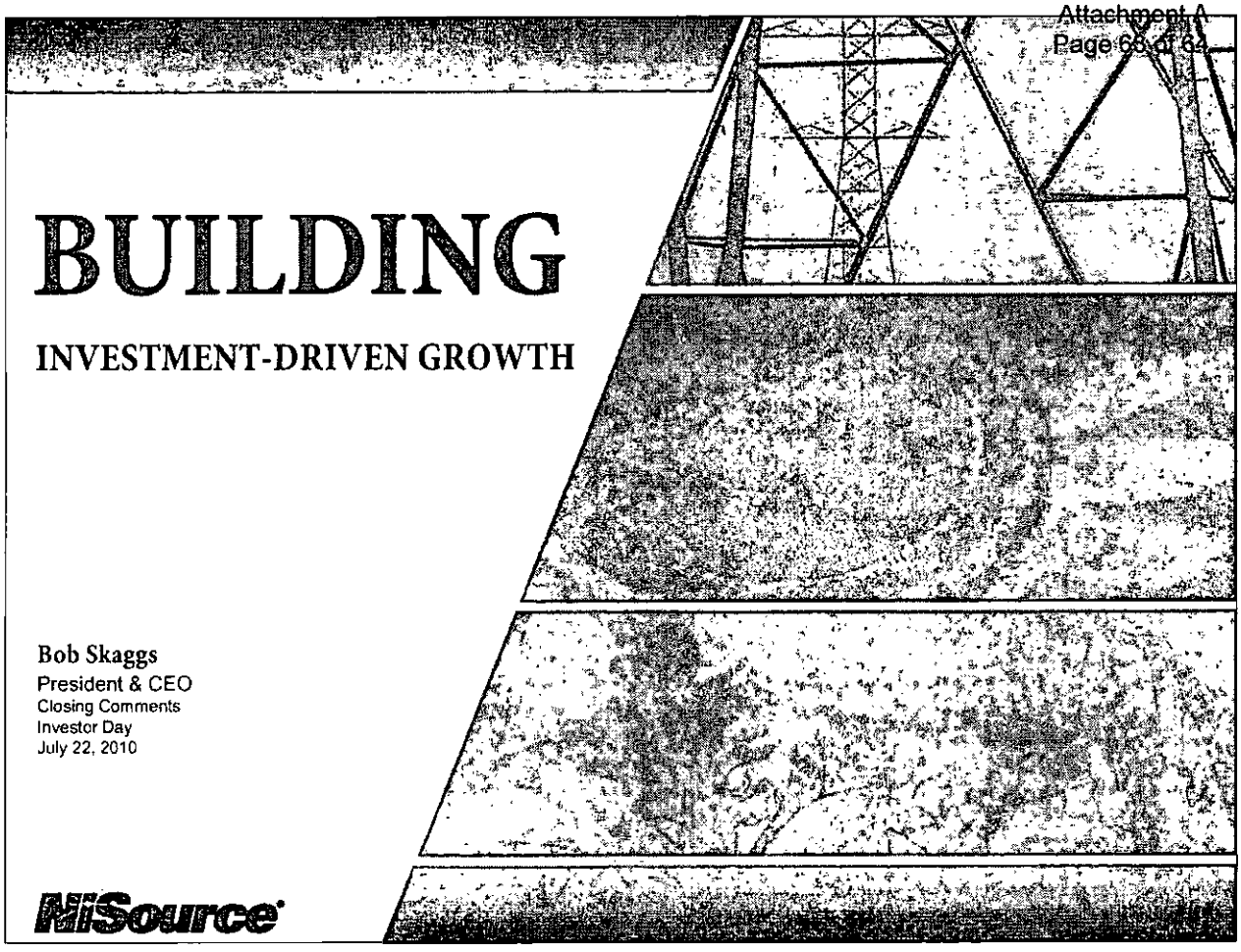
Highly Disciplined Capital Allocation Framework

- Ensure System Maintained for Operational Excellence
- Disciplined Approach to Growth Capital
  - Low Risk
  - Transparent Return Mechanisms
  - Accretive to Shareholder Value

Ongoing Credit Profile Improvement

- Commitment to Investment Grade Rating and Improving Credit Metrics
- Business Profile and Strategic Framework Support Investment Grade Rating
- DRIP/DSP Provides ~$35M/Yr. of Equity
- Revolver Renewal by March 2011

** Net Operating Earnings per Share (non-GAAP)*



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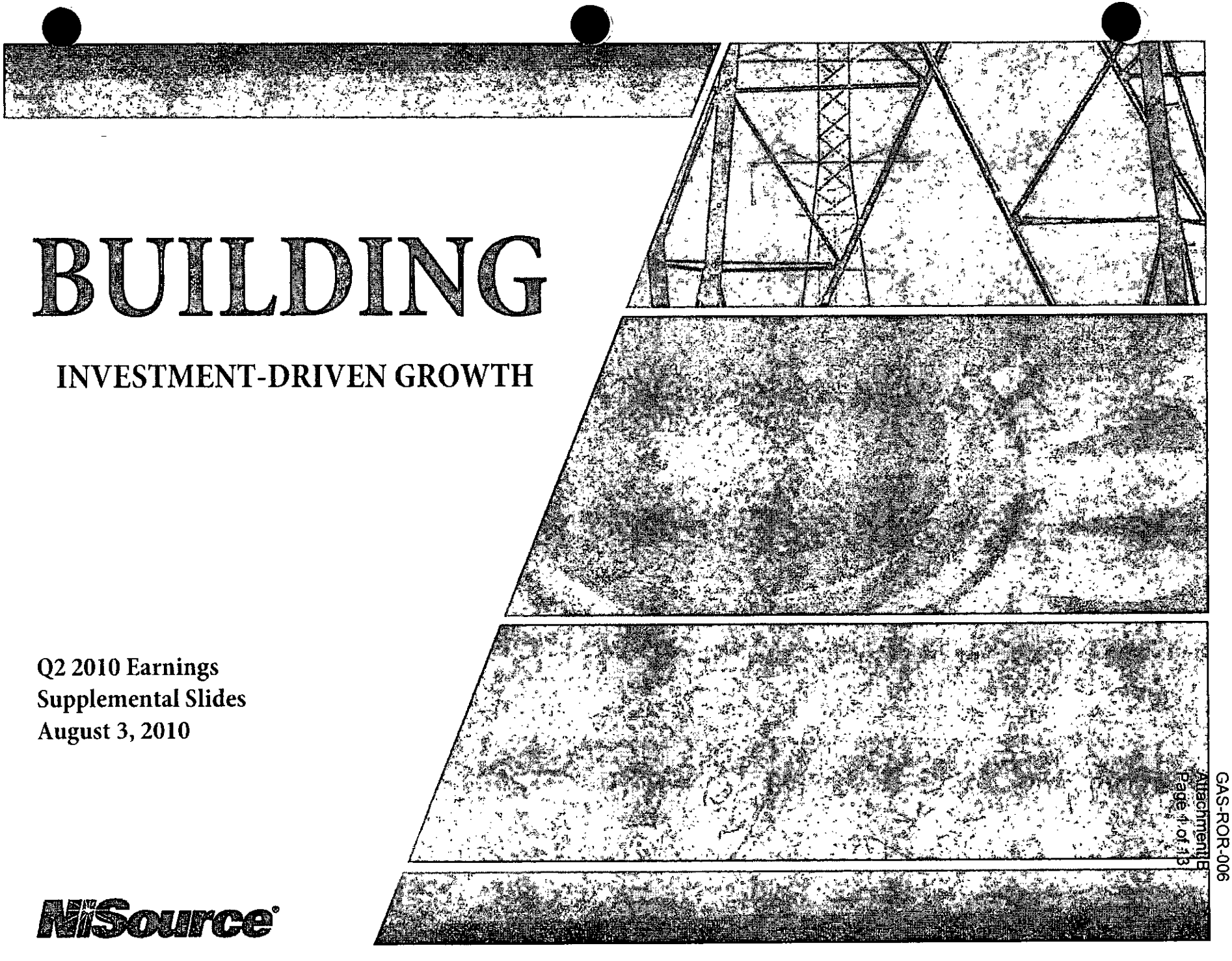
INVESTMENT-DRIVEN GROWTH

Bob Skaggs
President & CEO
Closing Comments
Investor Day
July 22, 2010

NiSource

A Compelling Investment Proposition

- Low-Risk, Regulated Business Platform
- 3-5% Annual EPS Growth + Secure, Attractive Dividend
- Stable Investment Grade Credit
- Exceptional Long-Term Growth Investment Opportunities
- Disciplined Execution with Full Transparency



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INVESTMENT-DRIVEN GROWTH

Q2 2010 Earnings
Supplemental Slides
August 3, 2010

NiSource®

Attachment B
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Forward Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. The factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk, and the matters set forth in the "Risk Factors" section in NiSource's 2009 Form 10-K and in conjunction with other SEC reports filed by NiSource, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2010 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, restructuring costs and accounting changes. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

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Q2 2010 Financial Highlights

Non-GAAP

	Q2 2010 *	Q2 2009 *	Change *
Net Operating Earnings from Continuing Operations**	$37.0	$6.4	$30.6
Earnings Per Share	$0.13	$0.02	$0.11
Operating Earnings	$154.0	$117.4	$36.6

GAAP

	Q2 2010 *	Q2 2009 *	Change *
Income from Continuing Operations	$28.0	($4.0)	$32.0
Earnings Per Share	$0.10	($0.01)	$0.11
Operating Income	$139.2	$111.7	$27.5

** All Results Listed In Millions, Except for EPS*
*** For a Reconciliation to GAAP, See Schedule 1 of the Company's August 3, 2010 Earnings Release*
**** Non-GAAP*

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NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth** *Plus*: **Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan**

- Gas Transmission & Storage Expansion
- Utility Infrastructure Programs Synched with Regulatory Initiatives
- Financial Management
- Cost & Process Management

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NiSource Gas Distribution - Q2 2010 Highlights*

- Operating Earnings: $35.9M (non-GAAP) in 2010 vs. $7.5M in 2009 **
  - Year-to-Date $270.6M vs. $244.8M in 2009
- Ongoing Regulatory Strategy Drives Quarter-Over-Quarter Revenue Increase of $34.9M
- Operating Expenses Up $6.5M Due to Taxes, Employee & Administrative Costs
- Bear Garden Expansion Completed in Virginia

2010 Highlights Going Forward

Subsidiary	Case Filed	Request	Status	Rates in Effect ***
Columbia Gas of Pennsylvania	Jan. 28, 2010	$32M	Settlement on file	Q4 2010
Columbia Gas of Virginia	May 3, 2010	$13M	Strong opportunity for settlement	Q1 2011
NIPSCO	May 3, 2010	• Improved earnings profile • Depreciation reduction/ deferral	Actively pursuing settlement	Targeting early 2011 or sooner

** Revenues & Expenses Exclude Trackers*
*** For a Reconciliation to GAAP, See Schedule 2 of the Company's August 3, 2010 Earnings Release*
**** Projected*

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NiSource Gas Transmission & Storage - Q2 2010 Highlights*

- Operating Earnings $74.9M (non-GAAP) in 2010 vs. $80.9M in 2009 **
  - Year-to-Date $200.8M vs. $192M in 2009
- Growth Projects, Increased Demand Margins Drive $7.5M Revenue Increase
- Maintenance Costs Contributed to $16.5M Operating Expense Increase
- Marcellus-Related Growth Projects Continue to Advance

2010 Highlights Going Forward

Project	Location	Net Capacity	In Service Date
Cobb Compressor Station	Kanawha County (WV)	~25,500 Dekatherms / Day	May 10, 2010
Majorsville Expansion Projects	Majorsville (PA)	325,000 Dekatherms / Day	Q3 2010***

** Revenues & Expenses Exclude Trackers*
*** For a Reconciliation to GAAP, See Schedule 2 of the Company's August 3, 2010 Earnings Release*
**** Projected*

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NiSource Electric Operations – Q2 2010 Highlights*

- Operating Earnings $48.3M (non-GAAP) in 2010 vs. $31.1M in 2009 **
  - Year-to-Date $94.5M vs. $57.2M in 2009
- Industrial & Residential Demand Margins Drive $27.3M Revenue Growth
- Operating Expenses up $10.1M from Taxes & Storm Damage Costs

2010 Highlights Going Forward

Highlight	Key Components	Outcome ***
2008 Rate Case	• First review in more than 20 Years	Q3 2010
2010 Energy Efficiency Proposal	• Energy audits • Air conditioning cycling • Appliance rebates and recycling • Low-income weatherization	Q1 2011 or sooner
2010 Rate Case	• Energy efficiency, customer assistance programs • Updated rates based on recent operating experience	• File in fall of 2010 • Rates effective late 2011 or early 2012

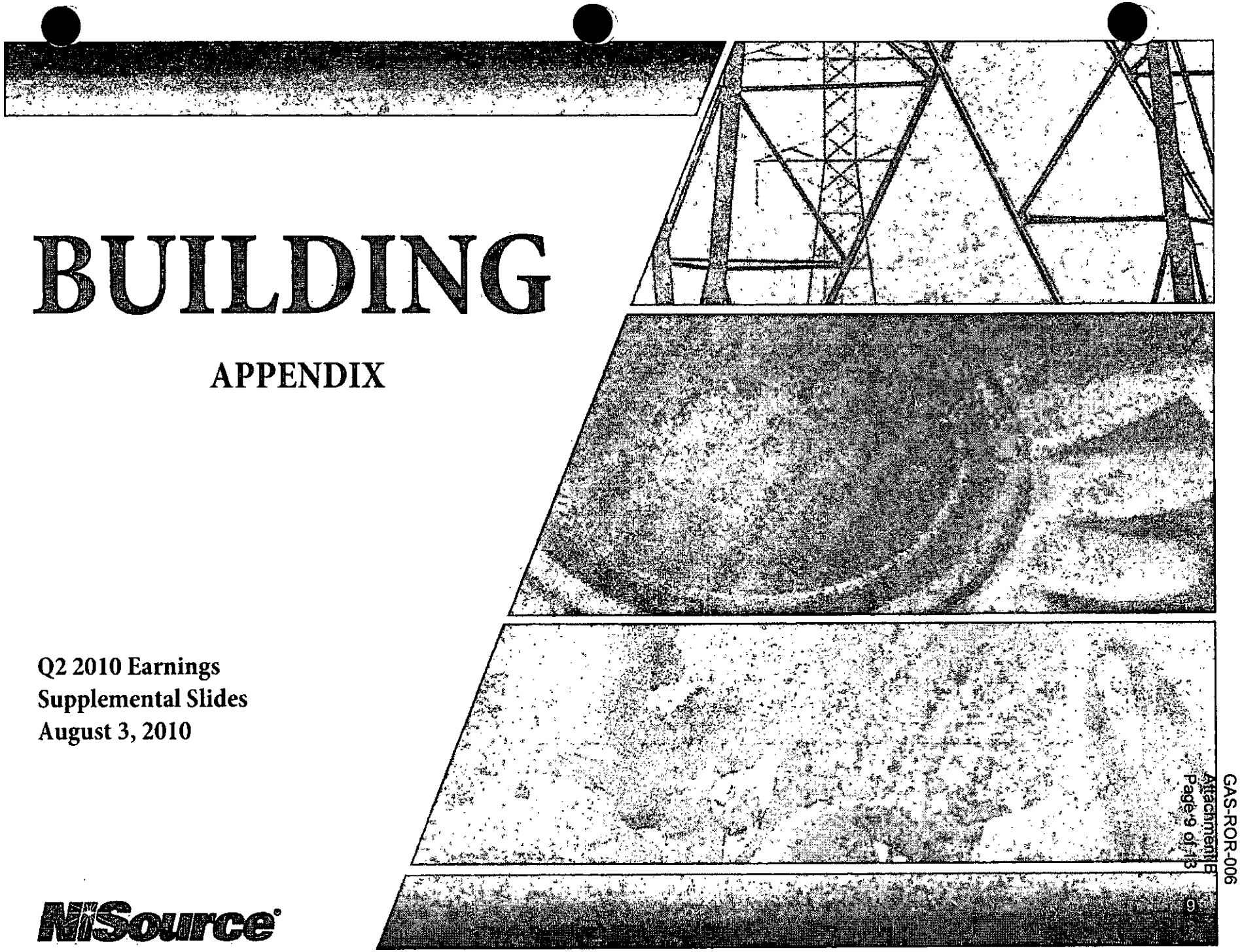
** Revenues & Expenses Exclude Trackers*
*** For a Reconciliation to GAAP, See Schedule 2 of the Company's August 3, 2010 Earnings Release*
**** Projected*

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Q2 2010 Earnings – Key Takeaways

- Continuing to Deliver Solid Financial Performance
  - Full-Year Operating Earnings Guidance Affirmed (non-GAAP)
- Infrastructure Investment Programs and Regulatory Initiatives Squarely in Line with Business Plan
- Marcellus Projects on Track
- Indiana Regulatory Agenda Remains Top Priority

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APPENDIX

Q2 2010 Earnings
Supplemental Slides
August 3, 2010

NiSource

Attachment B
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Building Investment-Driven Growth

NISOURCE GAS DISTRIBUTION	25-Yr Low-Risk Growth Inventory	Fully De-Risked Rates	3+%/Yr. Run-Rate Growth
NIPSCO Electric	Ongoing Low-Risk Environmental Compliance Programs	Partially De-Risked Rates	3%/Yr. Run-Rate Growth
NiSource Gas Transmission & Storage*	Low-Risk Supply-Driven Growth + Steady Market Growth	Fully De-Risked Rates	4%-6%/Yr. Growth

Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

BUILDING

Sustainable Growth, Premium Valuations

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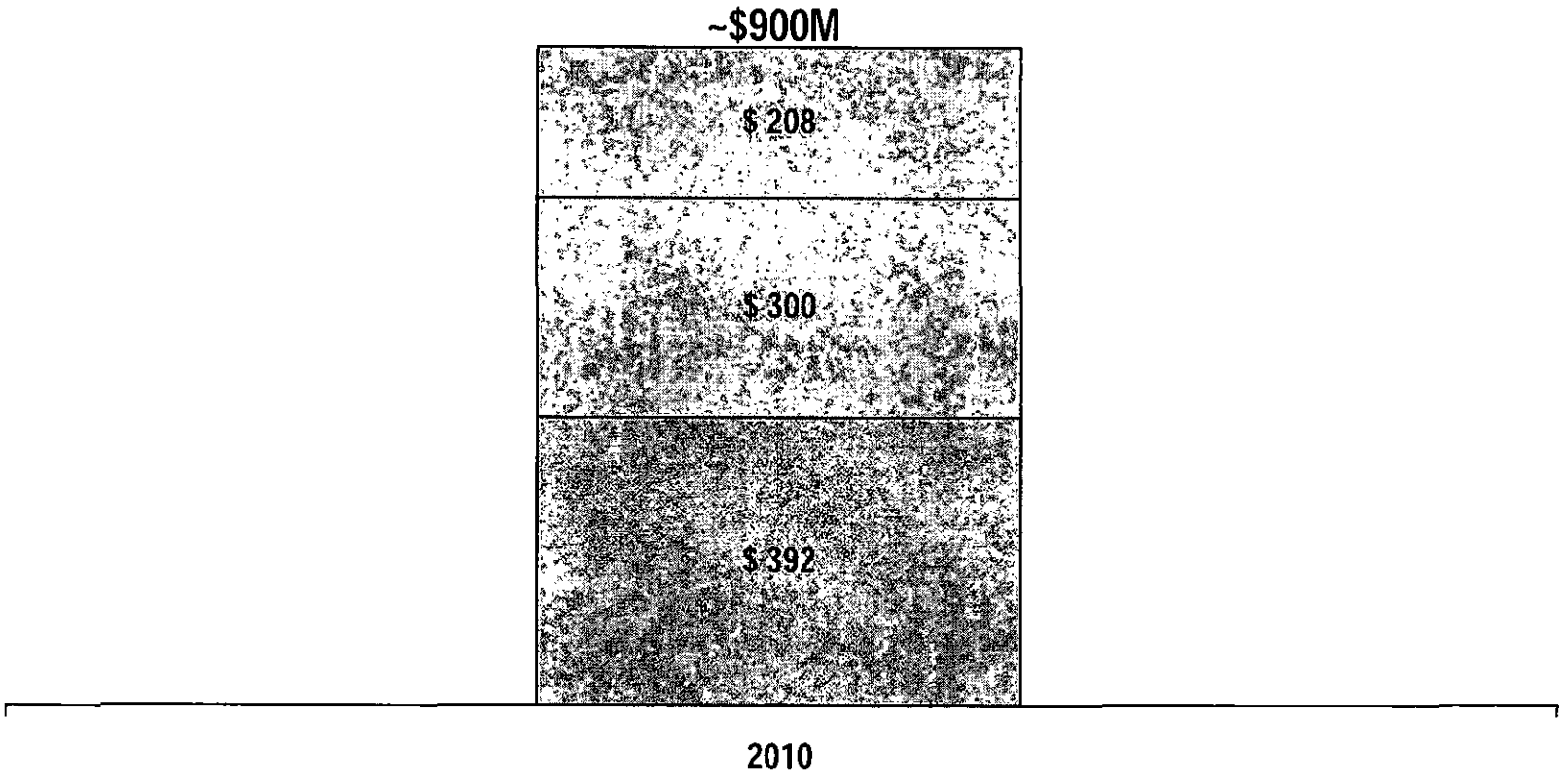
Current Liquidity ($M)

	Actual 6/30/10	Maturity
Committed Credit Facility	$1,500	Jul 2011
Less:		
Drawn on Credit Facility	(74)	
Letters of Credit (1)	(41)	
Add:		
Cash & Equivalents	7	
Net Available Liquidity	**$1,392**	

(1) Includes $25.6M LC for Tawney Settlement

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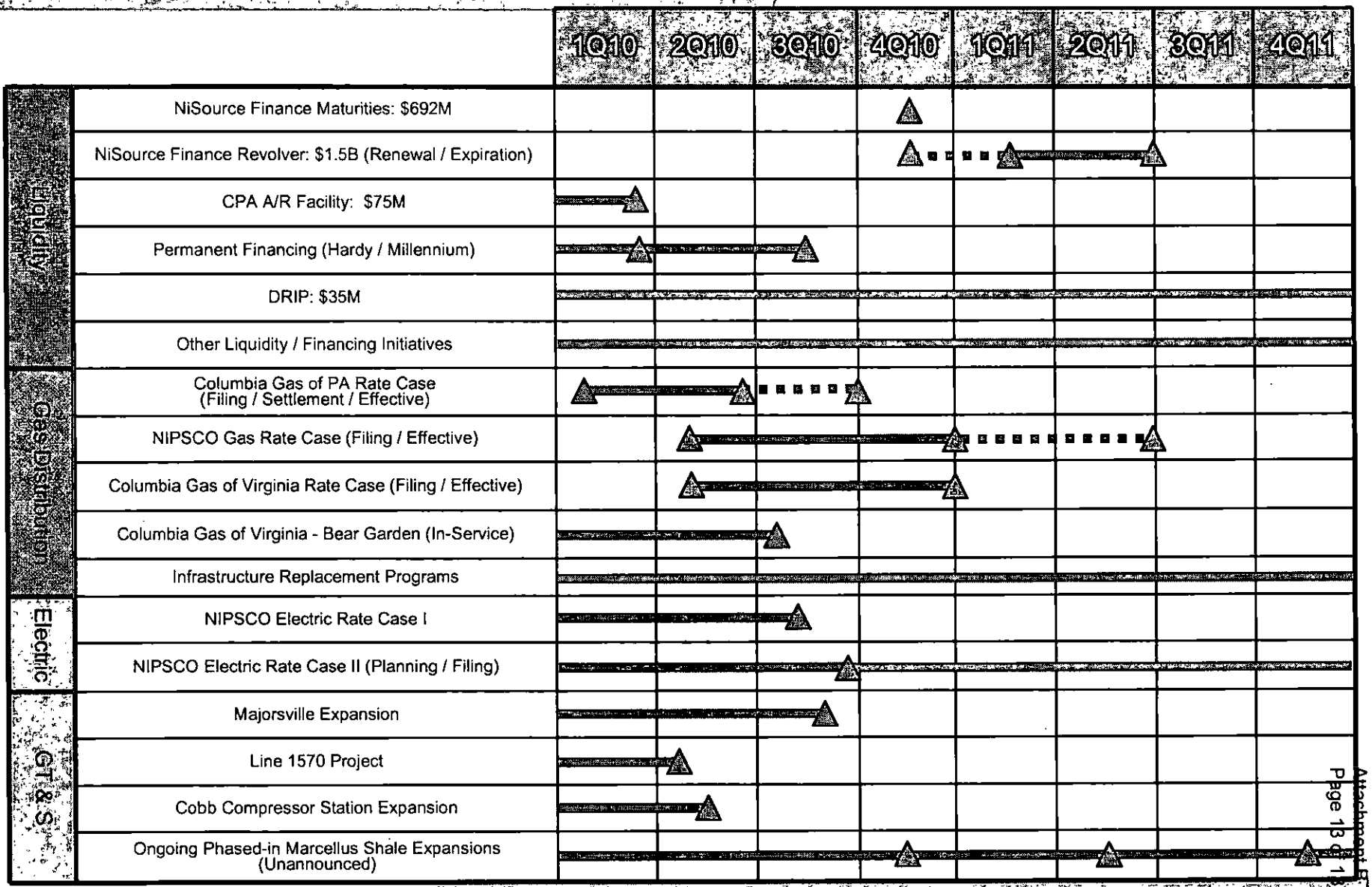
2010 Forecasted Cap-Ex Program ($M)



Growth & Tracker ~$476M and Age & Condition ~$424M

NiSource

Key Path Forward Markers

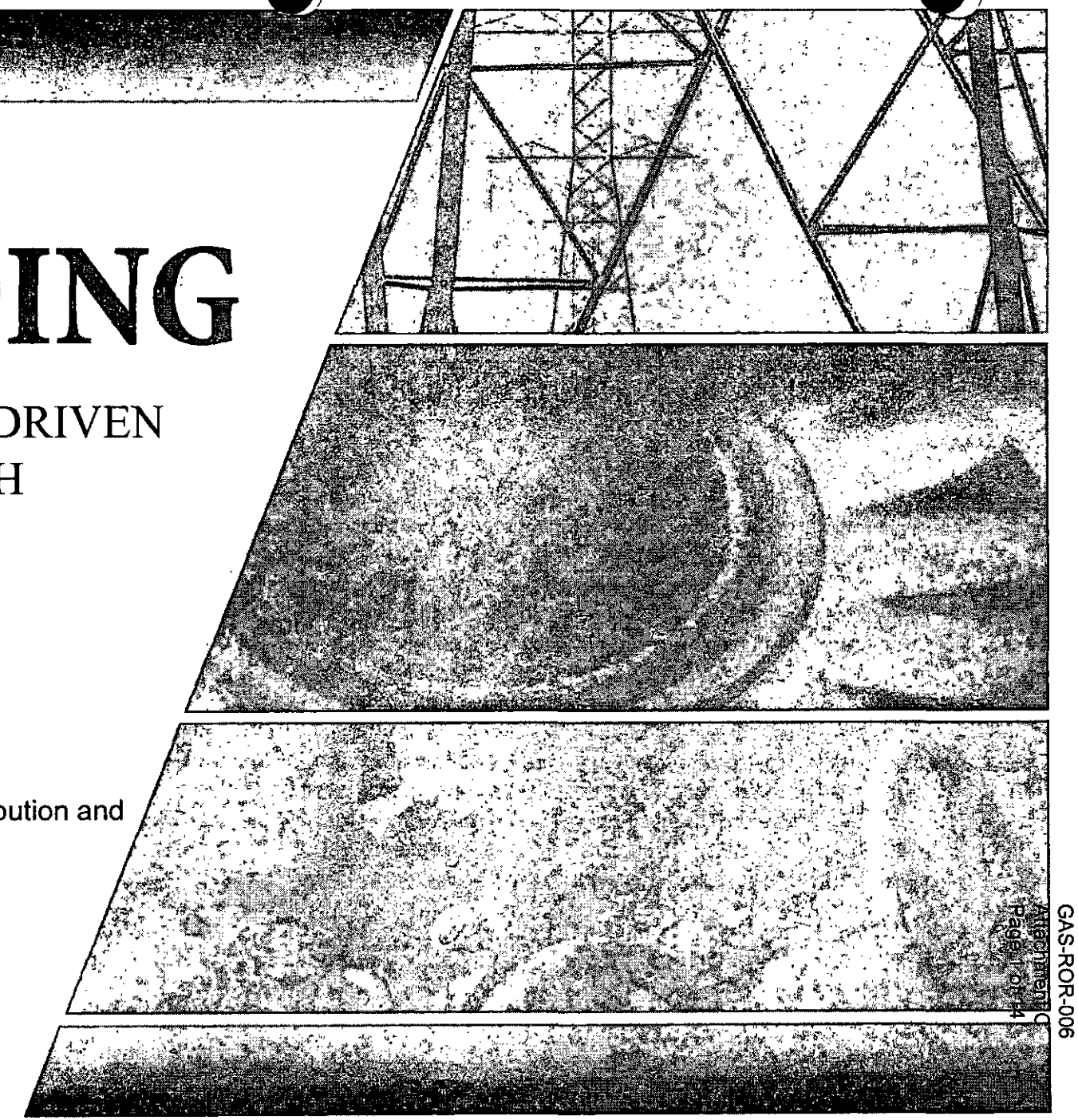


NiSource

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INVESTMENT-DRIVEN GROWTH



Jimmy Staton
EVP & Group CEO, Gas Distribution and
Northern Indiana Energy
Invest Indiana Equity Conference
September 9, 2010

NiSource®

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Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2009 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

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Attachment G
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Building Investment-Driven Growth

NiSource Inc.

Gas Distribution

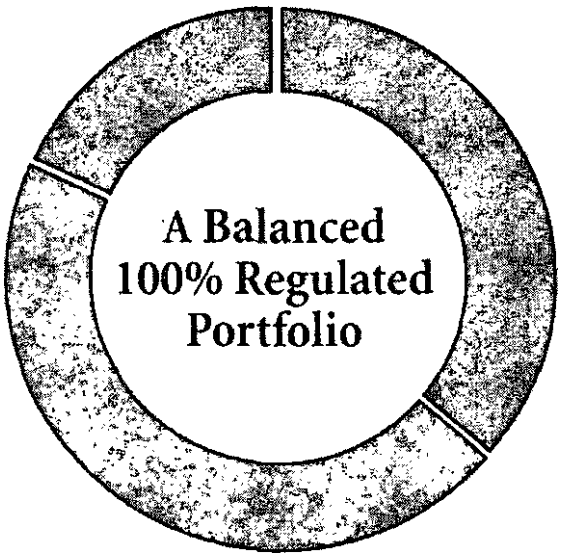
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Thoughtful customer programs
  - Creative regulatory approaches

Gas Transmission & Storage

- 15,500-Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Strong Strategic Footprint in the Growing Marcellus Shale Production Region of Appalachia
- Extensive Array of Attractive Investment Opportunities

Electric Generation & Distribution

- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of 3,322 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Growing Marketplace



From the Gulf Coast through the Midwest to the Northeast, our portfolio of companies serves some of the nation's highest-value energy markets, with services ranging from natural gas transmission, storage and local distribution, to electricity generation, transmission and distribution.

GAS-ROR-006
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NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Utility Infrastructure Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Management

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Attachment G
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NiSource: A Compelling Investment

- Balanced, Diverse Portfolio of Regulated Businesses
- Highly Predictable Revenue Streams
- Substantial, Highly Visible Inventory of Growth Investments
- Disciplined Operational, Commercial, Regulatory and Financial Execution
- Secure, Attractive Dividend

GAS-ROR-006
Attachment G
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Building Investment-Driven Growth

NISOURCE GAS DISTRIBUTION	25-Yr Low-Risk Growth Inventory	Fully De-Risked Rates	3+%/Yr. Run-Rate Growth
NIPSCO Electric	Ongoing Low-Risk Environmental Compliance Programs	Partially De-Risked Rates	3%/Yr. Run-Rate Growth
NiSource Gas Transmission & Storage*	Low-Risk Supply-Driven Growth + Steady Market Growth	Fully De-Risked Rates	4%-6%/Yr. Growth

Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

BUILDING

Sustainable Growth, Premium Valuation

GAS-ROR-006
Attachment C
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NiSource's Performance

- Meeting Earnings Guidance + Demonstrated Commitment to Dividend

- Executing an Ambitious Regulatory Agenda
  - 13 Base Rate Cases Delivered, Including 3 Settlements in 2010
  - Solid Outcome in Landmark Electric Case (8/25/2010); Follow-On Case to be filed in 4Q 2010
  - Revenues Significantly De-Risked
  - Long-Term Infrastructure Growth Platform Established

- Delivering NGT&S Growth Projects On-Time, On-Budget
  - 2007-2010: ~$450M Growth Cap-Ex Resulted in ~$75M Operating Income
  - Attractive Economics
  - Low-Risk Revenue Streams

GAS-ROR-006
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NiSource's Performance

- Highly Successful Execution of 2009 Liquidity Plan
  - Financing in Place Through 2011
  - Stable, Investment Grade Ratings
  - $1.4B of Liquidity at 6/30/10

- Significantly Improved Operations
  - Increased Generating Capacity Reserve Margin (Sugar Creek)
  - Substantially Enhanced Reliability/Integrity Profile
  - Best-of-Class Service Metrics
  - Solid, Improving Employee Safety Metrics

GAS-ROR-006
Attachment G
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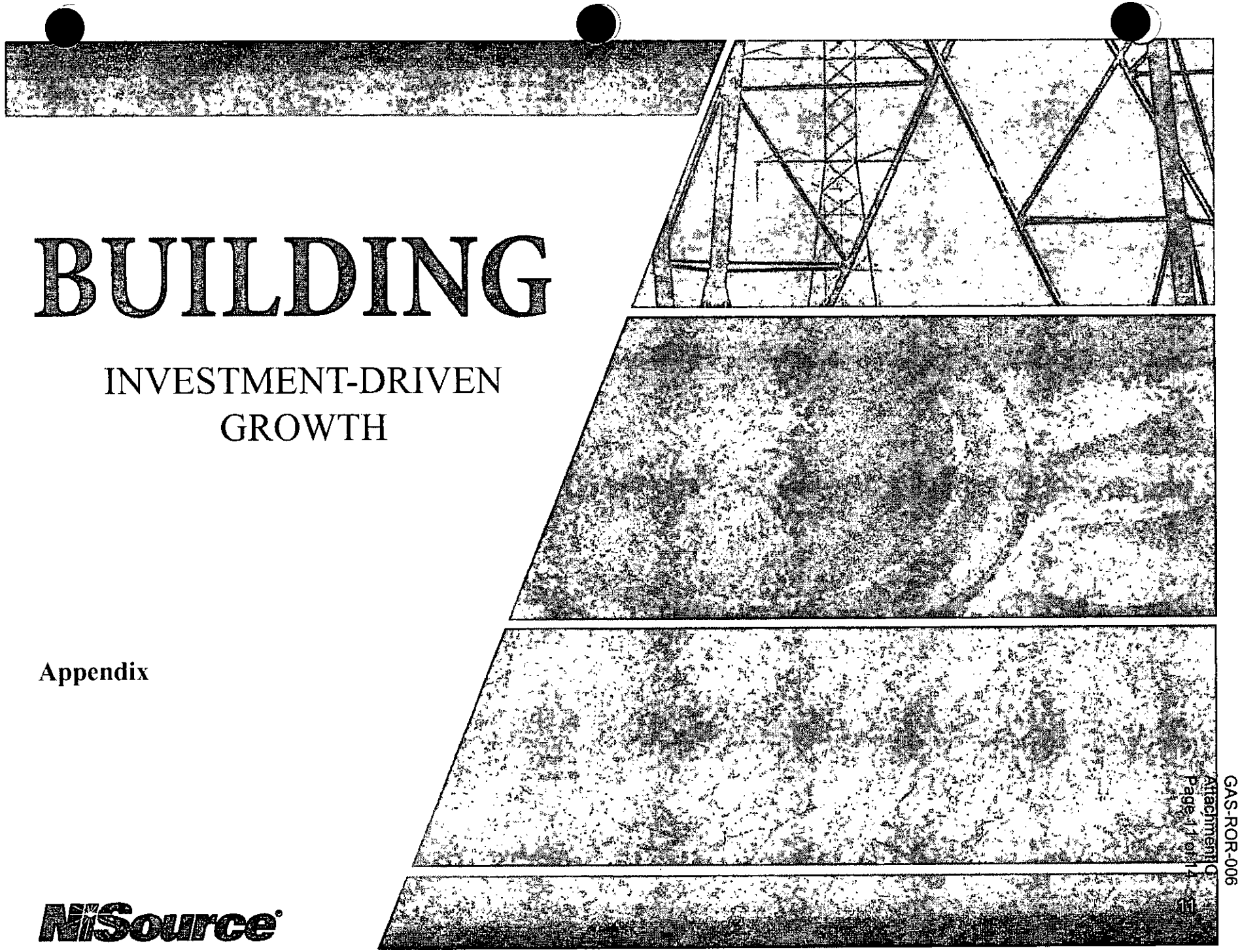
Building Investment-Driven Growth

- NiSource Gas Transmission & Storage
  - Leveraging Unparalleled Marcellus Shale Footprint
    - 2010 Projects Delivered On-Time, On-Budget
    - August 2010 – Announced Marcellus Joint Development Agreement with UGI Unit
- NIPSCO Electric
  - 2010-2012: Significant Earnings Uplift from Executing Regulatory Agenda
  - August 25, 2010 Order in 2008 Rate Case Sets Stage for 4Q'10 Base Rate Case Filing
  - 2012 Forward: Environmental Investments with State-of-the-Art Rate Tracking Mechanism
- NiSource Gas Distribution
  - Long-Term Infrastructure Replacement Programs Coupled with Timely Rate Recovery

A Compelling Investment Proposition

- Low-Risk, Regulated Business Platform
- 3-5% Annual EPS Growth + Secure, Attractive Dividend
- Stable Investment Grade Credit
- Exceptional Long-Term Growth Investment Opportunities
- Disciplined Execution with Full Transparency

GAS-ROR-006
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BUILDING

INVESTMENT-DRIVEN GROWTH

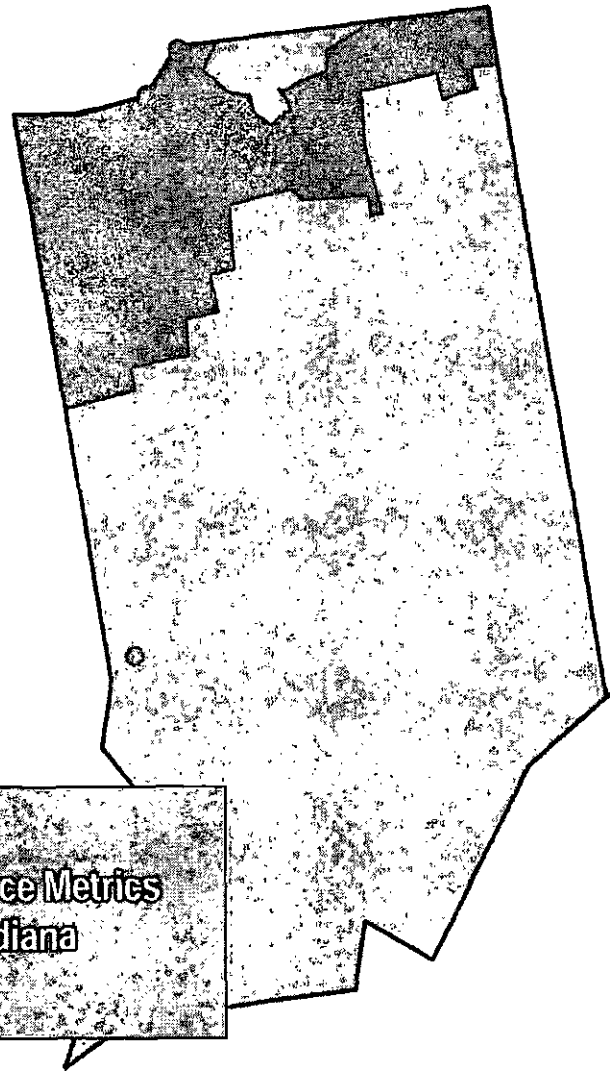
Appendix

NiSource®

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GAS-ROR-006

Indiana's Largest Combination Utility

NIPSCO Electric



Electric Distribution & Transmission

- 450,000 Electric Customers
- 15,500 GWH Electricity Sales
- 10,000 Miles of Electric Distribution
- 2,800 Miles of Electric Transmission

Electric Generation

- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled

- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership in Indiana
- $2.7B Rate Base

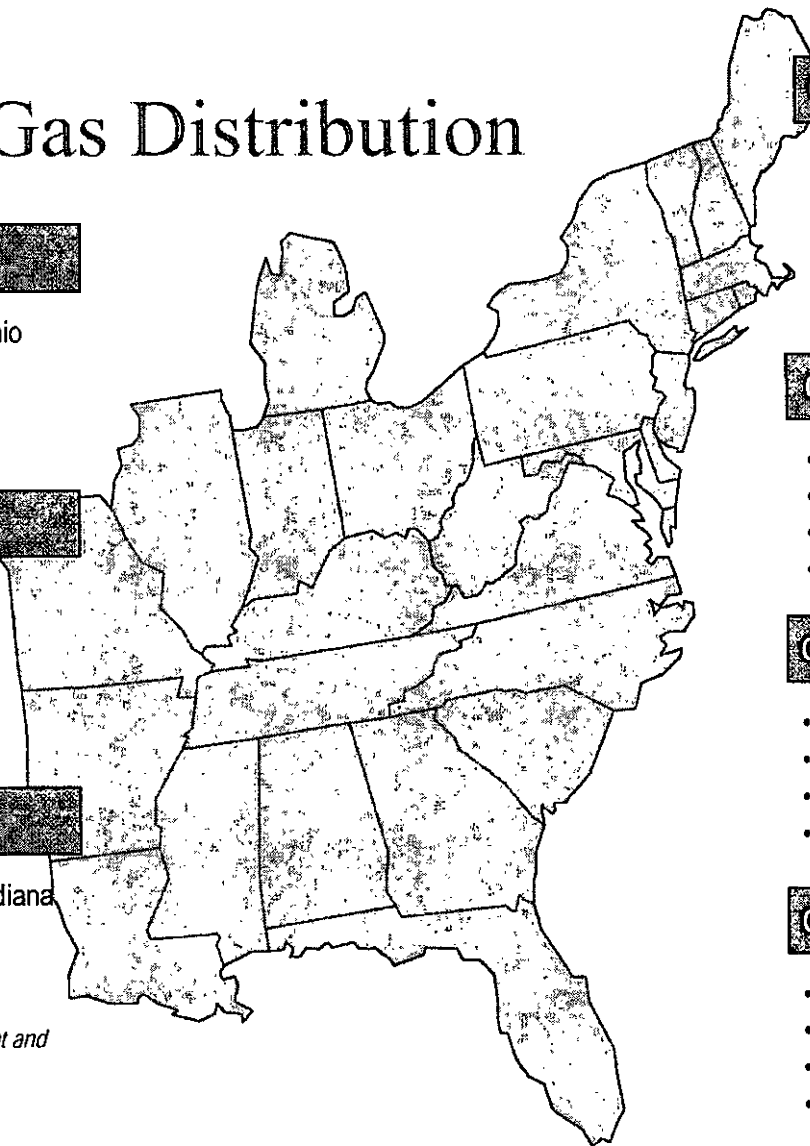
NiSource

Constructive Regulatory Environment

GAS-ROR-006
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Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe
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Columbia Gas of Kentucky

- 2nd Largest Gas-Only Provider in Kentucky
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- Largest Natural Gas Provider in Indiana
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**Including Northern Indiana Fuel & Light and Kokomo Gas and Fuel*

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- Complementary to PA Operations
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NiSource®

Constructive Regulatory Environments

GAS-ROR-006
Attachment
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NGT&S Assets

15,500
Pipeline Miles

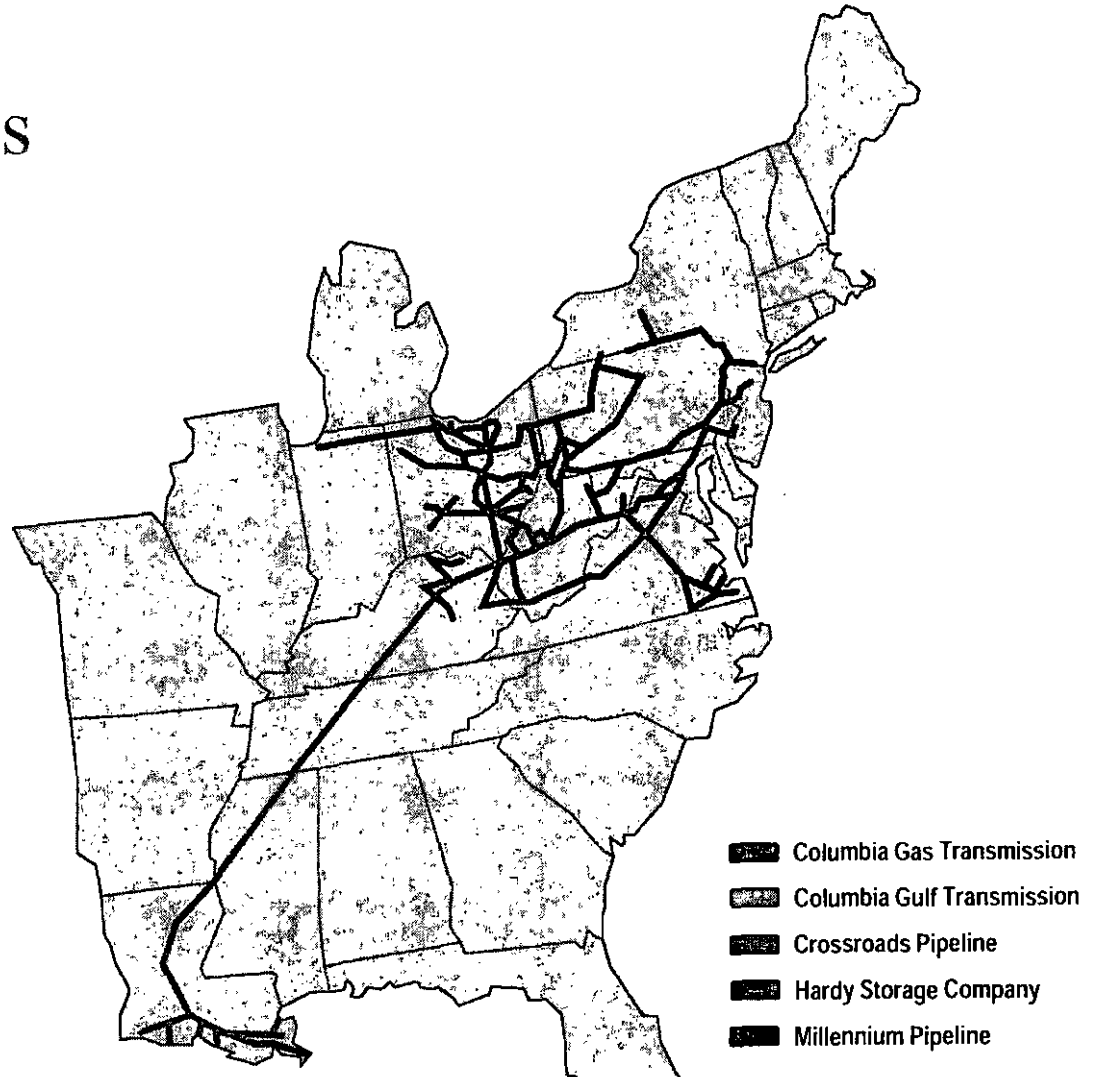
Annual Deliveries: 1.4 Tcf
Peak Day Deliveries: 7.4 Bcf
Serving 40 Markets
Operations in 16 states

37
Storage Fields

Capacity: 640 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

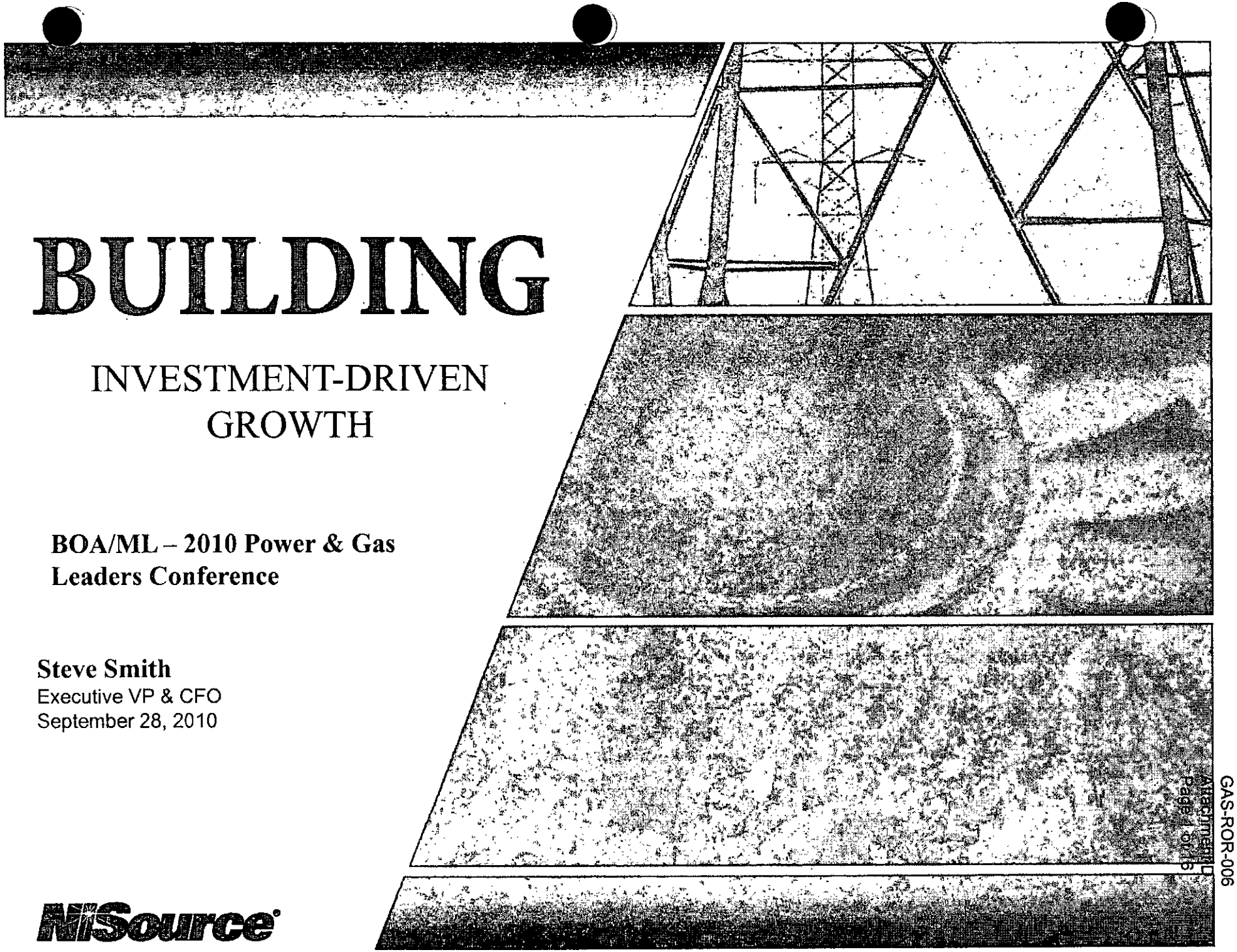
106
Compressor Stations

Horsepower: 1,100,000



NiSource

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BUILDING

INVESTMENT-DRIVEN GROWTH

BOA/ML – 2010 Power & Gas Leaders Conference

Steve Smith
Executive VP & CFO
September 28, 2010

NiSource

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Forward Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. The factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes, the impact of potential new environmental laws or regulations, the results of material litigation, changes in pension funding requirements, changes in general economic, capital and commodity market conditions; counterparty credit risk, and the matters set forth in the "Risk Factors" section in NiSource's 2009 Form 10-K and second quarter 2010 Form 10-Q (which sections are incorporated herein by reference) and in conjunction with other SEC reports filed by NiSource, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 2012 illustrative earnings do not constitute guidance by the company. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2010 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, restructuring costs and accounting changes. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2009 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

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Building Investment-Driven Growth

NiSource Inc.

Gas Distribution

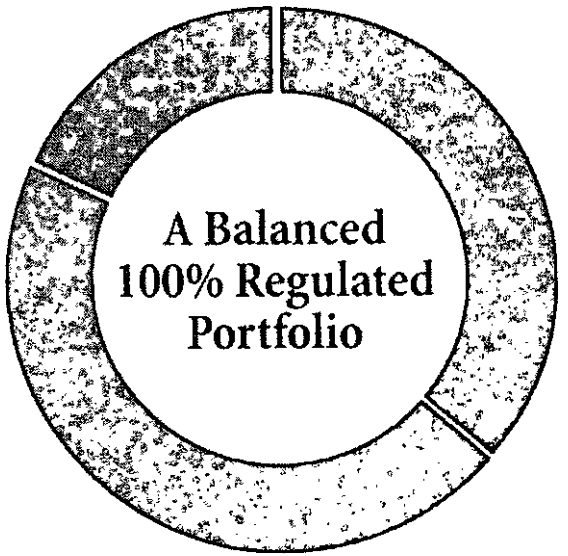
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Thoughtful customer programs
  - Creative regulatory approaches

Gas Transmission & Storage

- 15,500-Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Strong Strategic Footprint in the Growing Marcellus Shale Production Region of Appalachia
- Extensive Array of Attractive Investment Opportunities

Electric Generation & Distribution

- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of 3,322 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Growing Marketplace



From the Gulf Coast through the Midwest to the Northeast, our portfolio of companies serves some of the nation's highest-value energy markets, with services ranging from natural gas transmission, storage and local distribution, to electricity generation, transmission and distribution.

NiSource®

NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Utility Infrastructure Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Management

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Building Investment-Driven Growth

NISOURCE GAS DISTRIBUTION	25-Yr Low-Risk Growth Inventory	Fully De-Risked Rates	3+%/Yr. Run-Rate Growth
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NiSource Gas Transmission & Storage	Low-Risk Supply-Driven Growth + Steady Market Growth	Fully De-Risked Rates	4%-6%/Yr. Growth

Customer-Driven Proposition *PLUS* ~$1B/Yr. Infrastructure Investment

BUILDING

Sustainable Growth, Premium Valuation

NiSource

$400M Equity Offering Positions NI to Invest $1B / Yr.

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Strategically Positioned

15,500
Pipeline Miles

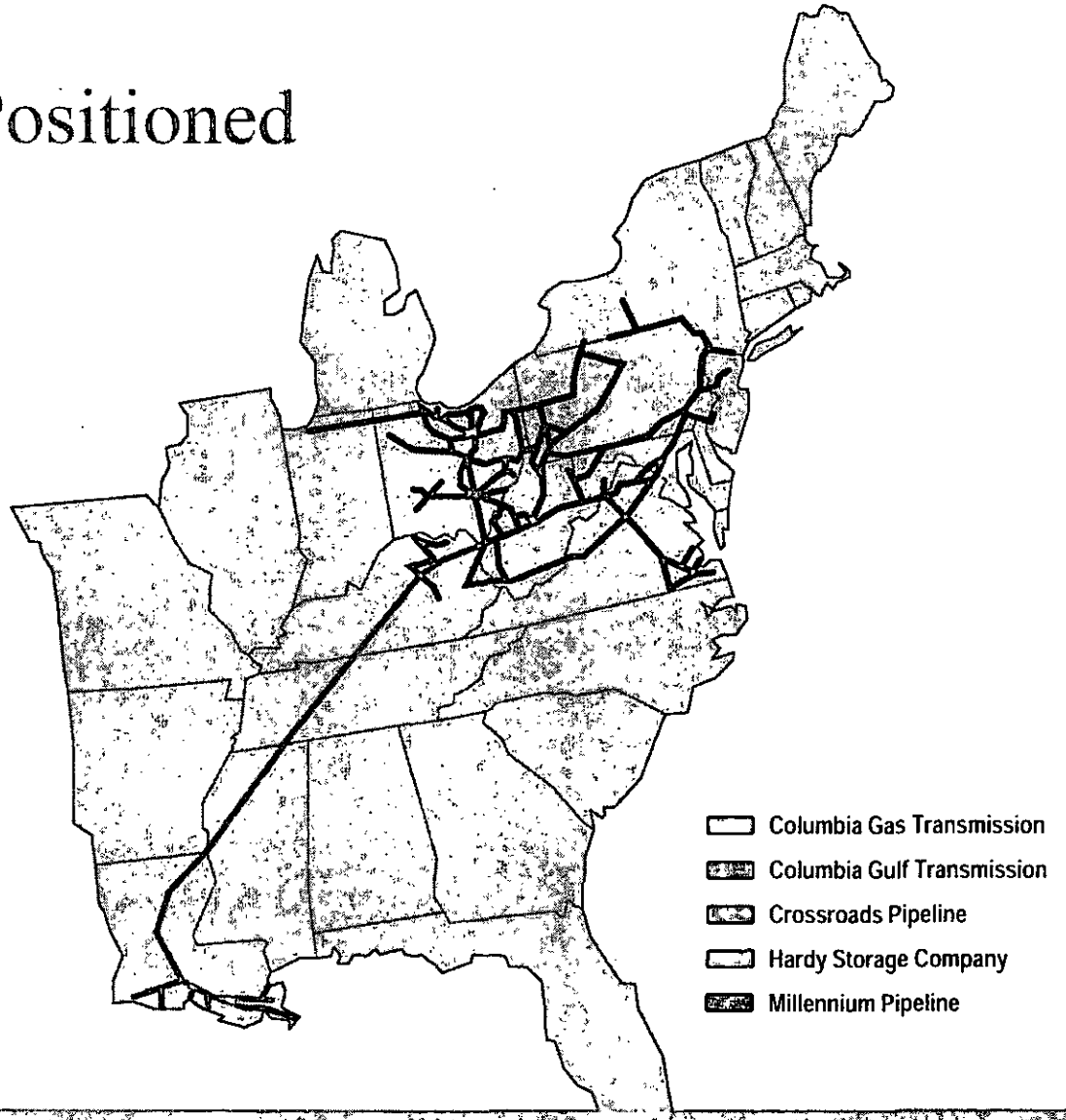
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Capacity: 640 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

106
Compressor Stations

Horsepower: 1,100,000



NiSource®

Great Assets, Great Markets

NGT&S Business Strategy

Maximize Value from Existing Assets

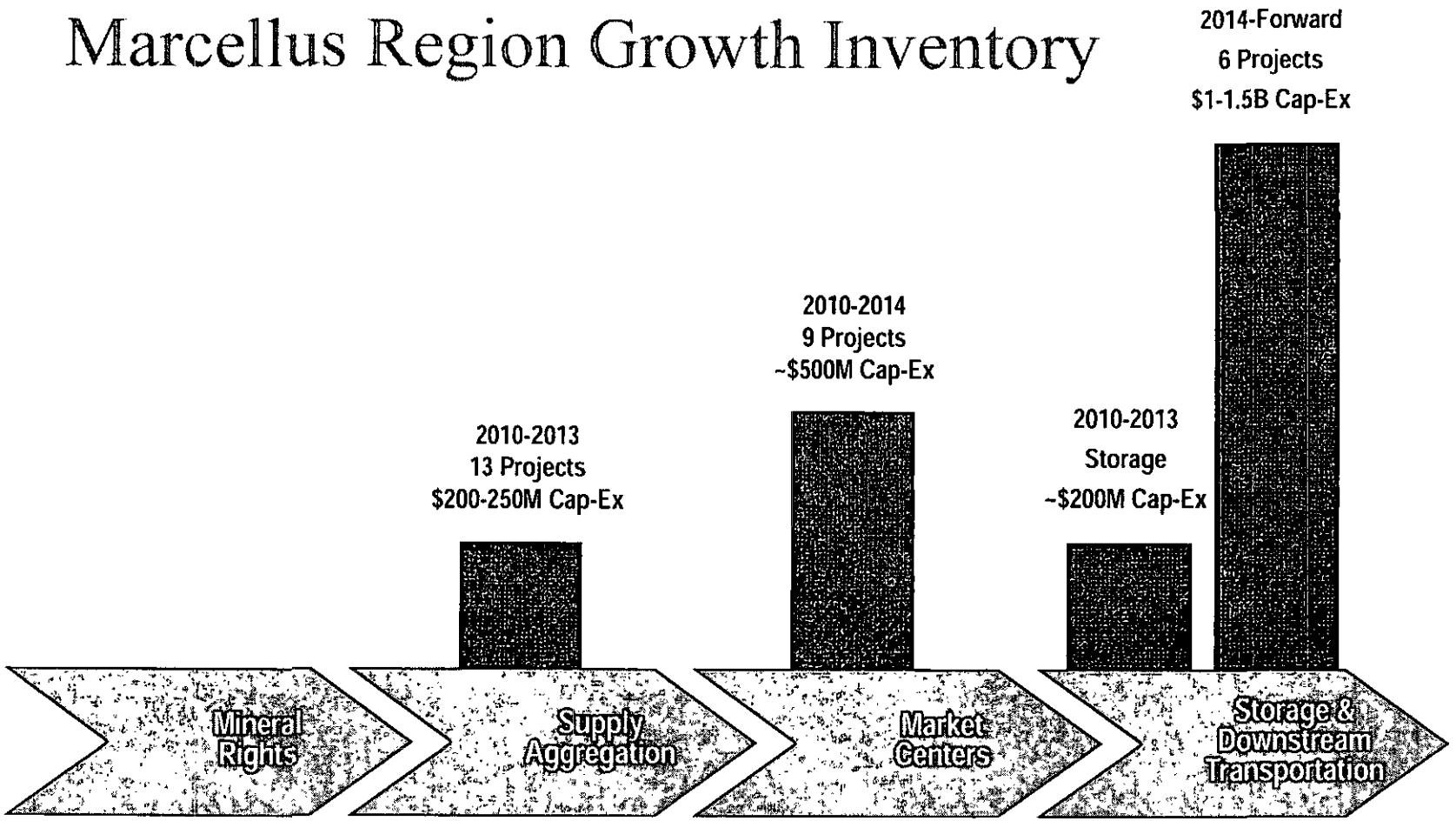
- Manage Long-Term Contracts
- Expand Customer Base
- Optimize Short-Term Opportunities
- Operational Excellence

Drive Growth Through Disciplined Investment

- Robust Inventory of Development Opportunities
  - Marcellus Shale
  - Storage
  - Columbia Gulf Mainline

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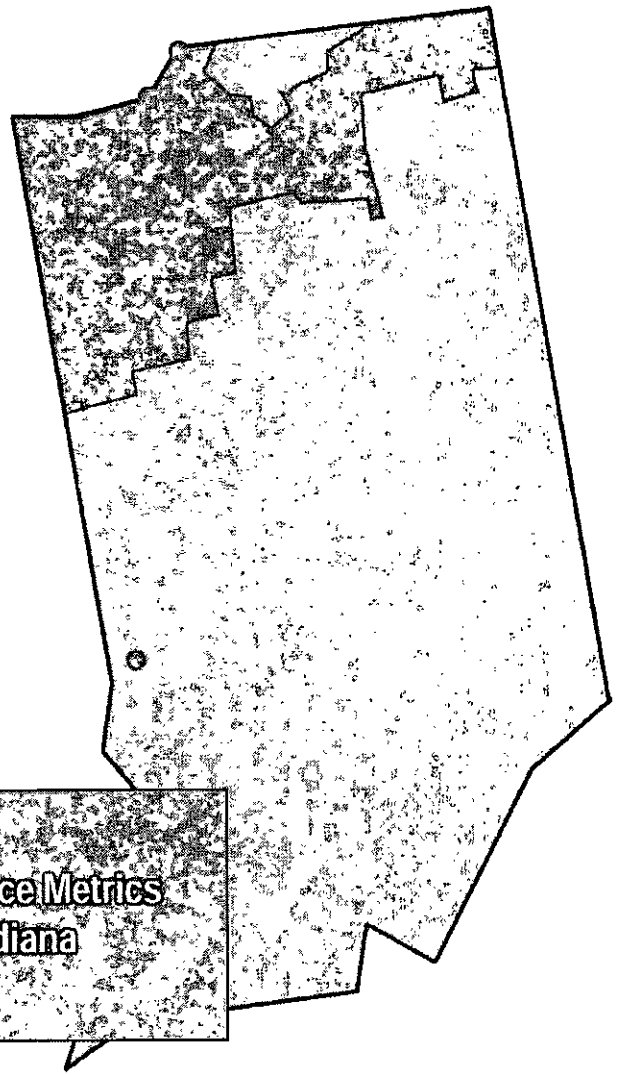
Marcellus Region Growth Inventory



GAS-ROR-006
Attachment 1
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Indiana's Largest Combination Utility

NIPSCO Electric



Electric Distribution & Transmission

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- 15,500 GWH Electricity Sales
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- 2,800 Miles of Electric Transmission

Electric Generation

- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled

- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership in Indiana
- $2.7B Rate Base

NiSource®

Constructive Regulatory Environment

NIPSCO Electric Business Strategy

- Restore Earnings Power
- Continue to Strengthen Stakeholder Relationships
- Capture Environmental Investment Opportunities
- Continuous Operational Improvement

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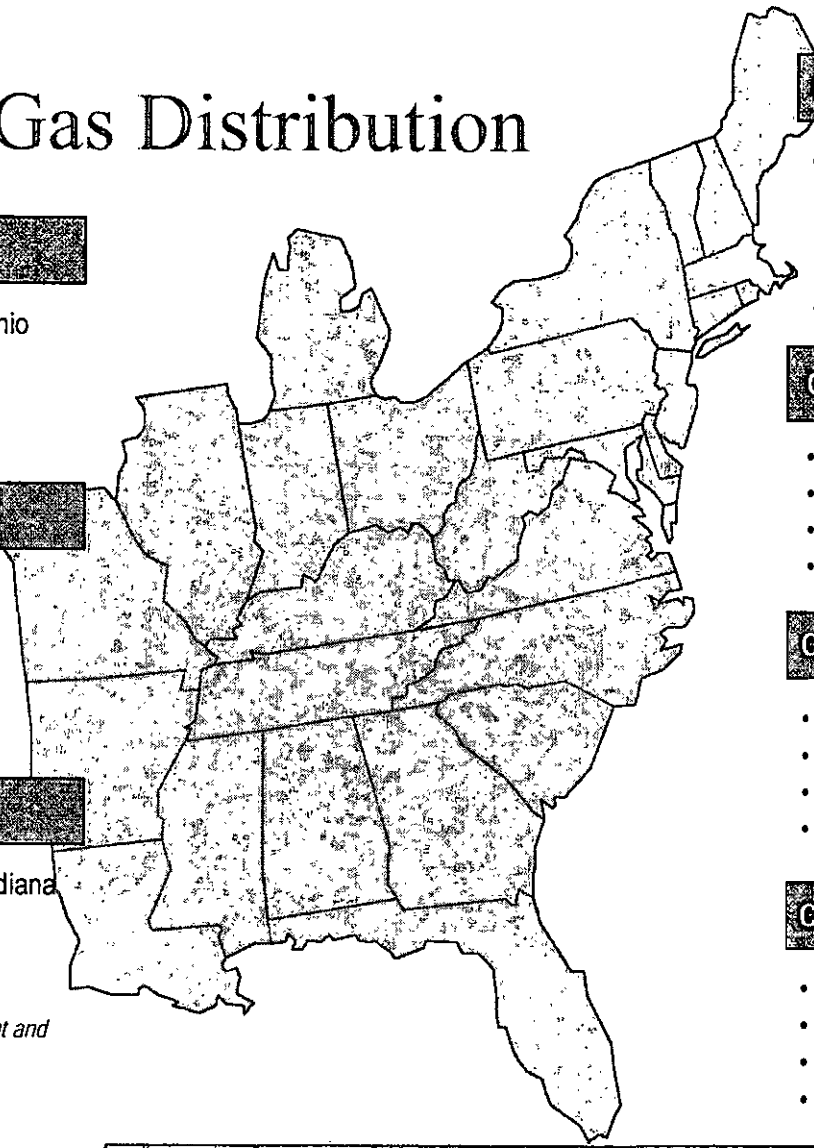
Longer Term, Low-Risk Environmental Investments

- State-of-the-Art Environmental Tracker
  - Statutory Recovery Mechanism
  - Tracked in Semi-Annual Filings
  - Earn Return on Investment in ~11 Months
  - Return Based on Most Recent Allowed Level
- Deep Inventory of Investment Opportunities
  - $600M+ of Ongoing Environmental Investments (2012-2017)

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Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe
- Rate Base ~$1B

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NiSource

Constructive Regulatory Environments

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NiSource Gas Distribution (NGD) Business Strategy

- Drive Growth Through Long-Term, Low-Risk Infrastructure Investments
- De-Risk Earnings
- Restore Earnings Power of NIPSCO Gas
- Maintain Operational Excellence

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Long-Term, Low-Risk Infrastructure Replacement Investments

	OH	PA	MA	VA	KY	MD	Totals
Total Tracked Investment Opportunity	$1.8B	$1.7B	$400M	$150M	$200M	$100M	$4.35B
Annual Tracked Investment Range	$90-110M	$65-85M	$20-30M	$5-10M	$7-10M	$4-5M	$190-250M
AMR* Investment Opportunity	$80M	$22M	Complete	$9M	$9M	Complete	$120M
Program Length (Years)	25	20	15	NA	30	20	---
Regulatory Treatment	Tracker	Rate Case	Tracker	Tracker	Tracker	Rate Case	---

**Automated Meter Reading*

GAS-ROR-006
Attachment D
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Long-Term Financial Objectives

Earnings Growth and Attractive, Secure Dividend

- Sustainable EPS Growth of 3-5%
- 2010 Outlook Range of $1.10-1.20 (NOEPS)*
- Attractive, Stable Dividend
- Risk Reduction via Rate Design and Rate Case Activity at NGD and NIPSCO
- On-Time, On-Budget Project Execution
- Highly Predictable Revenue Streams

Highly Disciplined Capital Allocation Framework

- Ensure System Maintained for Operational Excellence
- Disciplined Approach to Growth Capital
  - Low Risk
  - Transparent Return Mechanisms
  - Accretive to Shareholder Value

Ongoing Credit Profile Improvement

- Commitment to Investment Grade Rating and Improving Credit Metrics
- Business Profile and Strategic Framework Support Investment Grade Rating
- DRIP/DSP Provides ~$35M/Yr. of Equity
- Revolver Renewal by March 2011

** Net Operating Earnings per Share (non-GAAP), as of 9-8-2010*

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A Compelling Investment Proposition

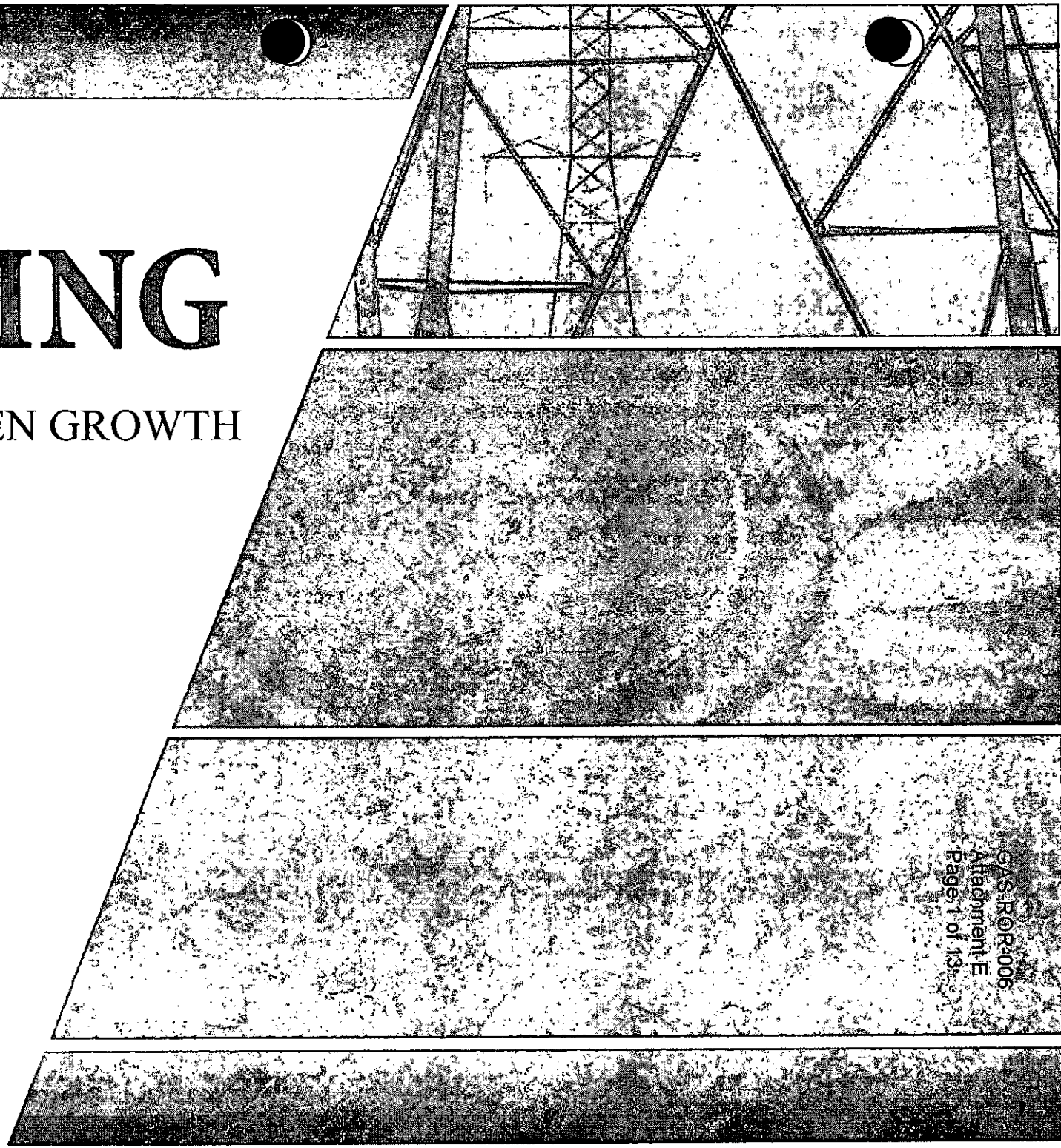
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GAS-ROR-006
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BUILDING

INVESTMENT-DRIVEN GROWTH

Q3 2010 Earnings
Supplemental Slides
October 29, 2010



NiSource®

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Forward Looking Statements

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Q3 2010 Financial Highlights

Non-GAAP

	Q3 2010 *	Q3 2009 *	Change *
Net Operating Earnings from Continuing Operations**	$10.3	$19.4	($9.1)
Earnings Per Share	$0.04	$0.07	($0.3)
Operating Earnings	$109.9	$134.8	($24.9)

GAAP

	Q3 2010 *	Q3 2009 *	Change *
Income from Continuing Operations	$33.4	($13.2)	$46.6
Earnings Per Share	$0.12	($0.05)	$0.17
Operating Income	$123.3	$93.6	$29.7

** All Results Listed In Millions, Except for EPS*

*** For a Reconciliation to GAAP, See Schedule 1 of the Company's October 29, 2010 Earnings Release*

Raising Guidance to $1.20 - $1.25 per share

Highlights

- Positions NiSource to Establish ~$1B Infrastructure Investment Program

- Maintains NiSource's Key Financial Commitments
  - Stable Dividend
  - Investment Grade Credit Rating
  - Long-Term Growth at Upper End of 3-5% Range

NiSource Gas Distribution – Q3 2010 Highlights*

- Operating Earnings: $40.7M loss in 2010 vs. $30.0M loss in 2009 **
  - Year-to-Date $229.9M vs. $214.8M in 2009
- Infrastructure, Regulatory Strategy Drive Revenue Increase of $8.5M
- Operating Expenses Up $19.2M Due to Employee & Administrative Costs
- Successful Rate Case Settlement in Pennsylvania

2010 Highlights Going Forward

Subsidiary	Case Filed	Request	Status	Rates in Effect ***
Columbia Gas of Virginia	May 3, 2010	• $13M • Increased fixed monthly charge and weather normalization adjustment	Opportunity for settlement	January 1, 2011
NIPSCO	May 3, 2010	• Improved earnings profile • Depreciation reduction/ deferral	Pending approval	Q4 2010

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** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's October 29, 2010 Earnings Release*
**** Projected*

NiSource Gas Transmission & Storage – Q3 2010 Highlights*

- Operating Earnings $76.4M in 2010 vs. $100.2M in 2009 **
  - Year-to-Date $277.2M vs. $292.2M in 2009
- Decrease in Short-Term Services, Mineral Rights Leasing Reduce Revenues $7.8
- Planned Maintenance Costs Contribute to $13.6 Operating Expense Increase
- Significant Marcellus-Area Growth Projects Move Forward

2010 Highlights Going Forward

Project	Location	Net Capacity, Request	In-Service Date***
UGI Marcellus Pipeline Partnership	Northern Pennsylvania	~500,000 Dekatherms / Day	In development
Line WB Expansion	Northern Virginia	~175,000 Dekatherms / Day	January 2011
Clendenin Project	West Virginia	~150,000 Dekatherms / Day	Q2 2011
Columbia Gulf Rate Case	Columbia Gulf	Up to ~$50 Million / Year	Rates in effect mid-2011 (subject to refund)

** Revenues & Expenses Exclude Trackers*
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**** Projected*

GAS-ROR-006
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NiSource Electric Operations – Q3 2010 Highlights*

- Operating Earnings $80.0M in 2010 vs. $69.6M in 2009 **
  - Year-to-Date $174.5M vs. $126.8M in 2009
- Industrial Margins, Off-System Sales Drive $17.4M Revenue Growth
- Operating Expenses Up $7.0M From Increased Employee and Administration, Taxes and Generation Costs

2010 Highlights Going Forward

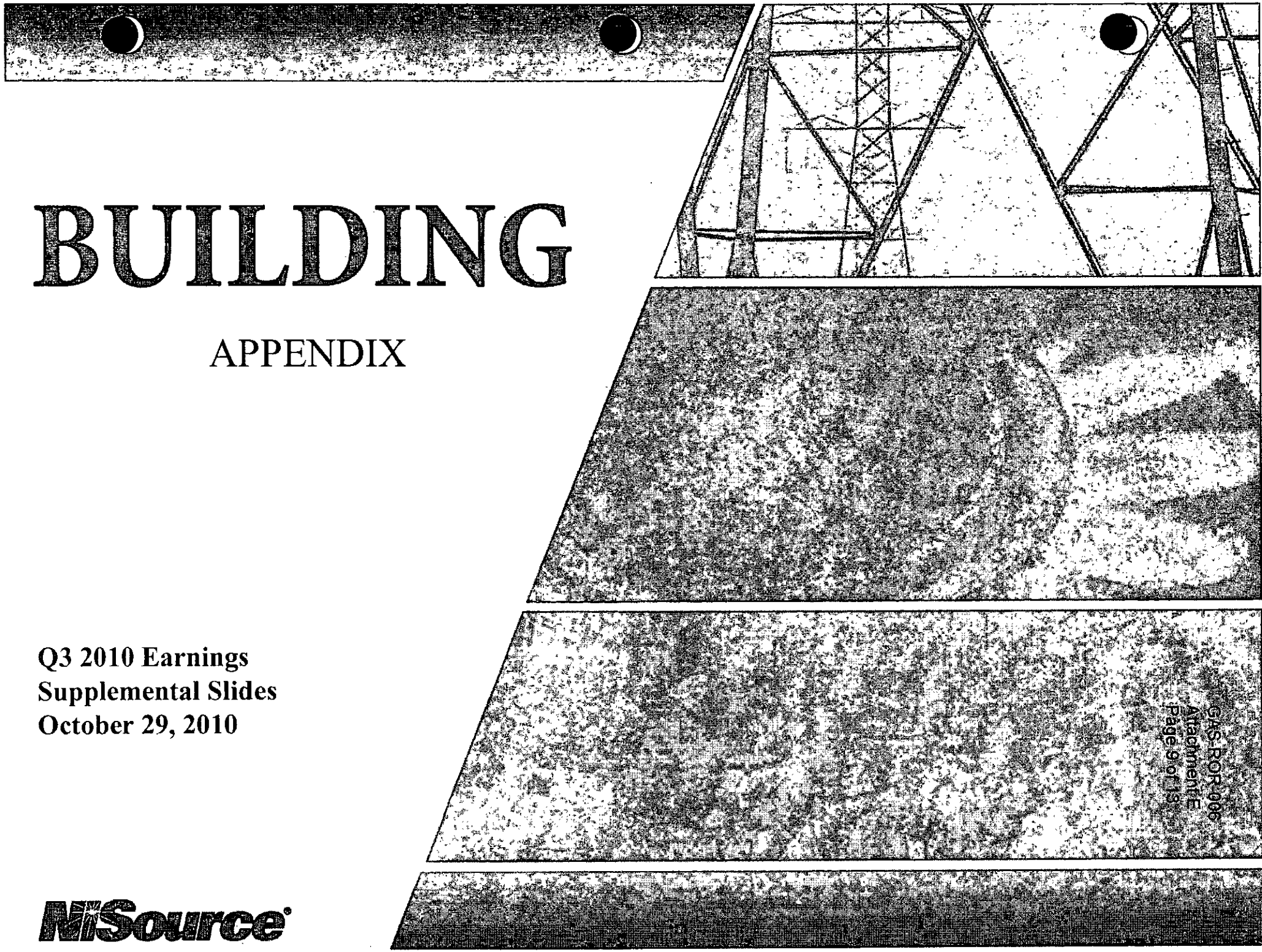
Highlight	Key Components	Status
2008 Rate Case	• IURC order issued August 25 • Currently involved in settlement discussions with stakeholders	IURC order subject to rehearing & appeal
2010 Rate Case	• Energy efficiency, customer assistance programs • Updated rates based on recent operating experience	Filing targeted for Q4 2010***

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's October 29, 2010 Earnings Release*
**** Projected*

Q3 2010 Earnings – Key Takeaways

- Delivering Solid Financial Performance
  - 2010 Operating Earnings Guidance Increased: $1.20-$1.25 (non-GAAP)
- Improved Financial Flexibility to Fund Infrastructure Growth Investments
- Inventory of Marcellus-Area Projects Moving Forward
- Indiana Regulatory Agenda Advancing

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Attachment E
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BUILDING

APPENDIX

Q3 2010 Earnings
Supplemental Slides
October 29, 2010

NiSource®

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NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth** ***Plus*: Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan**

- Gas Transmission & Storage Expansion
- Utility Infrastructure Programs Synched with Regulatory Initiatives
- Financial Management
- Cost & Process Management

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Building Investment-Driven Growth

NISOURCE GAS DISTRIBUTION	25-Yr Low-Risk Growth Inventory	Fully De-Risked Rates	3+%/Yr. Run-Rate Growth
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NiSource Gas Transmission & Storage*	Low-Risk Supply-Driven Growth + Steady Market Growth	Fully De-Risked Rates	4%-6%/Yr. Growth

Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

BUILDING

Sustainable Growth
Premium Valuations

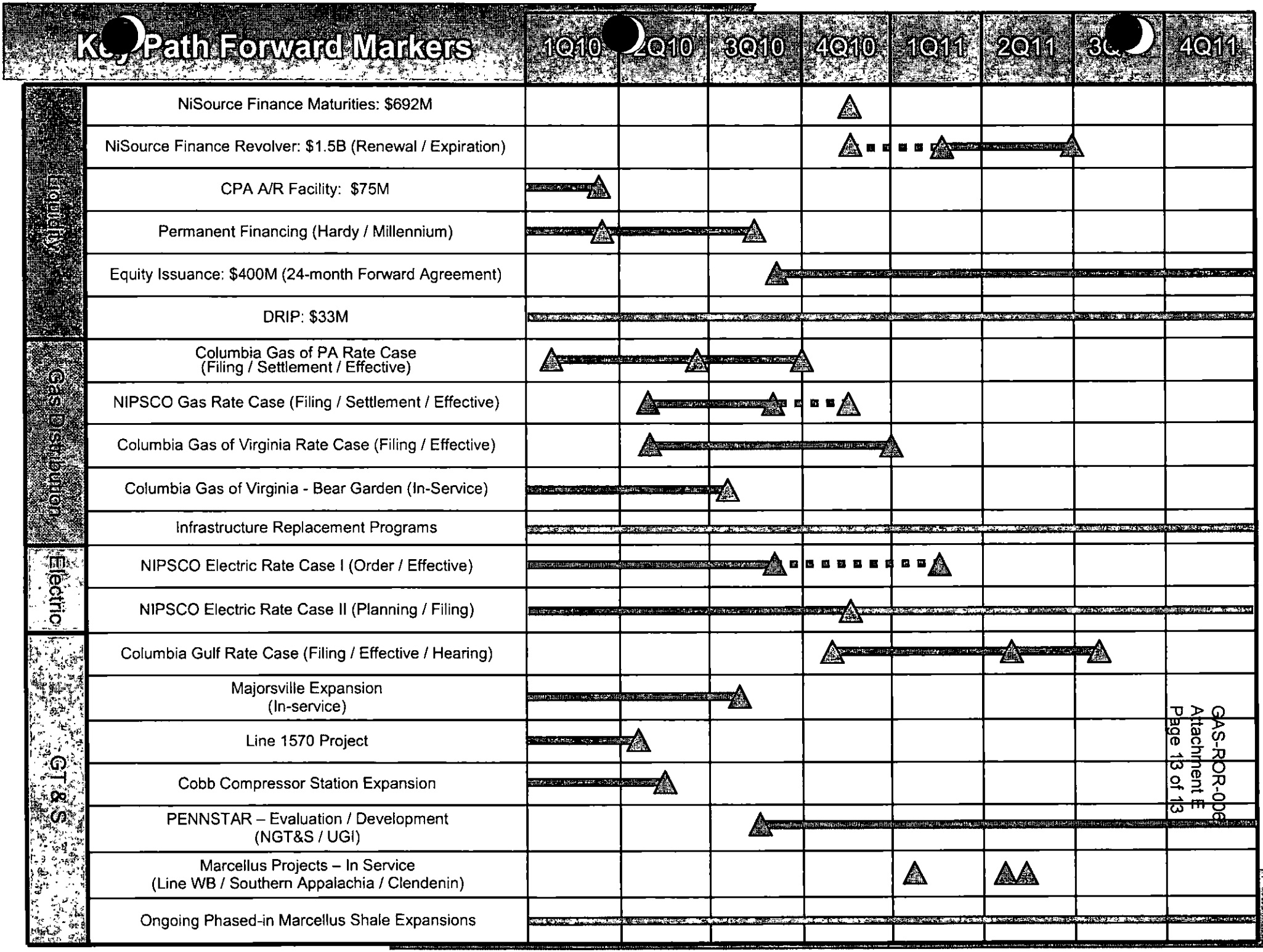
GAS-ROR-006
Attachment E
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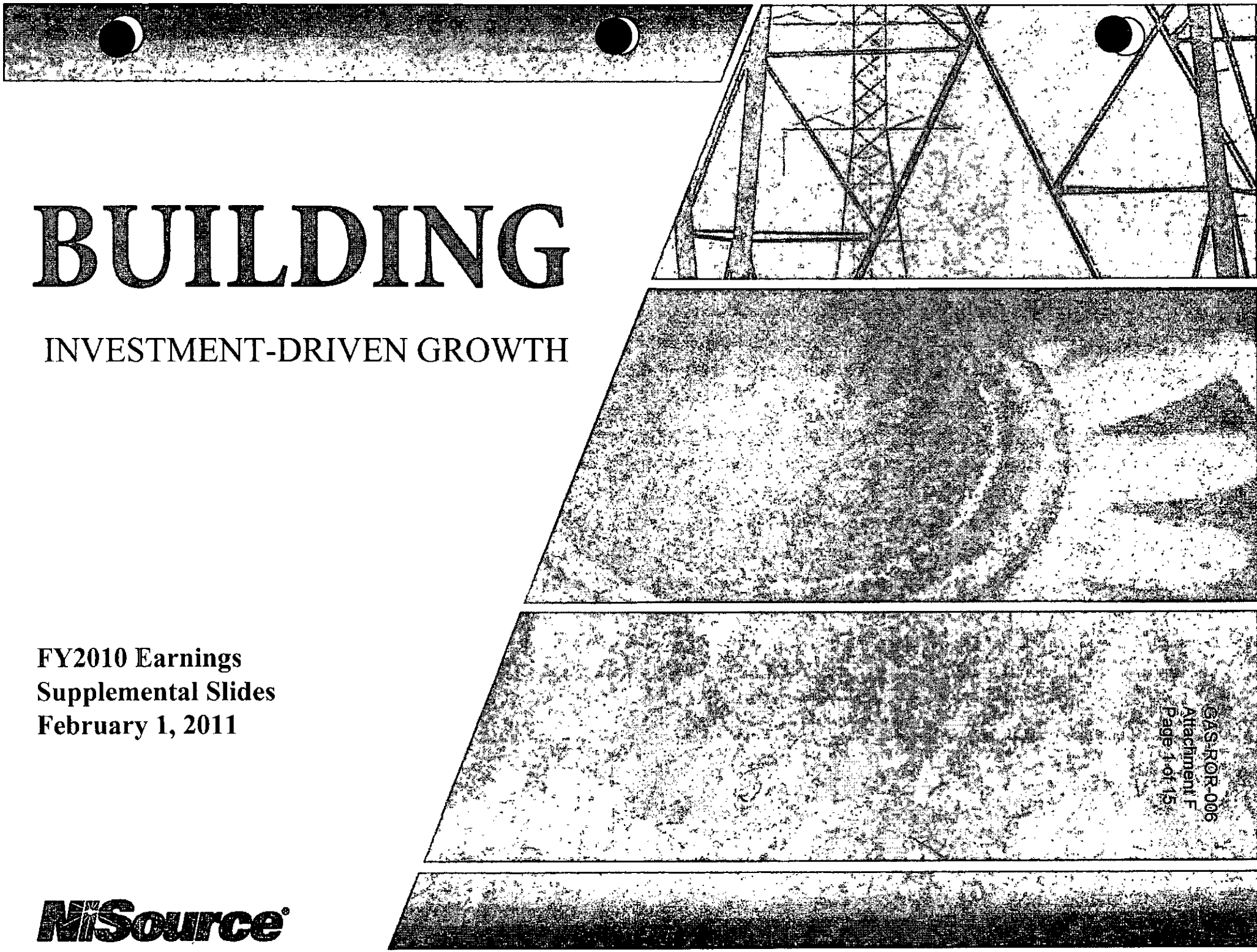
Current Liquidity ($M)

	Actual 9/30/10	Maturity
Committed Credit Facility	$1,500	Jul 2011
Less:		
Drawn on Credit Facility	(578)	
Letters of Credit (1)	(29)	
Add:		
Cash & Equivalents	11	
Net Available Liquidity	**$904**	

(1) Includes $13.0M LC for Tawney Settlement

GAS-ROR-006
Attachment E
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Key Path Forward Markers
1Q10
2Q10
3Q10
4Q10
1Q11
2Q11
3Q11
4Q11
Liquidity
NiSource Finance Maturities: $692M
NiSource Finance Revolver: $1.5B (Renewal / Expiration)
CPA A/R Facility: $75M
Permanent Financing (Hardy / Millennium)
Equity Issuance: $400M (24-month Forward Agreement)
DRIP: $33M
Gas Distribution
Columbia Gas of PA Rate Case (Filing / Settlement / Effective)
NIPSCO Gas Rate Case (Filing / Settlement / Effective)
Columbia Gas of Virginia Rate Case (Filing / Effective)
Columbia Gas of Virginia - Bear Garden (In-Service)
Infrastructure Replacement Programs
Electric
NIPSCO Electric Rate Case I (Order / Effective)
NIPSCO Electric Rate Case II (Planning / Filing)
GT&S
Columbia Gulf Rate Case (Filing / Effective / Hearing)
Majorsville Expansion (In-service)
Line 1570 Project
Cobb Compressor Station Expansion
PENNSTAR – Evaluation / Development (NGT&S / UGI)
Marcellus Projects – In Service (Line WB / Southern Appalachia / Clendenin)
Ongoing Phased-in Marcellus Shale Expansions



BUILDING

INVESTMENT-DRIVEN GROWTH

FY2010 Earnings
Supplemental Slides
February 1, 2011

NiSource®

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Forward Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2009 Form 10-K and 2010 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2011 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Year-End 2010 Financial Highlights

Non-GAAP

	FY2010 *	FY2009 *	Change *
Net Operating Earnings from Continuing Operations**	$339.7	$295.1	$44.6
Earnings Per Share**	$1.22	$1.07	$0.15
Operating Earnings	$917.5	$880.8	$36.7

GAAP

	FY2010 *	FY2009 *	Change *
Income from Continuing Operations	$294.6	$230.5	$64.1
Earnings Per Share	$1.06	$0.84	$0.22
Operating Income	$921.3	$801.0	$120.3

** All Results Listed In Millions, Except for EPS*

*** For a Reconciliation to GAAP, See Schedule 1 of the Company's February 1, 2011 Earnings Release*

Supporting ~$1 Billion Investment Level

- Building Financial Flexibility
  - $400 Million Common Stock Equity Offering
- Saving on Interest Expense; Extending Maturity of Debt Portfolio
  - $273 Million Debt Tender Offer of High Coupon Debt
  - $250 Million of 30-Year Debt Offering at 6.25 Percent
- Maintaining NiSource's Key Financial Commitments
  - Attractive, Secure Dividend
  - Investment Grade Credit Rating
  - Long-Term Growth at Upper End of 3 to 5 Percent

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Attachment F
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NiSource Electric Operations – FY2010 Highlights*

- Operating Earnings $218.3M in 2010 vs. $162.3M in 2009 **
- Increased Industrial Margins and Usage Drive $71.2M Revenue Growth
- Operating Expenses Up $15.2M Due to Increased Taxes, Inventory Disposal and Planned Generation Costs
- Environmental and Reliability Investments; Innovative Customer Programs

2011 Highlights Going Forward

Highlight	Key Components	Status
2010 Rate Case	• Simplified, straightforward case • Currently involved in settlement discussions with stakeholders	• In process, positioning for settlement • Resolution by year-end 2011***
Schahfer Unit 14 Environmental Investment	• Flue gas desulfurization unit • Several hundred jobs created throughout project • State-of-the-art environmental tracker	• Engineering plans in process • Construction to begin in Q3***

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** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's February 1, 2011 Earnings Release*
**** Projected*

NiSource Gas Distribution – FY2010 Highlights*

- Operating Earnings: $342.9M in 2010 vs. $329.4M in 2009 **
- Infrastructure, Regulatory Strategy Drive Revenue Increase of $22.8M
- Operating Expenses Up $9.3M Due to Higher Employee & Administrative, Maintenance Costs
- Regulatory Execution Continues, Including Four Collaborative Settlements
- Infrastructure Modernization On Track, Continues in 2011

2011 Highlights Going Forward

Highlight	Key Components	Status
Regulatory	• Columbia Gas of Pennsylvania Rate Case – Request of $38 million – Modern rate structure, infrastructure recovery, energy efficiency programs	• In process • Rates in effect Q4 2011***
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania • Includes bare steel replacement, automated meter reading systems	• On track • Ongoing

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's February 1, 2011 Earnings Release*
**** Projected*

NiSource Gas Transmission & Storage – FY2010 Highlights*

- Operating Earnings $377.2M in 2010 vs. $408.9M in 2009 **
  - Impacted by Anticipated Expenses, Lower Short-Term Transportation Revenues
- Growth Projects In-Service Contributing to Revenue Growth – More than $20M in 2010
- Operating Expenses Up $43.5M Due to Maintenance, Outside Services and Pension
- ~ $150M in Marcellus-Related Infrastructure Projects In-Service, Near Completion

2011 Highlights Going Forward

Project	Location	Key Components	In-Service Date***
Columbia Gulf Rate Case	Columbia Gulf	~$50 Million / Year	Rates in effect May 2011 (subject to refund)
Clendenin Project	West Virginia	~150,000 Dekatherms / Day	Q2 2011
Southern Appalachian Project	West Virginia	~38,500 Dekatherms / Day	Q2 2011

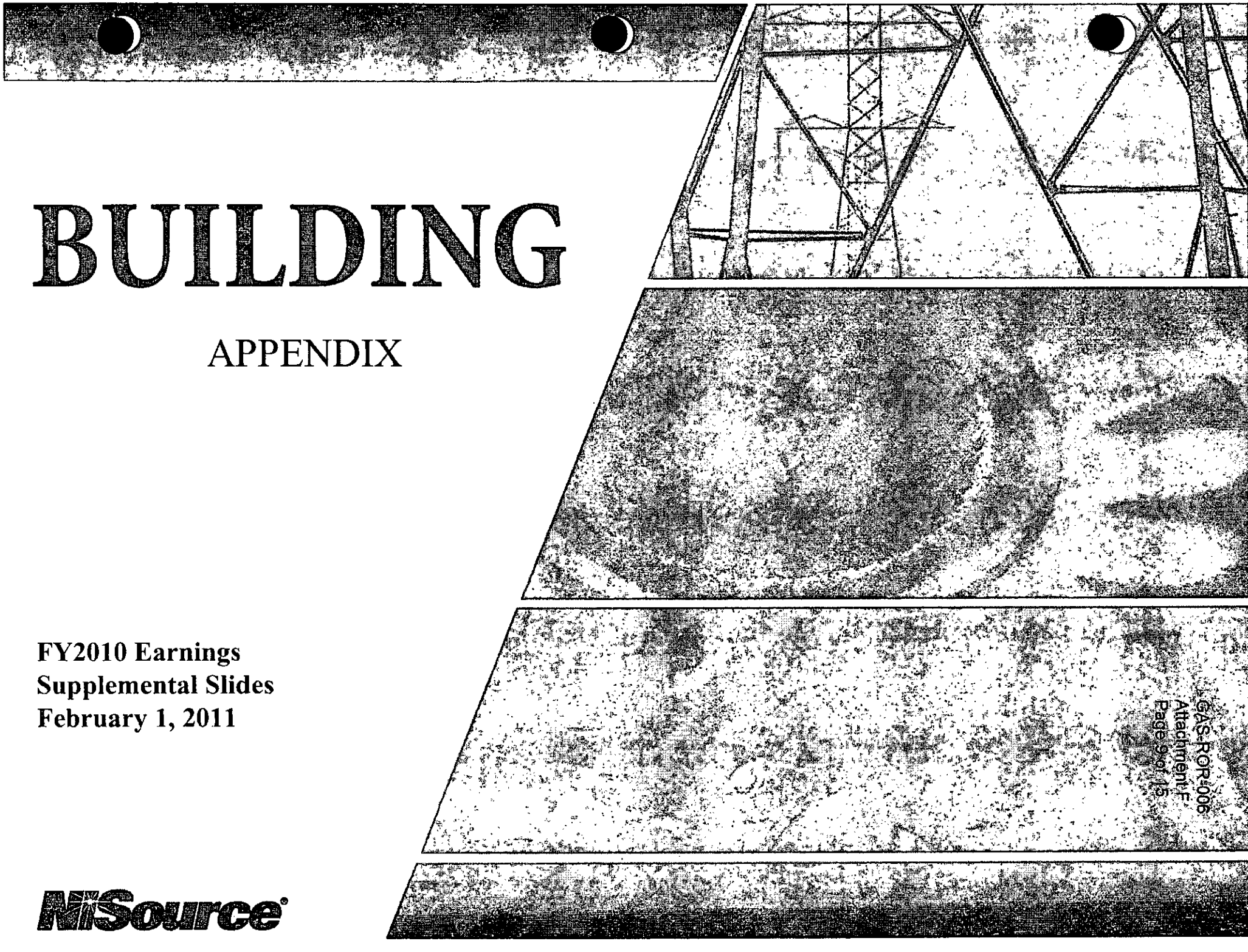
** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's February 1, 2011 Earnings Release*
**** Projected*

Key Takeaways

- Delivering Solid Financial Performance
  - 2010 EPS*: $1.22 Per Share**
- Sustainable, Long-Term Growth
  - 2011 EPS Guidance: $1.25 to $1.35 Per Share**
- Up to $1.1 Billion in Capital Investments in 2011
  - System Modernization, Growth Projects, Environmental Investments
- Significant Progress in Indiana
- Continued Strong Execution Across Company

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** For a Reconciliation to GAAP, See Schedule 1 of the Company's February 1, 2011 Earnings Release*
*** Net Operating Earnings from Continuing Operations (non-GAAP)*



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APPENDIX

FY2010 Earnings
Supplemental Slides
February 1, 2011

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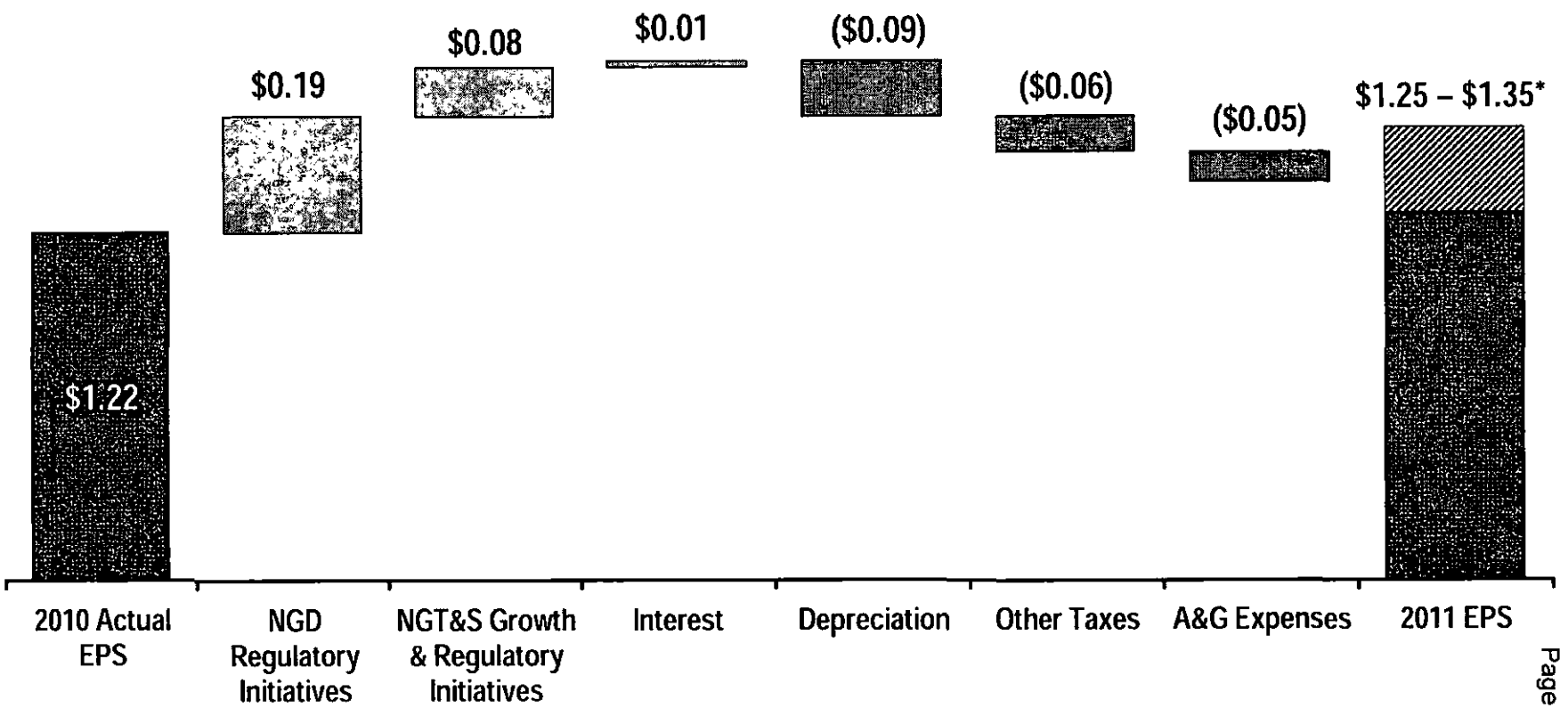
NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth** *Plus*: **Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan**

- Gas Transmission & Storage Expansion
- Infrastructure Modernization Programs Synched with Regulatory Initiatives
- Financial Management
- Cost & Process Management

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2010 to 2011 – EPS*

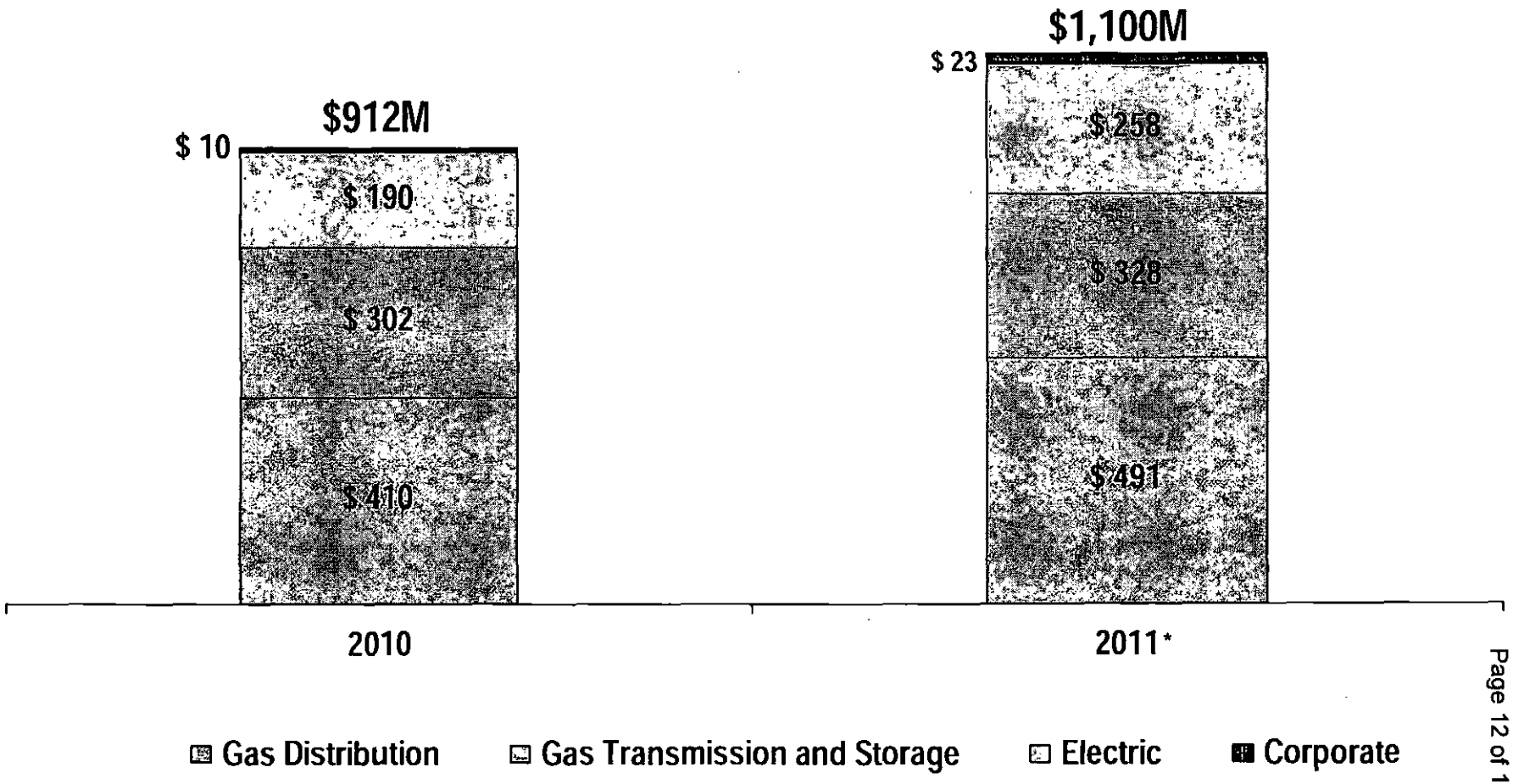


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** Projected Net Operating Earnings from Continuing Operations (non-GAAP)*

Capital Expenditures ($M)

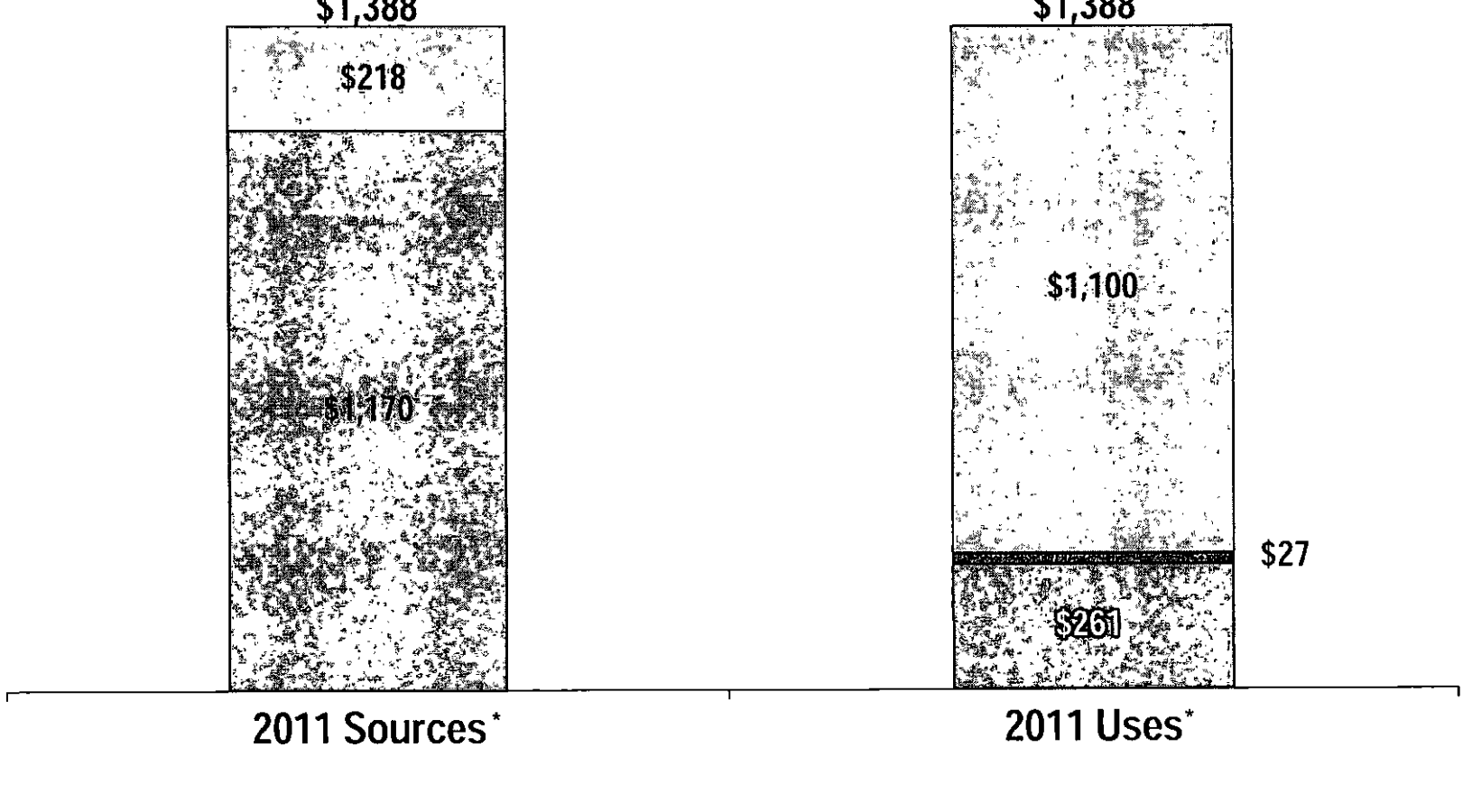
2010 Actual / 2011 Forecasted



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* *Projected*

2011 Sources and Uses of Cash ($M)



* *Projected*

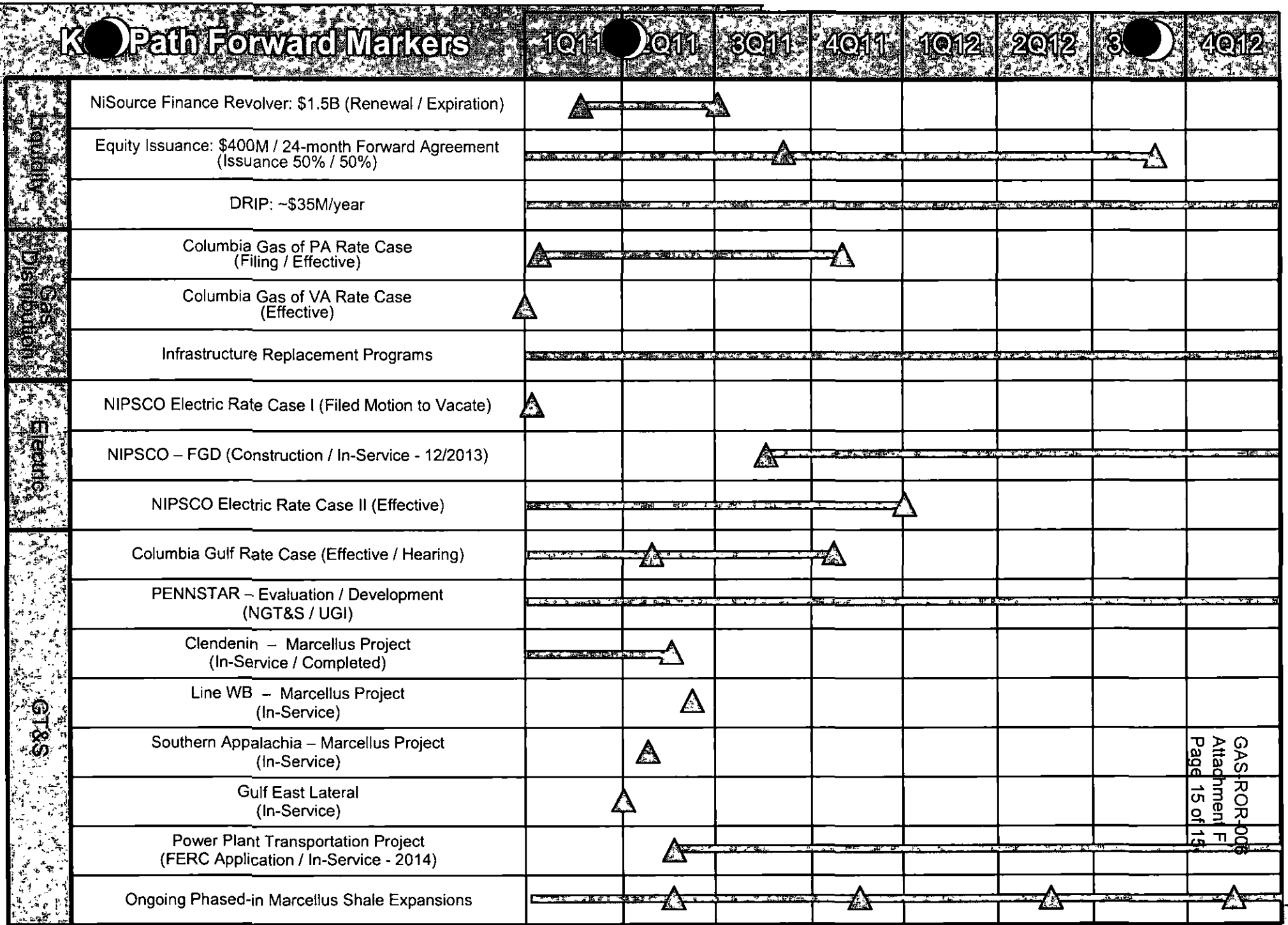
Assumes 50% of Forward Sale Drawn in September

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Current Liquidity ($M)

	Actual 12/31/10	Maturity
Committed Credit Facility	$1,500	Jul 2011
Less:		
Drawn on Credit Facility	(1,108)	
Letters of Credit	(14)	
Add:		
Cash & Equivalents	9	
Net Available Liquidity	**$387**	

K Path Forward Markers

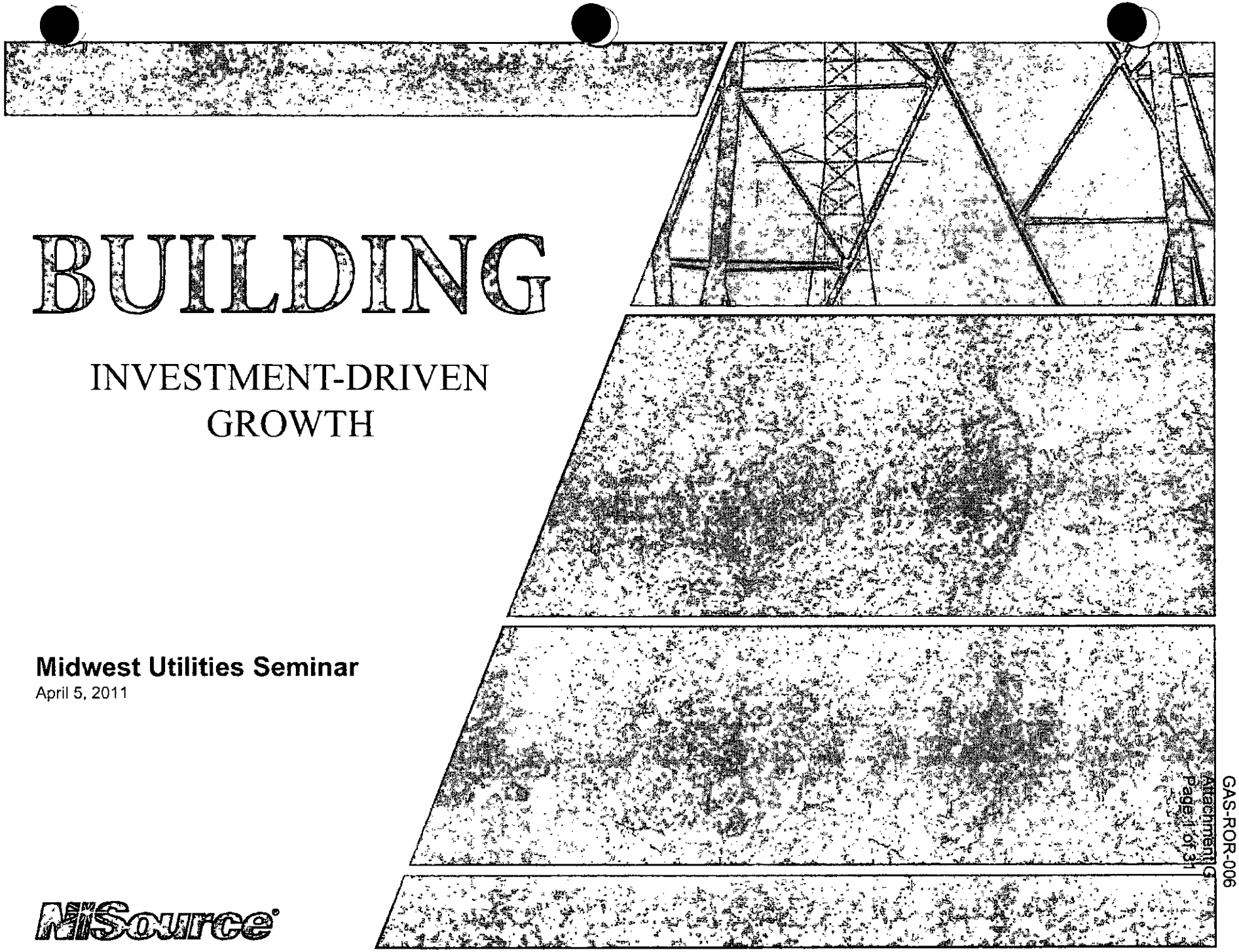


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INVESTMENT-DRIVEN GROWTH



Midwest Utilities Seminar
April 5, 2011

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Forward Looking Statements

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Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2009 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

NiSource®

Building Investment-Driven Growth

NiSource Inc.

Gas Distribution

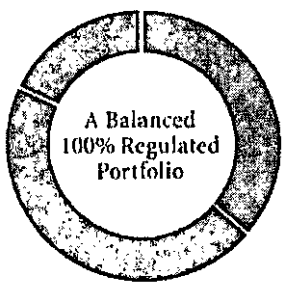
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Thoughtful customer programs
  - Creative regulatory approaches

Gas Transmission & Storage

- 15,500-Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Strong Strategic Footprint in the Growing Marcellus Shale Production Region of Appalachia
- Extensive Array of Attractive Investment Opportunities

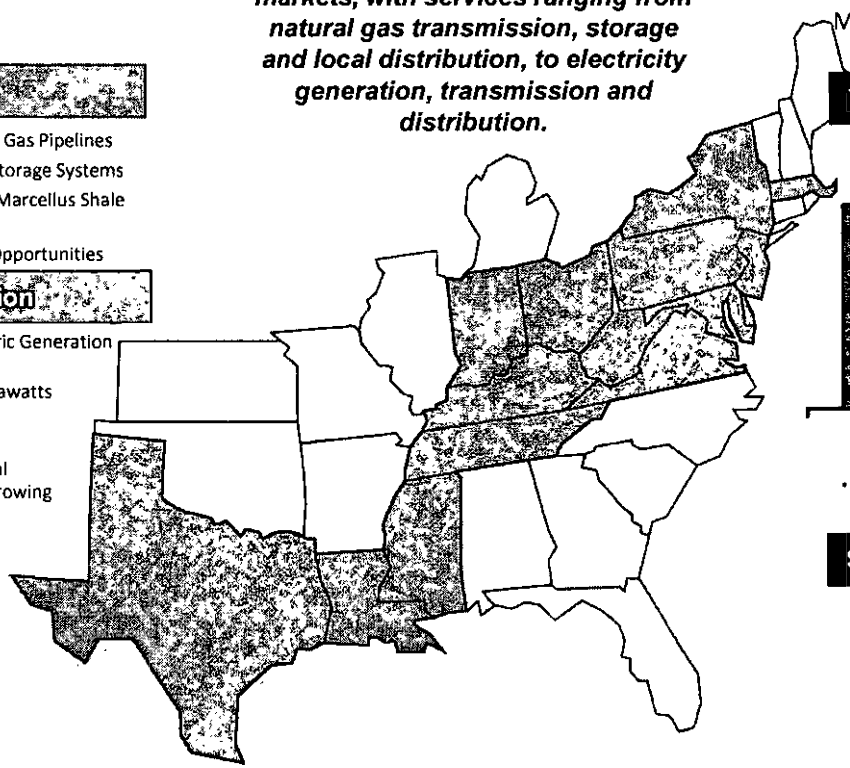
Electric Generation & Distribution

- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of 3,322 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Growing Marketplace



NiSource®

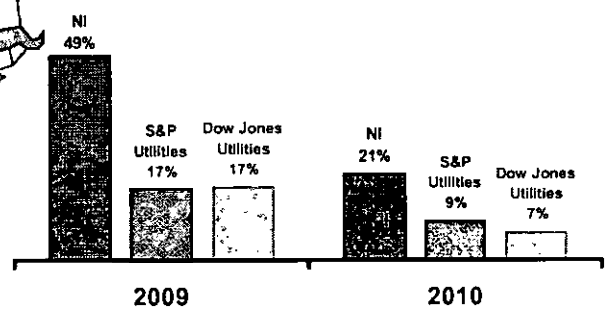
From the Gulf Coast through the Midwest to the Northeast, our portfolio of companies serves some of the nation's highest-value energy markets, with services ranging from natural gas transmission, storage and local distribution, to electricity generation, transmission and distribution.



FINANCIAL HIGHLIGHTS (12/31/2010)

Stock Price	$17.62
Common Shares Outstanding	278.9M
Annual Dividend	$0.92
Market Capitalization	$4.91B

TOTAL SHAREHOLDER RETURN *



* Stock Appreciation + Reinvested Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-

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NiSource Strategic Framework

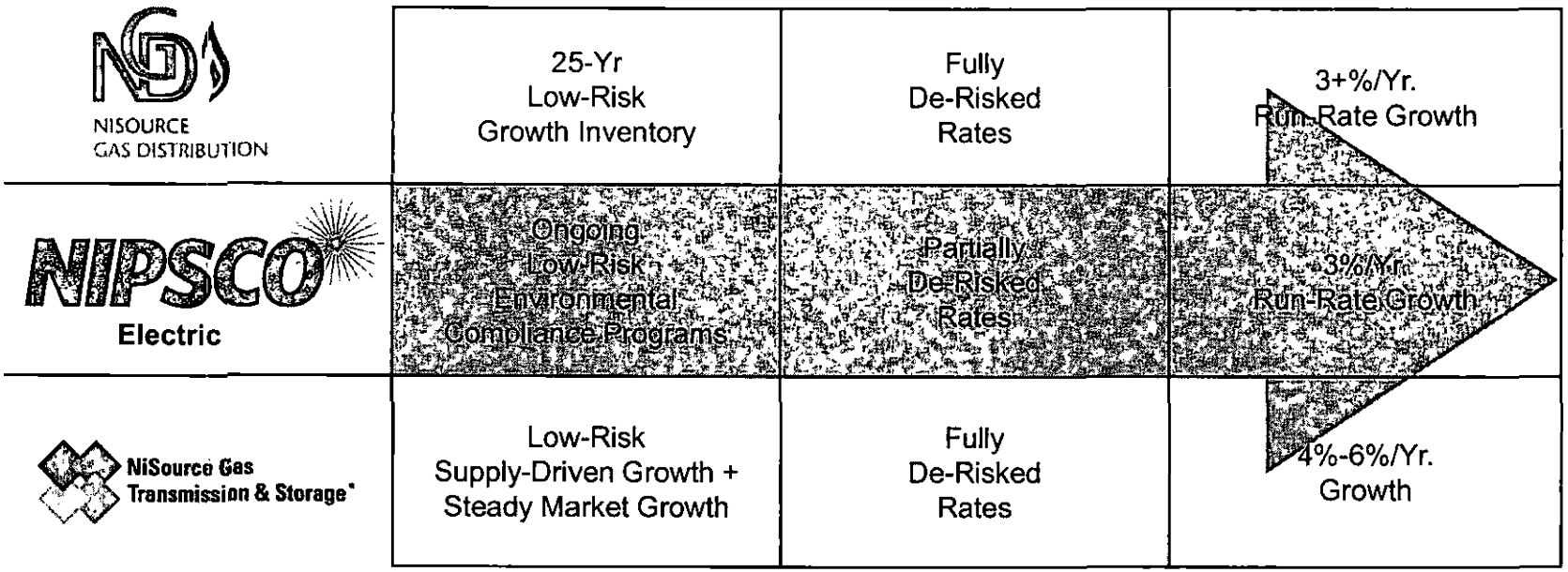
Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Infrastructure Modernization Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Excellence

A Compelling Investment Proposition

- Low-Risk, Regulated Business Platform
- 3-5% Annual EPS Growth + Secure, Attractive Dividend
- Stable Investment Grade Credit
- Exceptional Long-Term Growth Investment Opportunities
- Disciplined Execution with Full Transparency

Industry-Leading Regulated Platform

Building Investment-Driven Growth



Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

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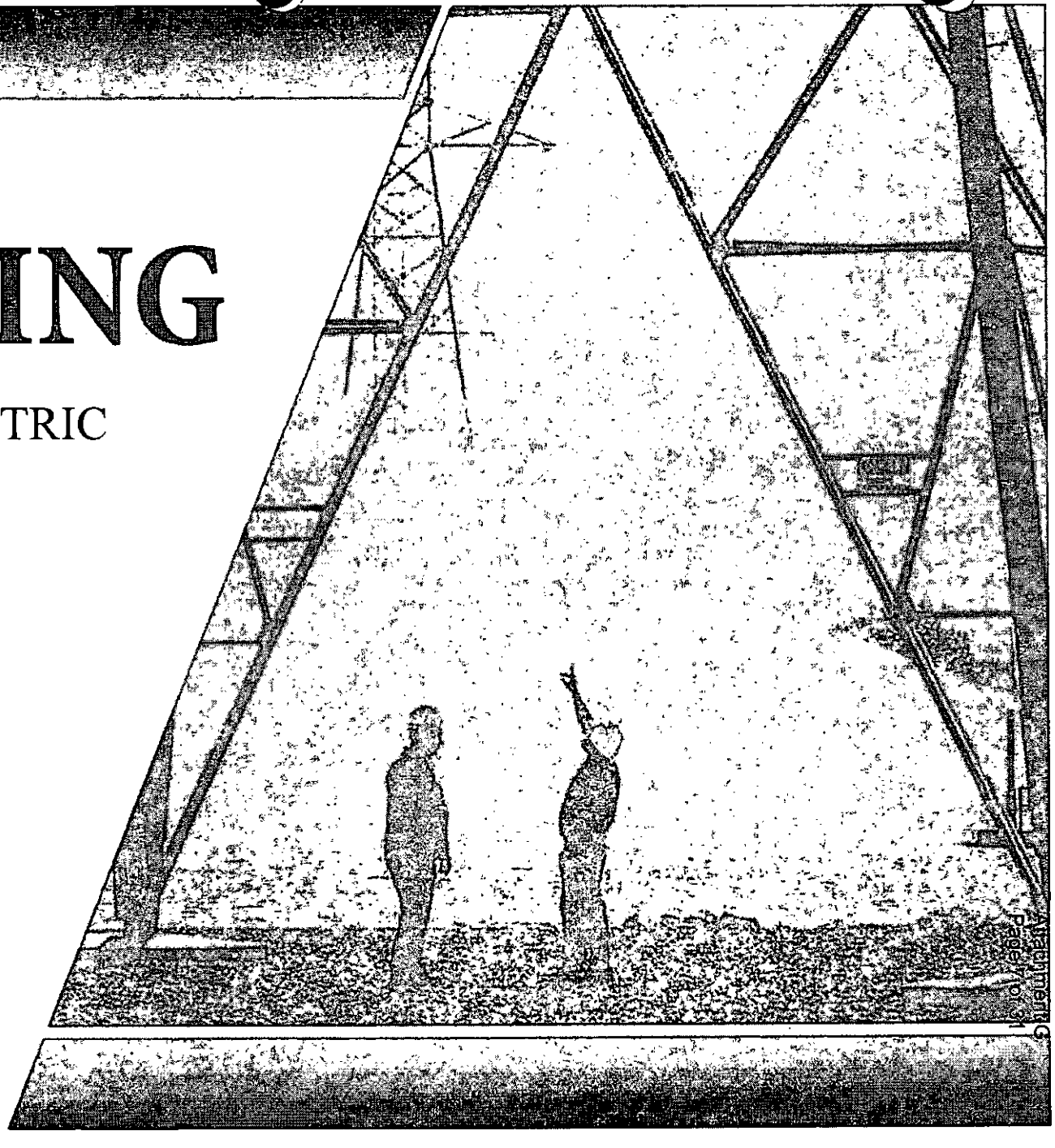
Sustainable Growth,
Premium Valuation

NiSource

A Compelling Investment

BUILDING

NIPSCO ELECTRIC



NiSource®

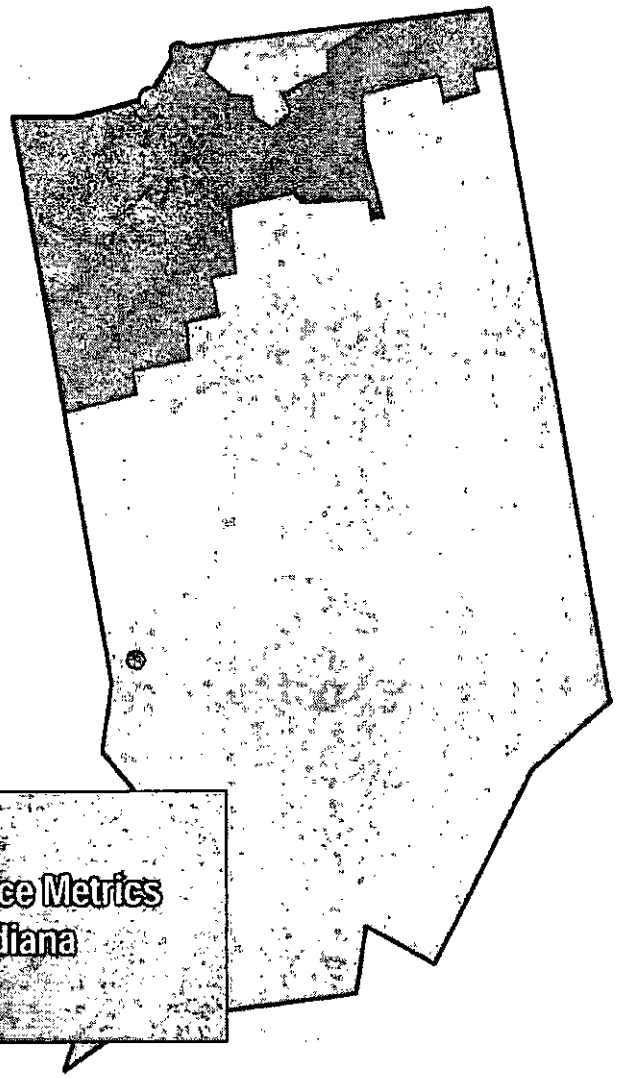
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NIPSCO Electric Business Strategy

- Restore Earnings Power
- Continue to Strengthen Stakeholder Relationships
- Capture Long-Term, Low-Risk Environmental Investment Opportunities
- Continuous Operational Improvement

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Attachment GS
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NIPSCO Electric



Electric Distribution & Transmission

- 460,000 Electric Customers
- 17,000 GWH Electricity Sales
- 10,000 Miles of Electric Distribution
- 2,800 Miles of Electric Transmission

Electric Generation

- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled

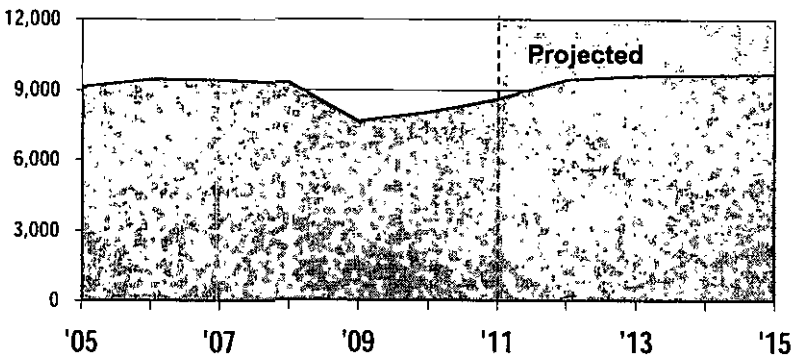
- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership in Indiana
- $2.7B Rate Base

NiSource

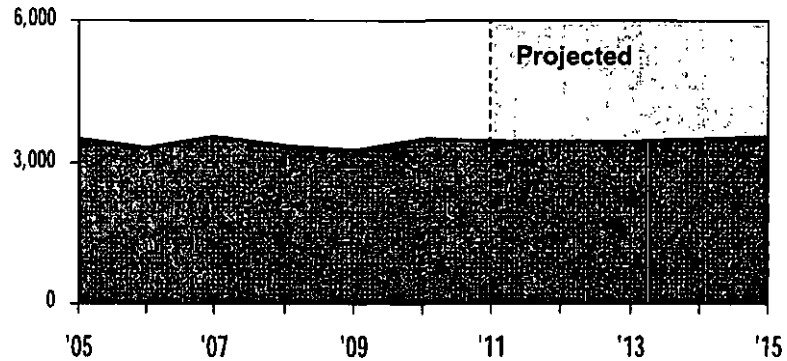
Constructive Regulatory Environment

NIPSCO Electric Deliveries (GWH)

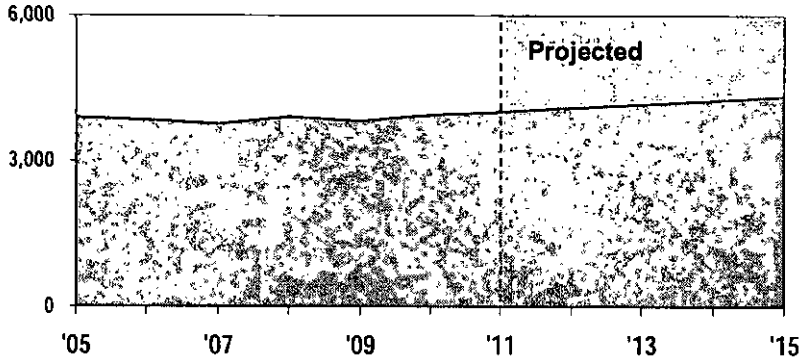
Industrial



Residential



Commercial



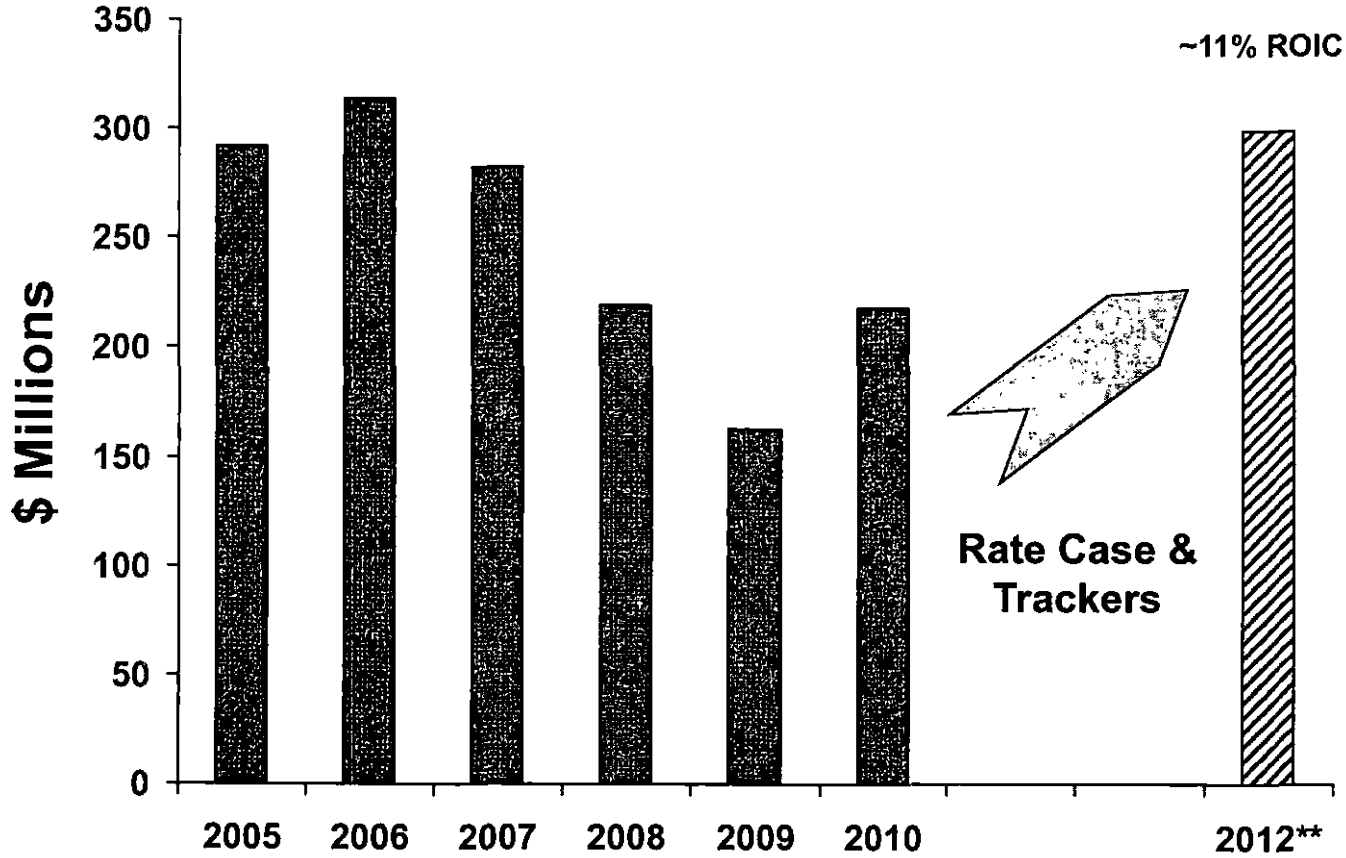
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NIPSCO 2010 Electric Rate Case

- Filed Fall 2010 ⇒ 2012 "Run Rate"
- Collaborative Stakeholder Engagement Approach
- Test Year: 12 Months Ended June 2011
- Updated Deliveries, Pension and OPEB Costs
- Platform for Enhanced Energy Efficiency, Low-Income Programs
- Focused, More Straightforward Case

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Attachment G
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NIPSCO Electric Operating Earnings*

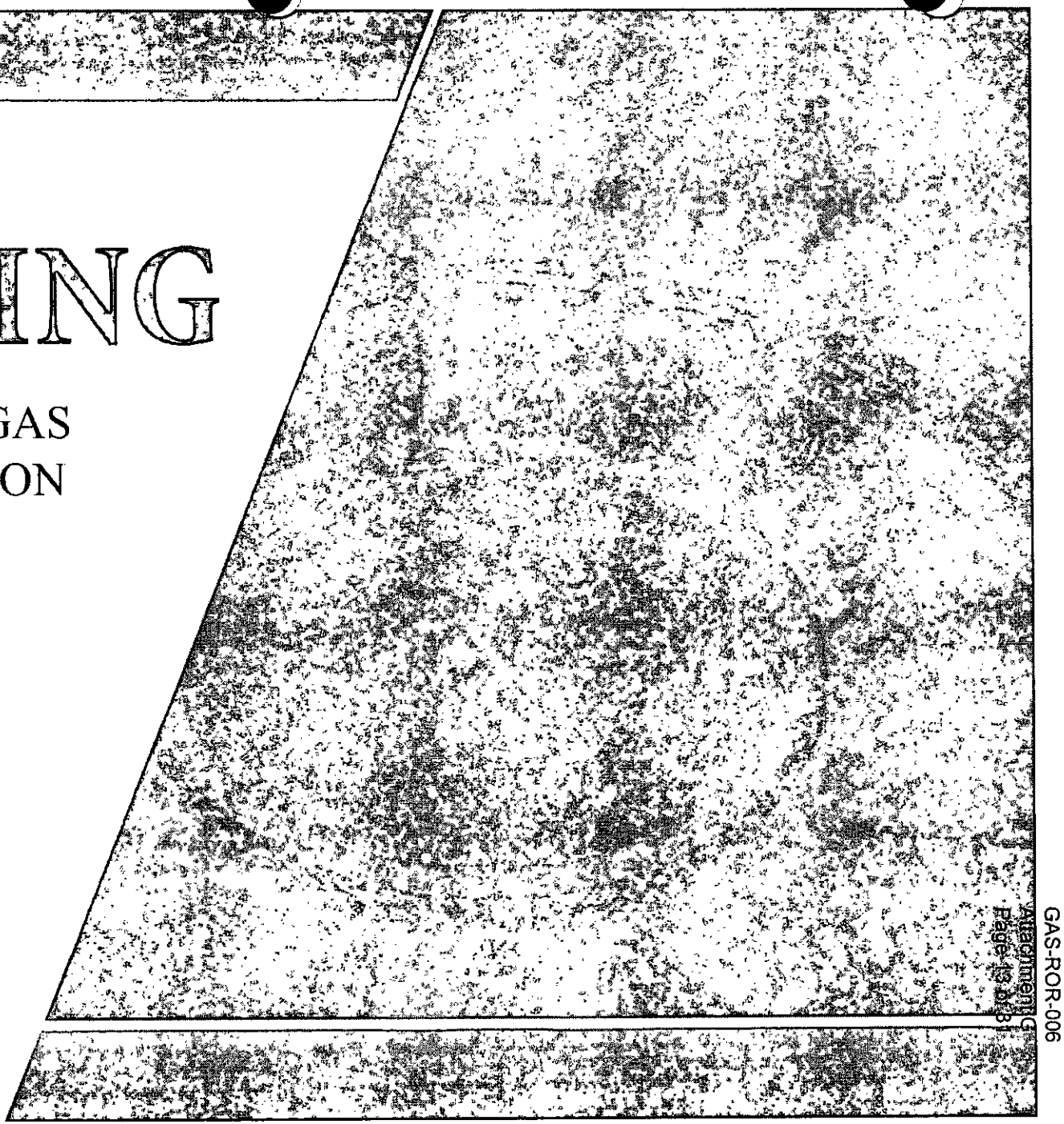


*Non-GAAP
**2012: Illustrative

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NISOURCE GAS DISTRIBUTION



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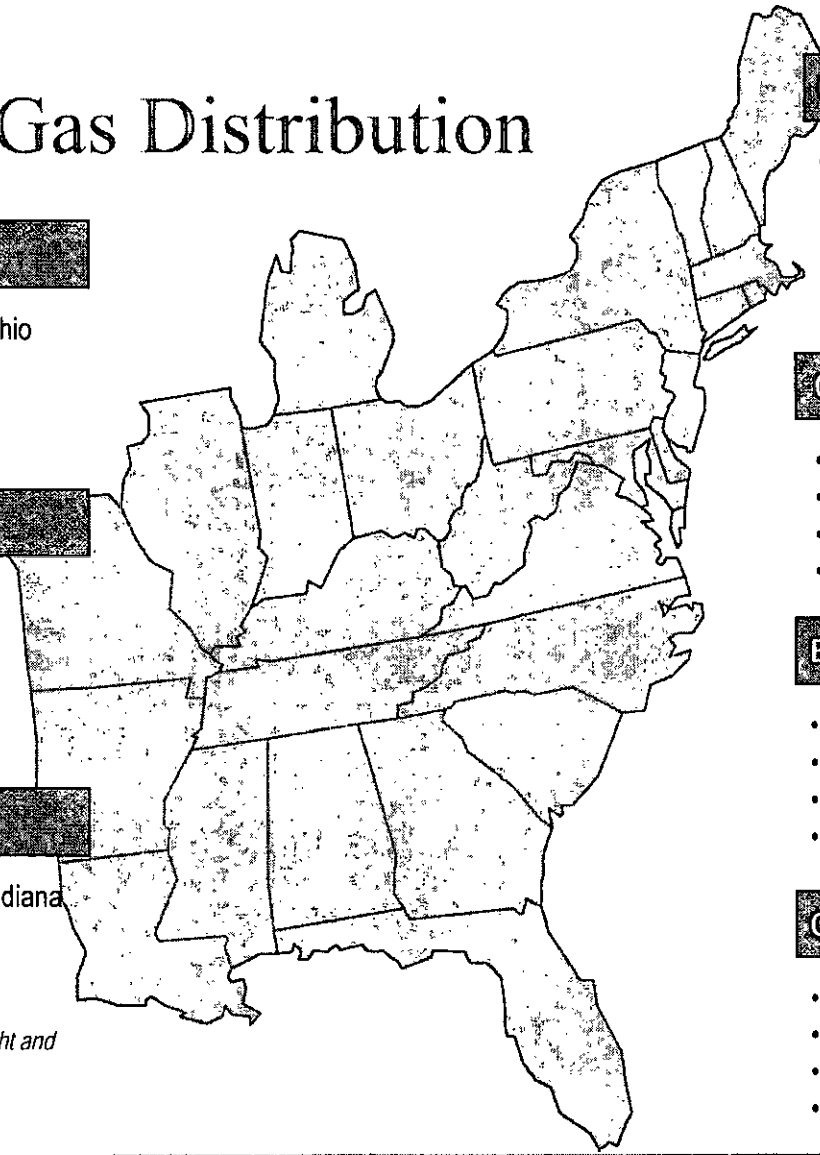
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NiSource Gas Distribution (NGD) Business Strategy

- Drive Growth Through Long-Term, Low-Risk Infrastructure Investments
- De-Risk Earnings
- Restore Earnings Power of NIPSCO Gas
- Maintain Operational Excellence

Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe
- Rate Base ~$1B

Columbia Gas of Kentucky

- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers
- 2,500+ Miles of Pipe
- Rate Base ~$165M

NIPSCO Gas*

- Largest Natural Gas Provider in Indiana
- 785,000 Customers
- 16,000+ Miles of Pipe
- Rate Base ~$400M

**Including Northern Indiana Fuel & Light and Kokomo Gas and Fuel*

Columbia Gas of Pennsylvania

- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers
- 9,300+ Miles of Pipe
- Rate Base ~$650M

Columbia Gas of Maryland

- Complementary to PA Operations
- 33,000 Customers
- 750+ Miles of Pipe
- Rate Base ~$50M

Bay State Gas

- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$450M

Columbia Gas of Virginia

- 3rd Largest Natural Gas Provider in Virginia
- 240,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$400M

NiSource

Constructive Regulatory Environments

De-Risking Earnings – 2011

	OH	IN	PA	MA	VA	KY	MD
Levelized Rates; Decoupling; Customer Charge Increased	☑	☑	☑	☑	☑	☑	☑
Uncollectible Expense Tracker; Gas Cost Uncollectibles in GCA	☑		☑	☑		☑	☑
Accelerated Infrastructure Tracker; Expedited Rate Treatment	☑	NA	☑	☑	☑	☑	☑
Pension/OPEB Tracker; Pension/OPEB Deferral	☑		☑	☑	*	*	*

** Rates reflect current pension costs.*

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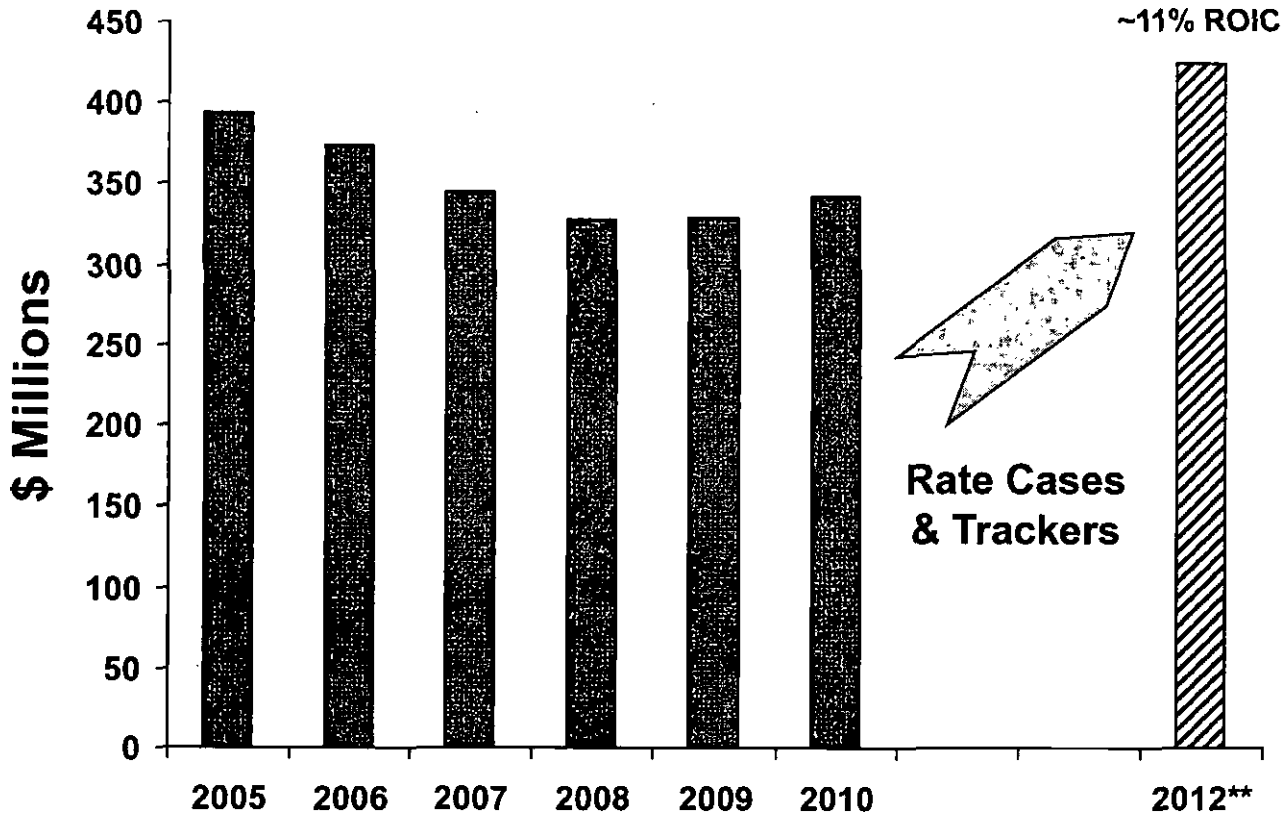
Long-Term, Low-Risk Infrastructure Replacement Investments

	OH	PA	MA	VA	KY	MD	Totals
Total Tracked Investment Opportunity	$1.8B	$1.7B	$400M	$150M	$200M	$100M	$4.35B
Annual Tracked Investment Range	$90-110M	$65-85M	$20-30M	$5-10M	$7-10M	$4-5M	$190-250M
AMR* Investment Opportunity	$80M	$22M	Complete	$9M	$9M	Complete	$120M
Program Length (Years)	25	20	15	NA	30	20	---
Regulatory Treatment	Tracker	Rate Case	Tracker	Tracker	Tracker	Rate Case	---

Automated Meter Reading

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Attachment G
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NGD Operating Earnings*



*Non-GAAP
**2012: Illustrative

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BUILDING

NISOURCE GAS TRANSMISSION & STORAGE



NiSource®

GAS-ROR-006
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NiSource Gas Transmission & Storage (NGT&S) Business Strategy

- Low-Risk, Regulated, Fixed Charge Business
- Proven Track Record of Disciplined Growth Project Execution
- 'Game Changing' Marcellus Shale Opportunity
- Deep Inventory of Accretive Investments

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NGT&S Assets

15,500
Pipeline Miles

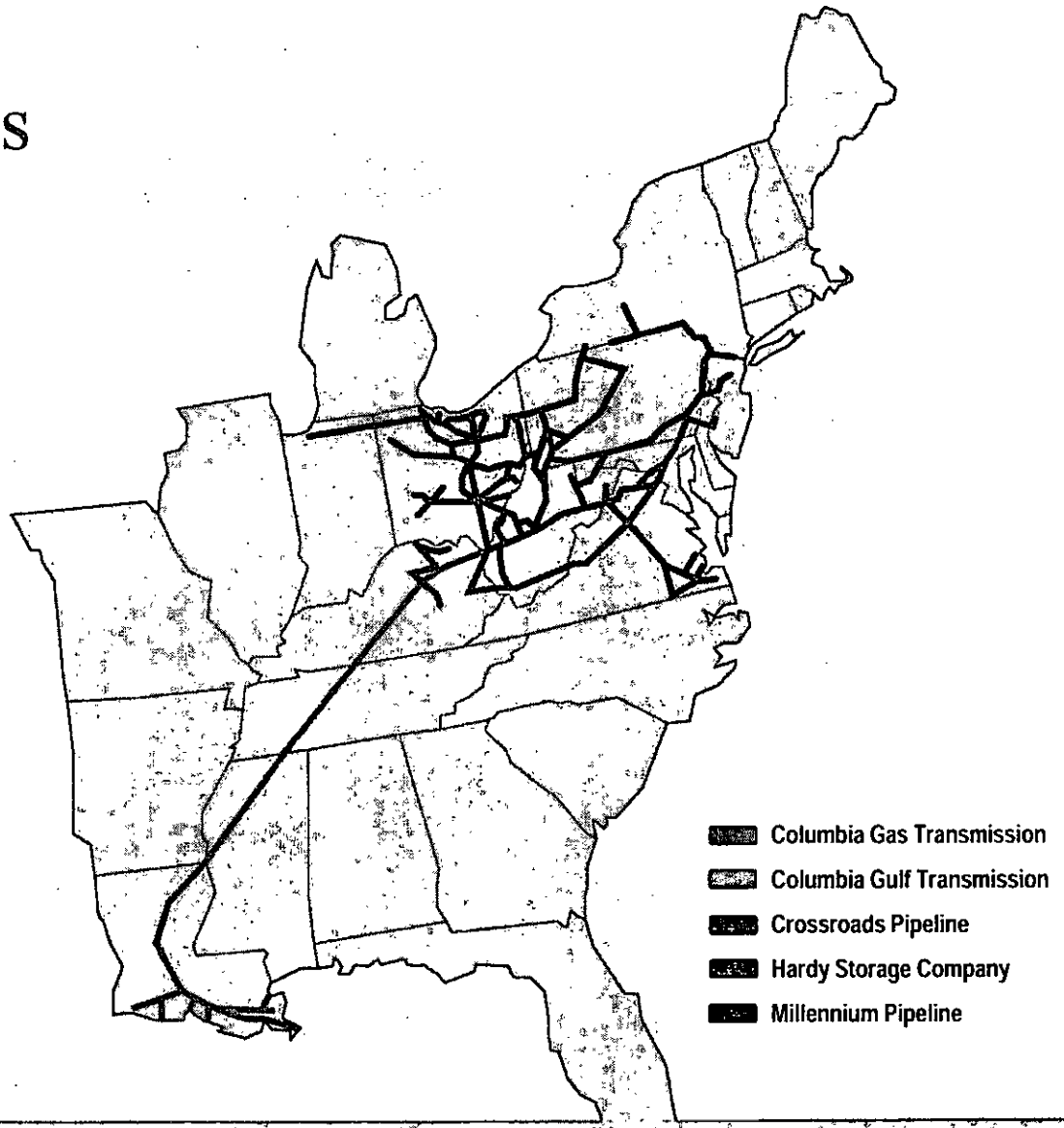
Annual Deliveries: 1.4 Tcf
Peak Day Deliveries: 7.4 Bcf
Serving 40 Markets
Operations in 16 states

37
Storage Fields

Capacity: 615 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

106
Compressor Stations

Horsepower: 1,100,000

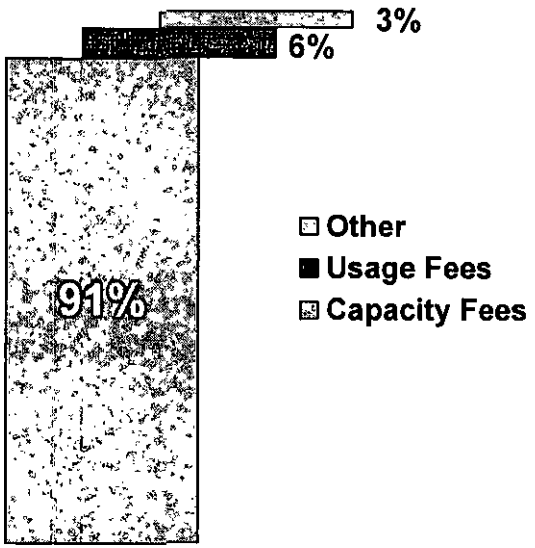


NiSource

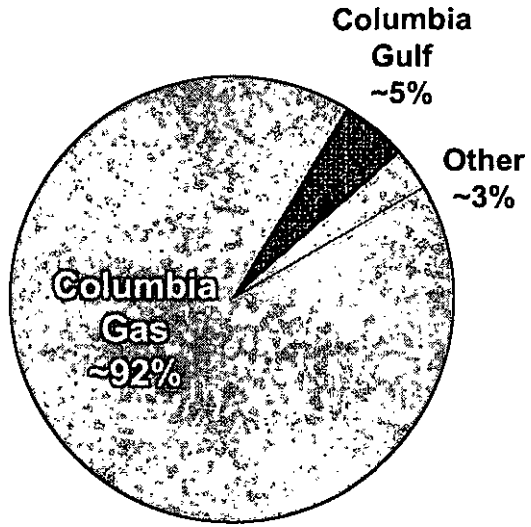
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NGT&S Overview

Transportation Revenue



Operating Earnings



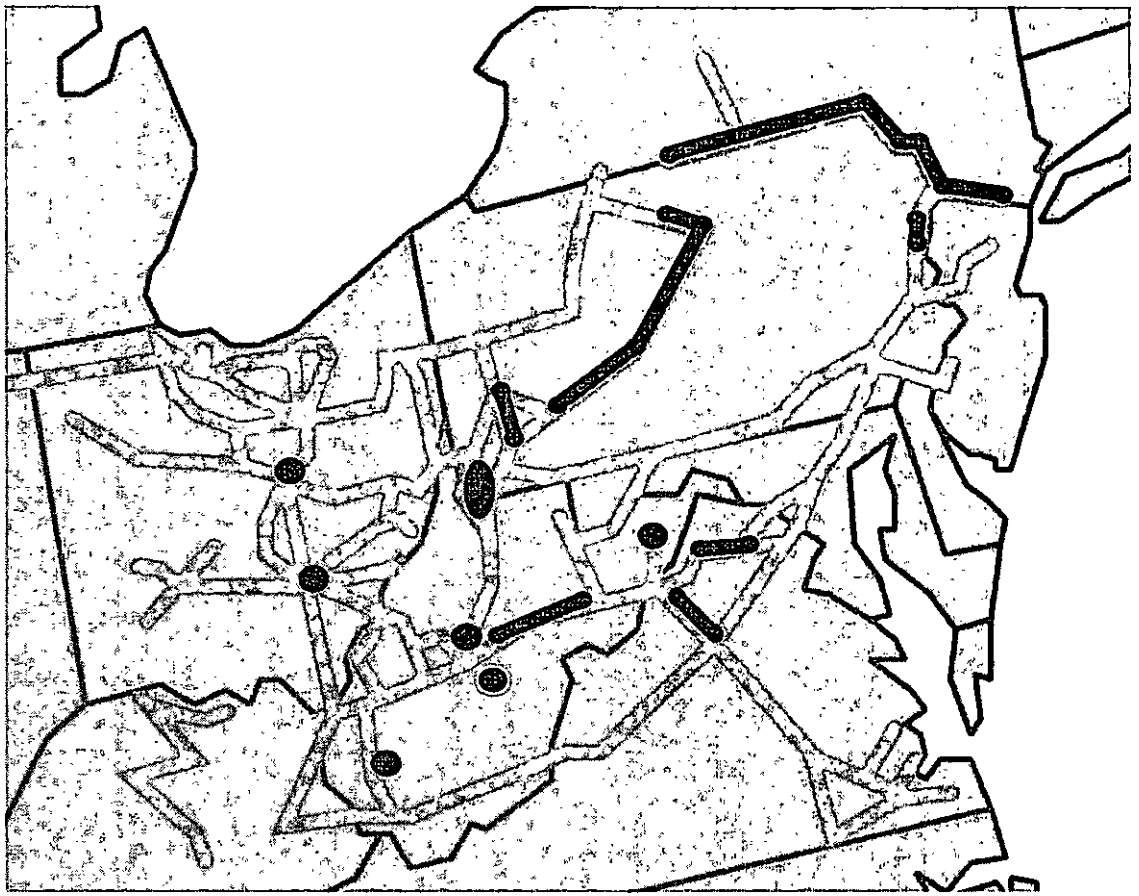
Firm Contracts - Weighted Average Remaining Term	
Columbia Gas	~7.5 Years
Columbia Gulf	~4 Years

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Growth Capital Deployed @ ~5x EBITDA

2007 - 2011

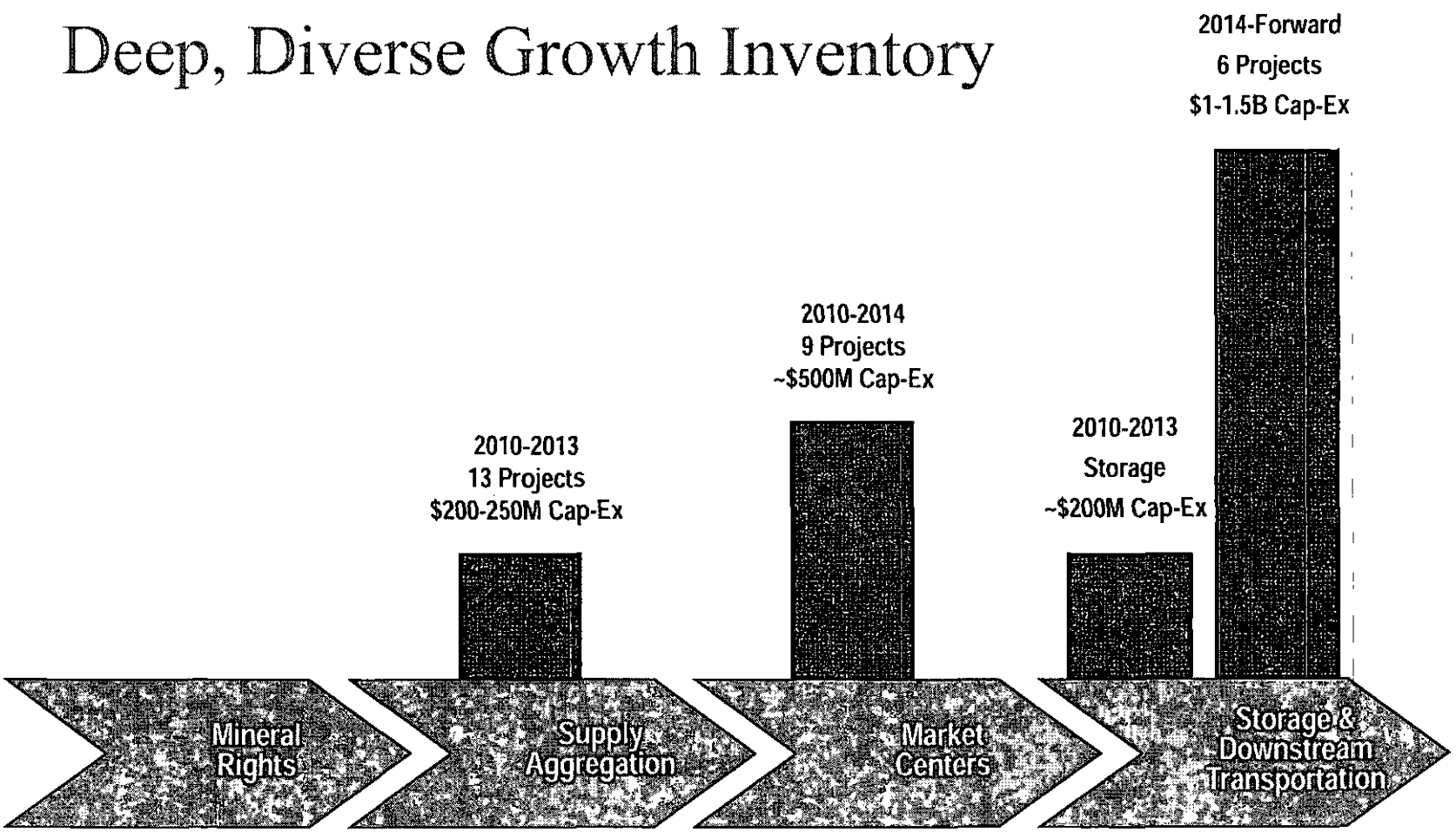
- Hardy Transportation - $70M
- Ohio Storage Expansion - $58M
- Appalachian Expansion - $30M
- Line 1570 - $26M
- Eastern Market Expansion - $150M
- Line 1711 Renovo/Delmont - $9M
- Cobb - $15M
- Majorsville - $80M
- Clendenin - $20M
- Line WB - $15M
- Southern Appalachia - $5M
- Gulf East Lateral - $5M



* *Non-GAAP (equivalent to GAAP Operating Income)*

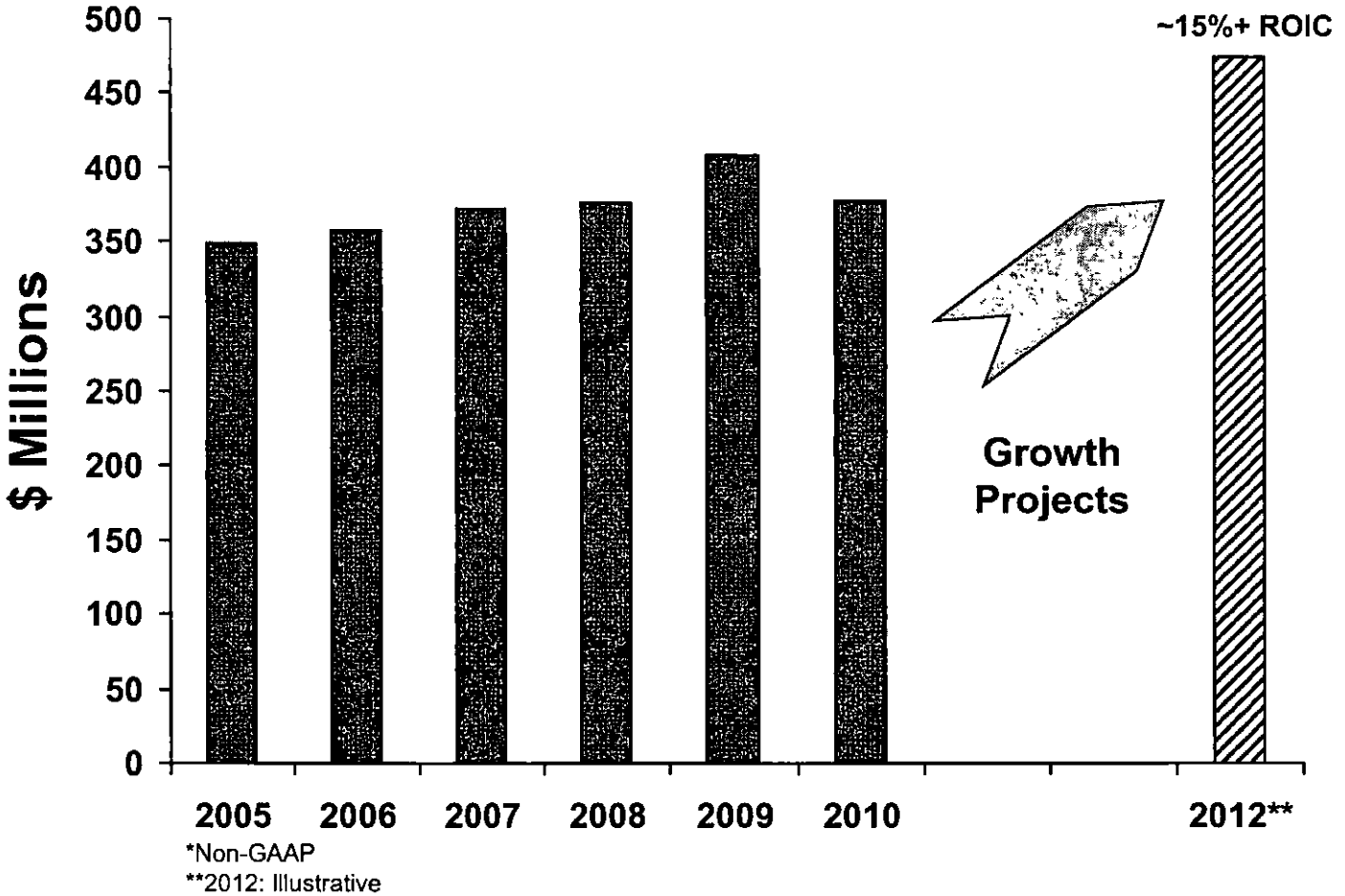
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Deep, Diverse Growth Inventory



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NGT&S Operating Earnings*

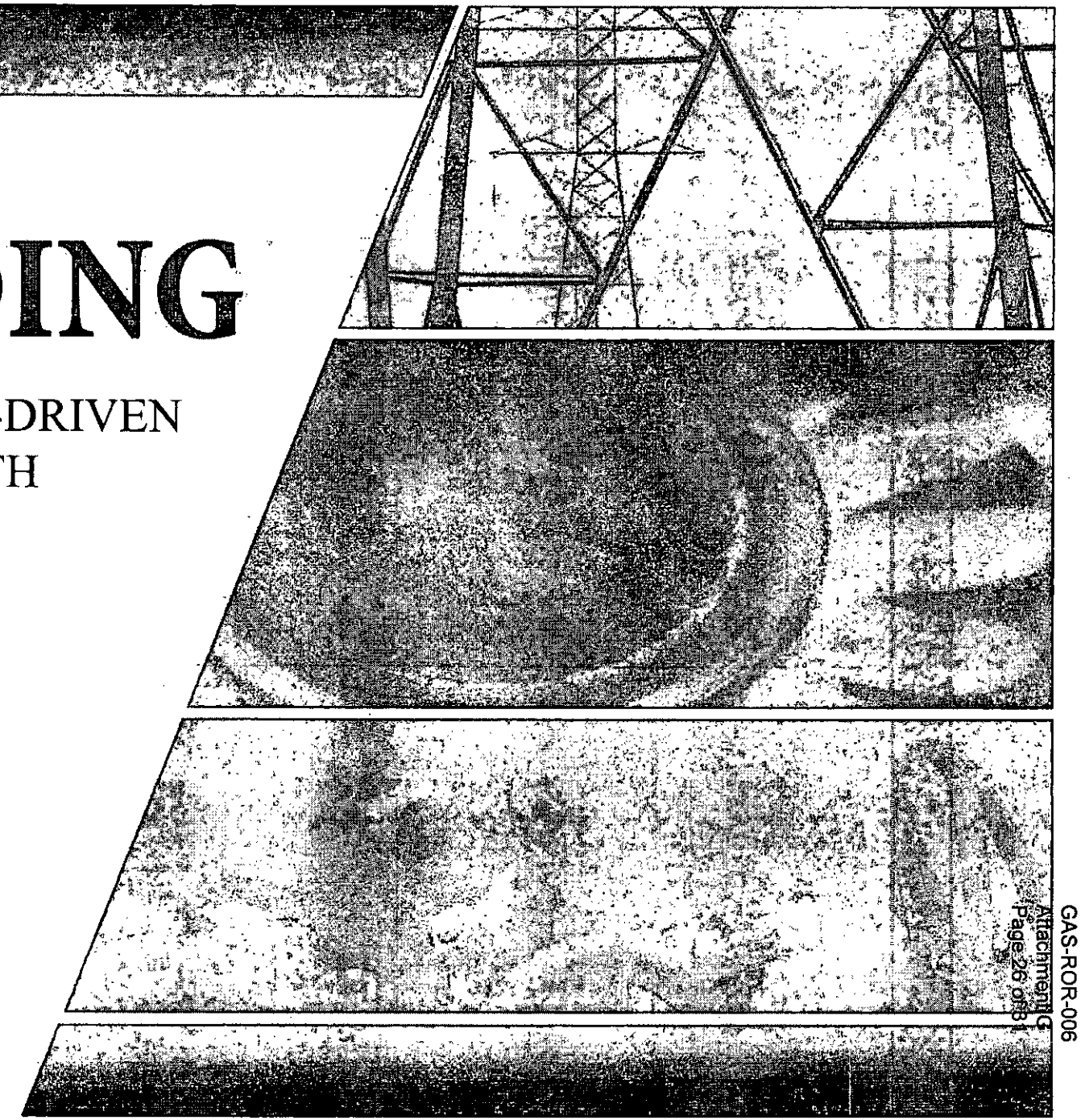


*Non-GAAP
**2012: Illustrative

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Attachment G
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BUILDING

INVESTMENT-DRIVEN GROWTH



NiSource

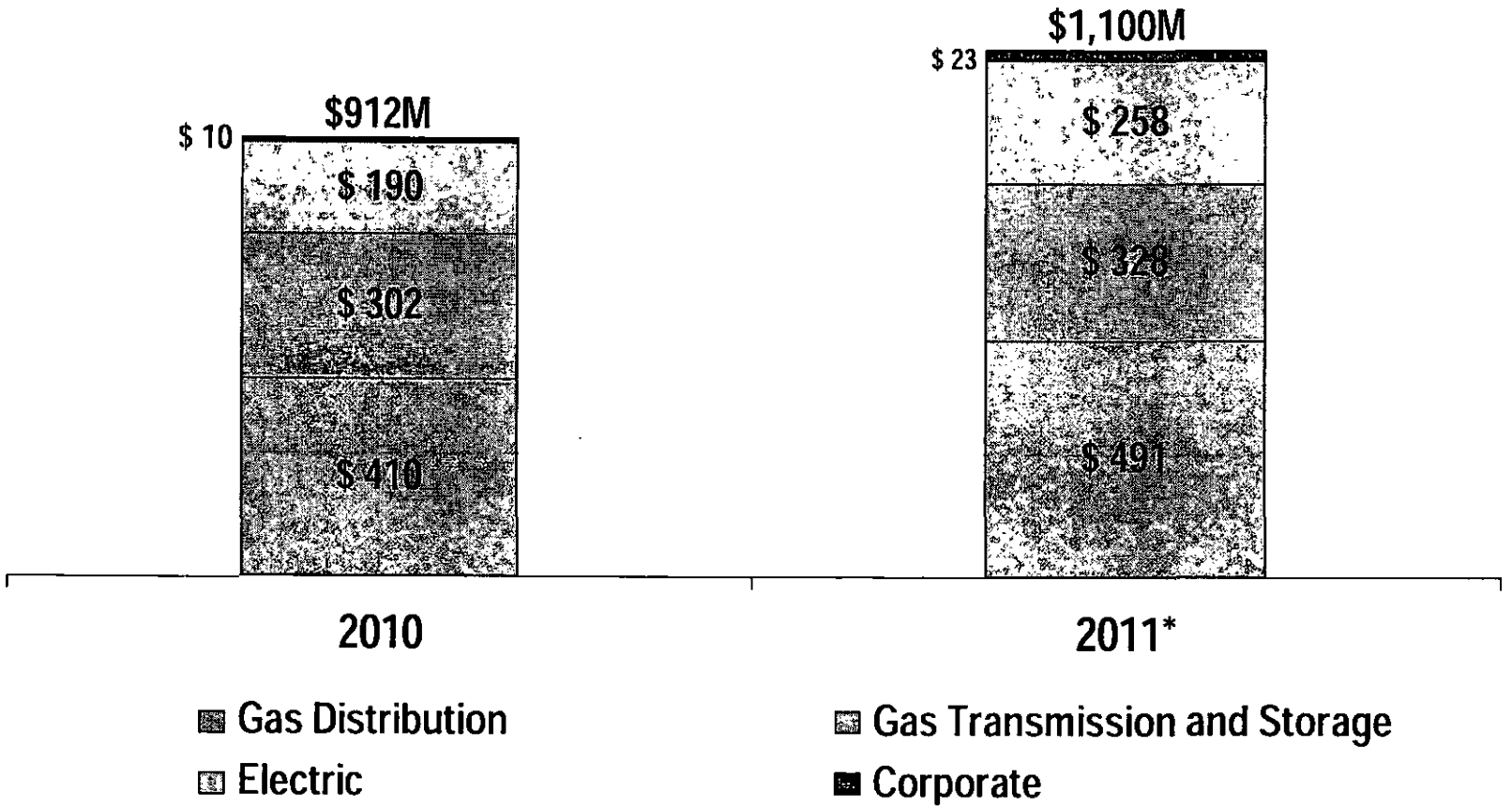
Long-Term Financial Objectives

- 3 – 5% Long-Term Earnings Growth + Attractive, Secure Dividend
- Highly Disciplined Capital Allocation Framework + Disciplined O&M Management
- Ongoing Credit Profile Improvement with Strong Liquidity

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Attachment G
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Capital Expenditures ($M)

$1B/Year Run-Rate Cap-Ex



* Projected

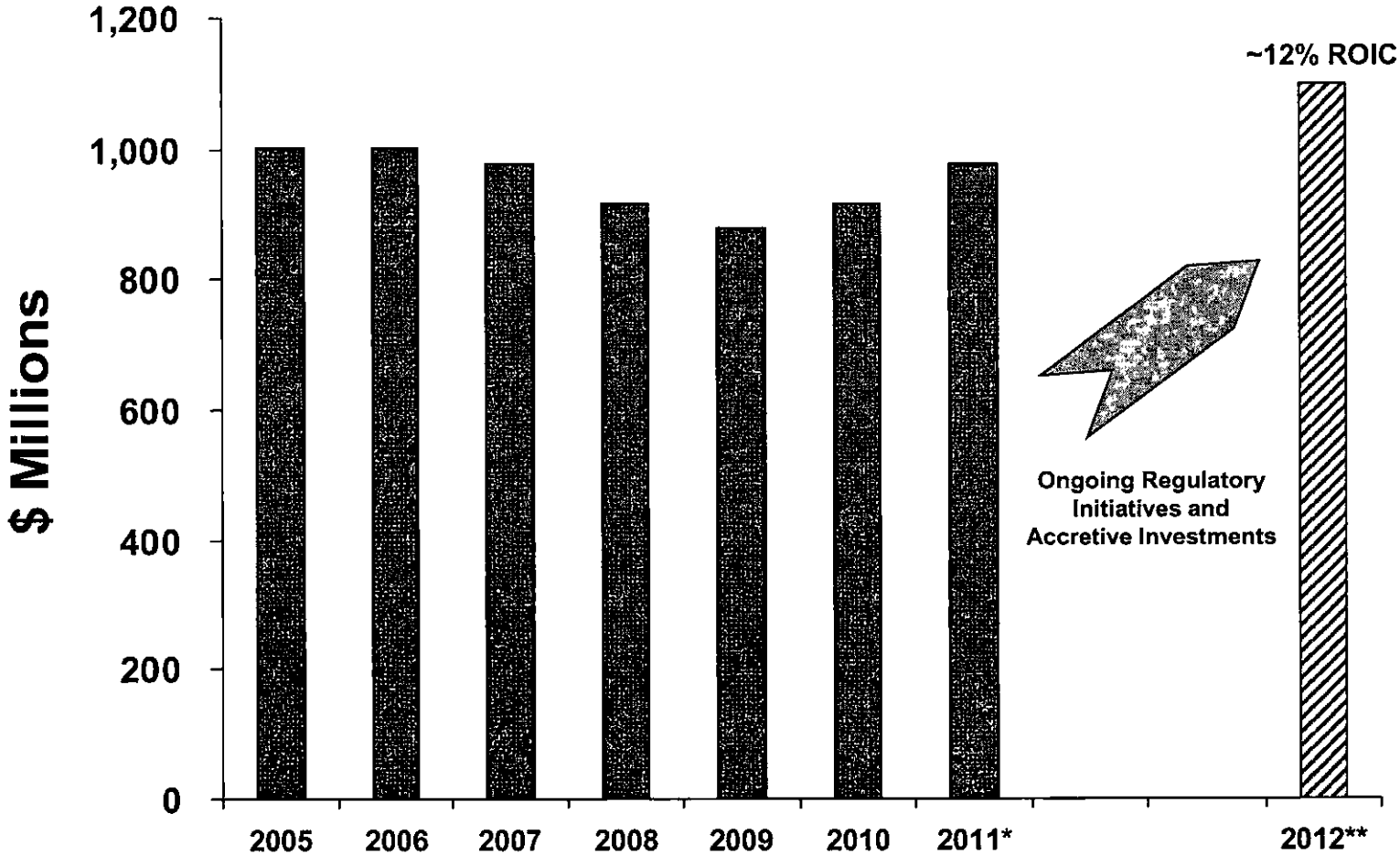
NiSource

2011 Growth & Tracker ~$650M // Age & Condition ~$450M

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Building Growth: 2010 - 2012

NI Operating Earnings*



* Non-GAAP

** 2011: Mid-Point of Guidance Range; 2012: Illustrative

NiSource®

Attractive, Low-Risk Investments

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Attachment G
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Long-Term Financial Objectives

Earnings Growth and Attractive, Secure Dividend

- Sustainable EPS Growth of 3-5%
- 2011 Outlook Range of $1.25-1.35 (NOEPS)*
- Attractive, Stable Dividend
- Risk Reduction via Rate Design and Rate Case Activity at NGD and NIPSCO
- On-Time, On-Budget Project Execution
- Highly Predictable Revenue Streams

Highly Disciplined Capital Allocation Framework

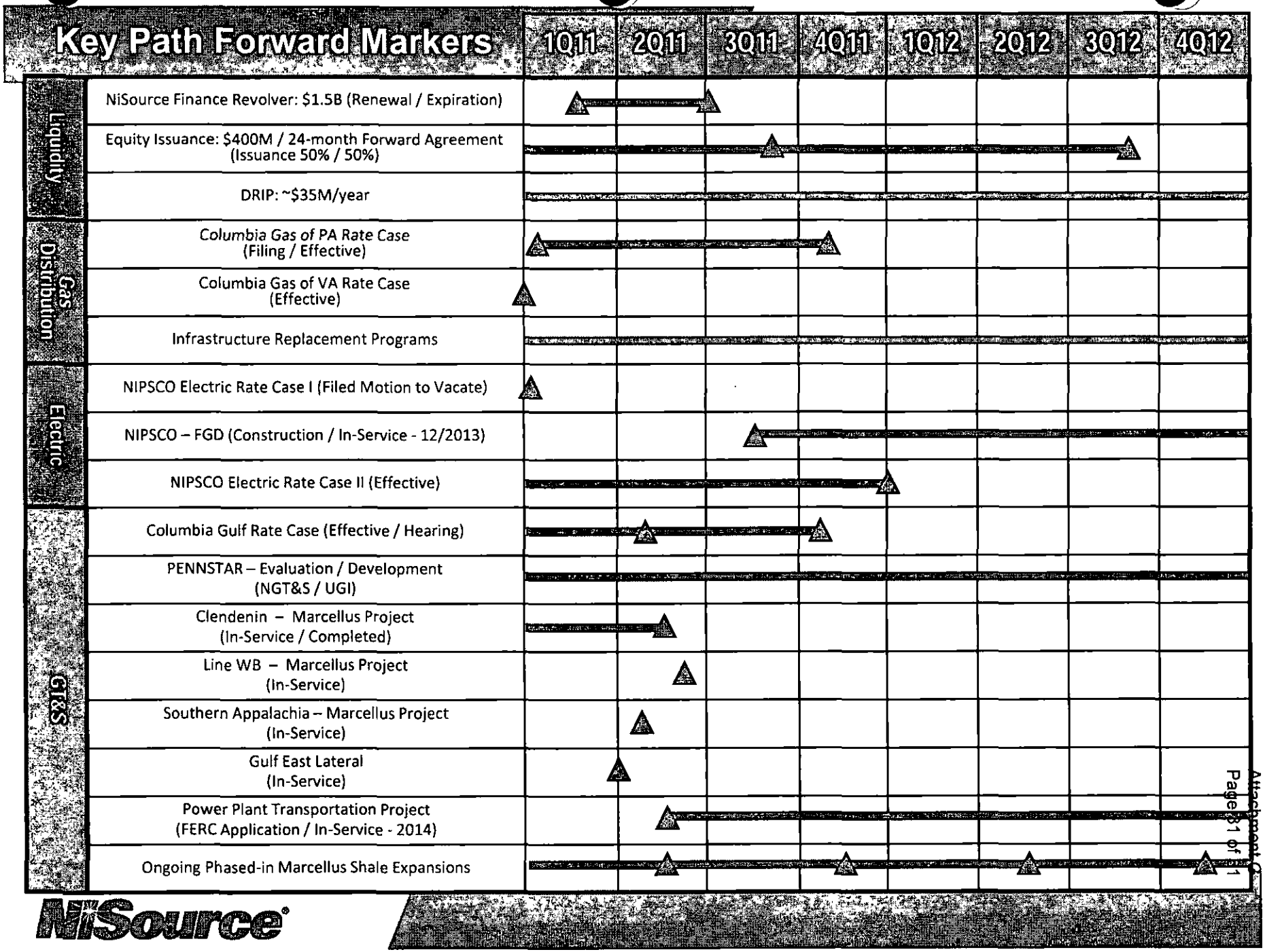
- Ensure System Maintained for Operational Excellence
- Disciplined Approach to Growth Capital
  - Low Risk
  - Transparent Return Mechanisms
  - Accretive to Shareholder Value

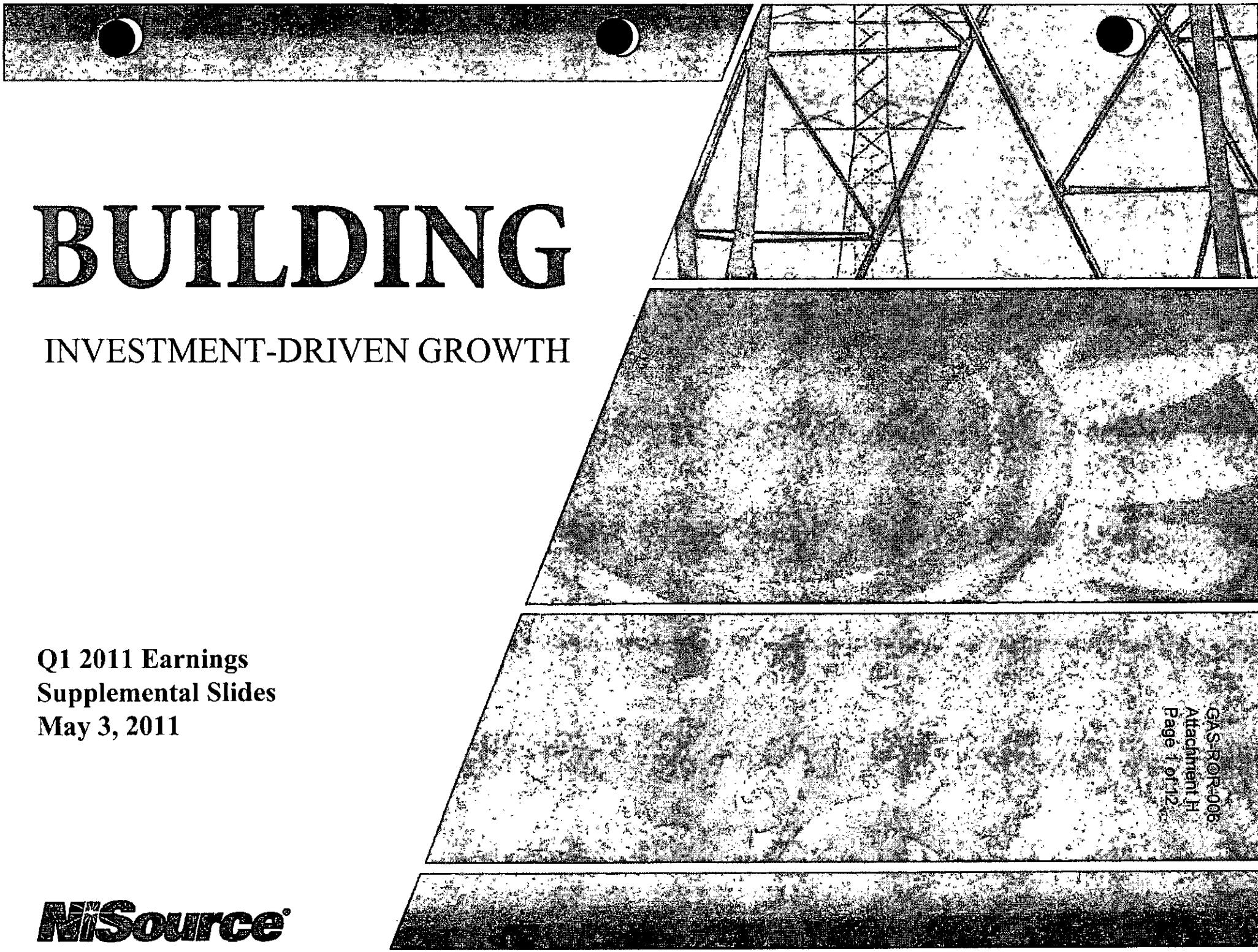
Ongoing Credit Profile Improvement

- Commitment to Investment Grade Rating and Improving Credit Metrics
- Business Profile and Strategic Framework Support Investment Grade Rating
- DRIP/DSP Provides ~$35M/Yr. of Equity

** Net Operating Earnings per Share (non-GAAP), outlook provided January 2011*

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Key Path Forward Markers
1Q11
2Q11
3Q11
4Q11
1Q12
2Q12
3Q12
4Q12
Liquidity
NiSource Finance Revolver: $1.5B (Renewal / Expiration)
Equity Issuance: $400M / 24-month Forward Agreement (Issuance 50% / 50%)
DRIP: ~$35M/year
Gas Distribution
Columbia Gas of PA Rate Case (Filing / Effective)
Columbia Gas of VA Rate Case (Effective)
Infrastructure Replacement Programs
Electric
NIPSCO Electric Rate Case I (Filed Motion to Vacate)
NIPSCO – FGD (Construction / In-Service - 12/2013)
NIPSCO Electric Rate Case II (Effective)
GT&S
Columbia Gulf Rate Case (Effective / Hearing)
PENNSTAR – Evaluation / Development (NGT&S / UGI)
Clendenin – Marcellus Project (In-Service / Completed)
Line WB – Marcellus Project (In-Service)
Southern Appalachia – Marcellus Project (In-Service)
Gulf East Lateral (In-Service)
Power Plant Transportation Project (FERC Application / In-Service - 2014)
Ongoing Phased-in Marcellus Shale Expansions
NiSource



BUILDING

INVESTMENT-DRIVEN GROWTH

Q1 2011 Earnings
Supplemental Slides
May 3, 2011

NiSource®

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Forward Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2011 Form 10-K and 2010 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2011 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Q1 Key Takeaways

- Results solidly in line with 2011 guidance*
- 2010 regulatory initiatives generating positive 2011 results
- Indiana regulatory agenda remains on track
- Significant infrastructure modernization, environmental investments continue
- Marcellus-focused infrastructure project inventory growing
- Successfully entered new $1.5 billion, four-year revolving credit facility

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Attachment H
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** Net Operating Earnings from Continuing Operations (non-GAAP)*

First Quarter 2011 Financial Highlights

Non-GAAP

	Q1 2011*	Q1 2010*	Change*
Net Operating Earnings from Continuing Operations**	$202.3	$198.4	$3.9
Earnings Per Share**	$0.72	$0.72	$0.00
Operating Earnings	$394.9	$405.2	($10.3)

GAAP

	Q1 2011*	Q1 2010*	Change*
Income from Continuing Operations	$204.8	$197.4	$7.4
Earnings Per Share	$0.73	$0.71	$0.02
Operating Income	$399.2	$403.4	($4.2)

** All Results Listed In Millions, Except for EPS*

*** For a Reconciliation to GAAP, See Schedule 1 of the Company's May 3, 2011 Earnings Release*

NiSource Electric Operations – Q1 2011 Highlights*

- Operating earnings $41.9M in Q1 2011 vs. $46.3M in Q1 2010**
- Increased industrial margins and usage drive $9M revenue growth
- Operating expenses up $13.4M
- Regulatory progress continues
- Construction of Schahfer FGD unit under way

2011 Highlights Going Forward

Highlight	Key Components	Status
2010 Electric Rate Case	• Procedural schedule on track • Public field hearing completed • Settlement discussions with stakeholders ongoing	• Projected resolution by year-end 2011/early 2012
Schahfer Unit 14 Environmental Investment	• Flue gas desulfurization unit (FGD) • State-of-the-art environmental tracker	• Preliminary engineering completed • Site preparation and construction started

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 3, 2011 Earnings Release*

NiSource Gas Distribution – Q1 2011 Highlights*

- Operating earnings: $237.1M in Q1 2011 vs. $234.7M in Q1 2010**
- Revenue and operating expenses both decrease, reflecting change in NIPSCO gas rate design
- Significant infrastructure modernization programs continue across companies

2011 Highlights Going Forward

Highlight	Key Components	Status
Regulatory	• Columbia Gas of Pennsylvania Rate Case – Request of $38 million – Modern rate structure, infrastructure recovery, energy efficiency programs	• In process • Rates projected to be in effect Q4 2011
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania • Includes bare steel replacement, automated meter reading systems	• On track • Ongoing

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 3, 2011 Earnings Release*

NiSource Gas Transmission & Storage – Q1 2011 Highlights*

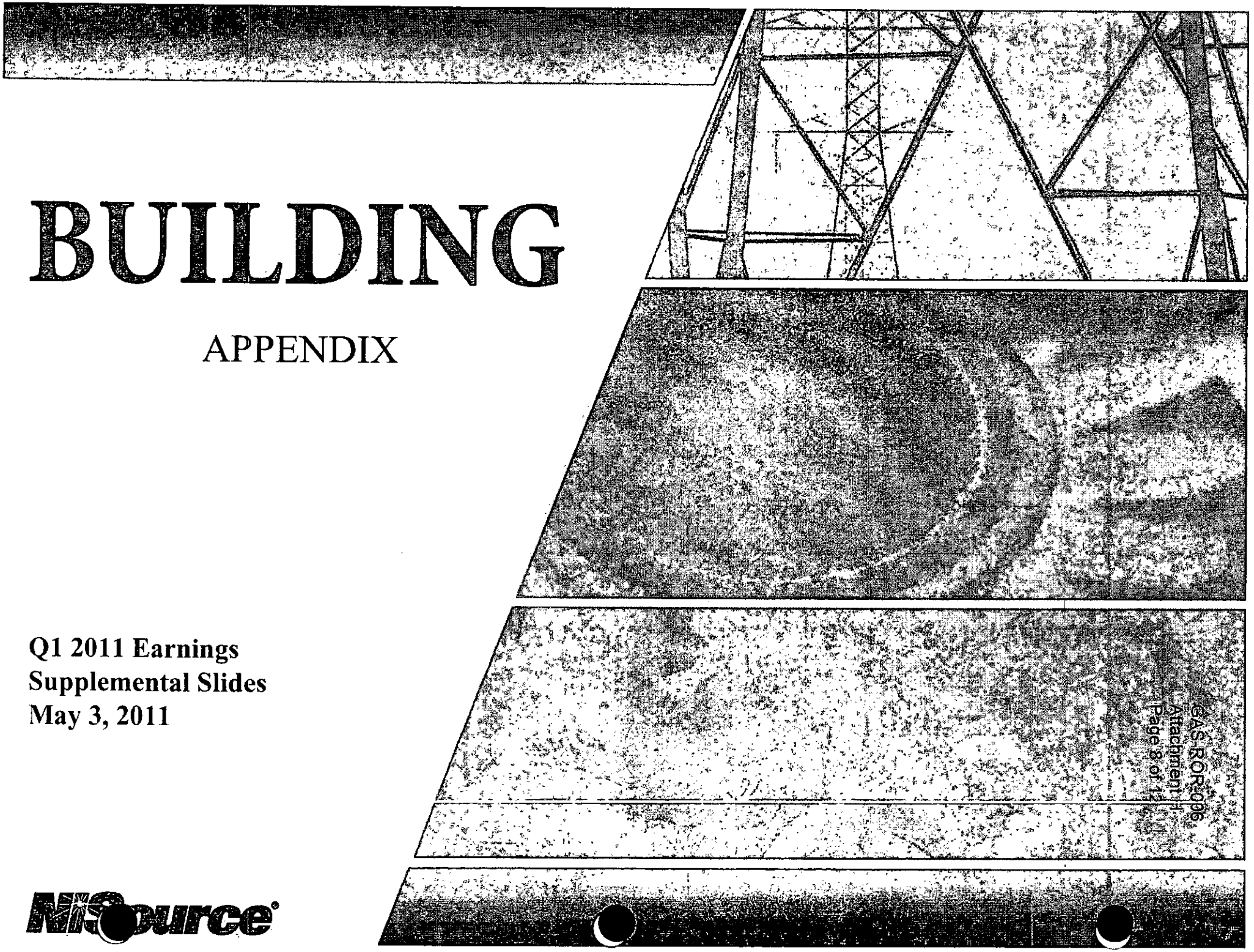
- Operating earnings $118.5M in Q1 2011 vs. $125.9M in Q1 2010**
- Operating expenses up $2.9M
- Customer-driven projects advance to meet Marcellus growth, power generation demand

2011 Highlights Going Forward

Project	Key Components	Status
Columbia Gulf Rate Case	~$50 Million / Year	• New rates took effect May 1 (subject to refund) • Actively involved in settlement discussions
Mid-Atlantic Power Generation Project	~250,000 Dekatherms / Day	• Announcement pending • Projected in service during 2014
Southern Appalachian Project	~38,500 Dekatherms / Day	• Projected in service Q2 2011
Smithfield Project	~150,000 Dekatherms / Day	• Projected in service Q3 2011

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** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 3, 2011 Earnings Release*



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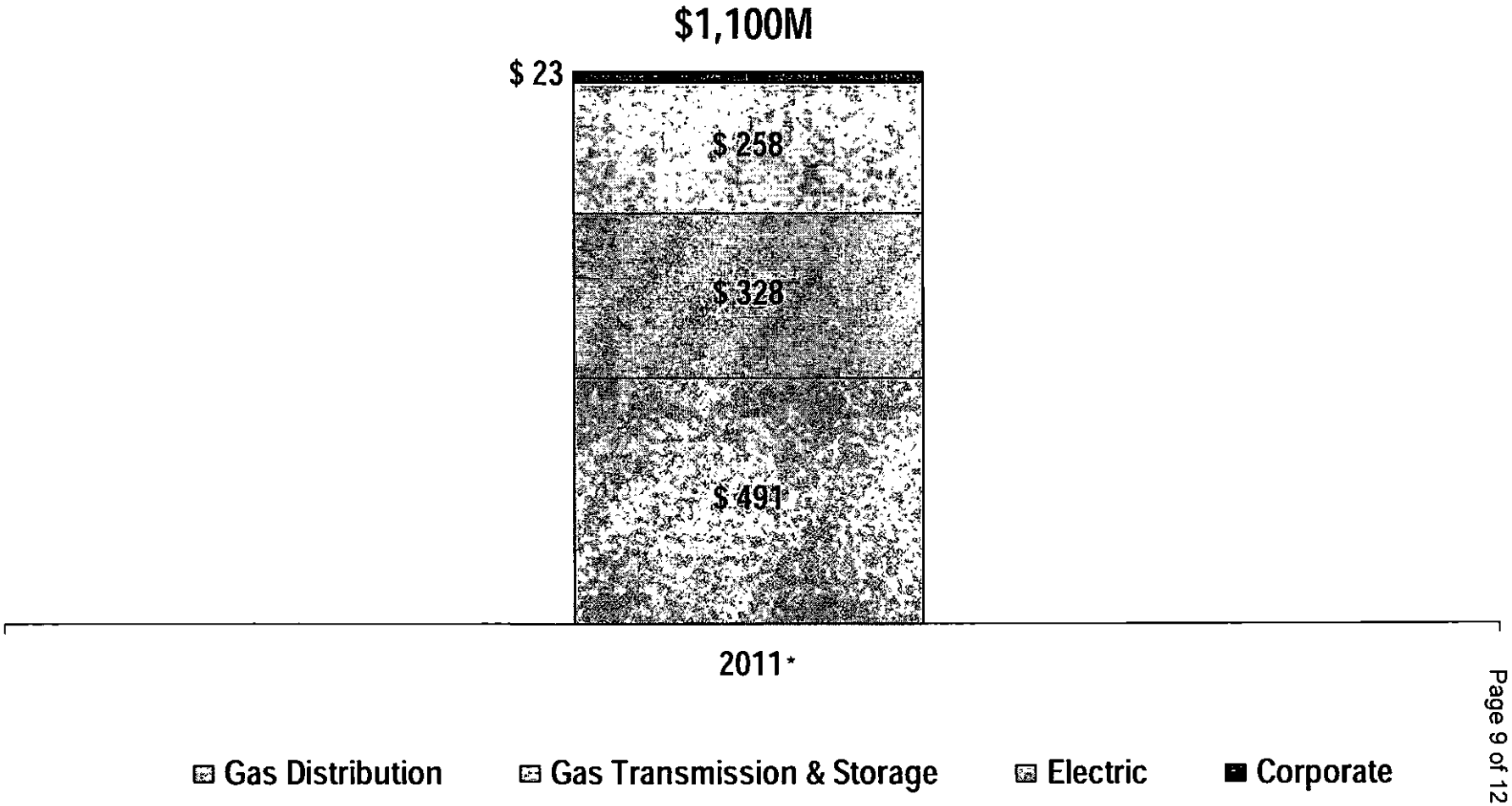
APPENDIX

Q1 2011 Earnings
Supplemental Slides
May 3, 2011

NiSource®

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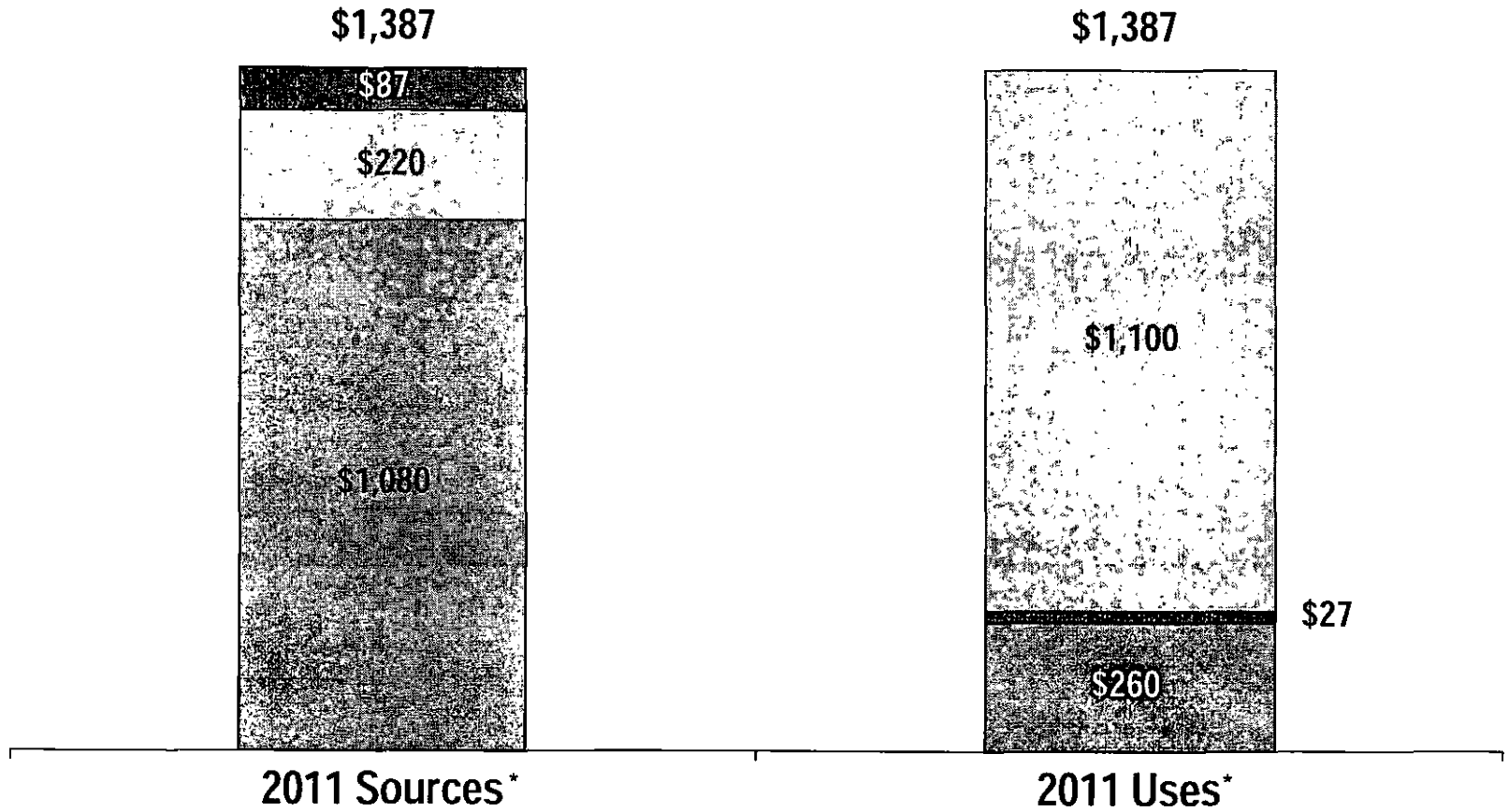
2011 Forecasted



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Attachment H
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* *Projected*

2011 Sources and Uses of Cash ($M)



Funds From Operations Equity (DRIP & Forward Sale) Working Capital Dividends Maturities CapEx

* *Projected*

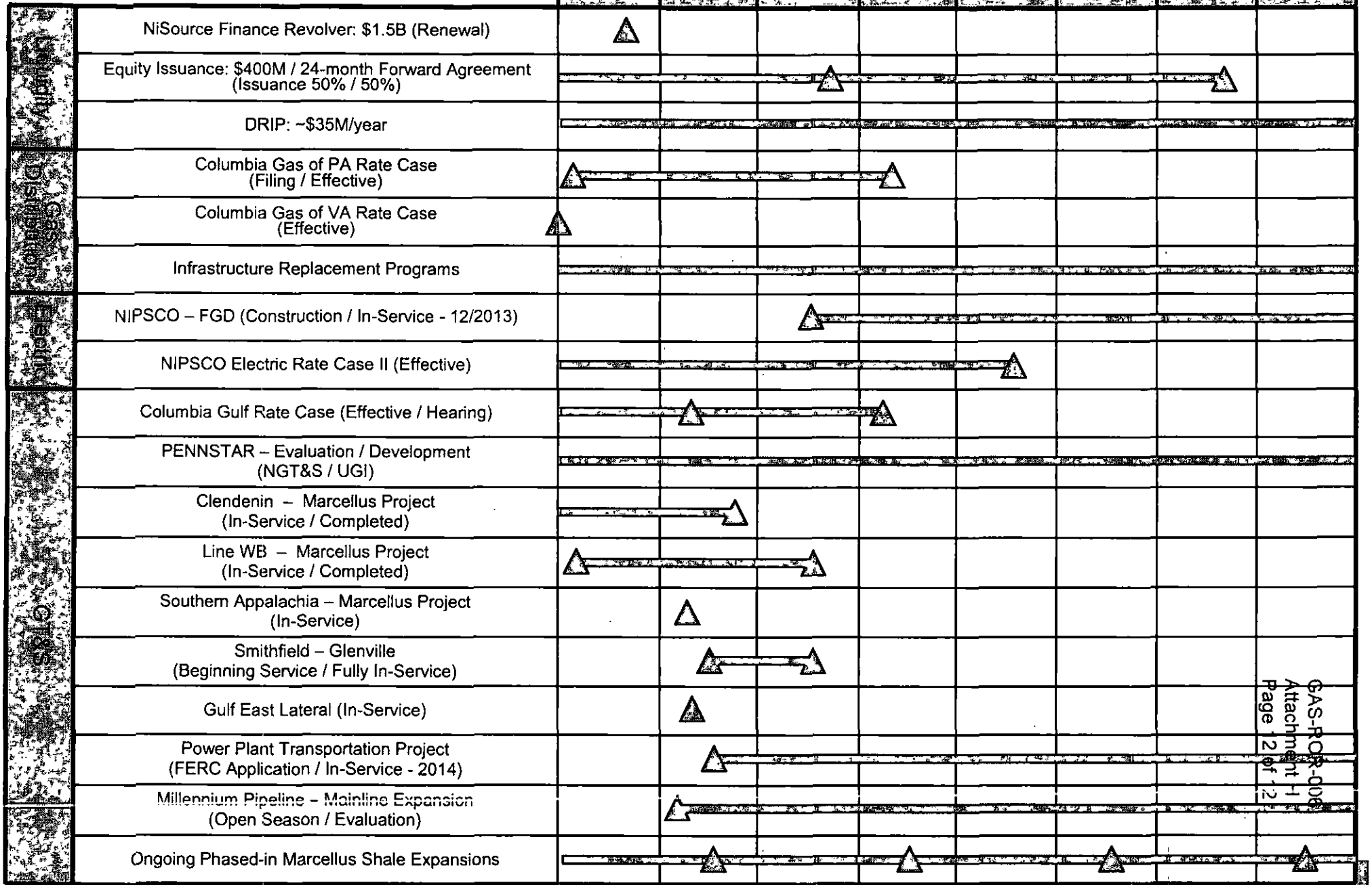
Assumes 50% of Forward Sale Drawn in September

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Attachment H
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Current Liquidity ($M)

	Actual 3/31/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(788)	
Letters of Credit	(14)	
Add:		
Cash & Equivalents	63	
Net Available Liquidity	**$761**	

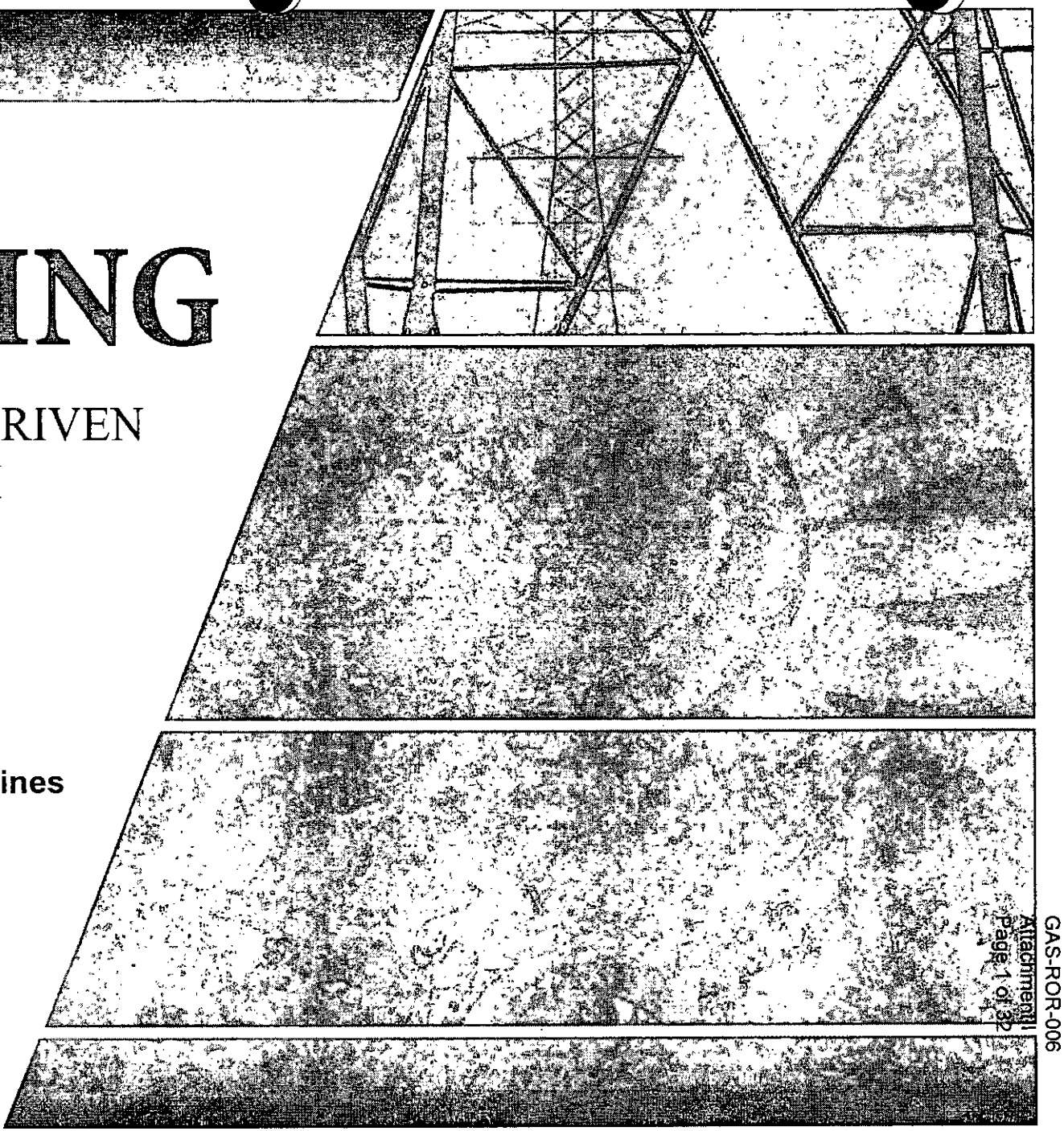
Key Path Forward Markers



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BUILDING

INVESTMENT-DRIVEN GROWTH



2011 North American Pipelines & Utilities Conference

June 22, 2011

NiSource®

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Forward Looking Statements

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Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2010 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

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Building Investment-Driven Growth

NiSource Inc.

Gas Distribution

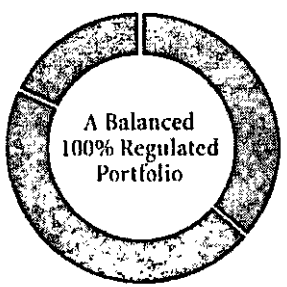
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Thoughtful customer programs
  - Creative regulatory approaches

Gas Transmission & Storage

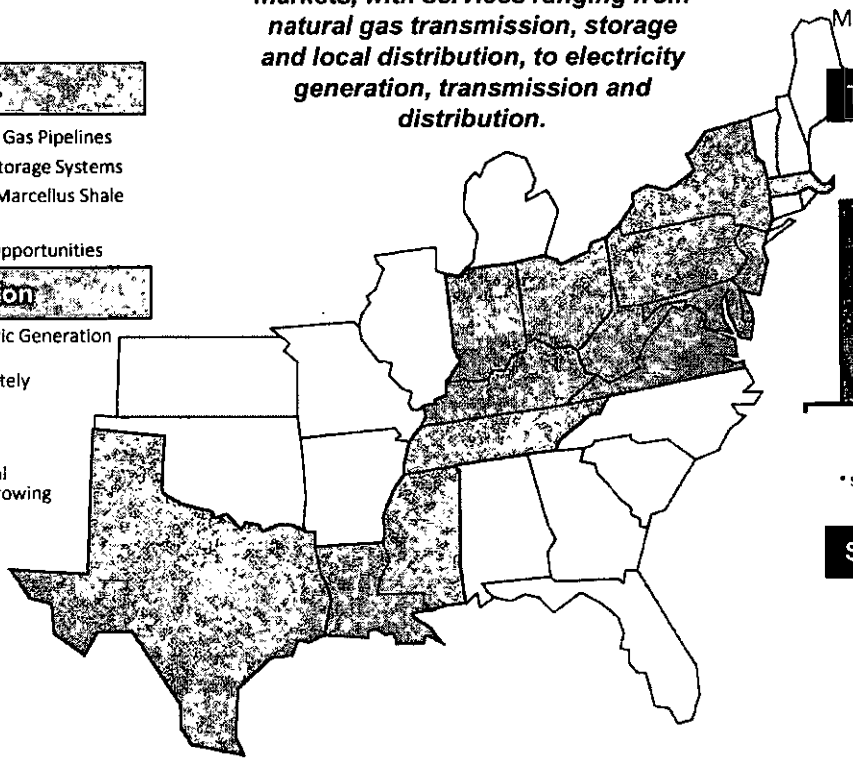
- 15,500-Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Strong Strategic Footprint in the Growing Marcellus Shale Production Region of Appalachia
- Extensive Array of Attractive Investment Opportunities

Electric Generation & Distribution

- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Growing Marketplace



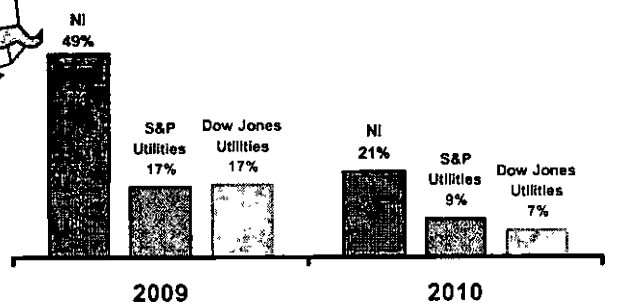
From the Gulf Coast through the Midwest to the Northeast, our portfolio of companies serves some of the nation's highest-value energy markets, with services ranging from natural gas transmission, storage and local distribution, to electricity generation, transmission and distribution.



FINANCIAL HIGHLIGHTS (12/31/2010)

Stock Price	$17.62
Common Shares Outstanding	278.9M
Annual Dividend	$0.92
Market Capitalization	$4.91B

TOTAL SHAREHOLDER RETURN *



* Stock Appreciation + Reinvested Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-

NiSource®

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NiSource Strategic Framework

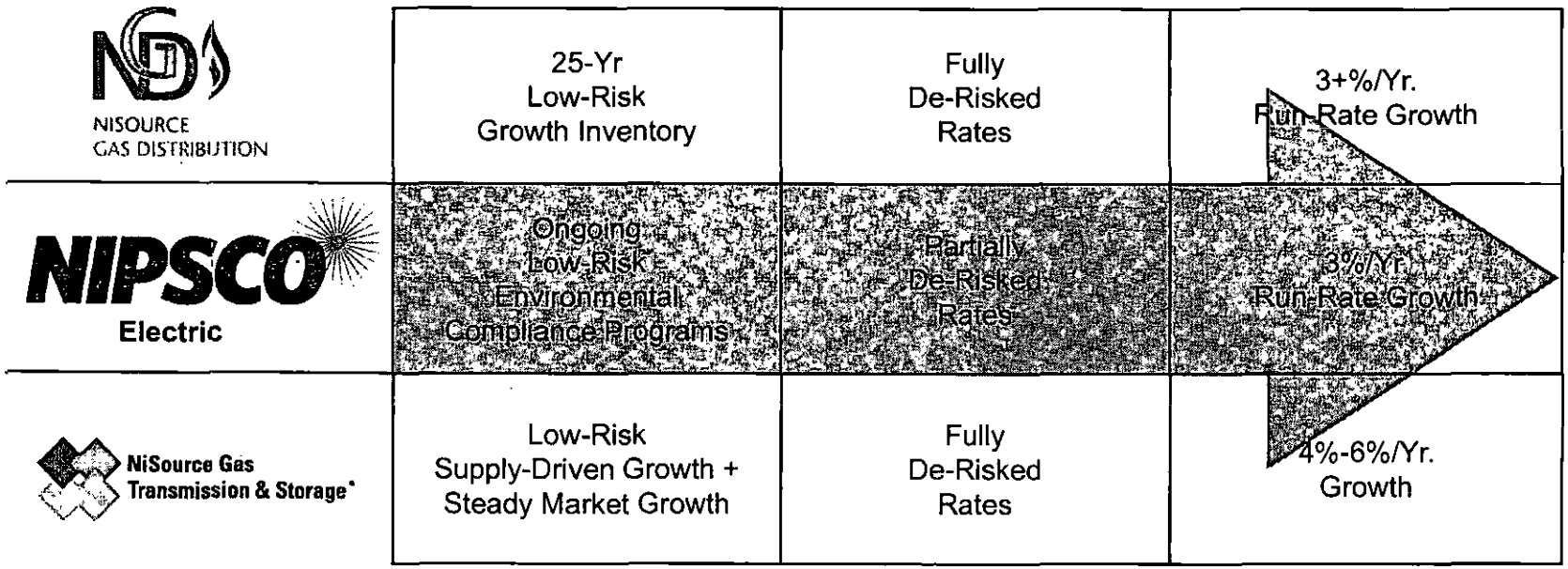
Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Infrastructure Modernization Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Excellence

A Compelling Investment Proposition

- Low-Risk, Regulated Business Platform
- 3-5% Annual EPS Growth + Secure, Attractive Dividend
- Stable Investment Grade Credit
- Exceptional Long-Term Growth Investment Opportunities
- Disciplined Execution with Full Transparency

Industry-Leading Regulated Platform

Building Investment-Driven Growth



Customer-Driven Proposition
***PLUS* ~$1B/Yr.**
Infrastructure Investment

BUILDING

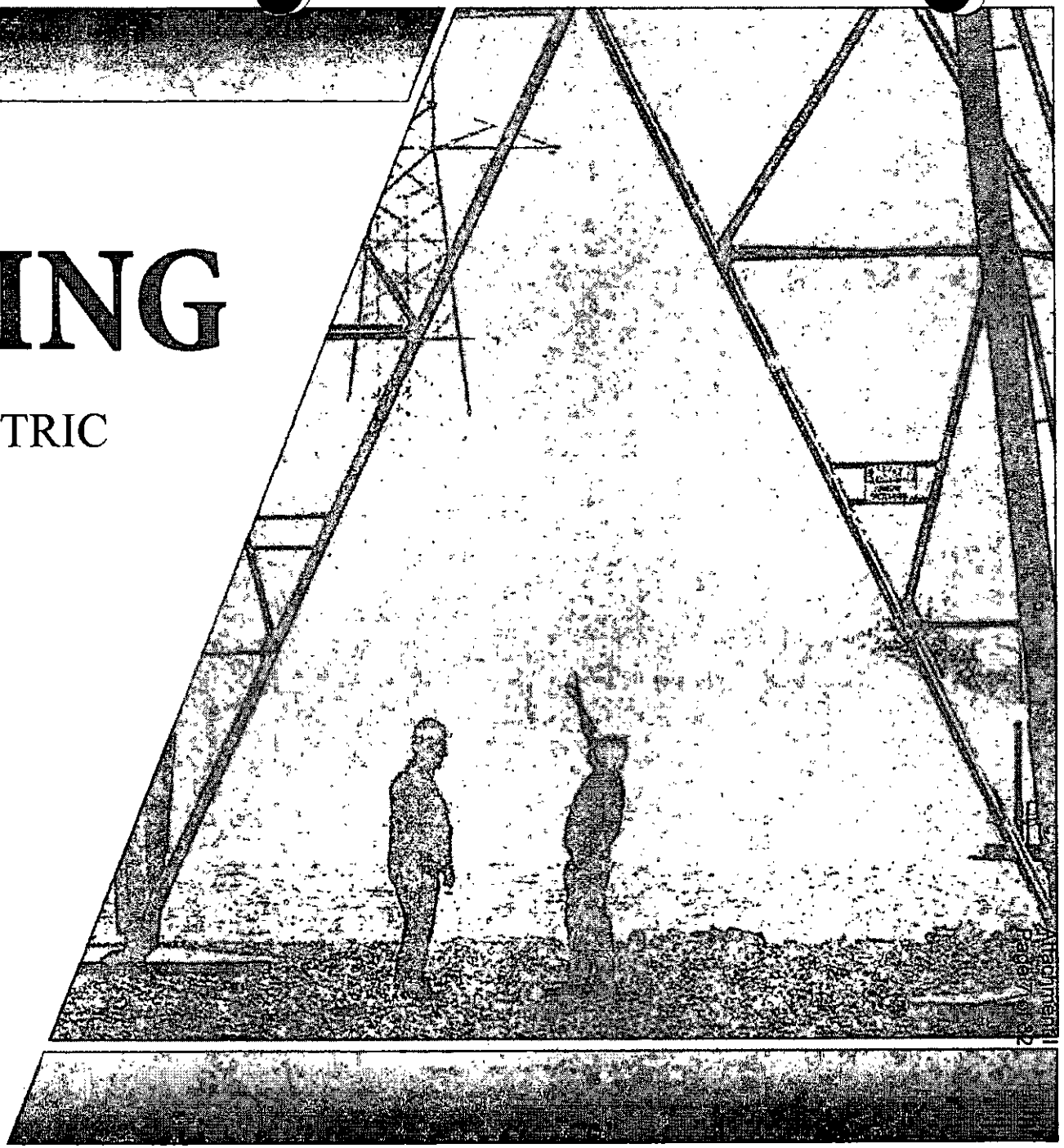
Sustainable Growth,
Premium Valuation

NiSource®

A Compelling Investment

BUILDING

NIPSCO ELECTRIC



NiSource

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NIPSCO Electric Business Strategy

- Restore Earnings Power
- Continue to Strengthen Stakeholder Relationships
- Capture Long-Term, Low-Risk Environmental Investment Opportunities
- Continuous Operational Improvement

Indiana's Largest Combination Utility

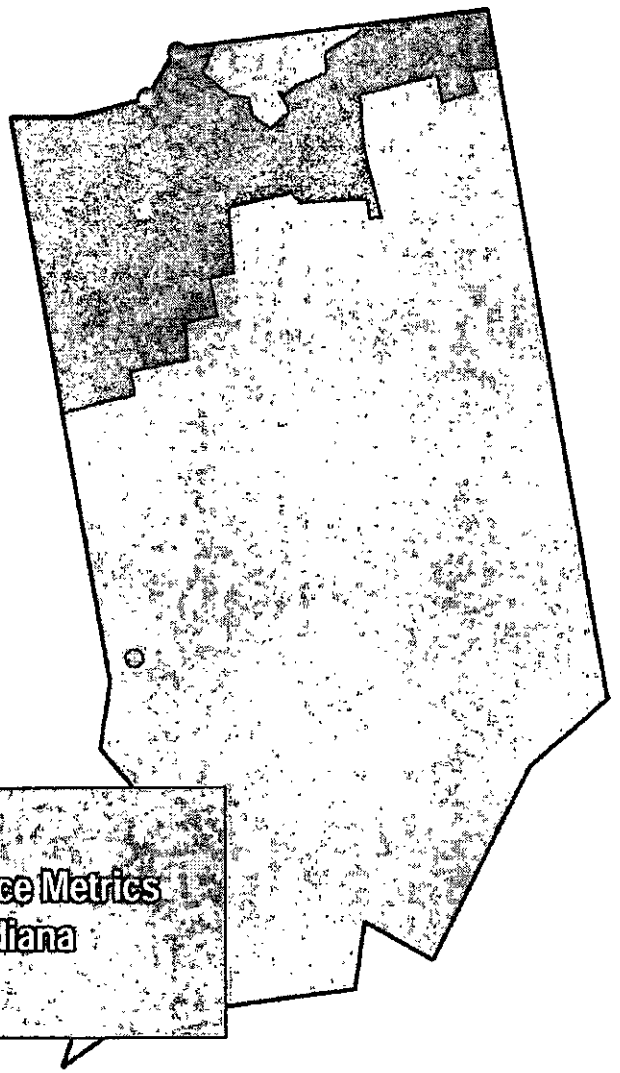
NIPSCO Electric

Electric Distribution & Transmission

- 460,000 Electric Customers
- 17,000 GWH Electricity Sales
- 10,000 Miles of Electric Distribution
- 2,800 Miles of Electric Transmission

Electric Generation

- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled



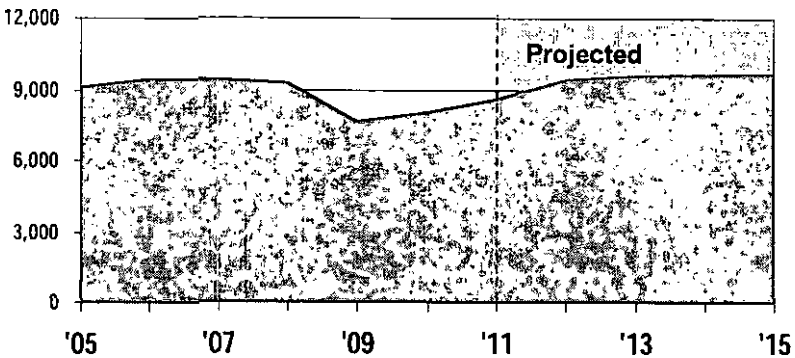
- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership In Indiana
- $2.7B Rate Base

NiSource

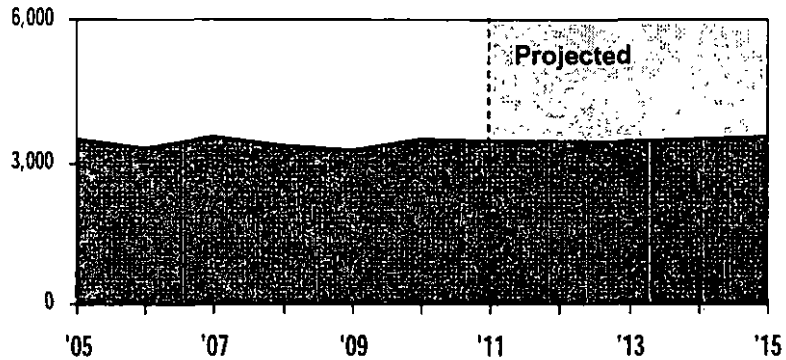
Constructive Regulatory Environment

NIPSCO Electric Deliveries (GWH)

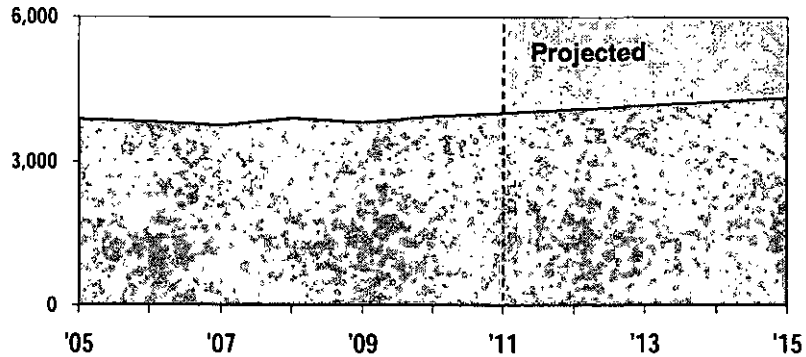
Industrial



Residential



Commercial



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NIPSCO 2010 Electric Rate Case

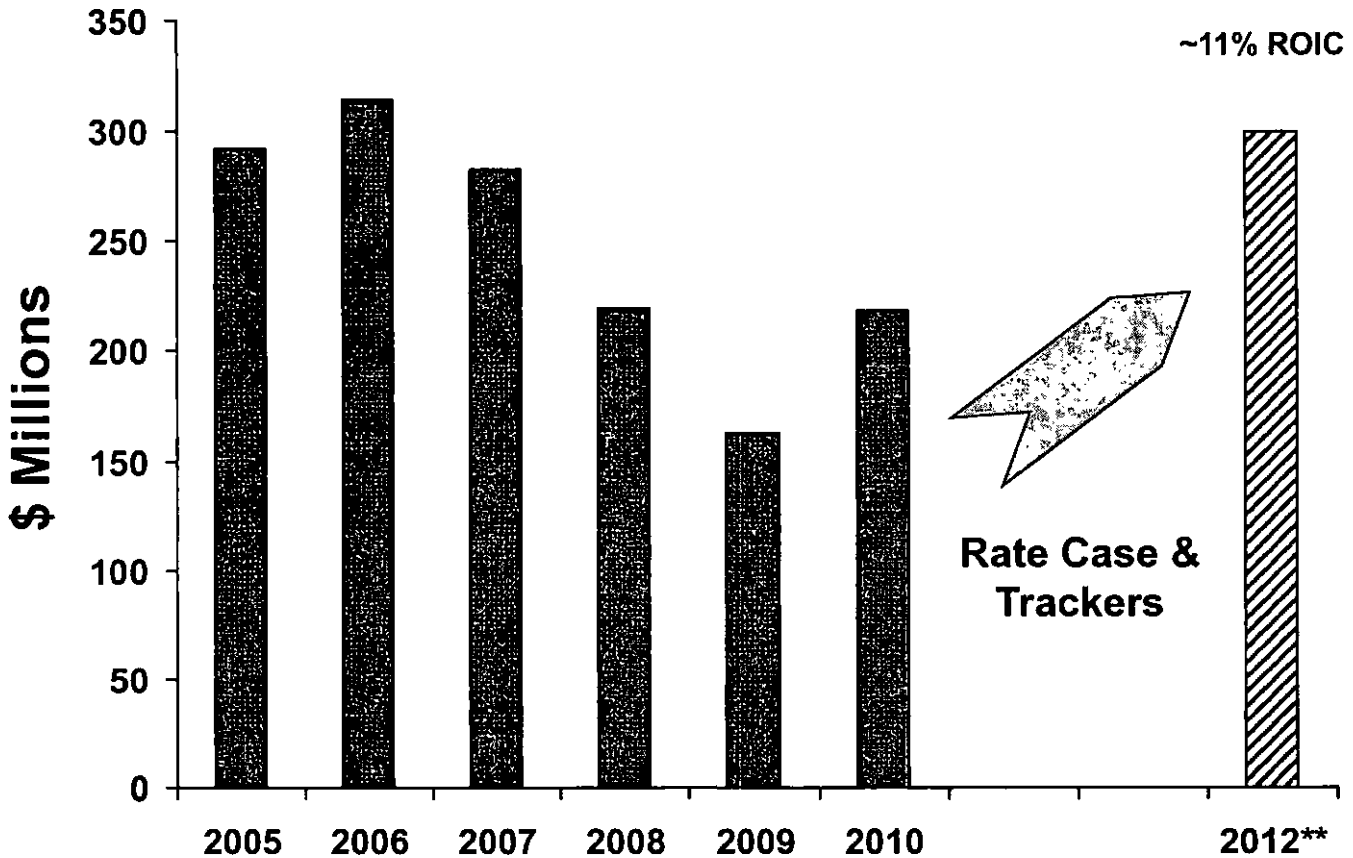
- Filed Fall 2010 ⇒ 2012 "Run Rate"
- Collaborative Stakeholder Engagement Approach
- Test Year: 12 Months Ended June 2011
- Updated Deliveries, Pension and OPEB Costs
- Platform for Enhanced Energy Efficiency, Low-Income Programs
- Focused, More Straightforward Case

Longer Term, Low-Risk Environmental Investments of ~$600-$800M

- FGD (Flue Gas Desulfurization) Investments
  - Schahfer Generating Station (Unit 14), Planned in Service YE 2013
  - Schahfer Generating Station (Unit 15), Planned in Service 2015
  - Michigan City Generating Station (Unit 12), Planned in Service 2018

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NIPSCO Electric Operating Earnings*

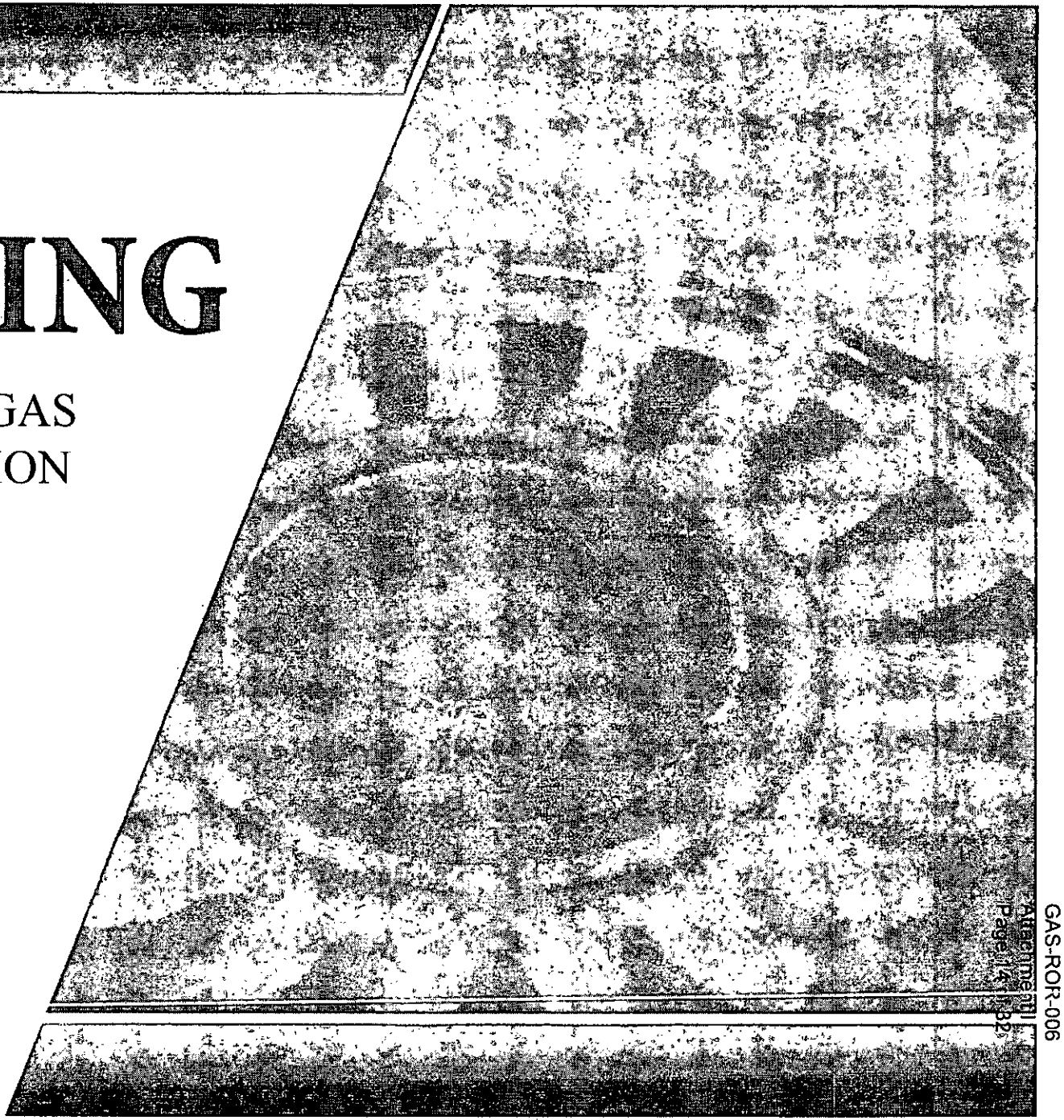


*Non-GAAP
**2012: Illustrative

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BUILDING

NISOURCE GAS DISTRIBUTION



NiSource®

Attachment 1
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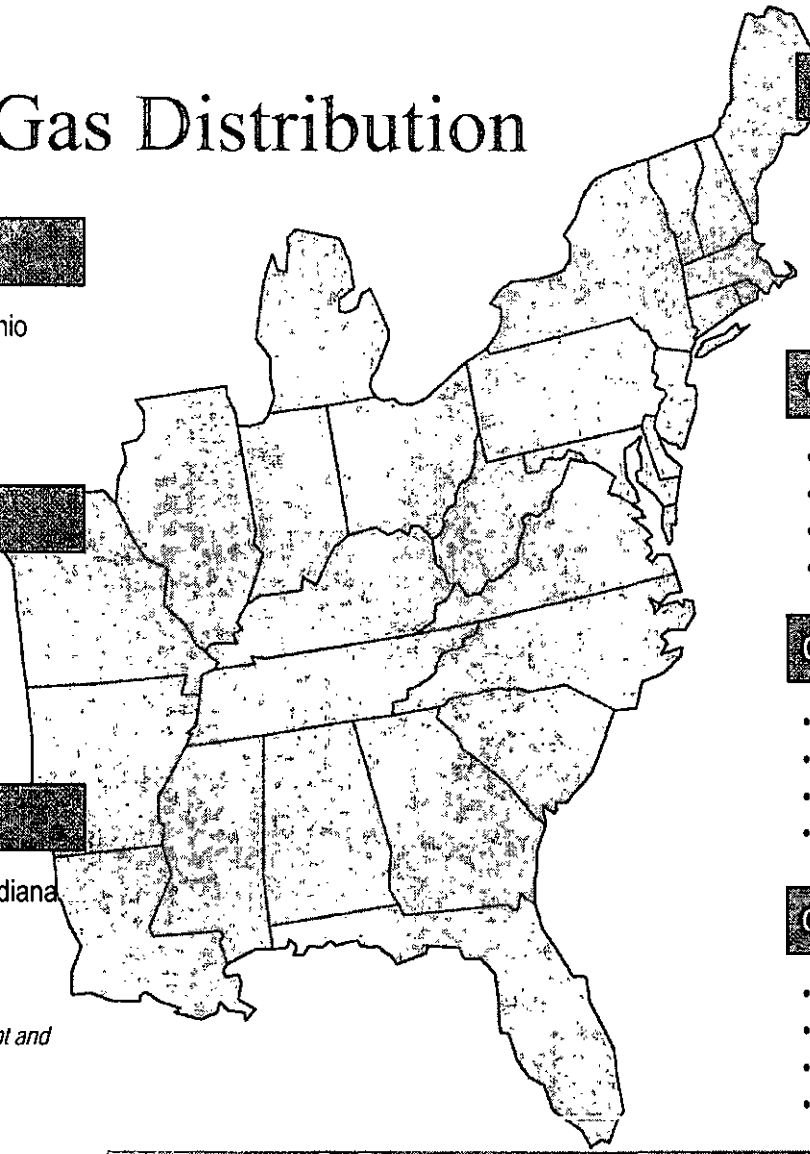
NiSource Gas Distribution (NGD) Business Strategy

- Drive Growth Through Long-Term, Low-Risk Infrastructure Investments
- De-Risk Earnings
- Maintain Operational Excellence

GAS-ROR-006
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Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe
- Rate Base ~$1B

Columbia Gas of Kentucky

- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers
- 2,500+ Miles of Pipe
- Rate Base ~$165M

NIPSCO Gas*

- Largest Natural Gas Provider in Indiana
- 785,000 Customers
- 16,000+ Miles of Pipe
- Rate Base ~$400M

**Including Northern Indiana Fuel & Light and Kokomo Gas and Fuel*

Columbia Gas of Pennsylvania

- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers
- 9,300+ Miles of Pipe
- Rate Base ~$650M

Columbia Gas of Maryland

- Complementary to PA Operations
- 33,000 Customers
- 750+ Miles of Pipe
- Rate Base ~$50M

Columbia Gas of Massachusetts

- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$450M

Columbia Gas of Virginia

- 3rd Largest Natural Gas Provider in Virginia
- 240,000 Customers
- 4,800+ Miles of Pipe
- Rate Base ~$400M

NiSource®

Constructive Regulatory Environments

De-Risking Earnings – 2011

	OH	IN	PA	MA	VA	KY	MD
Levelized Rates; Decoupling; Customer Charge Increased	☑	☑	☑	☑	☑	☑	☑
Uncollectible Expense Tracker; Gas Cost Uncollectibles in GCA	☑		☑	☑		☑	☑
Accelerated Infrastructure Tracker; Expedited Rate Treatment	☑	NA	☑	☑	☑	☑	☑
Pension/OPEB Tracker; Pension/OPEB Deferral	☑		☑	☑	*	*	*

** Rates reflect current pension costs.*

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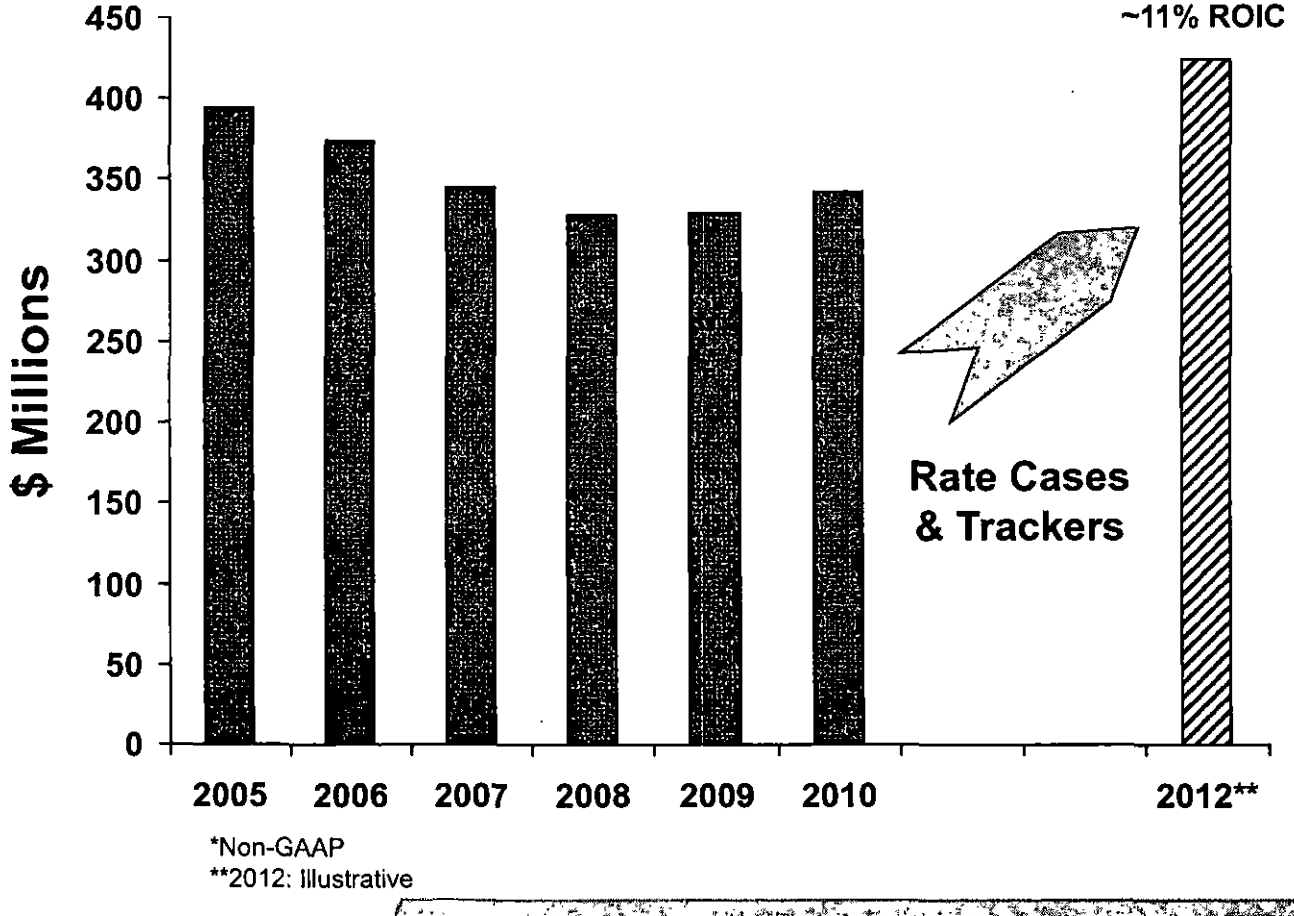
Long-Term, Low-Risk Infrastructure Replacement Investments

	OH	PA	MA	VA	KY	MD	Totals
Total Tracked Investment Opportunity	$1.8B	$1.7B	$400M	$150M	$200M	$100M	$4.35B
Annual Tracked Investment Range	$90-110M	$65-85M	$20-30M	$5-10M	$7-10M	$4-5M	$190-250M
AMR* Investment Opportunity	$80M	$22M	Complete	$9M	$9M	Complete	$120M
Program Length (Years)	25	20	15	NA	30	20	---
Regulatory Treatment	Tracker	Rate Case	Tracker	Tracker	Tracker	Rate Case	---

**Automated Meter Reading*

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NGD Operating Earnings*

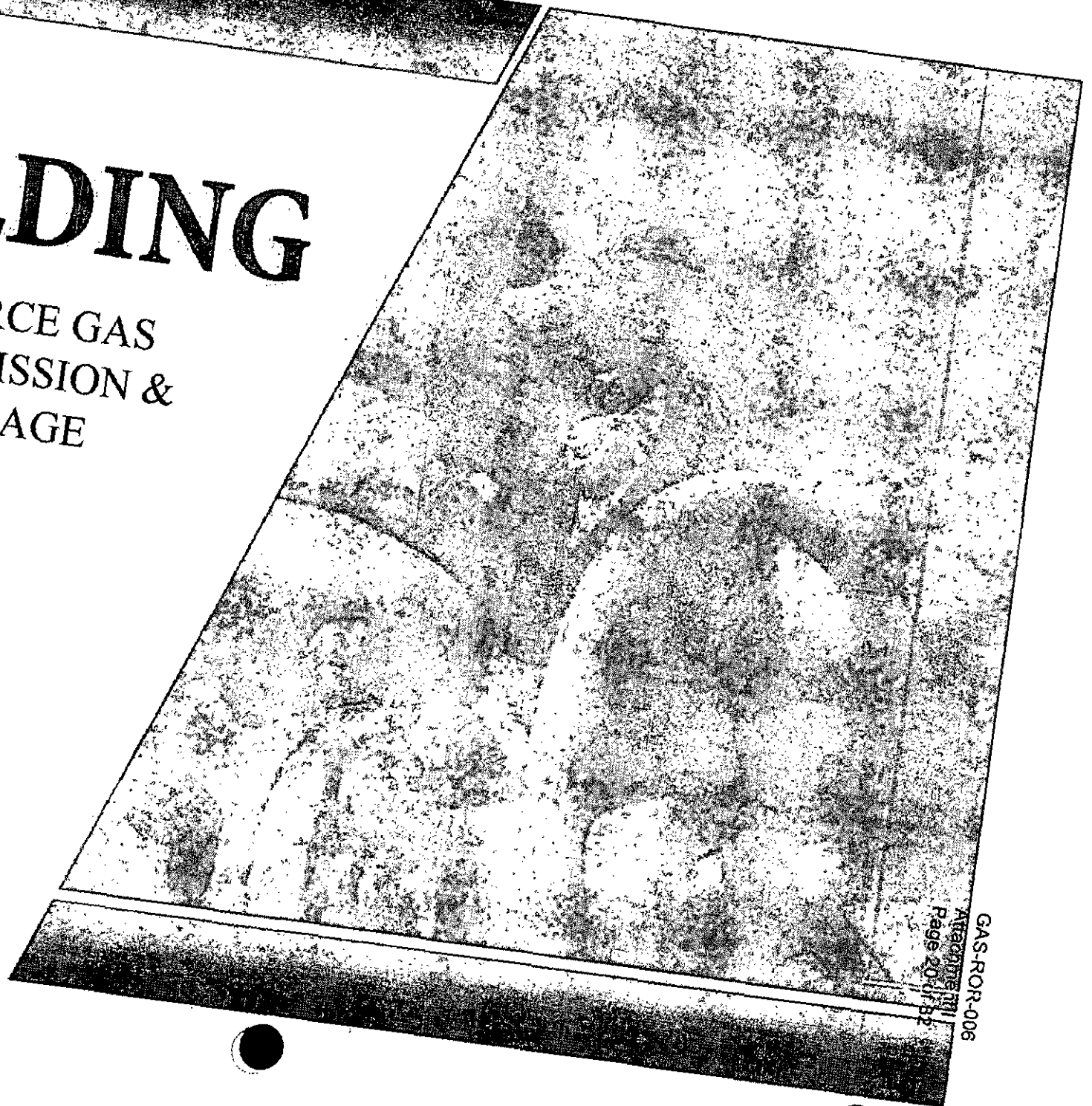


*Non-GAAP
**2012: Illustrative

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BUILDING

NISOURCE GAS TRANSMISSION & STORAGE



NiSource

GAS-ROR-006
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NiSource Gas Transmission & Storage (NGT&S) Business Strategy

- Low-Risk, Regulated, Fixed Charge Business
- Proven Track Record of Disciplined Growth Project Execution
- 'Game Changing' Marcellus Shale Opportunity
- Deep Inventory of Accretive Investments

NiSource

4-6% Annual Long-Term Growth Rate

Strategically Positioned

NGT&S Assets

15,500
Pipeline Miles

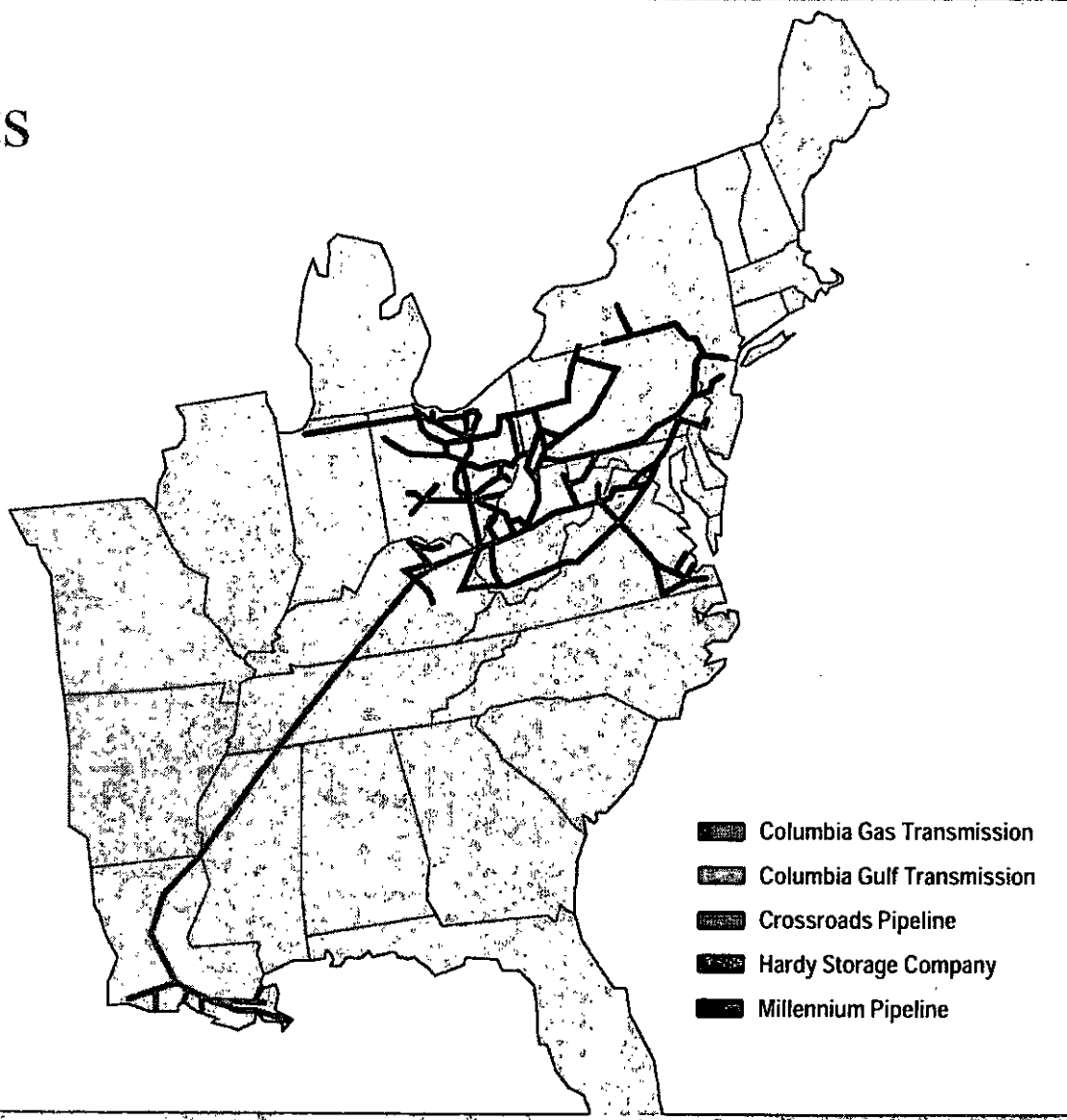
Annual Deliveries: 1.4 Tcf
Peak Day Deliveries: 7.4 Bcf
Serving 40 Markets
Operations in 16 states

37
Storage Fields

Capacity: 615 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

106
Compressor Stations

Horsepower: 1,100,000



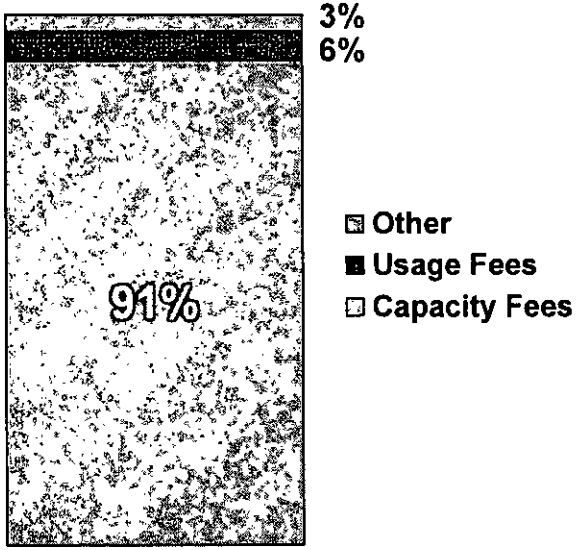
NiSource

Great Assets, Great Markets

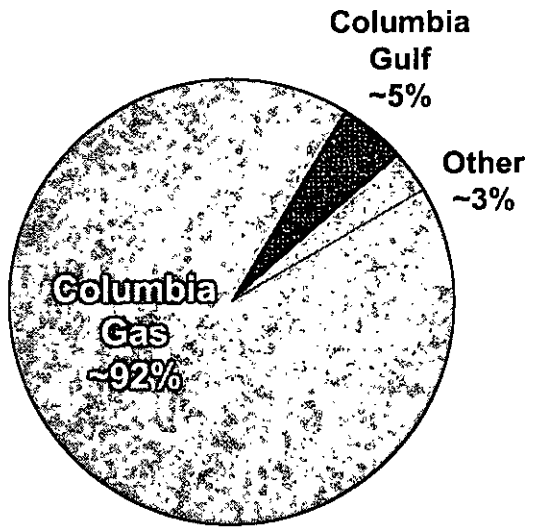
GAS-ROR-006
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NGT&S Overview

Transportation Revenue



Operating Earnings



Firm Contracts - Weighted Average Remaining Term	
Columbia Gas	~7.5 Years
Columbia Gulf	~4 Years

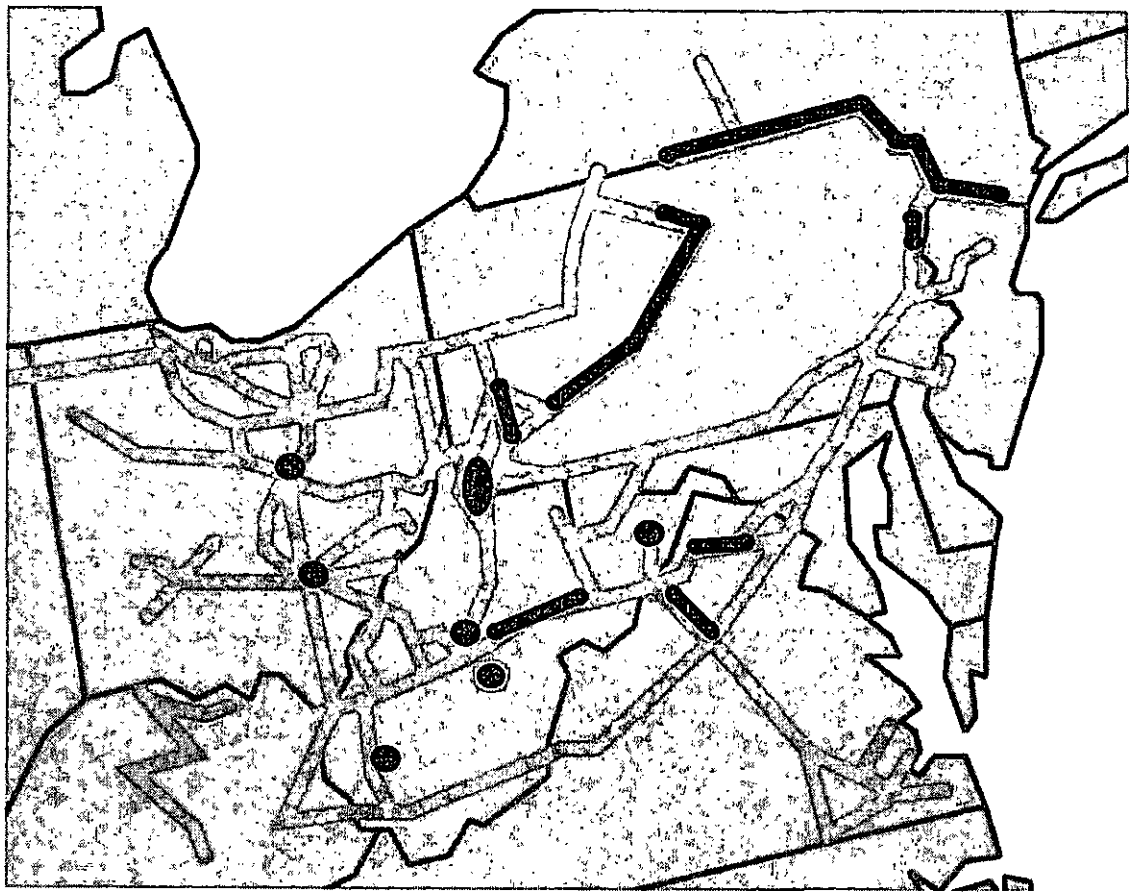
NiSource®

Low-Risk, Demand-Based Platform

Growth Capital Deployed @ ~5x EBITDA

2007 - 2011

Hardy Transportation - $70M
Ohio Storage Expansion - $58M
Appalachian Expansion - $30M
Line 1570 - $26M
Eastern Market Expansion - $150M
Line 1711 Renovo/Delmont - $9M
Cobb - $15M
Majorsville - $80M
Clendenin - $20M
Line WB - $15M
Southern Appalachia - $5M
Gulf East Lateral - $5M

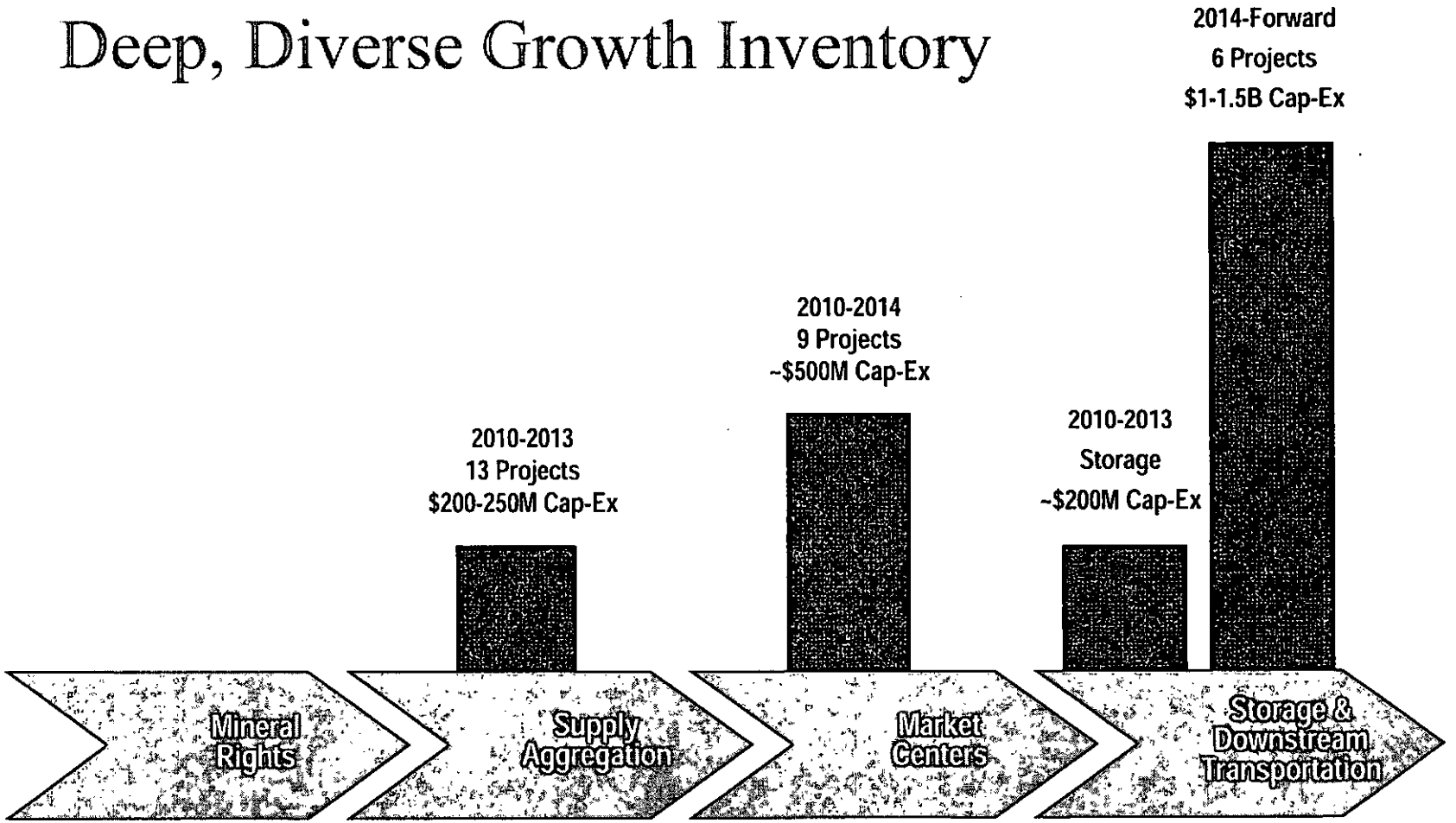


** Non-GAAP (equivalent to GAAP Operating Income)*

NiSource®

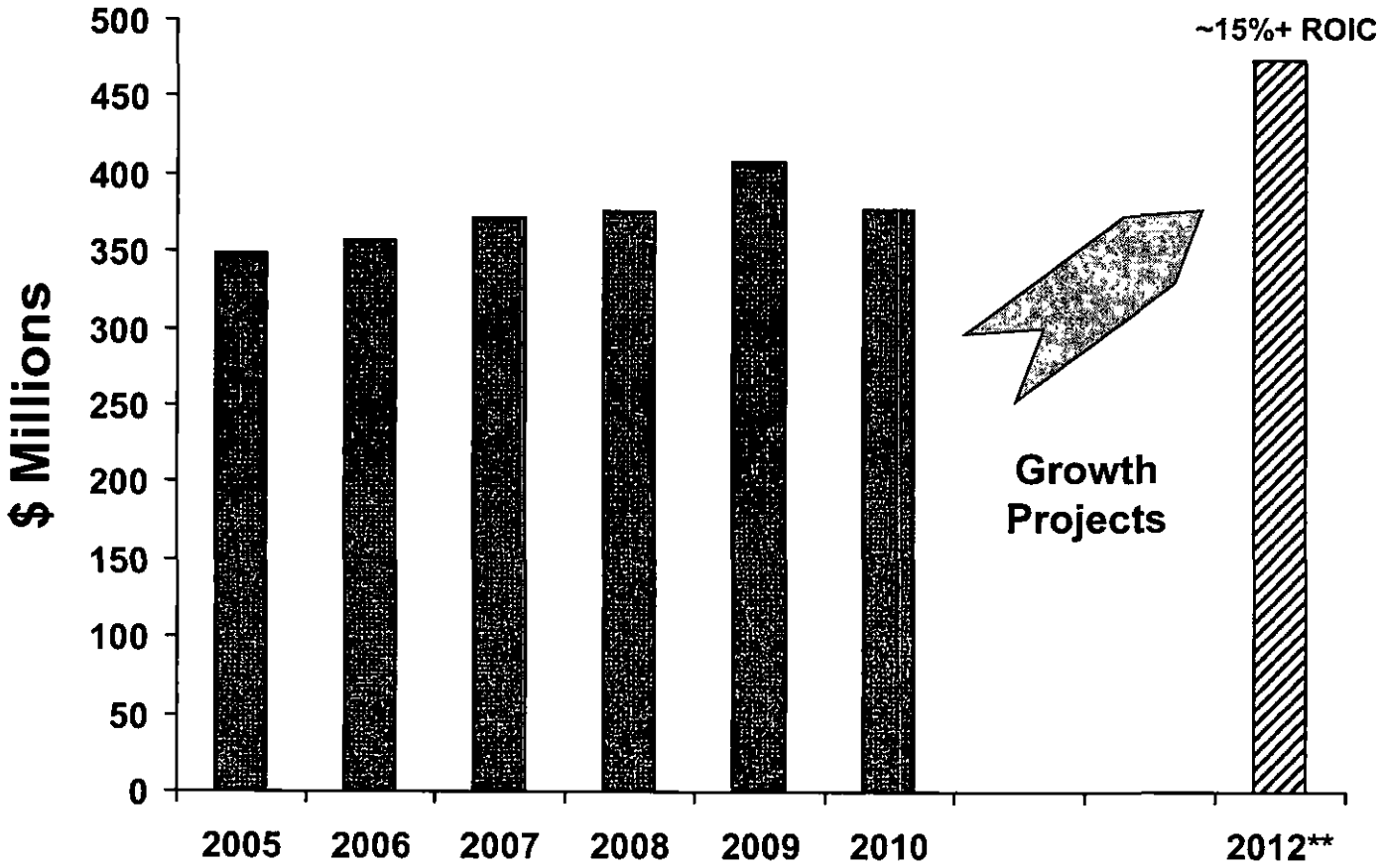
Expansions Drive Operating Earnings* Growth

Deep, Diverse Growth Inventory



GAS-ROR-006
Attachment I
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NGT&S Operating Earnings*

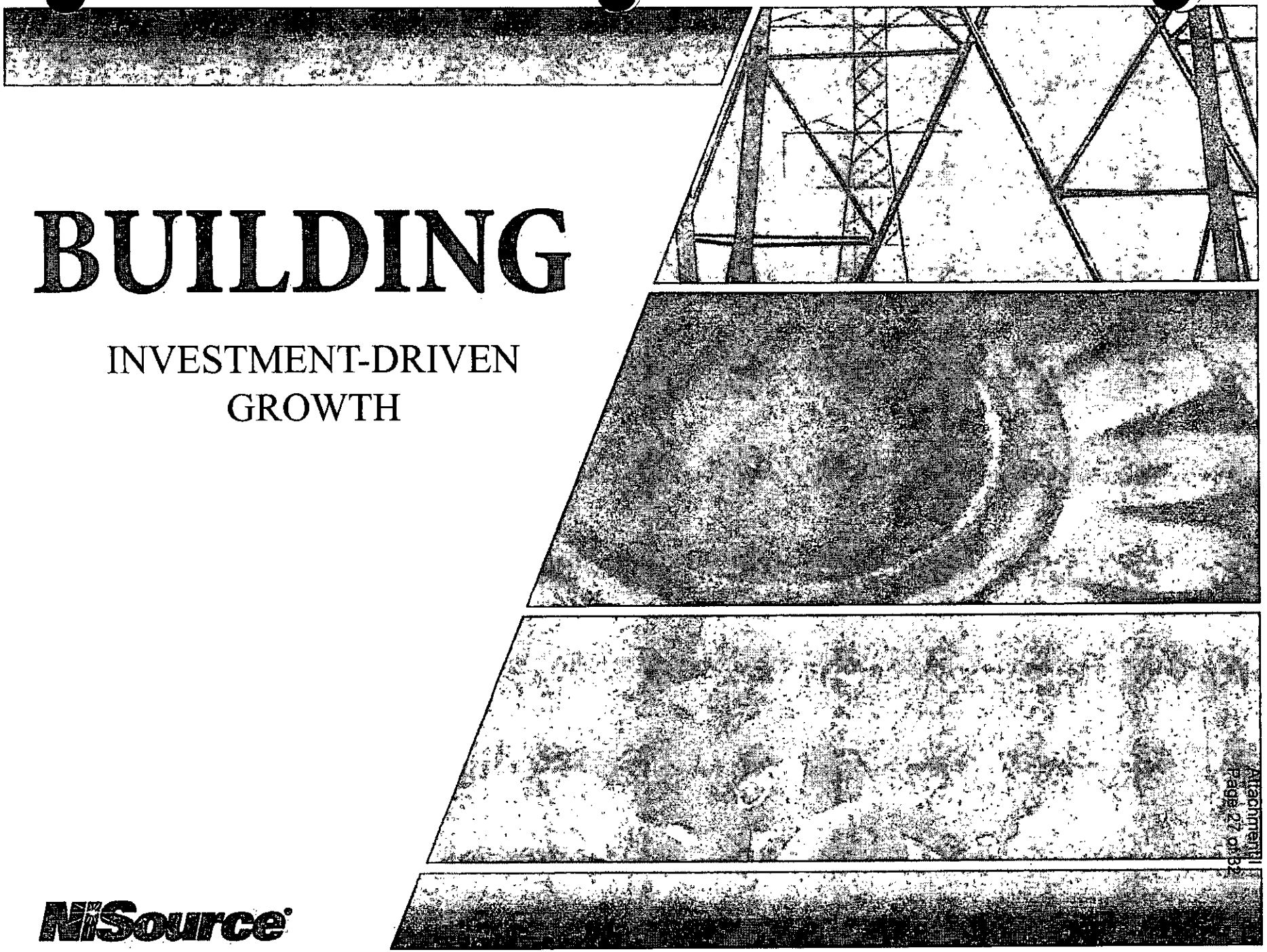


*Non-GAAP
**2012: Illustrative

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BUILDING

INVESTMENT-DRIVEN GROWTH



NiSource®

Attachment 1
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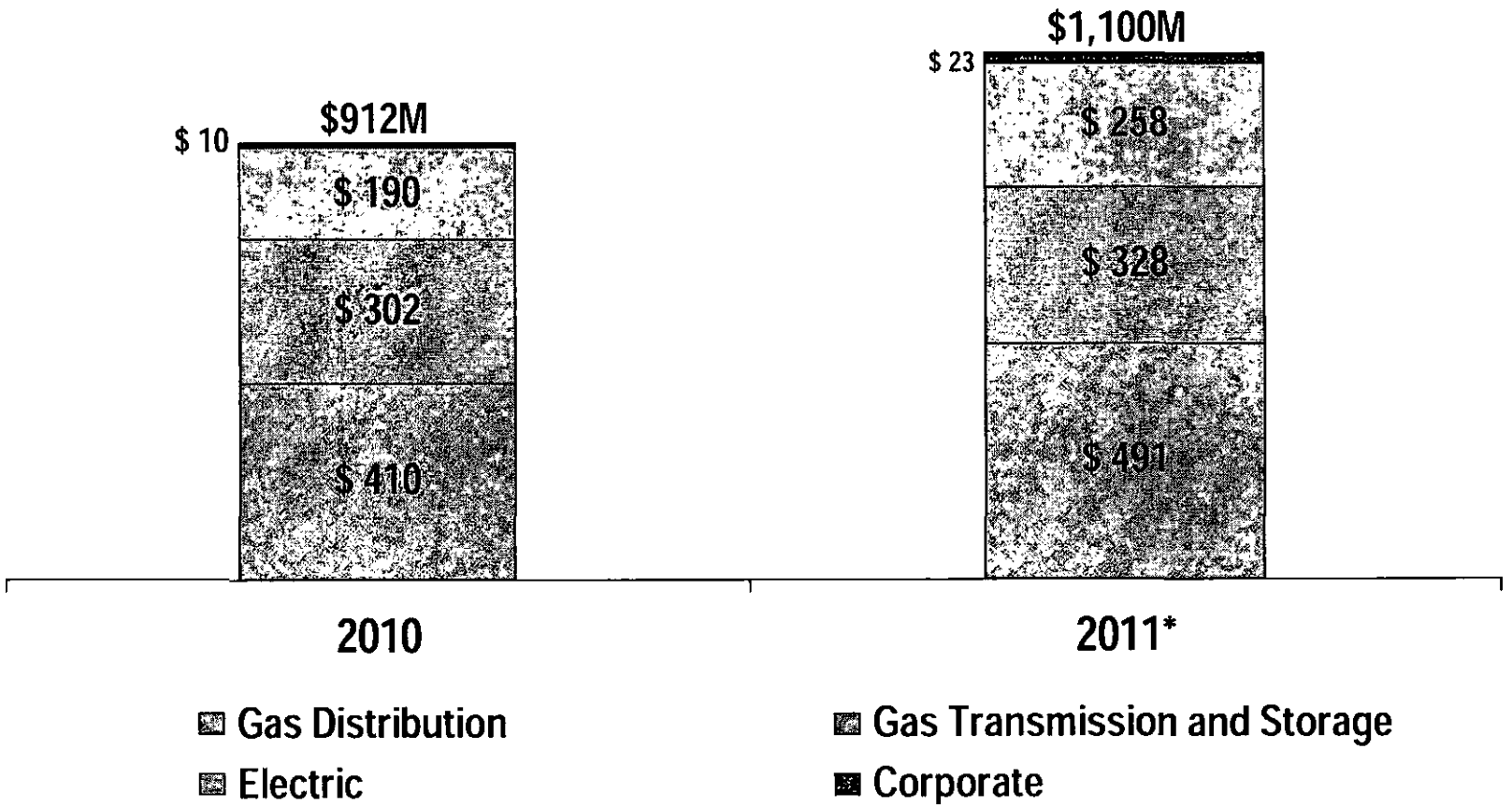
GAS-ROR-006

Long-Term Financial Objectives

- 3 – 5% Long-Term Earnings Growth + Attractive, Secure Dividend
- Highly Disciplined Capital Allocation Framework + Disciplined O&M Management
- Ongoing Credit Profile Improvement with Strong Liquidity

GAS-ROR-006
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$1B/Year Run-Rate Cap-Ex



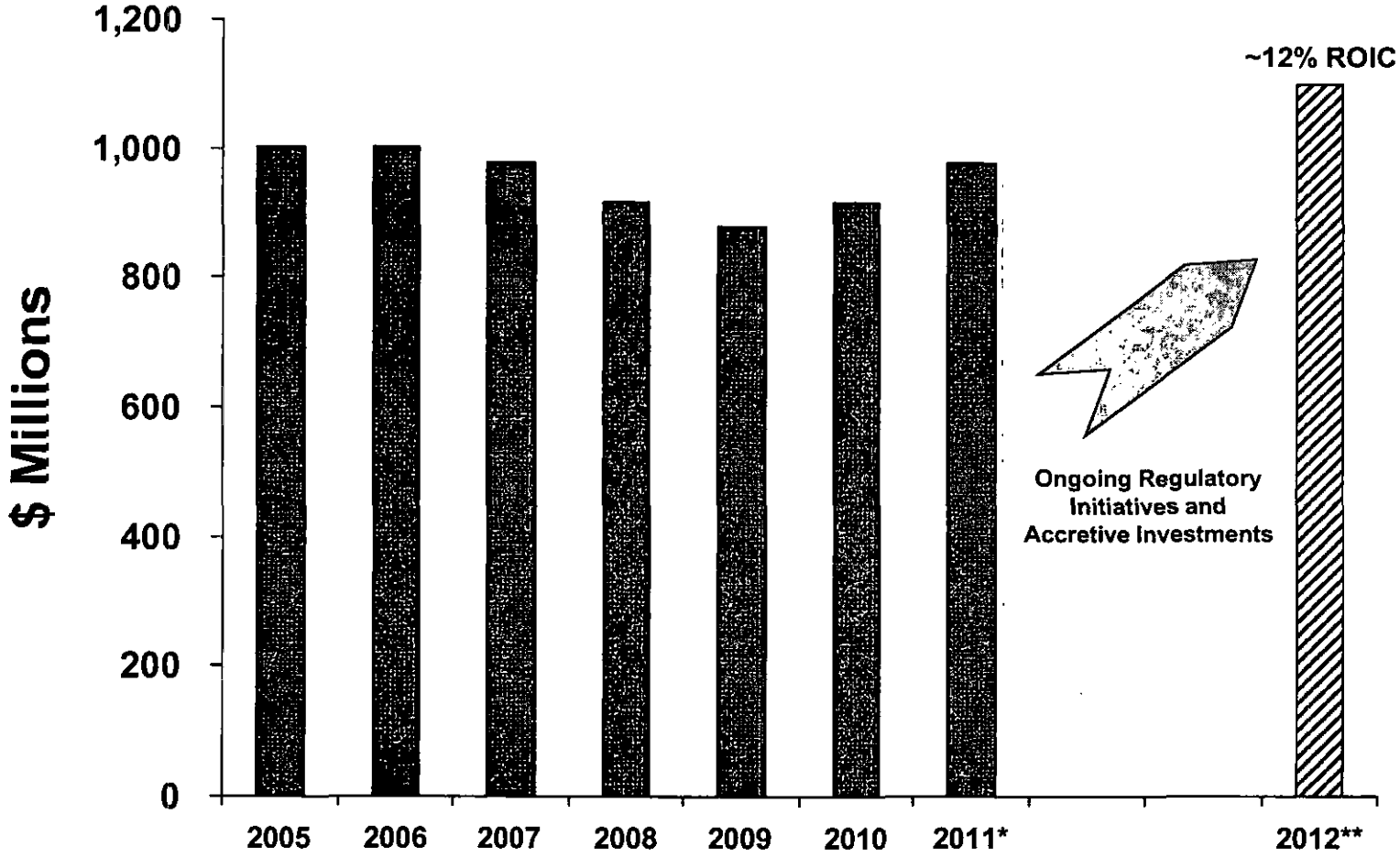
* Projected

NiSource

2011 Growth & Tracker ~$650M / Age & Condition ~$450M

Building Growth: 2010 - 2012

NI Operating Earnings*



* Non-GAAP

** 2011: Mid-Point of Guidance Range; 2012: Illustrative

NiSource

Attractive, Low-Risk Investments

Long-Term Financial Objectives

Earnings Growth and Attractive, Secure Dividend

- Sustainable EPS Growth of 3-5%
- 2011 Outlook Range of $1.25-1.35 (NOEPS)*
- Attractive, Stable Dividend
- Risk Reduction via Rate Design and Rate Case Activity at NGD and NIPSCO
- On-Time, On-Budget Project Execution
- Highly Predictable Revenue Streams

Highly Disciplined Capital Allocation Framework

- Ensure System Maintained for Operational Excellence
- Disciplined Approach to Growth Capital
  - Low Risk
  - Transparent Return Mechanisms
  - Accretive to Shareholder Value

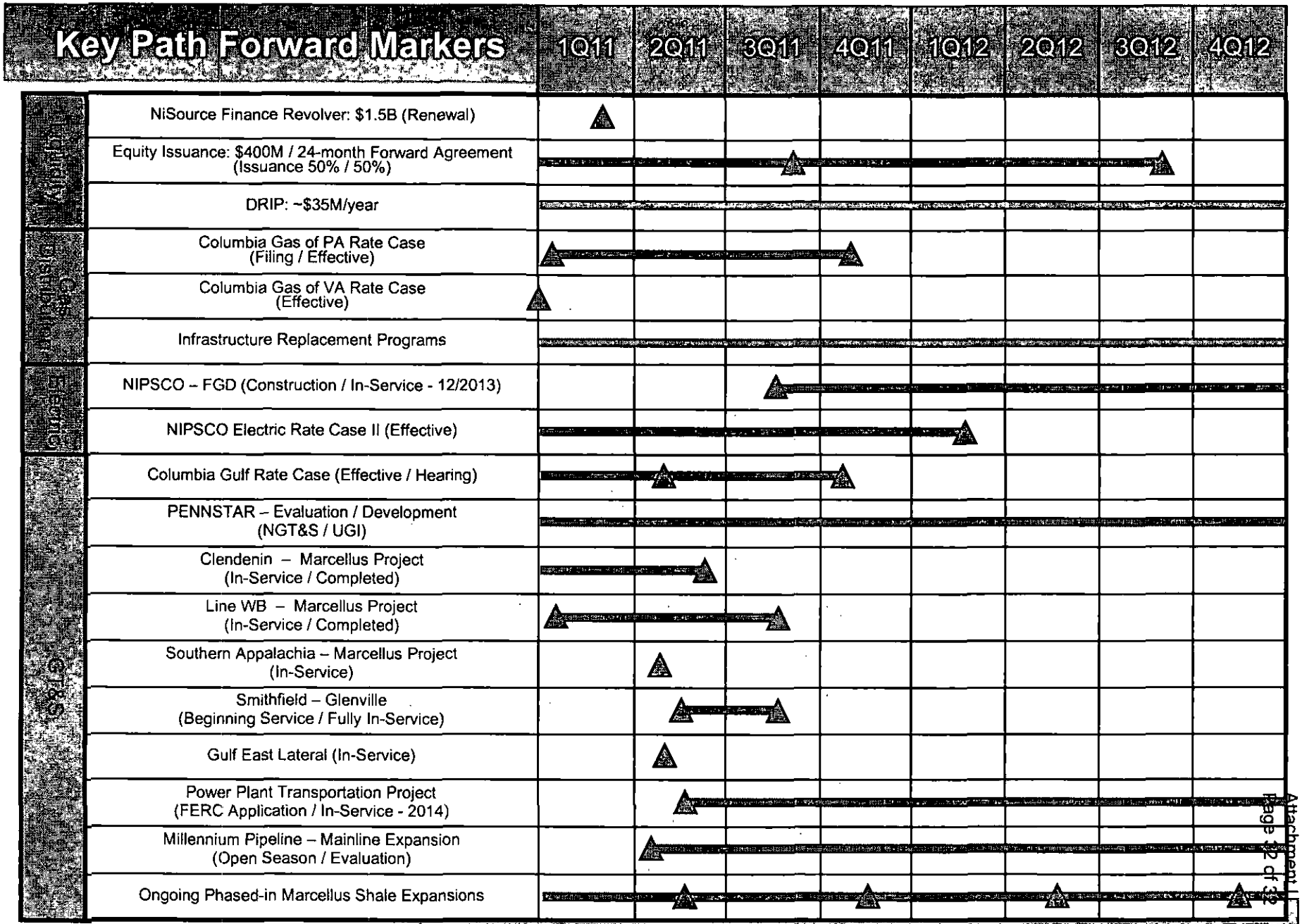
Ongoing Credit Profile Improvement

- Commitment to Investment Grade Rating and Improving Credit Metrics
- Business Profile and Strategic Framework Support Investment Grade Rating
- DRIP/DSP Provides ~$35M/Yr. of Equity

** Net Operating Earnings per Share (non-GAAP), outlook provided January 2011*

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Key Path Forward Markers

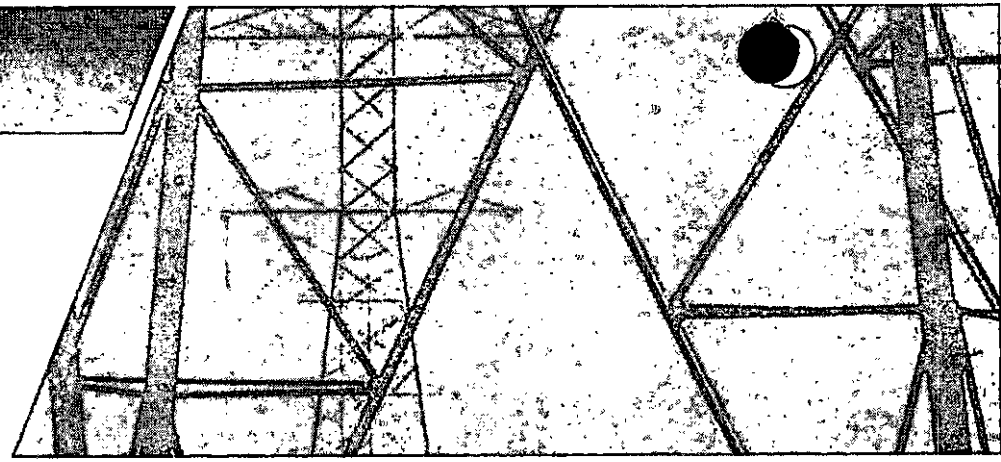


NiSource®

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BUILDING

INVESTMENT-DRIVEN GROWTH



Q2 2011 Earnings
Supplemental Slides
August 2, 2011

NiSource®

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Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2010 Form 10-K and subsequent reports on Form 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2011 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways

- Settlement filed in Indiana electric rate case
- Continued solid execution of NiSource Gas Distribution infrastructure programs and regulatory initiatives
- Marcellus growth projects being placed in service on time and on budget
- Ongoing actions to maintain NiSource's financial strength and flexibility
- Earnings fully in line with 2011 guidance*

GAS-ROR-006
Attachment J
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* *$1.25 – $1.35 Operating Earnings Per Share (non-GAAP)*

Second Quarter 2011 Financial Highlights

Non-GAAP	Q2 2011*	Q2 2010*	Change*
Net Operating Earnings from Continuing Operations**	$45.6	$37.0	$8.6
Operating Earnings Per Share**	$0.17	$0.13	$0.04
Operating Earnings**	$162.2	$154.0	$8.2

GAAP	Q2 2011*	Q2 2010*	Change*
Income from Continuing Operations	$39.5	$28.0	$11.5
Earnings Per Share	$0.14	$0.10	$0.04
Operating Income	$163.3	$139.2	$24.1

** All Results Listed In Millions, Except for EPS*

*** For a Reconciliation to GAAP, See Schedule 1 of the Company's Aug. 2, 2011 Earnings Release*

NiSource Electric Operations – Q2 2011 Highlights*

- Operating earnings $37.3M in Q2 2011 vs. $48.3M in Q2 2010**
- Revenues unchanged; operating expenses up $11.2M primarily due to higher generation costs
- Balanced, collaborative settlement filed in rate case
- New cost- and energy-saving customer programs approved: demand-side management and renewable generation feed-in electric and net metering programs
- Construction of Schahfer FGD unit on schedule

2011 Highlights Going Forward

Highlight	Key Components	Status

2010 Electric Rate Case Settlement	• Settlement filed with the Indiana Utility Regulatory Commission (IURC) in July
	  • Provides foundation for ongoing infrastructure investment
	  • Would increase residential rates by ~4.5%
	  • 10.2% return on equity
		• IURC decision projected by year-end 2011 with rates in effect early 2012

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** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Aug. 2, 2011 Earnings Release*

NiSource Gas Distribution – Q2 2011 Highlights*

- Operating earnings $48.7M in Q2 2011 vs. $35.9M in Q2 2010**
- Revenues up slightly, reflecting change in NIPSCO gas rate design offset by a decrease in off-system sales
- Operating expenses $12.4M lower, reflecting change in depreciation rates
- Significant infrastructure modernization programs continue

2011 Highlights Going Forward

Highlight	Key Components	Status
Regulatory	• Columbia Gas of Pennsylvania rate case – Partial settlement filed on July 1 – Revenue increase of $17 million annually – Two litigated issues; decision expected this month	• PUC decision, rates in effect in Q4 2011
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania • Columbia Gas of Virginia filed an application to accelerate recovery of infrastructure projects	• On track • Ongoing

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Aug. 2, 2011 Earnings Release*

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NiSource Gas Transmission & Storage – Q2 2011 Highlights*

- Operating earnings $84.7M in Q2 2011 vs. $74.9M in Q2 2010**
- Revenues increase $14.3M from 2010 growth projects placed in service
- Operating expenses up $6.4M due to employee and administrative expenses and depreciation
- Various growth projects in service during first half of 2011
- Deepening leadership ranks to meet Marcellus growth, power generation demand

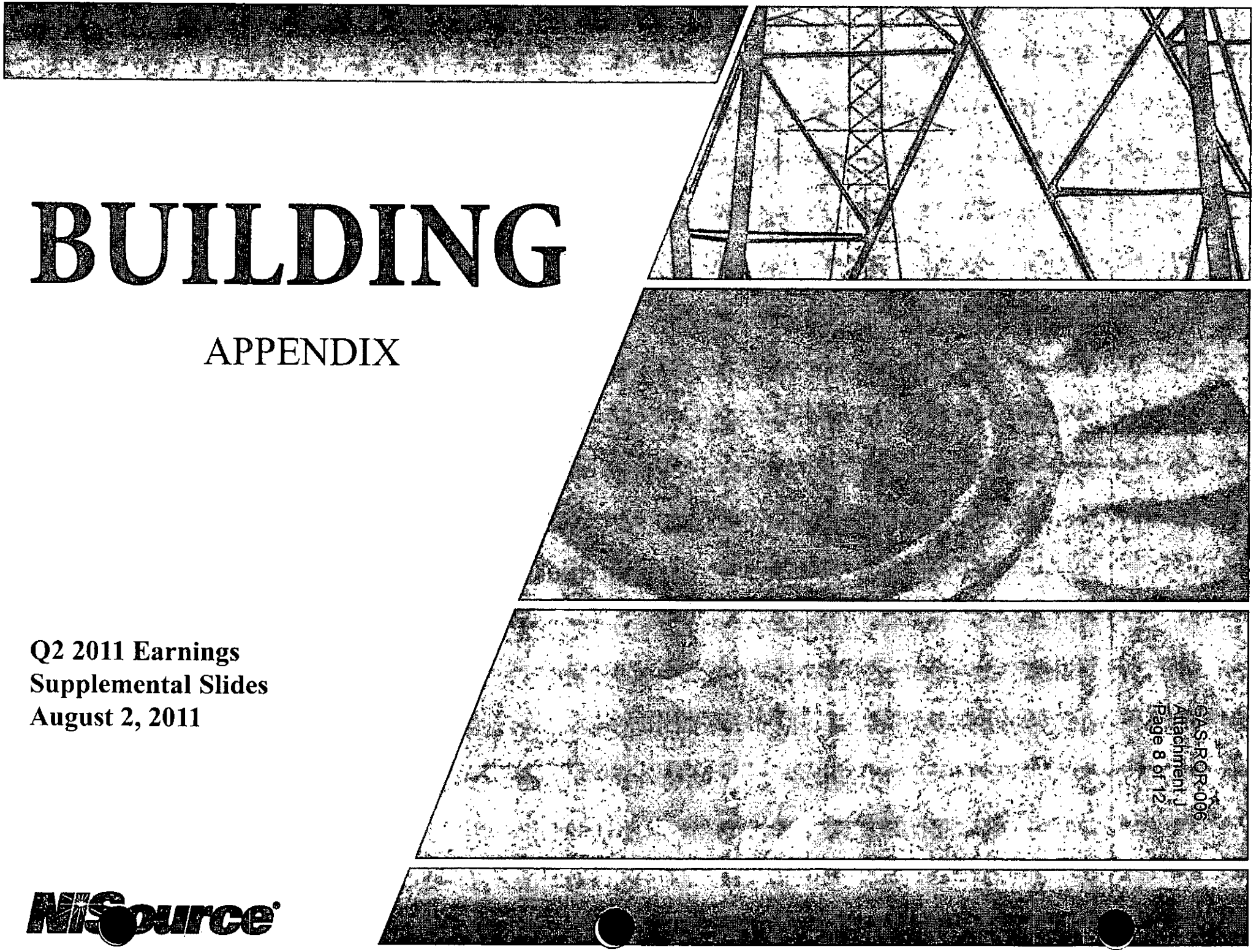
2011 Highlights Going Forward

Project	Key Components	Status
Columbia Gulf Rate Case	~$50 million / year	• New rates took effect May 1 (subject to refund) • Actively involved in settlement discussions
Warren County Electric Generation Infrastructure	~250,000 dekatherms / day	• Application filed with FERC • Projected in service during 2014
Marcellus Infrastructure	Providing supply access to interstate pipeline grid	• Rimersburg Expansion (partial in service Q4 • Smithfield (projected in service Q3 2011) • Line WB (projected fully in service Q3 2011)

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** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Aug. 2, 2011 Earnings Release*



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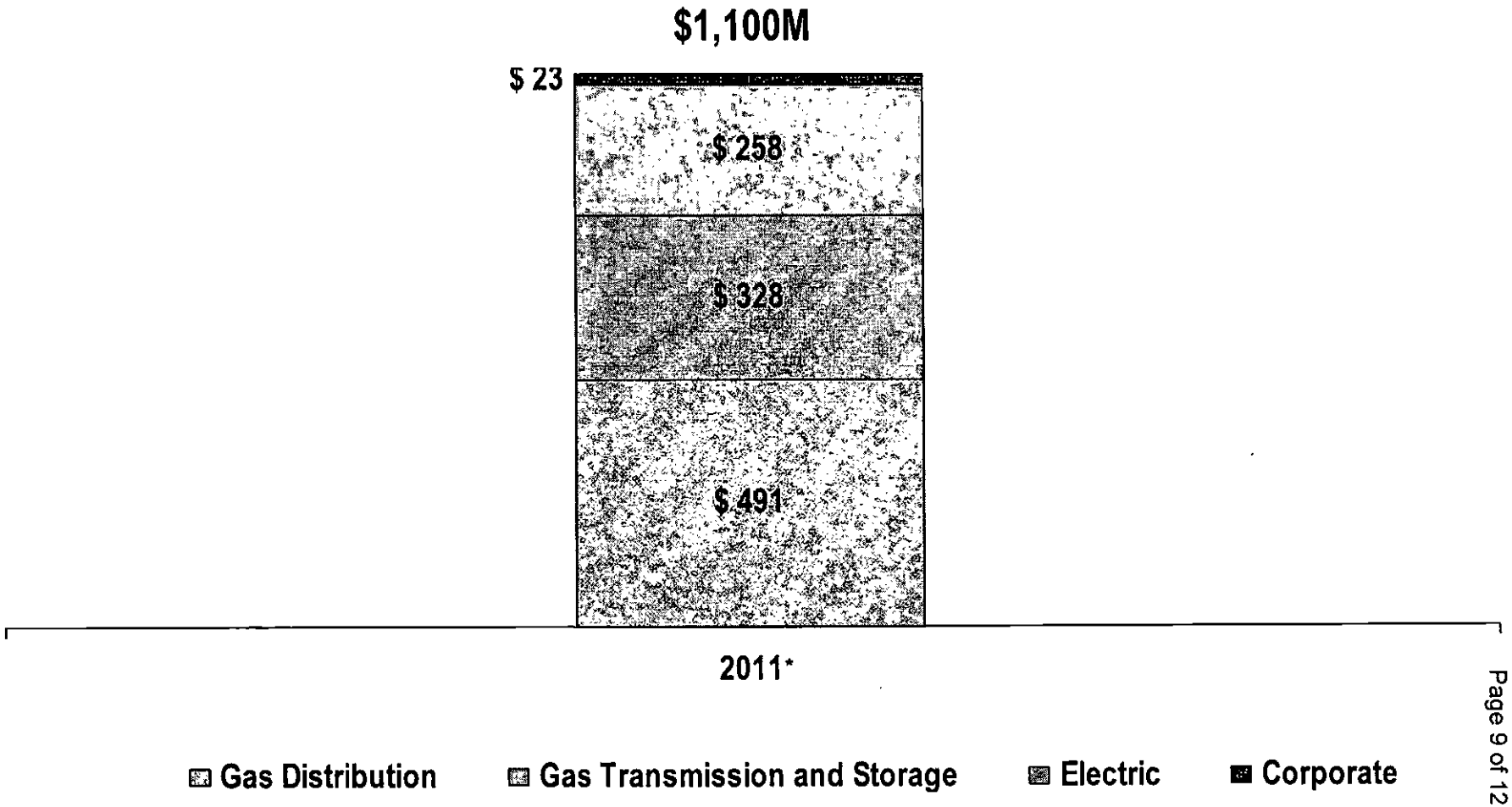
APPENDIX

Q2 2011 Earnings
Supplemental Slides
August 2, 2011

NiSource

GAS-RQR-006
Attachment 1
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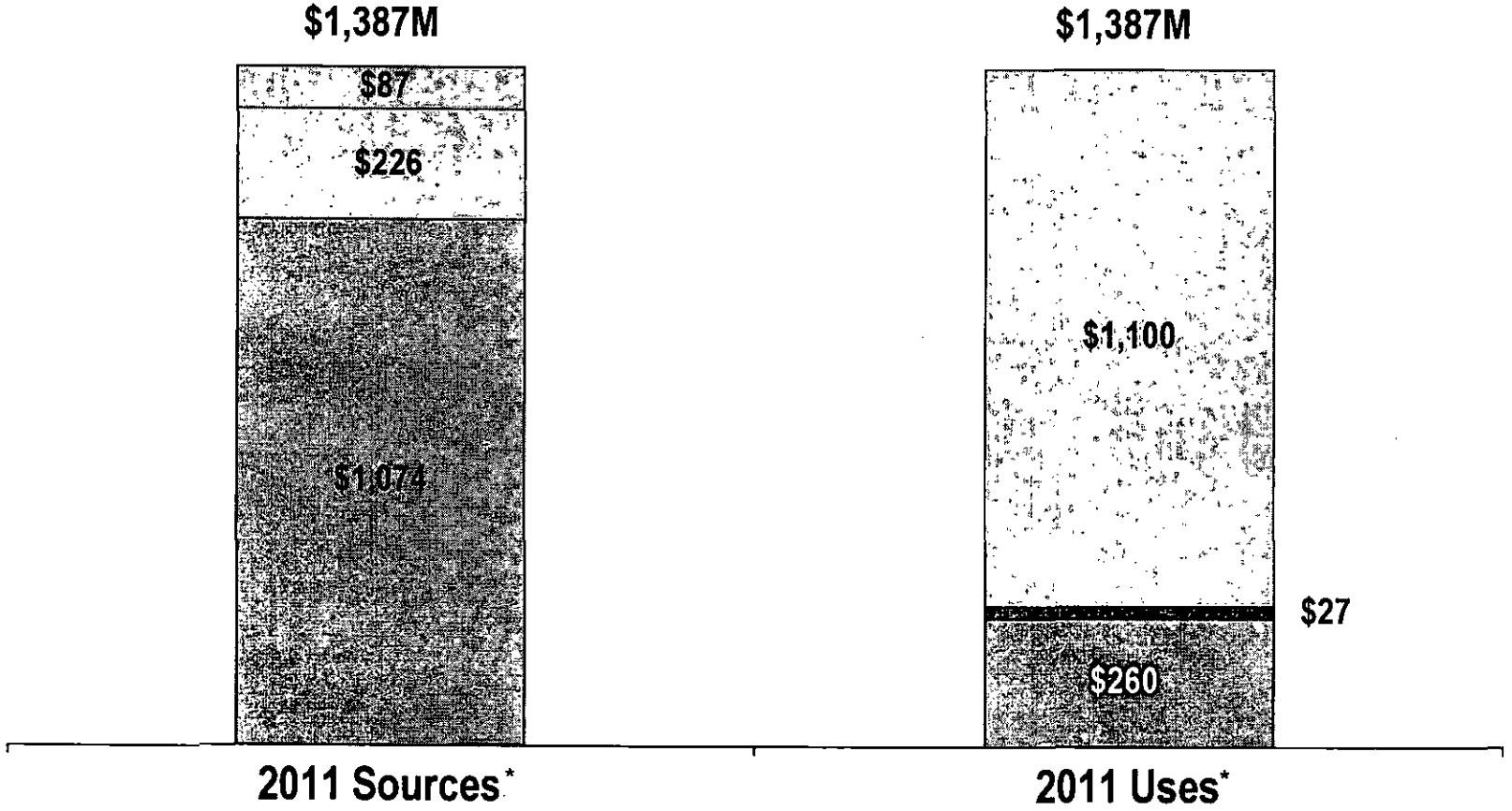
2011 Forecasted ($M)



GAS-ROR-006
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* *Projected*

2011 Sources and Uses of Cash ($M)



Funds From Operations Equity (DRIP & Forward Sale) Working Capital Dividends Maturities CapEx

* *Projected*

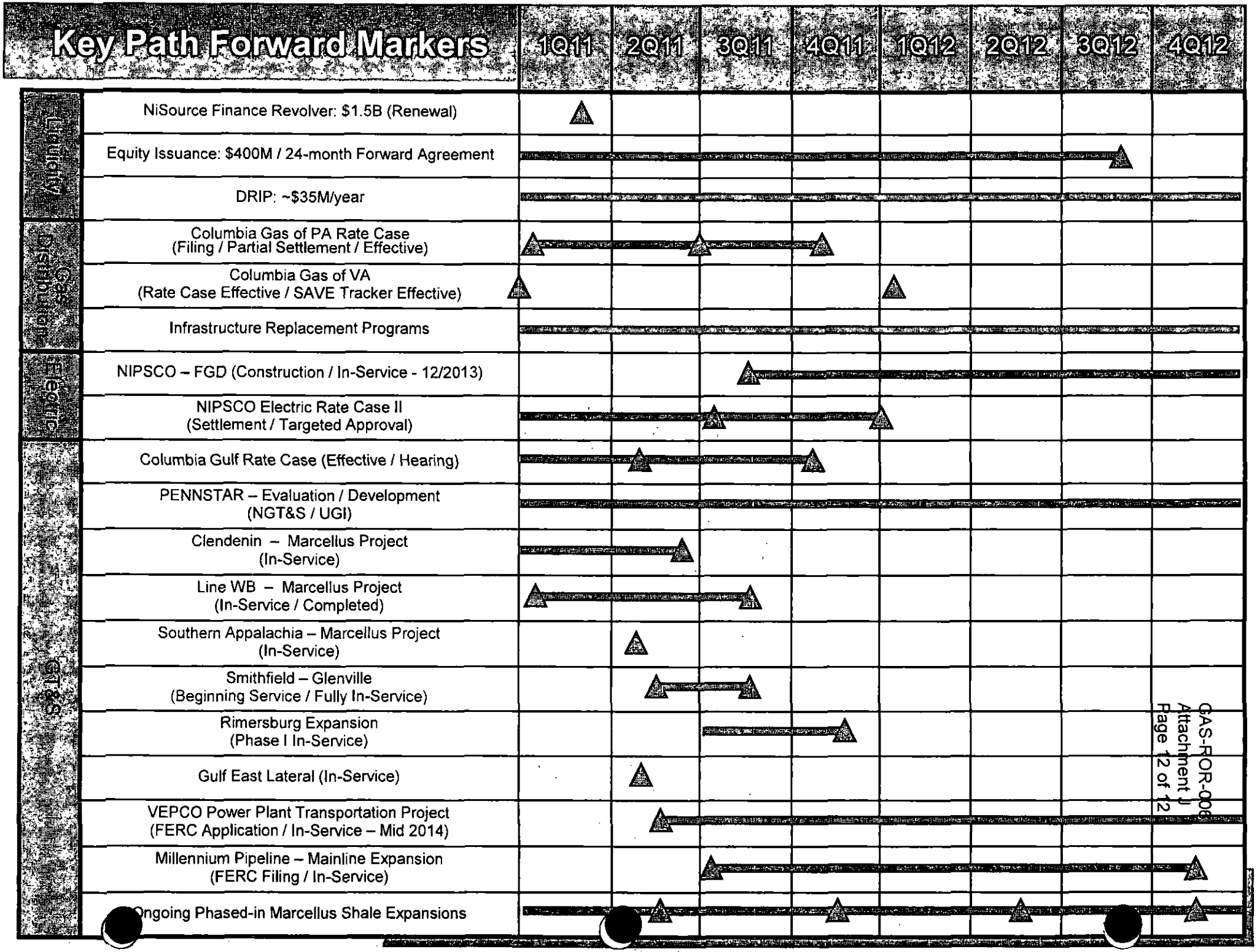
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NiSource

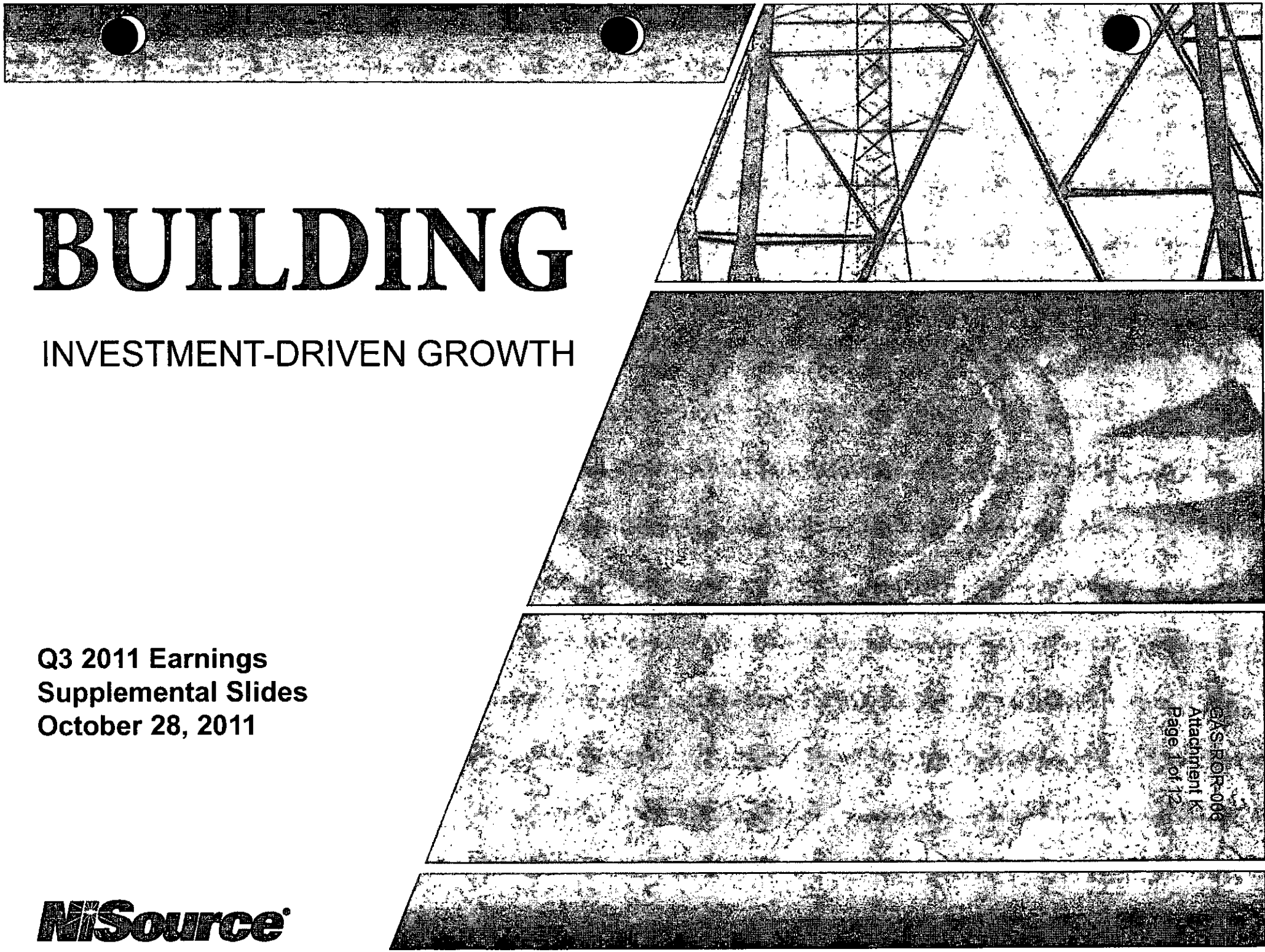
Assumes 50% of Forward Sale Drawn in September

Current Liquidity ($M)

	Actual 6/30/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(506)	
Commercial Paper	(180)	
Letters of Credit	(20)	
Add:		
Cash & Equivalents	60	
Net Available Liquidity	**$854**	



GAS-ROR-00
Attachment J
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INVESTMENT-DRIVEN GROWTH

Q3 2011 Earnings
Supplemental Slides
October 28, 2011

NiSource®

EXS:ROR-006
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Forward-Looking Statements

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Key Takeaways – Third Quarter 2011

- Balanced, investment-driven strategy continues to deliver solid earnings growth and increased shareholder value
- Earnings on pace for upper half of 2011 guidance*
- Key infrastructure and regulatory initiatives on track
- Pennsylvania gas rate case settlement approved; Columbia Gulf rate case settlement advances
- Indiana electric rate case settlement on schedule
- Leveraging unique position in shale production regions

GAS-ROR-006
Attachment K
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* *$1.25 – $1.35 Operating Earnings Per Share (non-GAAP)*

Third Quarter 2011 Financial Highlights

Non-GAAP	Q3 2011*	Q3 2010*	Change*
Net Operating Earnings from Continuing Operations**	$33.1	$10.3	$22.8
Operating Earnings Per Share**	$0.11	$0.04	$0.07
Operating Earnings**	$142.0	$109.9	$32.1

GAAP	Q3 2011*	Q3 2010*	Change*
Income from Continuing Operations	$36.3	$33.4	$2.9
Earnings Per Share	$0.13	$0.12	$0.01
Operating Income	$147.5	$123.3	$24.2

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Attachment K
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** All Results Listed In Millions, Except for EPS*
*** For a Reconciliation to GAAP, See Schedule 1 of the Company's Oct. 28, 2011 Earnings Release*

NiSource Electric – Q3 2011 Highlights*

- Operating earnings $72.9M in Q3 2011 vs. $80.0M in Q3 2010**
- Revenues lower by $4.3M due to lower environmental investment revenues; Operating expenses up $2.8M
- New electric rates targeted for late 2011 or early 2012, pending regulatory approval
- Environmental investments on track; new electric energy efficiency initiatives introduced to help customers manage their energy bills and conserve energy

2011 Highlights Going Forward

Highlight	Key Components	Status

2010 Electric Rate Case Settlement	• Settlement filed with the Indiana Utility Regulatory Commission (IURC) in July
	  • Provides foundation for ongoing infrastructure investment
	  • Would increase residential rates by ~4.5%
	  • 10.2% return on equity
		• Settlement hearings completed in Sept.
		• IURC decision, rates in effect late 2011 or early 2012

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** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct. 28, 2011 Earnings Release*

NiSource Gas Transmission & Storage – Q3 2011 Highlights*

- Operating earnings $68.2M in Q3 2011 vs. $76.4M in Q3 2010**
- Revenues increase $10.8M from 2010 growth projects placed in service; Operating expenses up $19.0M, primarily due to an environmental expense
- Settlement filed in Columbia Gulf Rate case, pending approval
- Deepening commercial and midstream leadership ranks
- Aligning long-term portfolio of supply-driven opportunities, including midstream and infrastructure investments

2011 Highlights Going Forward

Project	Key Components	Status
Columbia Gulf Rate Case	New rates took effect May 1, 2011 - subject to refund	• Settlement filed in Sept. 2011 • Targeting year-end FERC approval
Warren County Electric Generation Infrastructure	~250,000 dekatherms / day	• Application filed with FERC • Projected in service during 2014
Marcellus & Utica Infrastructure	Providing supply access to interstate pipeline grid	• Smithfield and Rimersburg Expansion • Ongoing phased-in shale expansions in development

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct. 28, 2011 Earnings Release*

GAS-ROR-006
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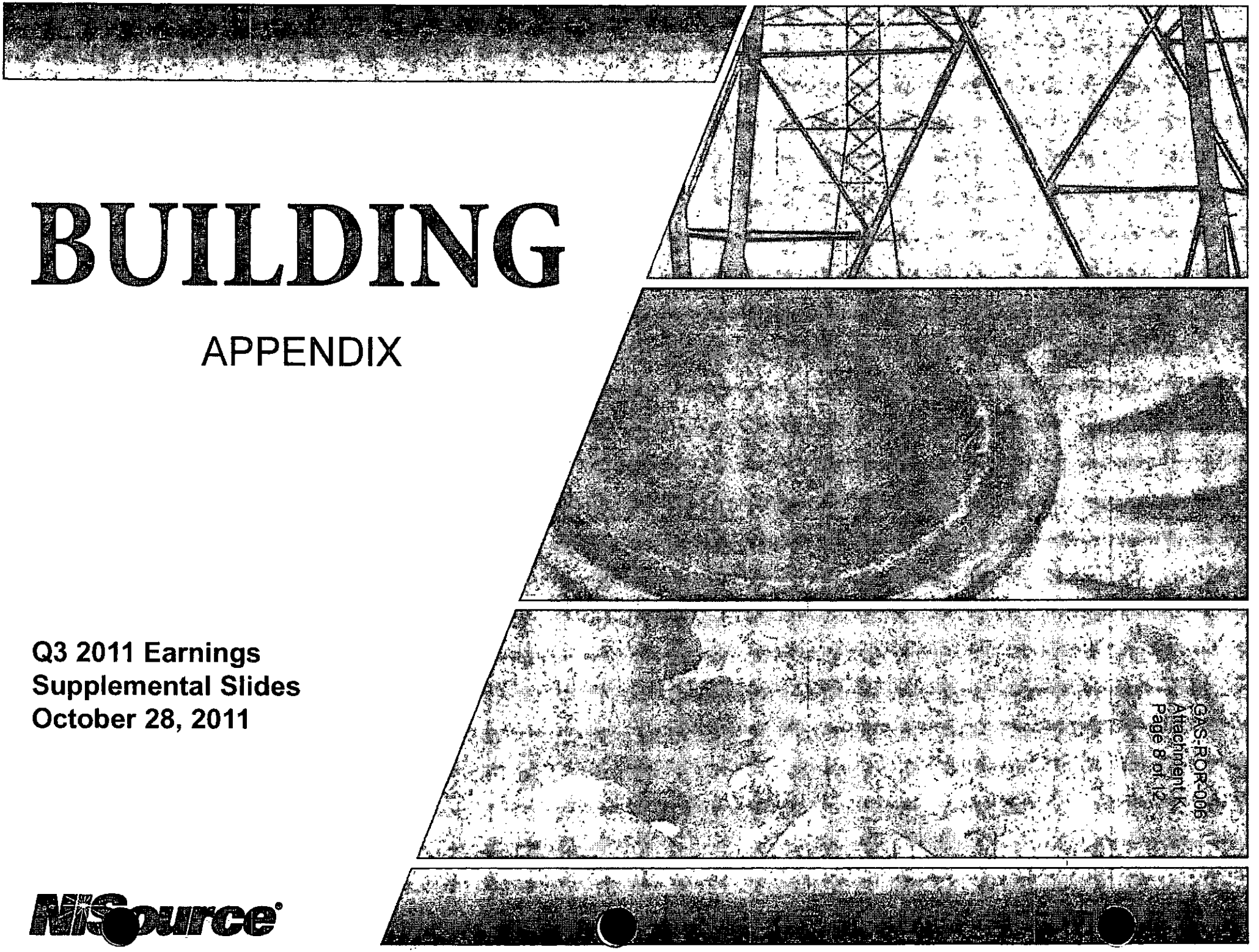
NiSource Gas Distribution – Q3 2011 Highlights*

- Operating earnings $8.0M in Q3 2011 vs. a loss of $40.7M in Q3 2010**
- Revenues up $24.0M, reflecting change in NIPSCO gas rate design and infrastructure replacement programs
- Operating expenses $24.7M lower, reflecting change in depreciation rates
- New rates approved for Columbia Gas of Pennsylvania

2011 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania • Columbia Gas of Virginia filed an application to accelerate recovery of infrastructure projects – decision expected Q4 2011	• On track to invest more than $300 million in 2011

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct 28, 2011 Earnings Release*



BUILDING

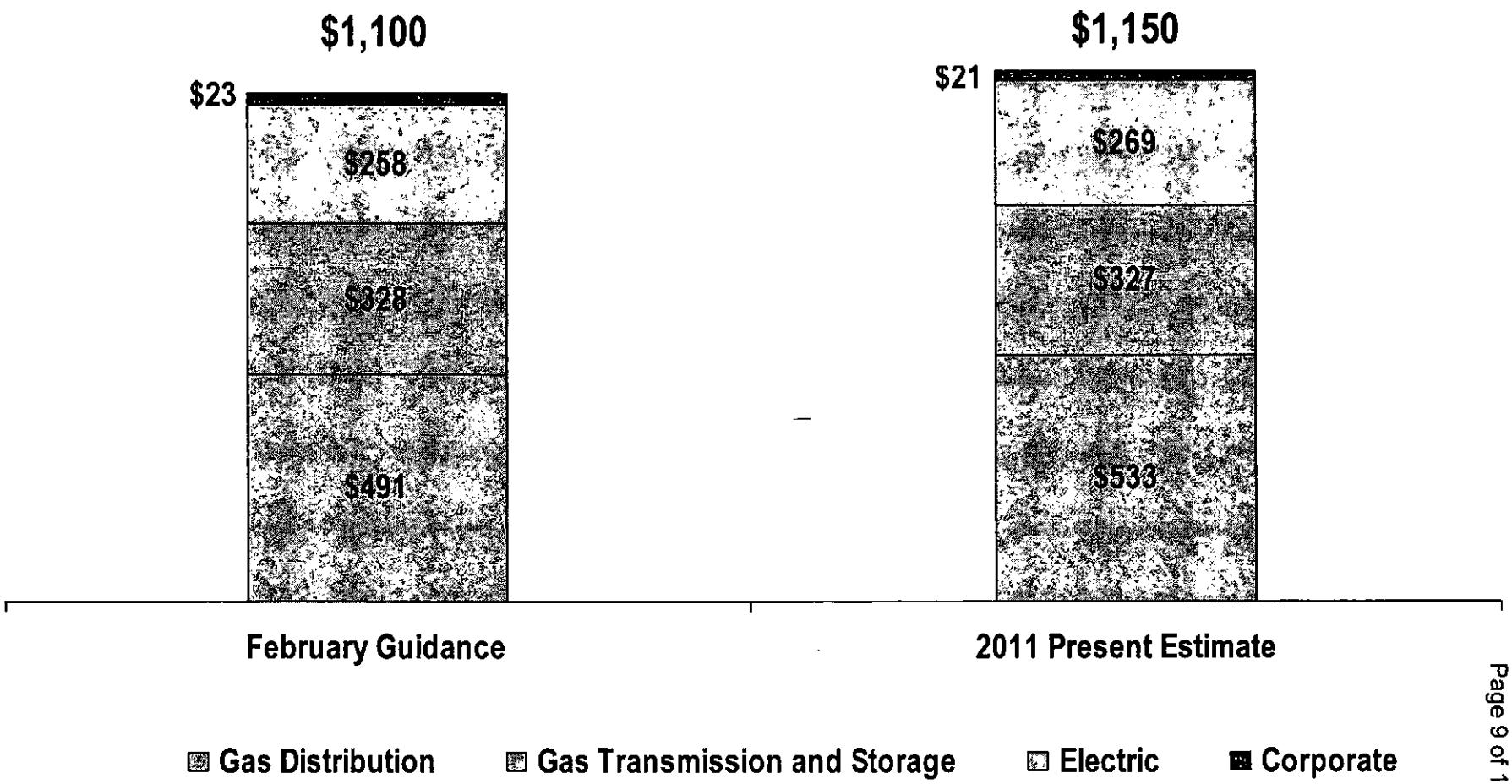
APPENDIX

Q3 2011 Earnings
Supplemental Slides
October 28, 2011

NiSource

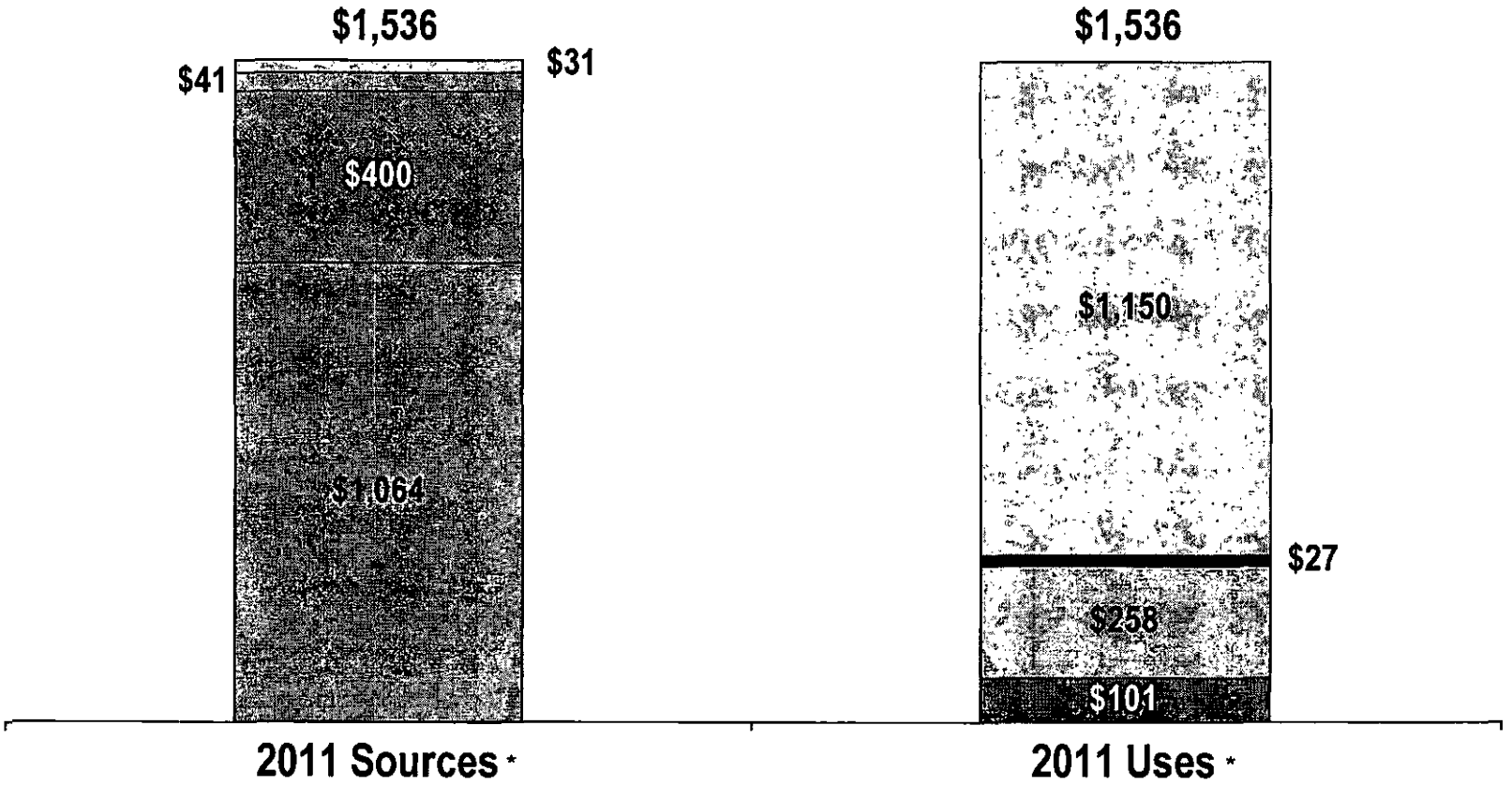
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2011 Forecasted



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2011 Sources and Uses of Cash ($M)

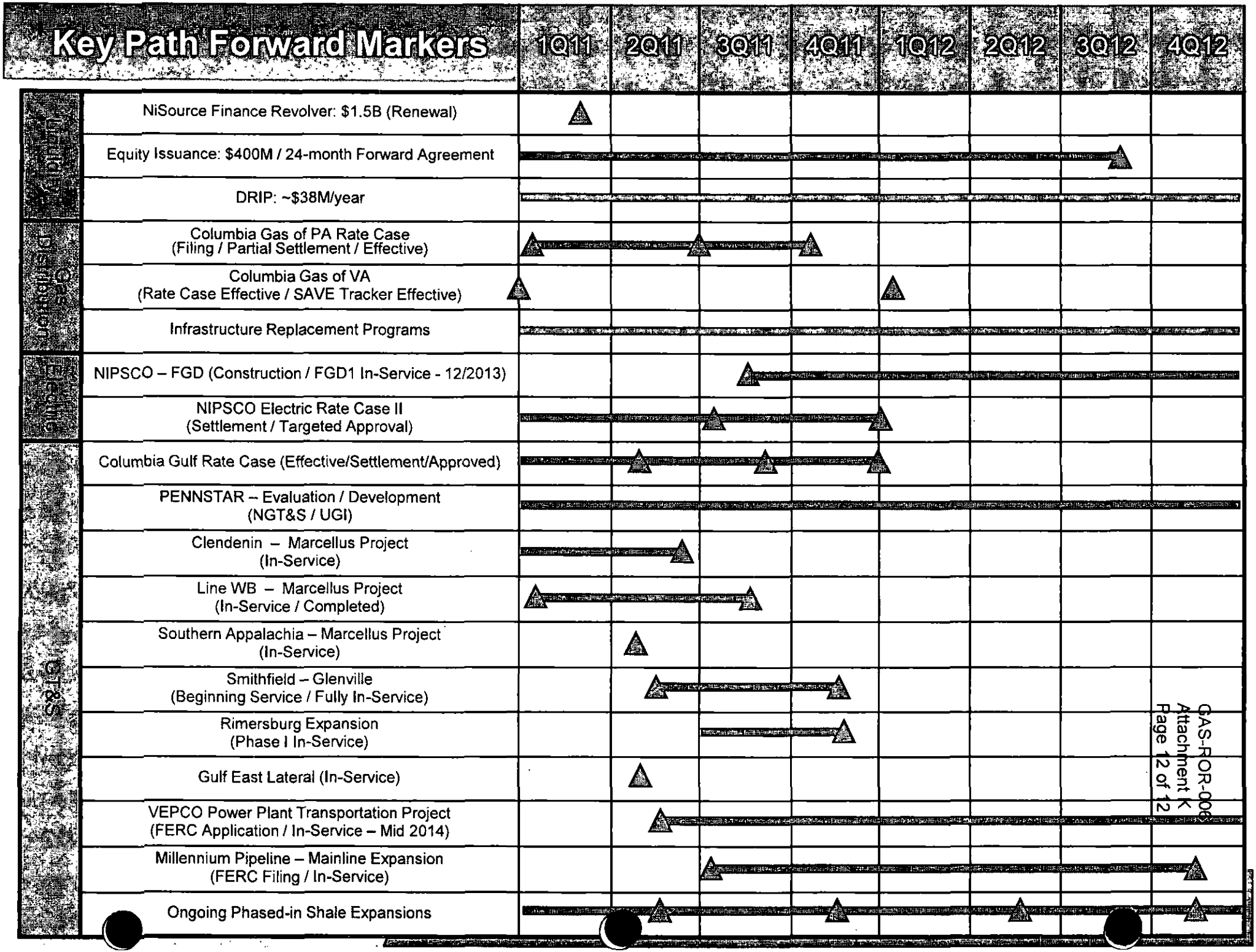


* Projected

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Current Liquidity ($M)

	Actual 9/30/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(615)	
Commercial Paper	(426)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	22	
Net Available Liquidity	**$462**	



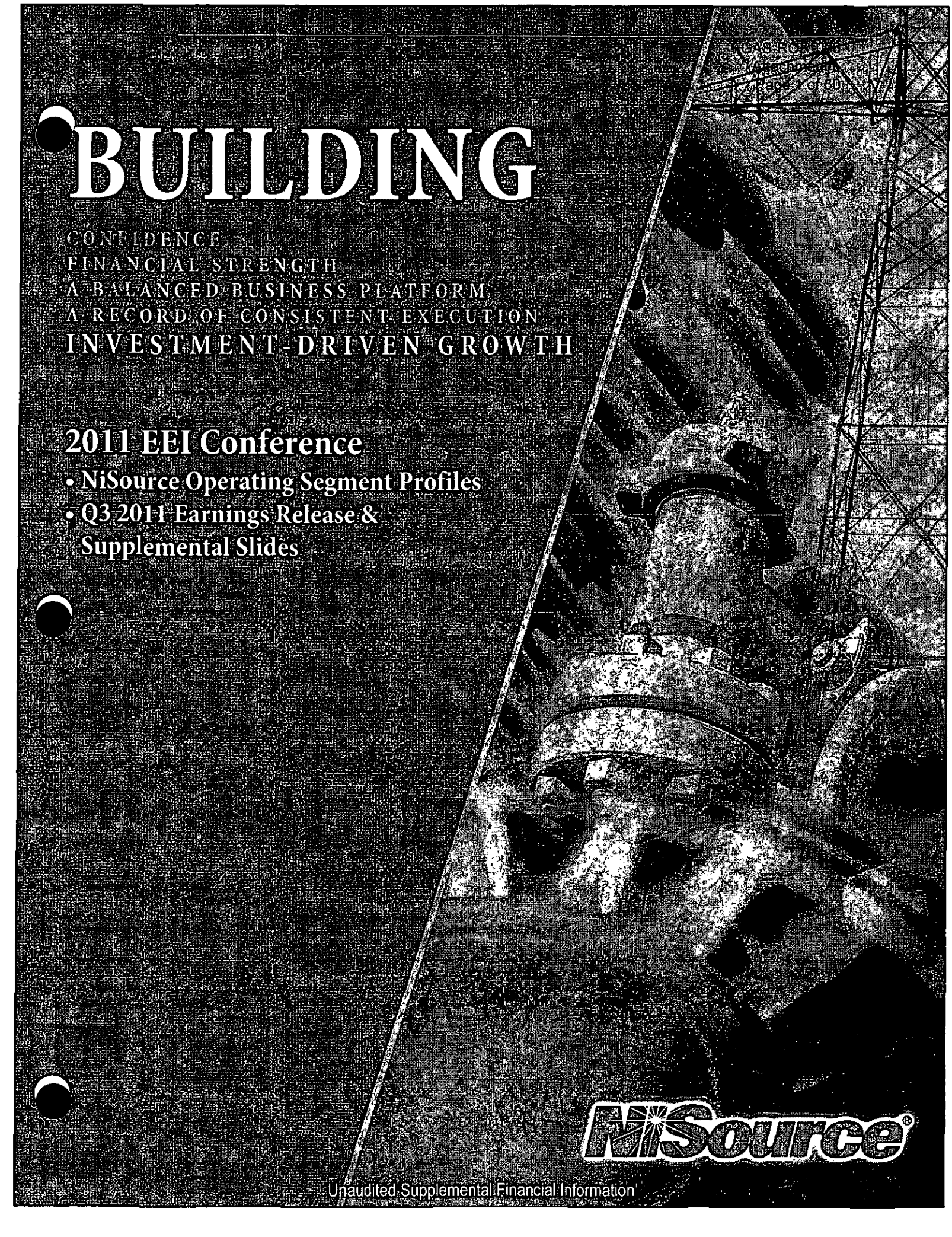
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BUILDING

CONFIDENCE
FINANCIAL STRENGTH
A BALANCED BUSINESS PLATFORM
A RECORD OF CONSISTENT EXECUTION
INVESTMENT-DRIVEN GROWTH

2011 EEI Conference

- NiSource Operating Segment Profiles
- Q3 2011 Earnings Release & Supplemental Slides



NiSource®

Unaudited Supplemental Financial Information

NISOURCE
CORPORATE PROFILE

NiSource Inc. (NYSE:NI) is an energy holding company with headquarters in Merrillville, Ind. Our companies provide natural gas, electricity and other products and services to approximately 3.8 million customers located within the high-demand energy corridor that runs from the Gulf Coast through the Midwest to New England. Our business strategy is focused on our core, rate-regulated, asset-based businesses which generate substantially all of our operating income.

GAS DISTRIBUTION

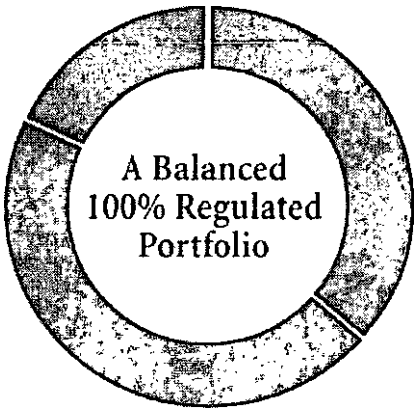
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

GAS TRANSMISSION & STORAGE

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Prolific Shale Production Regions of Appalachia
- Deep Inventory of Attractive Investment Opportunities

ELECTRIC OPERATIONS

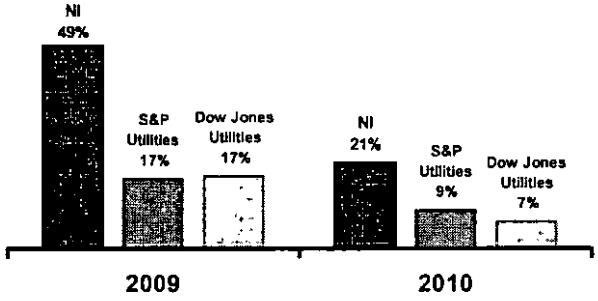
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



FINANCIAL HIGHLIGHTS (9/30/2011)

Stock Price	$21.38
Common Shares Outstanding	281.1M
Annual Dividend	$0.92
Market Capitalization	$6.01B

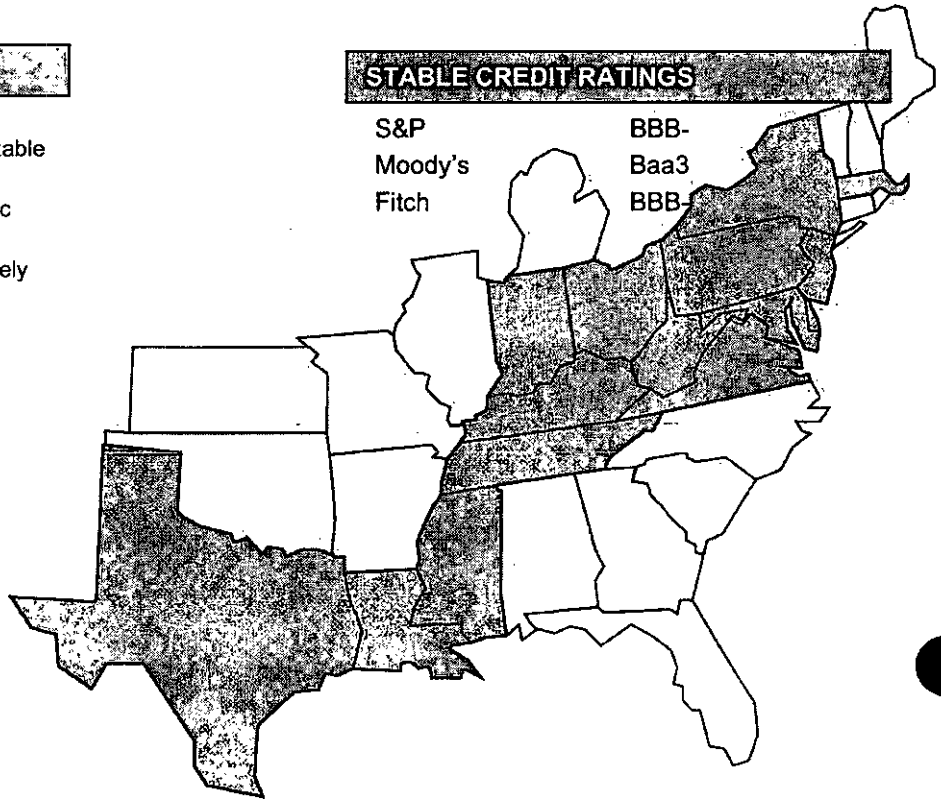
TOTAL SHAREHOLDER RETURN*



* Stock Appreciation + Annual Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-



NISOURCE
GAS DISTRIBUTION

Our natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 59,000 miles of pipeline. Under the banner of "Columbia Gas," NiSource owns six distribution subsidiaries that provide clean and affordable natural gas to approximately 2.5 million residential, commercial and industrial customers in Ohio, Pennsylvania, Maryland, Virginia, Kentucky and Massachusetts. NiSource also distributes natural gas to approximately 795,000 customers in Indiana through our Northern Indiana Public Service Company (NIPSCO) subsidiary.

NiSource gas distribution companies have established a state-of-the-art regulatory platform that focuses on de-risking earnings and synching long-term, low risk infrastructure replacement programs with complementary regulatory recovery mechanisms.

COLUMBIA GAS OF OHIO
- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers; 19,000+ Miles of Pipe

COLUMBIA GAS OF PENNSYLVANIA
- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers; 7,400 Miles of Pipe

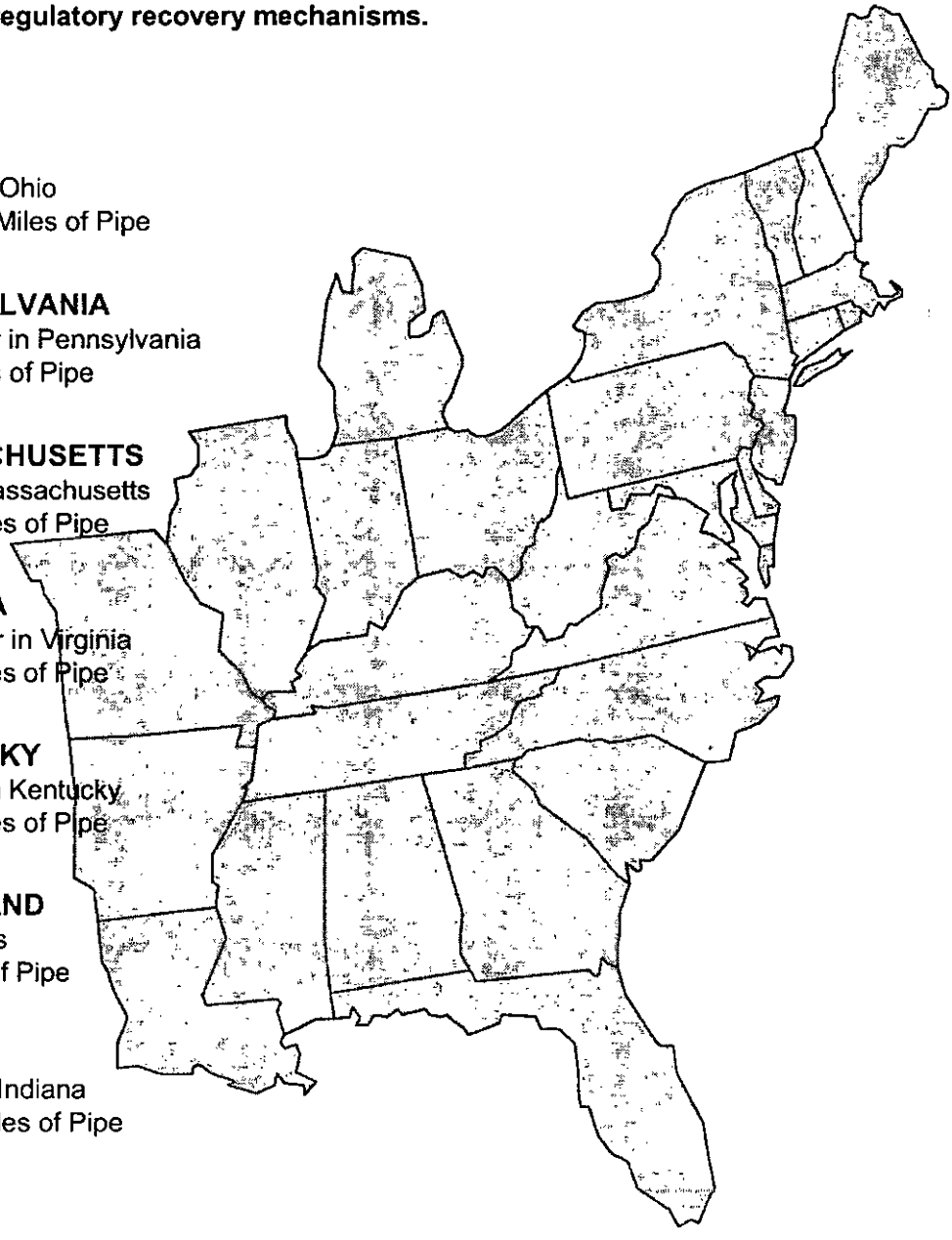
COLUMBIA GAS OF MASSACHUSETTS
- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF VIRGINIA
- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF KENTUCKY
- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers; 2,500+ Miles of Pipe

COLUMBIA GAS OF MARYLAND
- Complementary to PA Operations
- 33,000 Customers; 750+ Miles of Pipe

NIPSCO GAS
- Largest Natural Gas Provider in Indiana
- 795,000 Customers; 16,000+ Miles of Pipe

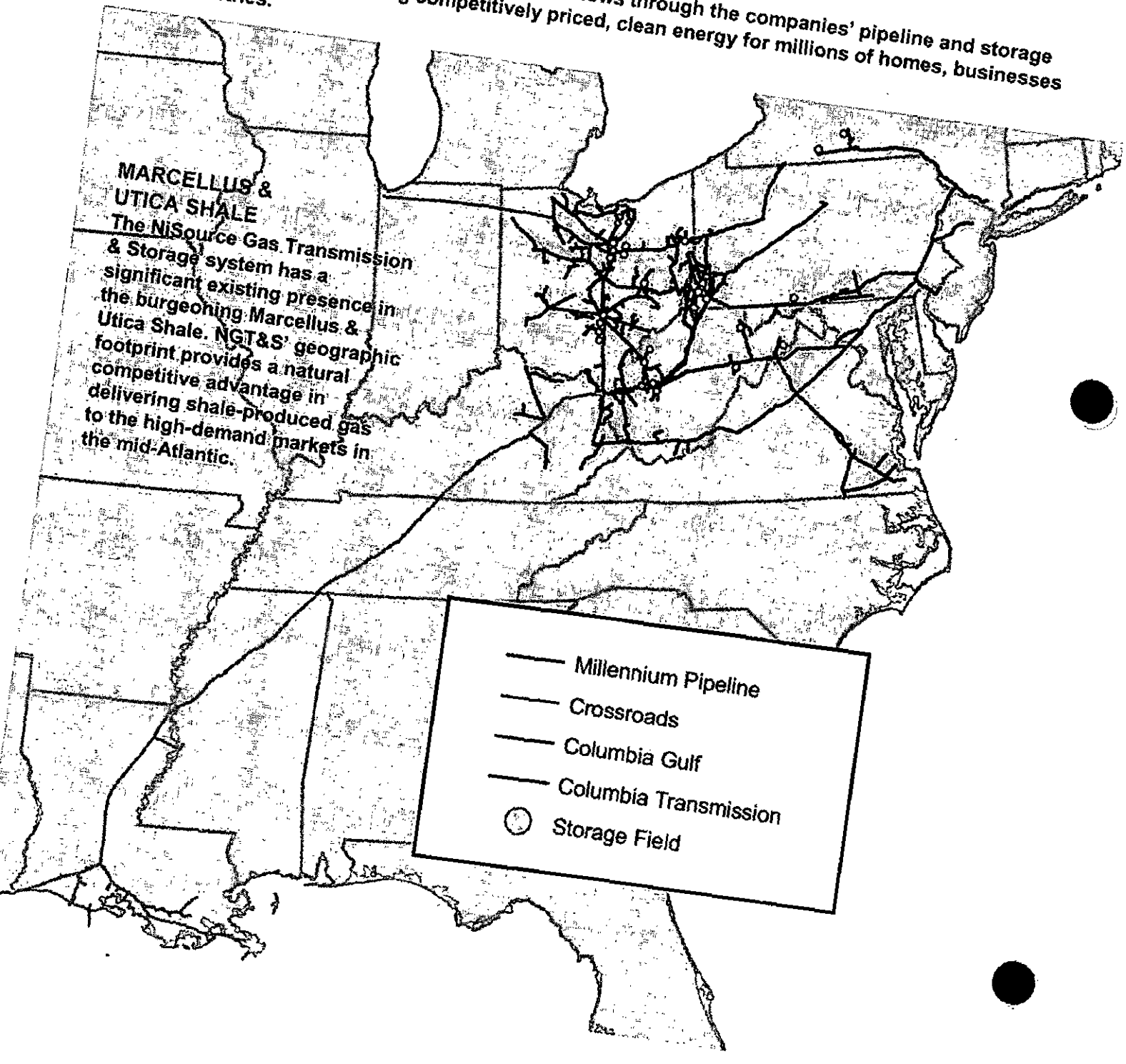


NISOURCE
GAS TRANSMISSION & STORAGE

NiSource Gas Transmission & Storage (NGT&S) is an interstate natural gas transmission and storage company that transports natural gas through its 15,000 miles of pipeline, and stores natural gas in its 37 market area storage fields with a capacity of approximately 640 Bcf.

The NiSource Gas Transmission & Storage companies service customers in more than 15 states. From the Gulf Coast to the Midwest, Mid-Atlantic and Northeast, the system connects premium natural gas supplies with some of the nation's strongest energy markets.

More than one trillion cubic feet of natural gas flows through the companies' pipeline and storage systems each year, providing competitively priced, clean energy for millions of homes, businesses and industries.



NISOURCE
ELECTRIC OPERATIONS

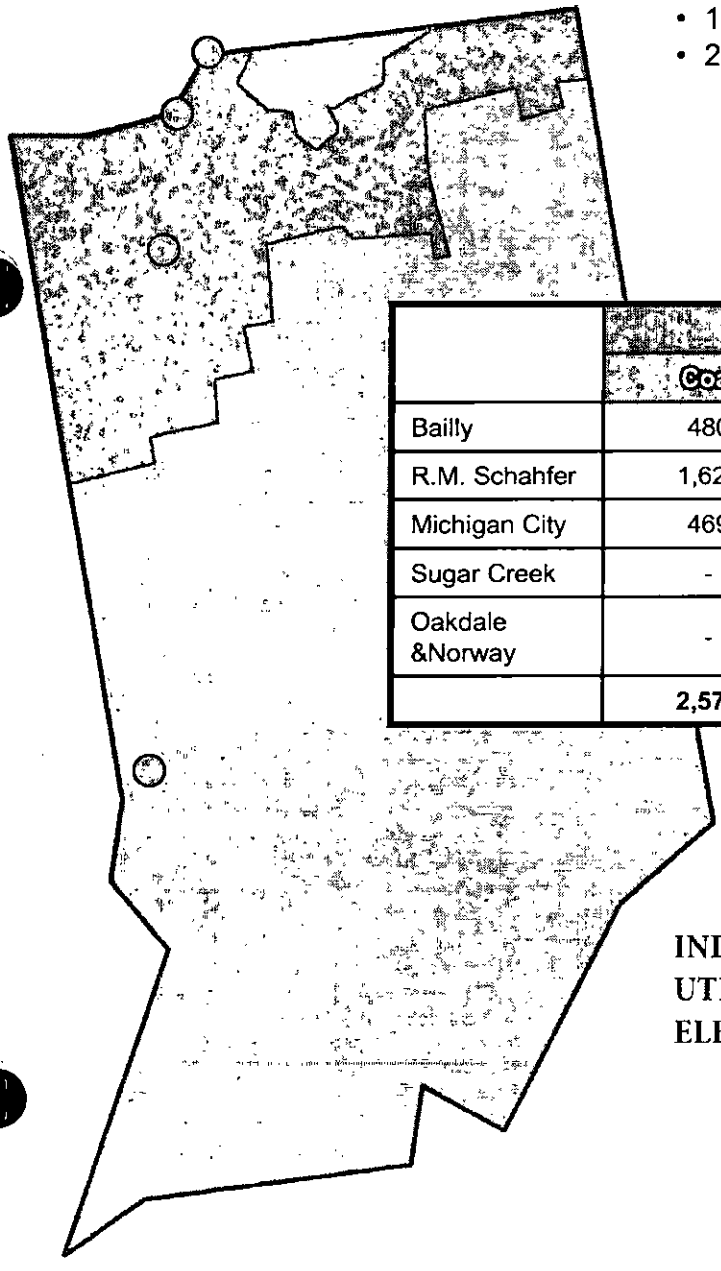
NiSource generates, transmits and distributes electricity through its subsidiary Northern Indiana Public Service Company (NIPSCO) to approximately 458,000 customers in 20 counties located in northern Indiana. NIPSCO owns and operates four electric generating stations with a total generating capacity of approximately 3,300MW (78% coal, 22% natural gas) NIPSCO's transmission system, with voltages from 69Kv, consists of 2,800 circuit miles interconnecting with five neighboring electric utilities.

NIPSCO electric has nearly $850 million of revenue producing environmental investment opportunities.

CONSTRUCTIVE REGULATORY ENVIRONMENT

ELECTRIC DISTRIBUTION & TRANSMISSION

- 458,000 Electric Customers
- 10,000 Mile of Electric Distribution
- 2,800 Miles of Electric Transmission



ELECTRIC GENERATION

	Capacity (MW)			
	Coal	Natural Gas	Hydro	Total
Bailly	480	31	-	511
R.M. Schahfer	1,625	155	-	1,780
Michigan City	469	-	-	469
Sugar Creek	-	535	-	535
Oakdale &Norway	-	-	10	10
	2,574	**721**	**10**	**3,305**

INDIANA'S LARGEST COMBINATION UTILITY & SECOND LARGEST ELECTRIC COMPANY

NEWS

NiSource

801 E. 86th Avenue
Merrillville, IN 46410

October 28, 2011

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NiSource Reports Third Quarter Results

- Infrastructure investments, regulatory initiatives on track
- Growing portfolio of midstream, supply-driven growth opportunities
- 2011 earnings expected to be in the upper half of guidance range

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings from continuing operations (non-GAAP) of $33.1 million, or $0.11 per share for the three months ended Sept. 30, 2011, compared to $10.3 million, or $0.04 per share for the third quarter of 2010. Operating earnings for the quarter (non-GAAP) were $142.0 million compared to $109.9 million for the same period in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Sept. 30, 2011, of $36.3 million, or $0.13 per share, compared with $33.4 million, or $0.12 per share in the same period a year ago. Operating income was $147.5 million for the third quarter of 2011 compared with $123.3 million in the year-ago period. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

"NiSource's balanced, investment-driven business strategy continues to deliver solid results in line with our 2011 earnings outlook and consistent with our long-term growth plan," NiSource President and Chief Executive Officer **Robert C. Skaggs Jr.** said. "Despite sluggish economic conditions, NiSource teams continue to execute on fundamental initiatives across each segment of our business. These accomplishments are key to our commitments to enhance customer service, modernize our energy infrastructure, drive long-term, sustainable earnings growth and increase shareholder value."

Based on year-to-date financial and operational performance, Skaggs said that NiSource is on track to achieve net operating earnings from continuing operations at the upper half of its 2011 guidance range of $1.25 to $1.35 per share (non-GAAP). NiSource also is on pace to deliver double-digit shareholder returns for the third consecutive year, significantly outperforming the utility indices and broader markets.

Skaggs highlighted several key recent accomplishments in executing the company's business strategy:

Continued NIPSCO environmental, customer service and regulatory achievements

NiSource's ***Northern Indiana Public Service Company's*** (NIPSCO) electric business continues to advance a broad business agenda designed to deliver exceptional customer service, enhance operational and environmental performance, and establish a robust platform for ongoing earnings growth.

- On July 18, NIPSCO filed a nearly unanimous settlement with the Indiana Utility Regulatory Commission (IURC) to resolve the company's 2010 electric base rate case. Hearings on the settlement were conducted in September and, pending approval by the IURC, the company anticipates new rates could be effective in late 2011 or early 2012.

- NIPSCO also continues to invest in environmental improvements, with construction on schedule for a new Flue Gas Desulfurization unit at the company's Schahfer generating station. The project is part of the company's commitment to invest up to nearly $850 million in environmental improvements over the next six to eight years.

- In July, NIPSCO received approval from the IURC to significantly broaden its offering of electric energy efficiency programs. The new programs are in addition to the company's natural gas conservation programs, which have helped customers save about 13.1 million therms, equating to about $12.4 million, over the past four and a half years.

"While the pending electric rate case settlement is unquestionably a watershed event for NIPSCO, its customers and other stakeholders, the NIPSCO team is also making steady progress on a wide array of customer service, environmental, and operational initiatives," Skaggs said. "Taken together, these efforts are helping customers manage energy use, providing long-term environmental and economic development benefits for northern Indiana, and supporting stable and sustainable earnings growth."

Leveraging gas transmission, storage and midstream growth opportunities

NiSource Gas Transmission & Storage (NGT&S) also continued to make progress on key strategies to enhance system reliability, develop new growth projects, and leverage the company's strategic footprint in emerging shale gas production areas.

- Under the leadership of new business unit CEO Jimmy Staton, NGT&S is working closely with customers, natural gas producers and other key stakeholders to develop a comprehensive strategy for meeting customer needs and maximizing the value of NiSource's extensive natural gas pipeline and storage assets overlaying the Marcellus and Utica shale production regions.

- Having successfully completed several growth projects in the Marcellus production area, and with more in progress and on schedule, the company is developing a range of additional supply-driven growth initiatives, including mineral leasing, midstream projects and traditional pipeline expansion opportunities.

- NGT&S also continues to actively develop infrastructure projects to serve new natural gas-fueled electric generation markets, involving both new generation facilities as well as coal conversion opportunities. NGT&S is in active discussions with a number of large power generators to meet their need for new natural gas infrastructure.

"Our NGT&S team is proceeding on a measured, thoughtful path to leverage NiSource's unique position in the Marcellus and Utica shale production regions," Skaggs said. "This approach ensures that we pursue complementary projects that capitalize on the near-term potential of this important business opportunity, while also enhancing the long-term value of our pipeline and storage assets for our customers and shareholders."

Progress also continues on the regulatory front. On Sept. 9, **Columbia Gulf Transmission** filed a settlement with the Federal Energy Regulatory Commission (FERC) to resolve the company's 2010 base rate case – its first in 14 years. The settlement was certified to the Commission on Oct. 4, and is pending approval.

Executing on gas utility infrastructure, customer and regulatory programs

During the third quarter, ***NiSource Gas Distribution*** continued to successfully execute on its strategy of combining long-term infrastructure modernization programs with complementary customer programs and regulatory initiatives.

- NiSource's gas distribution businesses continued to execute on an industry-leading series of long-term infrastructure modernization and replacement programs. NiSource is on track to invest more than $300 million in gas distribution modernization programs this year designed to ensure safe and reliable service. These investments are part of a more than $4 billion modernization program put in motion a few years ago.

- The gas distribution companies also continue to introduce or expand programs to help customers reduce energy usage and manage monthly bills. For example, on Sept. 12, **Columbia Gas of Ohio (COH)** filed a proposal with the Public Utilities Commission of Ohio to extend and expand its energy efficiency programs for an additional five years starting in 2012. Over the life of the measures installed through the proposed programs, COH estimates customers will save up to $300 million.

- On the regulatory front, on Oct. 14, the Pennsylvania Public Utility Commission approved a settlement of **Columbia Gas of Pennsylvania's (CPA)** base rate case. The order authorizes an annual revenue increase of $17 million, effective Oct. 18, and includes an additional $1 million annually for payment assistance programs available to income-eligible customers. Notably, the Commission approved a new rate design incorporating a higher minimum monthly charge, including a fixed customer charge and usage allowance.

- CPA remains actively engaged with elected officials and other key stakeholders in advancing legislation that would streamline the recovery process associated with infrastructure replacement programs.

"The hallmark of our gas distribution strategy is to work collaboratively with all stakeholders to deliver a broad array of core infrastructure, customer and regulatory initiatives, and the team's execution of that strategy continues to be exceptional," Skaggs noted. "In addition to enhancing our ability to provide safe, reliable and responsive service to our customers, these efforts continue to produce predictable, long-term earnings growth."

Capital investments and financial flexibility provide foundation for ongoing growth

A disciplined, well-executed financial strategy is a key element of NiSource's commitment to meet customer needs and deliver long-term, investment-driven earnings growth. NiSource continues to maintain significant financial flexibility to fund its growing capital investment program, which for 2011 is expected to be approximately $1.1 billion. At the end of the third quarter, NiSource maintained in excess of $460 million in net available liquidity.

NiSource continues to monitor the historically attractive debt capital market environment for opportunities to reduce financing costs and extend its maturity profile. The company is actively evaluating a number of financing options that could be executed as early as the fourth quarter of this year.

Third Quarter 2011 Operating Earnings — Segment Results (non-GAAP)
NiSource's consolidated operating earnings (non-GAAP) for the quarter ended Sept. 30, 2011, were $142.0 million, compared to $109.9 million in the third quarter of 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the quarter ended Sept. 30, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings for the current quarter of $8.0 million compared to an operating earnings loss of $40.7 million in the third quarter of 2010. Net revenues, excluding the impact of trackers, increased by $24.0 million, primarily attributable to increased residential and commercial margins due to NIPSCO's change from a volumetric-based rate design to one with a higher fixed charge. The new rate design provides a greater proportion of recovery through the monthly fixed customer charge for certain customer classes. Additionally, there was an increase in other regulatory and service programs largely due to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities.

Operating expenses, excluding trackers, were $24.7 million lower than the comparable 2010 period primarily as a result of lower depreciation costs due to reduced depreciation rates at NIPSCO.

NiSource Gas Transmission and Storage reported operating earnings for the current quarter of $68.2 million compared to $76.4 million in the third quarter of 2010. Net revenues, excluding the impact of trackers, increased by $10.8 million, primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service since the third quarter of 2010 and the impact of new Columbia Gulf rates placed into effect May 1, 2011, subject to refund.

Operating expenses, excluding the impact of trackers, increased $19.0 million from the comparable 2010 period primarily due to higher environmental costs, increased employee and administrative expenses and separation costs. The increased environmental costs, which amounted to $11.2 million, relate to an expense for the portion of certain remediation activities that are not recoverable from customers under the terms of a prior rate settlement.

Equity earnings remained flat due to 2010 hedge ineffectiveness charges for Millennium Pipeline, offset by Millennium's higher current year interest costs resulting from its Aug. 2010 debt refinancing.

NiSource Electric reported operating earnings for the current quarter of $72.9 million compared to $80.0 million in the third quarter of 2010. Net revenues, excluding the impact of trackers, decreased by $4.3 million primarily due to lower environmental cost recovery levels during the quarter. Additionally, there was a decrease in residential and commercial margins as well as lower off-system sales. These decreases were partially offset by increased industrial usage and margins as a result of improved economic conditions.

Operating expenses, excluding the impact of trackers, increased by $2.8 million, primarily attributable to increased rate case costs and higher employee and administrative expenses. These increases were partially offset by a one-time inventory impairment recorded in the prior period.

Corporate and Other reported an operating earnings loss of $7.1 million for the current quarter compared to an operating earnings loss of $5.8 million in the third quarter of 2010.

Other Items
Interest expense decreased by $1.9 million due to a long-term debt maturity in Nov. 2010 and a Dec. 2010 repurchase of long-term debt. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected income of $1.6 million in 2011 compared to income of $2.1 million in 2010.

The effective tax rate of net operating earnings was 30.9 percent compared to 28.5 percent for the same period last year.

Nine-Month Period 2011 Operating Earnings – Segment Results (non-GAAP)
NiSource's consolidated operating earnings (non-GAAP) for the nine months ended Sept. 30, 2011, were $699.2 million, compared to $669.0 million for the same period in 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the nine months ended Sept. 30, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $293.8 million compared to $229.9 million reported for the nine months ended Sept. 30, 2010. Net revenues, excluding the impact of regulatory trackers, increased $16.1 million primarily attributable to an increase in other regulatory and service programs largely due to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins due to NIPSCO's change from a volumetric-based rate design to one with a higher fixed charge. The new rate design provides a greater proportion of recovery through the monthly fixed customer charge for certain customer classes. These increases were partially offset by a decrease in off-system sales and lower industrial margins.

Operating expenses, excluding the impact of trackers, were $47.8 million lower than the comparable period in the prior year primarily due to lower depreciation costs as a result of reduced depreciation rates at NIPSCO and decreased uncollectible accounts. These decreases were partially offset by an increase in employee and administrative costs and higher outside service costs.

NiSource Gas Transmission and Storage reported operating earnings of $271.3 million versus operating earnings of $277.2 million for the nine months ended Sept. 30, 2010. Net revenues, excluding trackers, increased $24.7 million primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service since the third quarter of 2010 and the impact of new Columbia Gulf rates placed into effect on May 1, 2011, subject to refund. These increases were partially offset by the recognition of revenue in the prior year related to a previously deferred gain for native gas and fees received from a contract buyout. Additionally, there was a decrease in short-term transportation and storage services.

Operating expenses, excluding trackers, increased by $28.1 million primarily due to higher environmental costs, increased employee and administrative expenses, and separation costs.

Equity earnings decreased by $2.5 million primarily from Millennium Pipeline's higher interest costs resulting from the Aug. 2010 debt refinancing partially offset by the non-recurrence of 2010 hedge ineffectiveness charges at Millennium.

NiSource Electric reported operating earnings of $152.1 million for the nine months ended Sept. 30, 2011, compared with operating earnings of $174.5 million for the prior year period. Net revenues, excluding trackers, increased by $5.0 million primarily due to increased industrial usage and margins as a result of improved economic conditions and lower revenue credits partially offset by decreased residential and commercial margins and lower environmental cost recovery rates.

Operating expenses, excluding trackers, increased by $27.4 million due primarily to an increase in employee and administrative expenses, higher electric generation costs as a result of an increase in outage duration, a regulatory adjustment, an increase in depreciation and higher rate case costs.

Corporate and Other reported an operating earnings loss of $18.0 million for the nine months ended Sept. 30, 2011, compared to an operating earnings loss of $12.6 million for the nine months ended Sept. 30, 2010.

Other Items
Interest expense decreased by $14.9 million due to a long-term debt maturity in Nov. 2010 and a Dec. 2010 repurchase of long-term debt. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected income of $5.5 million in 2011 compared to income of $7.3 million in 2010.

The effective tax rate of net operating earnings was 33.9 percent compared to 35.6 percent for the same period last year.

Income from Continuing Operations (GAAP)
As noted above, on a GAAP basis, NiSource reported net income from continuing operations for the three months ended Sept. 30, 2011, of $36.3 million, or $0.13 per share, compared with $33.4 million, or $0.12 per share, in the same period a year ago. Operating income was $147.5 million for the third quarter of 2011, compared with $123.3 million in the year-ago period.

On a GAAP basis, NiSource reported net income from continuing operations for the nine months ended Sept. 30, 2011, of $280.6 million, or $1.00 per share, compared with $258.8 million, or $0.93 per share last year. Operating income was $710.0 million for the nine months ended Sept. 30, 2011 versus $665.9 million in the year-ago period.

Refer to Schedule 1 for a complete list of the items included in 2011 and 2010 GAAP income from Continuing Operations but excluded from net operating earnings.

About NiSource

NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this news release are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counter-party credit risk, and the matters set forth in the "Risk Factors" section in NiSource's 2010 Form 10-K and subsequent reports on Form 10-Q, many of which risks are beyond the control of NiSource. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)
(unaudited)

(in millions, except per share amounts*)*	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	**2011**	2010
Net Revenues				
Gas Distribution	$ **326.5**	$ 317.5	$ **2,196.7**	$ 2,129.5
Gas Transportation and Storage	**283.3**	270.7	**993.6**	905.5
Electric	**398.7**	398.5	**1,091.1**	1,056.1
Other	**15.3**	17.8	**63.5**	59.5
Gross Revenues	**1,023.8**	1,004.5	**4,344.9**	4,150.6
Cost of Sales (excluding depreciation and amortization)	**285.0**	296.1	**1,788.5**	1,626.9
Total Net Revenues	**738.8**	708.4	**2,556.4**	2,523.7
Operating Expenses				
Operation and maintenance	**374.6**	354.4	**1,086.6**	1,023.1
Operation and maintenance - trackers	**31.7**	32.9	**152.1**	177.1
Depreciation and amortization	**131.0**	149.4	**397.5**	445.3
Depreciation and amortization - trackers	**3.9**	3.8	**10.7**	9.3
Other taxes	**50.4**	52.4	**158.7**	158.5
Other taxes - trackers	**8.7**	9.1	**60.4**	52.7
Total Operating Expenses	**600.3**	602.0	**1,866.0**	1,866.0
Equity Earnings in Unconsolidated Affiliates	**3.5**	3.5	**8.8**	11.3
Operating Earnings	**142.0**	109.9	**699.2**	669.0
Other Income (Deductions)				
Interest expense, net	**(95.7)**	(97.6)	**(279.9)**	(294.8)
Other, net	**1.6**	2.1	**5.5**	7.3
Total Other Deductions	**(94.1)**	(95.5)	**(274.4)**	(287.5)
Operating Earnings From Continuing Operations Before Income Taxes	**47.9**	14.4	**424.8**	381.5
Income Taxes	**14.8**	4.1	**143.8**	135.8
Net Operating Earnings from Continuing Operations	**33.1**	10.3	**281.0**	245.7
GAAP Adjustment	**3.2**	23.1	**(0.4)**	13.1
GAAP Income from Continuing Operations	$ **36.3**	$ 33.4	$ **280.6**	$ 258.8
Basic Net Operating Earnings Per Share from Continuing Operations	**0.11**	0.04	**1.00**	0.89
GAAP Basic Earnings Per Share from Continuing Operations	**0.13**	0.12	**1.00**	0.93
Basic Average Common Shares Outstanding	**280.8**	278.1	**280.1**	277.5

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Gas Distribution Operations *(in millions)*	Three Months Ended September 30, **2011**	2010	Nine Months Ended September 30, **2011**	2010
Net Revenues				
Sales Revenues	**$ 418.1**	$ 431.3	**$ 2,631.4**	$ 2,553.8
Less: Cost of gas sold	**158.9**	188.3	**1,473.7**	1,385.8
Net Revenues	**259.2**	243.0	**1,157.7**	1,168.0
Operating Expenses				
Operation and maintenance	**172.0**	176.3	**516.1**	506.9
Operation and maintenance - trackers	**6.6**	14.1	**92.0**	126.1
Depreciation and amortization	**43.7**	63.9	**130.3**	189.8
Other taxes	**20.2**	20.4	**65.1**	62.6
Other taxes - trackers	**8.7**	9.0	**60.4**	52.7
Total Operating Expenses	**251.2**	283.7	**863.9**	938.1
Operating Earnings (Loss)	**$ 8.0**	$ (40.7)	**$ 293.8**	$ 229.9
GAAP Adjustment	**(0.1)**	(1.8)	**2.1**	(18.8)
GAAP Operating Income (Loss)	**$ 7.9**	$ (42.5)	**$ 295.9**	$ 211.1

Gas Transmission and Storage Operations *(in millions)*	Three Months Ended September 30, **2011**	2010	Nine Months Ended September 30, **2011**	2010
Net Revenues				
Transportation revenues	**$ 179.7**	$ 163.7	**$ 554.1**	$ 522.6
Storage revenues	**48.0**	49.9	**148.0**	149.0
Other revenues	**5.7**	3.9	**20.3**	19.8
Net Operating Revenues	**233.4**	217.5	**722.4**	691.4
Operating Expenses				
Operation and maintenance	**100.8**	82.6	**269.2**	242.5
Operation and maintenance - trackers	**21.3**	16.1	**50.6**	44.3
Depreciation and amortization	**32.6**	31.8	**98.2**	94.9
Other taxes	**14.0**	14.0	**41.9**	43.8
Total Operating Expenses	**168.7**	144.5	**459.9**	425.5
Equity Earnings in Unconsolidated Affiliates	**3.5**	3.4	**8.8**	11.3
Operating Earnings	**$ 68.2**	$ 76.4	**$ 271.3**	$ 277.2
GAAP Adjustment	**-**	(0.2)	**0.1**	(0.2)
GAAP Operating Income	**$ 68.2**	$ 76.2	**$ 271.4**	$ 277.0

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Electric Operations *(in millions)*	Three Months Ended September 30, **2011**	2010	Nine Months Ended September 30, **2011**	2010
Net Revenues				
Sales revenues	$ **400.7**	$ 389.8	$ **1,097.0**	$ 1,051.4
Less: Cost of sales	**156.4**	142.5	**426.3**	389.9
Net Revenues	**244.3**	247.3	**670.7**	661.5
Operating Expenses				
Operation and maintenance	**100.8**	95.2	**300.5**	276.6
Operation and maintenance - trackers	**3.8**	2.7	**9.5**	6.7
Depreciation and amortization	**49.8**	50.0	**155.3**	149.7
Depreciation and amortization - trackers	**3.9**	3.7	**10.7**	9.3
Other taxes	**13.1**	15.7	**42.6**	44.7
Total Operating Expenses	**171.4**	167.3	**518.6**	487.0
Operating Earnings	$ **72.9**	$ 80.0	$ **152.1**	$ 174.5
GAAP Adjustment	**5.9**	15.9	**9.7**	16.1
GAAP Operating Income	$ **78.8**	$ 95.9	$ **161.8**	$ 190.6

Corporate and Other Operations *(in millions)*	Three Months Ended September 30, **2011**	2010	Nine Months Ended September 30, **2011**	2010
Operating Loss	$ **(7.1)**	$ (5.8)	$ **(18.0)**	$ (12.6)
GAAP Adjustment	**(0.3)**	(0.5)	**(1.1)**	(0.2)
GAAP Operating Loss	$ **(7.4)**	$ (6.3)	$ **(19.1)**	$ (12.8)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	**2011**	2010
Sales and Transportation (MMDth)				
Residential	**13.8**	15.0	**181.9**	170.2
Commercial	**17.6**	19.1	**121.9**	115.1
Industrial	**102.5**	98.3	**322.2**	284.3
Off System	**14.4**	13.7	**52.3**	56.8
Other	**-**	0.1	**0.5**	0.8
Total	**148.3**	146.2	**678.8**	627.2
Weather Adjustment	**(0.3)**	1.1	**(5.3)**	14.6
Sales and Transportation Volumes - Excluding Weather	**148.0**	147.3	**673.5**	641.8
Heating Degree Days	**112**	72	**3,692**	3,370
Normal Heating Degree Days	**88**	88	**3,596**	3,596
% Colder (Warmer) than Normal	**27%**	(18%)	**3%**	(6%)
Customers				
Residential			**2,987,202**	2,980,557
Commercial			**275,677**	273,371
Industrial			**7,724**	7,686
Other			**18**	81
Total			**3,270,621**	3,261,695

Gas Transmission and Storage Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	**2011**	2010
Throughput (MMDth)				
Columbia Transmission	**184.6**	191.1	**816.1**	750.1
Columbia Gulf	**270.3**	225.0	**777.4**	625.0
Crossroads Gas Pipeline	**4.0**	6.5	**14.7**	20.2
Intrasegment eliminations	**(124.2)**	(141.6)	**(424.5)**	(423.2)
Total	**334.7**	281.0	**1,183.7**	972.1

NiSource Inc.
Segment Volumes and Statistical Data

Electric Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	**2011**	2010
Sales (Gigawatt Hours)				
Residential	**1,120.7**	1,175.7	**2,760.9**	2,833.2
Commercial	**1,083.7**	1,103.8	**2,955.2**	2,991.1
Industrial	**2,242.0**	2,180.0	**7,010.1**	6,321.8
Wholesale	**239.9**	330.0	**507.2**	635.7
Other	**39.7**	47.0	**121.3**	128.2
Total	**4,726.0**	4,836.5	**13,354.7**	12,910.0
Weather Adjustment	**(81.2)**	(470.0)	**(132.2)**	(501.7)
Sales Volumes - Excluding Weather impacts	**4,644.8**	4,366.5	**13,222.5**	12,408.3
Cooling Degree Days	**649**	700	**907**	977
Normal Cooling Degree Days	**578**	578	**808**	808
% Warmer (Colder) than Normal	**12%**	21%	**12%**	21%
Electric Customers				
Residential			**399,525**	399,556
Commercial			**53,879**	53,696
Industrial			**2,411**	2,435
Wholesale			**16**	15
Other			**737**	741
Total			**456,568**	456,443

NiSource Inc.
Schedule 1 – Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts*)*	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$ 33.1**	$ 10.3	**$ 281.0**	$ 245.7
Items excluded from operating earnings:				
Net Revenues:				
Weather - compared to normal	**6.3**	8.8	**12.3**	(1.3)
Revenue adjustment	**-**	-	**-**	(5.7)
Unregulated natural gas marketing business	**0.6**	0.9	**4.0**	5.8
Operating Expenses:				
Restructuring	**-**	0.2	**-**	(0.7)
Environmental reserve adjustment	**-**	6.0	**-**	6.0
Unregulated natural gas marketing business	**(1.0)**	(1.3)	**(4.4)**	(5.9)
Gain/Loss on sale of assets and asset impairments	**(0.6)**	(1.2)	**(1.1)**	(1.3)
Total items excluded from operating earnings	**5.3**	13.4	**10.8**	(3.1)
Tax effect of above items	**(2.1)**	(5.5)	**(4.4)**	1.0
Indiana tax law change	**-**	-	**(6.8)**	-
Rate settlement flow-through	**-**	15.2	**-**	15.2
Total items excluded from net operating earnings	**3.2**	23.1	**(0.4)**	13.1
Reported Income from Continuing Operations - GAAP	**$ 36.3**	$ 33.4	**$ 280.6**	$ 258.8
Basic Average Common Shares Outstanding	**280.8**	278.1	**280.1**	277.5
Basic Net Operating Earnings Per Share from Continuing Operations	**$ 0.11**	$ 0.04	**$ 1.00**	$ 0.89
Items excluded from net operating earnings (after-tax)	**0.02**	0.08	**-**	0.04
GAAP Basic Earnings (Loss) Per Share from Continuing Operations	**$ 0.13**	$ 0.12	**$ 1.00**	$ 0.93

NiSource Inc.

Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP

For Quarter ended September 30,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	$ 8.0	$ 68.2	$ 72.9	$ (7.1)	$ 142.0
Net Revenues:					
Weather (compared to normal)	0.2	-	6.1	-	**6.3**
Unregulated natural gas marketing business	-	-	-	0.6	**0.6**
Total Impact - Net Revenues	**0.2**	**-**	**6.1**	**0.6**	**6.9**
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(0.9)	**(0.9)**
Loss on sale of assets and asset impairments	(0.3)	-	(0.2)	-	(0.5)
Total Impact - Operating Expenses	**(0.3)**	**-**	**(0.2)**	**(0.9)**	**(1.4)**
Total Impact - Operating (Loss) Income	$ (0.1)	$ -	$ 5.9	$ (0.3)	$ 5.5
Operating Income (Loss) - GAAP	$ 7.9	$ 68.2	$ 78.8	$ (7.4)	$ 147.5

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate	Total
Operating Earnings (Loss)	$ (40.7)	$ 76.4	$ 80.0	$ (5.8)	$ 109.9
Net Revenues:					
Weather (compared to normal)	(1.1)	-	9.9	-	**8.8**
Unregulated natural gas marketing business	-	-	-	0.9	**0.9**
Total Impact - Net Revenues	**(1.1)**	**-**	**9.9**	**0.9**	**9.7**
Operating Expenses					
Restructuring	0.1	-	0.1	-	**0.2**
Environmental reserve	-	-	6.0	-	**6.0**
Unregulated natural gas marketing business	-	-	-	(1.3)	**(1.3)**
Loss on sale of assets and asset impairments	(0.8)	(0.2)	(0.1)	(0.1)	**(1.2)**
Total Impact - Operating Expenses	**(0.7)**	**(0.2)**	**6.0**	**(1.4)**	**3.7**
Total Impact - Operating (Loss) Income	$ (1.8)	$ (0.2)	$ 15.9	$ (0.5)	$ 13.4
Operating (Loss) Income - GAAP	$ (42.5)	$ 76.2	$ 95.9	$ (6.3)	$ 123.3

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Nine Months ended September 30,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	$ 293.8	$ 271.3	$ 152.1	$ (18.0)	$ 699.2
Net Revenues:					
Weather (compared to normal)	2.4	-	9.9	-	12.3
Unregulated natural gas marketing business	-	-	-	4.0	4.0
Total Impact - Net Revenues	2.4	-	9.9	4.0	16.3
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(4.4)	(4.4)
Loss on sale of assets and asset impairments	(0.3)	0.1	(0.2)	(0.7)	(1.1)
Total Impact - Operating Expenses	(0.3)	0.1	(0.2)	(5.1)	(5.5)
Total Impact - Operating Income (Loss)	$ 2.1	$ 0.1	$ 9.7	$ (1.1)	$ 10.8
Operating Income (Loss) - GAAP	$ 295.9	$ 271.4	$ 161.8	$ (19.1)	$ 710.0

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate	Total
Operating Earnings (Loss)	$ 229.9	$ 277.2	$ 174.5	$ (12.6)	$669.0
Net Revenues:					
Weather (compared to normal)	(12.0)	-	10.7	-	(1.3)
Revenue adjustment	(5.7)	-	-	-	(5.7)
Unregulated natural gas marketing business	-	-	-	5.8	5.8
Total Impact - Net Revenues	(17.7)	-	10.7	5.8	(1.2)
Operating Expenses					
Restructuring	(0.2)	-	(0.5)	-	(0.7)
Environmental reserve	-	-	6.0	-	6.0
Unregulated natural gas marketing business	-	-	-	(5.9)	(5.9)
Loss on sale of assets and asset impairments	(0.9)	(0.2)	(0.1)	(0.1)	(1.3)
Total Impact - Operating Expenses	(1.1)	(0.2)	5.4	(6.0)	(1.9)
Total Impact - Operating Income (Loss)	$ (18.8)	$ (0.2)	$ 16.1	$ (0.2)	$ (3.1)
Operating Income (Loss) - GAAP	$ 211.1	$ 277.0	$ 190.6	$ (12.8)	$ 665.9

NiSource Inc.
Consolidated Income Statement (GAAP)
(unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Net Revenues				
Gas Distribution	**$ 326.7**	$ 327.0	**$ 2,199.1**	$ 2,122.4
Gas Transportation and Storage	**283.3**	270.7	**993.6**	905.5
Electric	**404.7**	397.7	**1,101.0**	1,056.1
Other	**54.0**	142.7	**235.5**	583.9
Gross Revenues	**1,068.7**	1,138.1	**4,529.2**	4,667.9
Cost of Sales (excluding depreciation and amortization)	**323.1**	420.0	**1,956.5**	2,145.4
Total Net Revenues	**745.6**	718.1	**2,572.7**	2,522.5
Operating Expenses				
Operation and maintenance	**407.1**	382.1	**1,242.1**	1,198.8
Depreciation and amortization	**134.9**	153.1	**408.3**	454.5
Impairment and loss on sale of assets, net	**0.4**	1.1	**1.1**	1.2
Other taxes	**59.2**	62.0	**220.0**	213.4
Total Operating Expenses	**601.6**	598.3	**1,871.5**	1,867.9
Equity Earnings in Unconsolidated Affiliates	**3.5**	3.5	**8.8**	11.3
Operating Income	**147.5**	123.3	**710.0**	665.9
Other Income (Deductions)				
Interest expense, net	**(95.7)**	(97.6)	**(279.9)**	(294.8)
Other, net	**1.6**	2.1	**5.5**	7.3
Total Other Deductions	**(94.1)**	(95.5)	**(274.4)**	(287.5)
Income from Continuing Operations before Income Taxes	**53.4**	27.8	**435.6**	378.4
Income Tax Expense (Benefit)	**17.1**	(5.6)	**155.0**	119.6
Income from Continuing Operations	**36.3**	33.4	**280.6**	258.8
Loss from Discontinued Operations - net of taxes	**(1.6)**	(0.2)	**(1.8)**	(0.3)
Gain on Disposition of Discontinued Operations - net of taxes	**-**	-	**-**	0.1
Net Income	**$ 34.7**	$ 33.2	**$ 278.8**	$ 258.6
Basic Earnings Per Share				
Continuing operations	**$ 0.13**	$ 0.12	**$ 1.00**	$ 0.93
Discontinued operations	**(0.01)**	-	**(0.01)**	-
Basic Earnings Per Share	**$ 0.12**	$ 0.12	**$ 0.99**	$ 0.93
Diluted Earnings Per Share				
Continuing operations	**$ 0.13**	$ 0.12	**$ 0.98**	$ 0.93
Discontinued operations	**(0.01)**	-	**(0.01)**	-
Diluted Earnings Per Share	**$ 0.12**	$ 0.12	**$ 0.97**	$ 0.93
Dividends Declared Per Common Share	**$ 0.23**	$ 0.23	**$ 0.92**	$ 0.92
Basic Average Common Shares Outstanding	**280.8**	278.1	**280.1**	277.5
Diluted Average Common Shares	**289.0**	279.9	**287.4**	278.9

NiSource Inc.
Consolidated Balance Sheets (GAAP)
(unaudited)

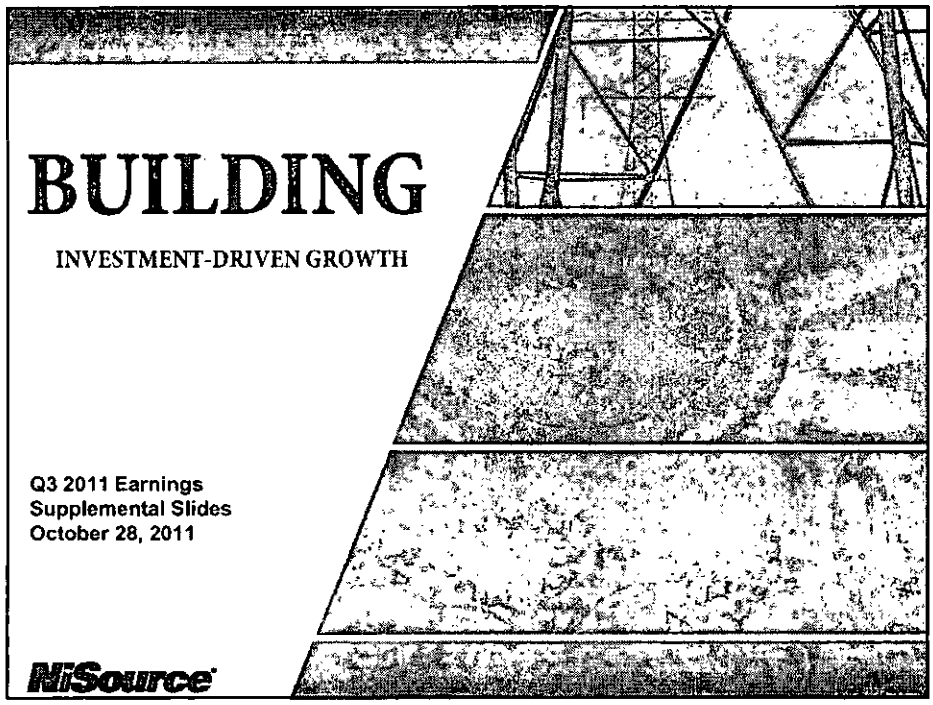
(in millions)	September 30, 2011	December 31, 2010
ASSETS		
Property, Plant and Equipment		
Utility Plant	$ 20,095.5	$ 19,494.9
Accumulated depreciation and amortization	(8,672.3)	(8,492.6)
Net utility plant	11,423.2	11,002.3
Other property, at cost, less accumulated depreciation	125.5	94.7
Net Property, Plant and Equipment	11,548.7	11,097.0
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	2.3	7.9
Unconsolidated affiliates	200.2	200.9
Total Investments and Other Assets	164.3	139.7
Total Investments and Other Assets	366.8	348.5
Current Assets		
Cash and cash equivalents	22.2	9.2
Restricted cash	180.1	202.9
Accounts receivable (less reserve of $29.7 and $37.4, respectively)	512.5	1,079.3
Income tax receivable	1.2	99.0
Gas inventory	467.0	298.2
Underrecovered gas and fuel costs	57.7	135.7
Materials and supplies, at average cost	87.0	83.8
Electric production fuel, at average cost	41.3	46.0
Price risk management assets	136.7	159.5
Exchange gas receivable	92.7	62.7
Regulatory assets	142.4	151.8
Prepayments and other	119.7	120.8
Total Current Assets	1,860.5	2,448.9
Other Assets		
Price risk management assets	191.4	240.3
Regulatory assets	1,618.8	1,650.4
Goodwill	3,677.3	3,677.3
Intangible assets	300.4	308.6
Postretirement and postemployment benefits assets	43.6	35.1
Deferred charges and other	134.6	132.7
Total Other Assets	5,966.1	6,044.4
Total Assets	$ 19,742.1	$ 19,938.8

NiSource Inc.
Consolidated Balance Sheets (continued) (GAAP)
(unaudited)

(in millions, except share amounts)	September 30, 2011	December 31, 2010
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 281,111,006 and 278,855,291 shares issued and outstanding, respectively	$ 2.8	$ 2.8
Additional paid-in capital	4,149.4	4,103.9
Retained earnings	922.6	901.8
Accumulated other comprehensive loss	(54.4)	(57.9)
Treasury stock	(30.4)	(27.4)
Total Common Stockholders' Equity	4,990.0	4,923.2
Long-term debt, excluding amounts due within one year	6,337.3	5,936.1
Total Capitalization	11,327.3	10,859.3
Current Liabilities		
Current portion of long-term debt	8.2	34.2
Short-term borrowings	1,234.0	1,382.5
Accounts payable	244.4	581.8
Dividends payable	64.7	0.1
Customer deposits and credits	281.3	318.1
Taxes accrued	157.8	221.1
Interest accrued	67.7	114.4
Overrecovered gas and fuel costs	80.2	11.8
Price risk management liabilities	171.6	173.9
Exchange gas payable	178.3	266.1
Deferred revenue	3.5	6.8
Regulatory liabilities	88.8	92.9
Accrued liability for postretirement and postemployment benefits	23.3	23.3
Legal and environmental reserves	28.9	86.0
Other accruals	254.5	336.4
Total Current Liabilities	2,887.2	3,649.4
Other Liabilities and Deferred Credits		
Price risk management liabilities	136.6	181.6
Deferred income taxes	2,430.2	2,209.7
Deferred investment tax credits	30.1	33.7
Deferred credits	79.0	68.6
Deferred revenue	-	0.3
Accrued liability for postretirement and postemployment benefits	874.4	1,039.6
Regulatory liabilities and other removal costs	1,643.7	1,595.8
Asset retirement obligations	140.5	138.8
Other noncurrent liabilities	193.1	162.0
Total Other Liabilities and Deferred Credits	5,527.6	5,430.1
Total Capitalization and Liabilities	$ 19,742.1	$ 19,938.8

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP)
(unaudited)

Nine Months Ended September 30, *(in millions)*	2011	2010
Operating Activities		
Net Income	$ 278.8	$ 258.6
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Depreciation and amortization	408.3	454.5
Net changes in price risk management assets and liabilities	14.1	(4.2)
Deferred income taxes and investment tax credits	165.2	130.6
Deferred revenue	(4.2)	(22.7)
Stock compensation expense and 401(k) profit sharing contribution	27.4	23.2
Gain on sale of assets	(0.1)	(0.1)
Loss on impairment of assets	1.2	1.1
Income from unconsolidated affiliates	(8.0)	(11.1)
Gain on disposition of discontinued operations - net of taxes	-	(0.1)
Loss from discontinued operations - net of taxes	1.8	0.3
Amortization of debt related costs	6.6	8.1
AFUDC equity	(3.2)	(4.9)
Distributions of earnings received from equity investee	10.9	7.9
Changes in Assets and Liabilities:		
Accounts receivable	561.4	299.2
Income tax receivable	97.8	24.9
Inventories	(171.4)	(32.8)
Accounts payable	(325.1)	(266.8)
Customer deposits and credits	(36.8)	(10.7)
Taxes accrued	(62.8)	(96.1)
Interest accrued	(46.6)	(40.0)
Over (Under) recovered gas and fuel costs	146.4	(289.9)
Exchange gas receivable/payable	(117.9)	(12.9)
Other accruals	(32.2)	(22.7)
Prepayments and other current assets	33.1	32.4
Regulatory assets/liabilities	39.2	103.9
Postretirement and postemployment benefits	(163.5)	(142.3)
Deferred credits	(2.0)	(0.2)
Deferred charges and other noncurrent assets	(6.3)	9.9
Other noncurrent liabilities	32.6	(9.7)
Net Operating Activities from Continuing Operations	842.7	387.4
Net Operating Activities used for Discontinued Operations	(48.6)	(54.9)
Net Cash Flows from Operating Activities	794.1	332.5
Investing Activities		
Capital expenditures	(774.2)	(553.7)
Insurance recoveries	-	3.5
Proceeds from disposition of assets	9.4	0.3
Restricted cash withdrawals (deposits)	22.8	(101.8)
Contributions to equity investees	(0.2)	(87.7)
Distributions from equity investees	-	23.8
Other investing activities	(59.7)	(45.9)
Net Investing Activities used for Continuing Operations	(801.9)	(761.5)
Net Investing Activities from Discontinued Operations	-	0.4
Net Cash Flow used for Investing Activities	(801.9)	(761.1)
Financing Activities		
Issuance of long-term debt	395.3	-
Retirement of long-term debt	(36.5)	(16.3)
Premiums and other debt related costs	(8.2)	-
Change in short-term borrowings, net	(148.5)	621.6
Issuance of common stock	15.1	10.6
Acquisition of treasury stock	(3.1)	(1.4)
Dividends paid - common stock	(193.3)	(191.4)
Net Cash Flows from Financing Activities	20.8	423.1
Change in cash and cash equivalents from continuing operations	61.6	49.0
Cash contributions to discontinued operations	(48.6)	(54.5)
Cash and cash equivalents at beginning of period	9.2	16.4
Cash and Cash Equivalents at End of Period	$ 22.2	$ 10.9



Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2010 Form 10-K and subsequent reports on Form 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2011 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

NiSource: A Compelling Investment

Key Takeaways – Third Quarter 2011

- Balanced, investment-driven strategy continues to deliver solid earnings growth and increased shareholder value
- Earnings on pace for upper half of 2011 guidance*
- Key infrastructure and regulatory initiatives on track
- Pennsylvania gas rate case settlement approved; Columbia Gulf rate case settlement advances
- Indiana electric rate case settlement on schedule
- Leveraging unique position in shale production regions

* *$1.25 – $1.35 Operating Earnings Per Share (non-GAAP)*

Strong Year-to-Date Financial Performance

Third Quarter 2011 Financial Highlights

Non-GAAP	Q3 2011*	Q3 2010*	Change*
Net Operating Earnings from Continuing Operations**	$33.1	$10.3	$22.8
Operating Earnings Per Share**	$0.11	$0.04	$0.07
Operating Earnings**	$142.0	$109.9	$32.1

GAAP	Q3 2011*	Q3 2010*	Change*
Income from Continuing Operations	$36.3	$33.4	$2.9
Earnings Per Share	$0.13	$0.12	$0.01
Operating Income	$147.5	$123.3	$24.2

* *All Results Listed In Millions, Except for EPS*
** *For a Reconciliation to GAAP, See Schedule 1 of the Company's Oct 26, 2011 Earnings Release*

Establishing Platform for Ongoing Growth

NiSource Electric – Q3 2011 Highlights*

- Operating earnings $72.9M in Q3 2011 vs. $80.0M in Q3 2010**
- Revenues lower by $4.3M due to lower environmental investment revenues; Operating expenses up $2.8M
- New electric rates targeted for late 2011 or early 2012, pending regulatory approval
- Environmental investments on track; new electric energy efficiency initiatives introduced to help customers manage their energy bills and conserve energy

2011 Highlights Going Forward

Highlight	Key Components	Status

2010 Electric Rate Case Settlement	• Settlement filed with the Indiana Utility Regulatory Commission (IURC) in July
	  • Provides foundation for ongoing infrastructure investment
	  • Would increase residential rates by ~4.5%
	  • 10.2% return on equity
		• Settlement hearings completed in Sept.
		• IURC decision, rates in effect late 2011 or early 2012

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct 28, 2011 Earnings Release*

Solid Assets, Investment Opportunities

NiSource Gas Transmission & Storage – Q3 2011 Highlights*

- Operating earnings $68.2M in Q3 2011 vs. $76.4M in Q3 2010**
- Revenues increase $10.8M from 2010 growth projects placed in service; Operating expenses up $19.0M, primarily due to an environmental expense
- Settlement filed in Columbia Gulf Rate case, pending approval
- Deepening commercial and midstream leadership ranks
- Aligning long-term portfolio of supply-driven opportunities, including midstream and infrastructure investments

2011 Highlights Going Forward

Project	Key Components	Status
Columbia Gulf Rate Case	New rates took effect May 1, 2011 - subject to refund	• Settlement filed in Sept. 2011 • Targeting year-end FERC approval
Warren County Electric Generation Infrastructure	~250,000 dekatherms / day	• Application filed with FERC • Projected in service during 2014
Marcellus & Utica Infrastructure	Providing supply access to interstate pipeline grid	• Smithfield and Rimersburg Expansion • Ongoing phased-in shale expansions in development

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct 28, 2011 Earnings Release*

Regulatory and Infrastructure Progress

NiSource Gas Distribution – Q3 2011 Highlights*

- Operating earnings $8.0M in Q3 2011 vs. a loss of $40.7M in Q3 2010**
- Revenues up $24.0M, reflecting change in NIPSCO gas rate design and infrastructure replacement programs
- Operating expenses $24.7M lower, reflecting change in depreciation rates
- New rates approved for Columbia Gas of Pennsylvania

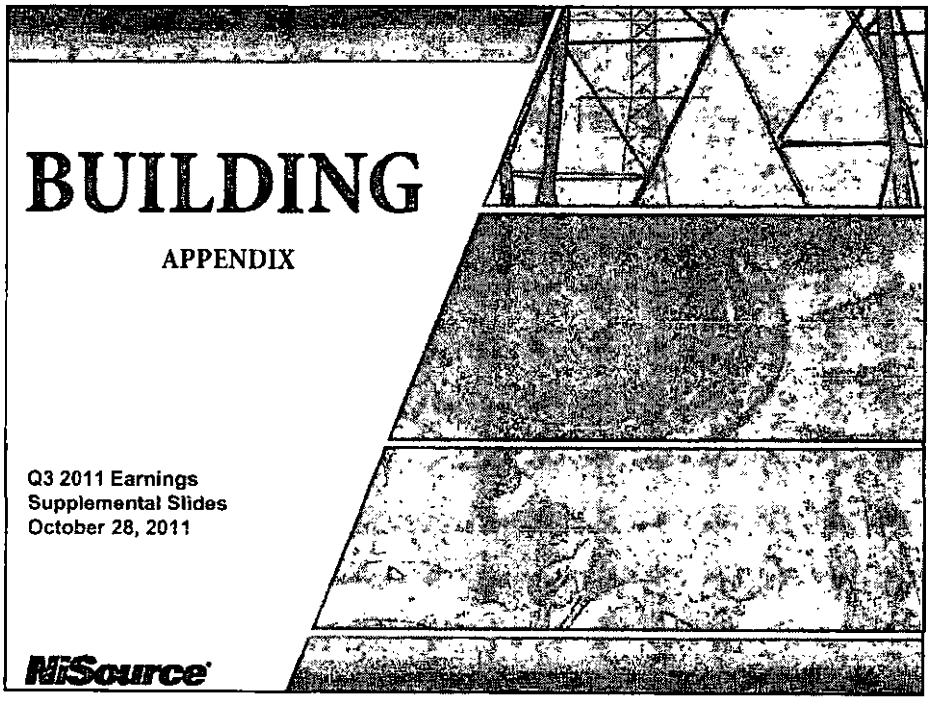
2011 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania • Columbia Gas of Virginia filed an application to accelerate recovery of infrastructure projects – decision expected Q4 2011	• On track to invest more than $300 million in 2011

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Oct 28, 2011 Earnings Release*

NiSource

Tangible Benefits for Customers, Investors



BUILDING

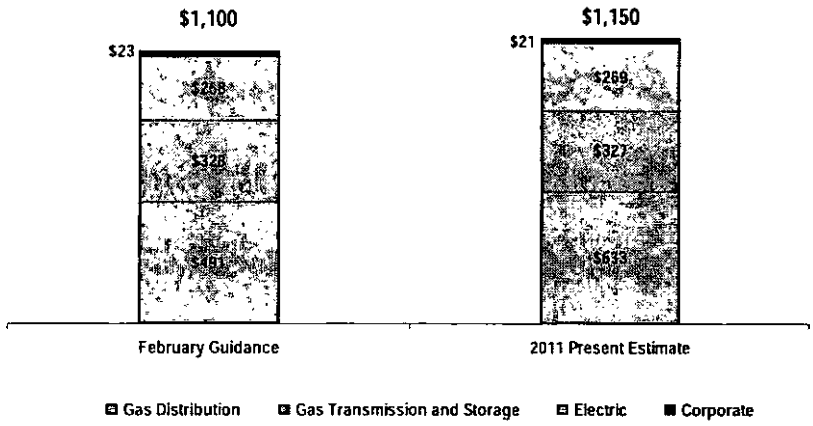
APPENDIX

Q3 2011 Earnings
Supplemental Slides
October 28, 2011

NiSource

Capital Expenditures ($M)

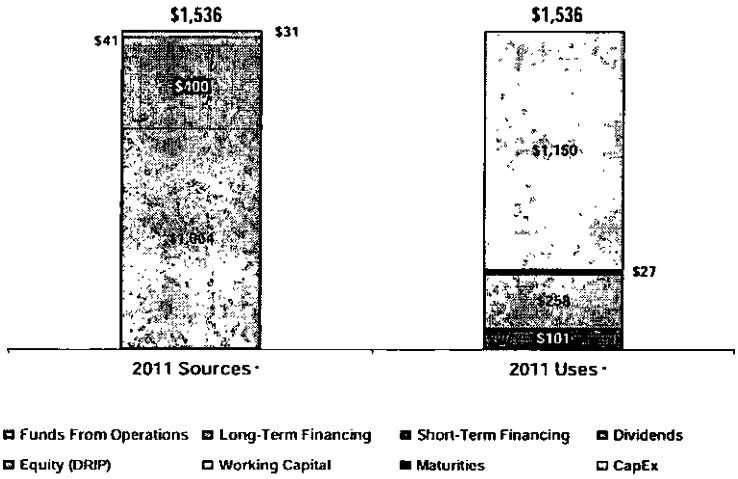
2011 Forecasted



NiSource

2011 Growth & Tracker ~$646M

2011 Sources and Uses of Cash ($M)



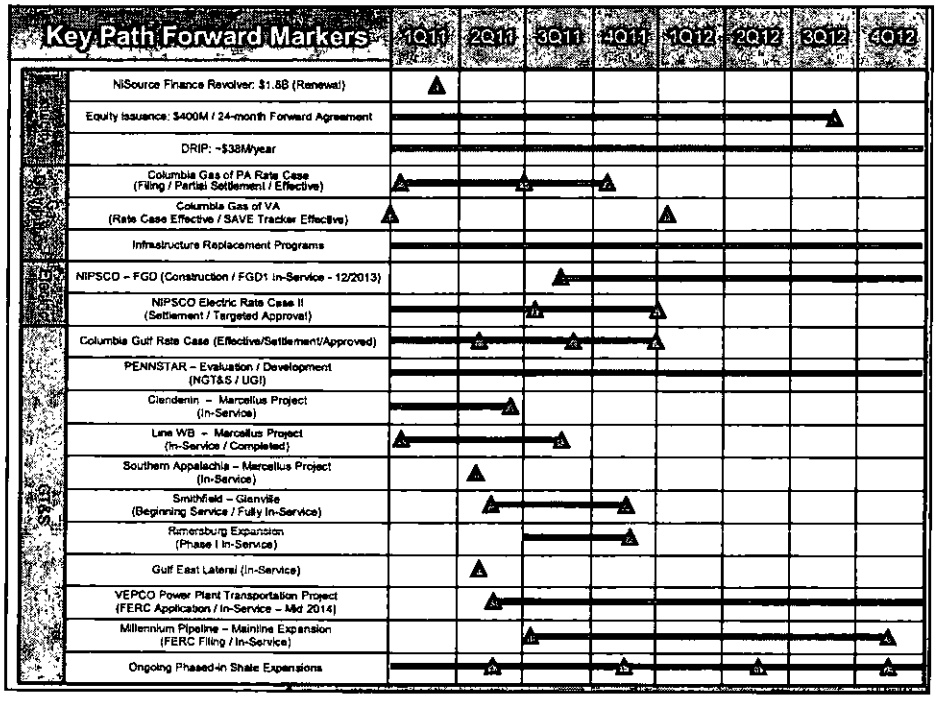
* Projected

NiSource

Current Liquidity ($M)

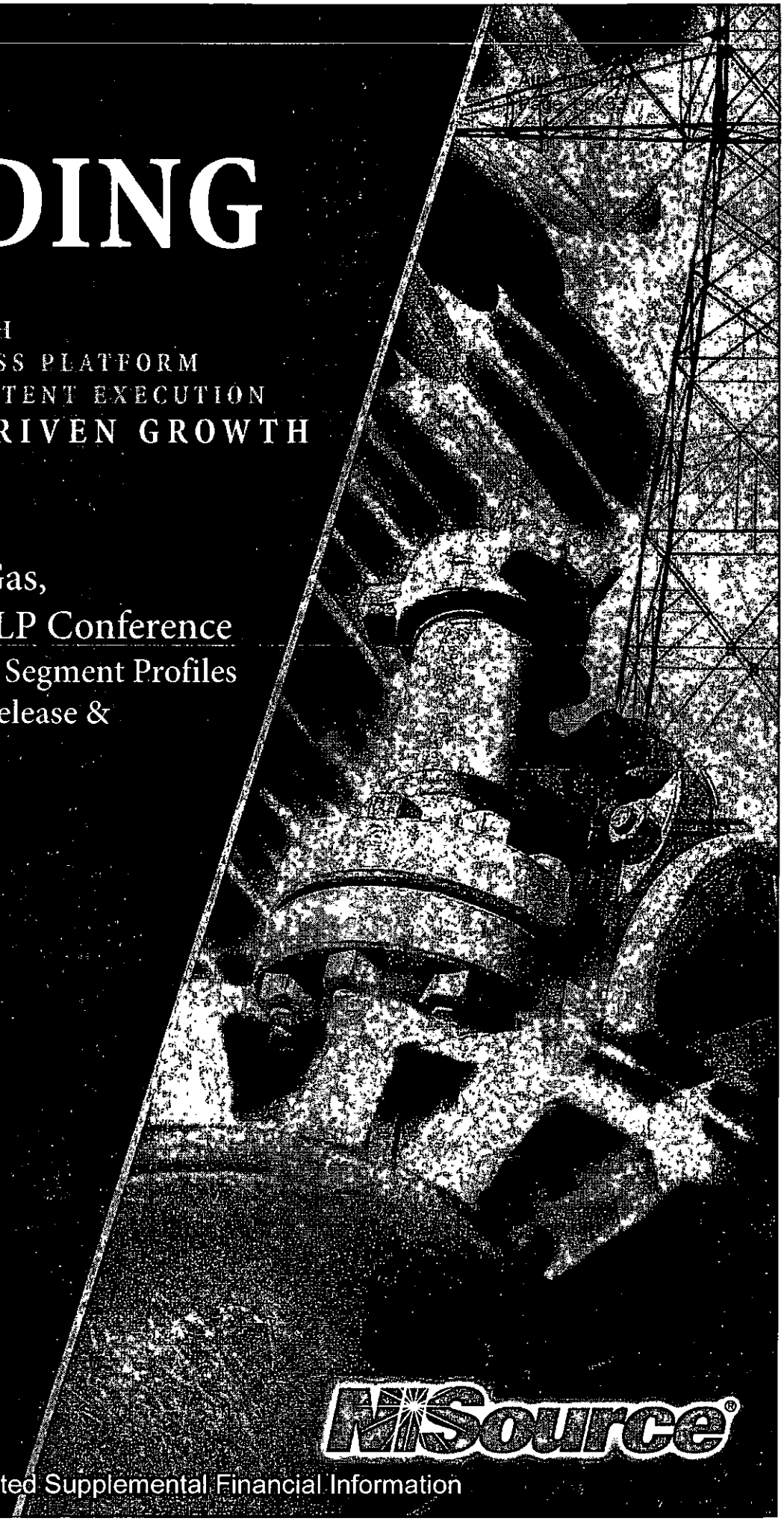
	Actual 9/30/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(615)	
Commercial Paper	(426)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	22	
Net Available Liquidity	**$462**	

NiSource



BUILDING

CONFIDENCE
FINANCIAL STRENGTH
A BALANCED BUSINESS PLATFORM
A RECORD OF CONSISTENT EXECUTION
INVESTMENT-DRIVEN GROWTH



2012 UBS Natural Gas, Electric Power & MLP Conference

- NiSource Operating Segment Profiles
- Q4 2012 Earnings Release & Supplemental Slides

NiSource®

Unaudited Supplemental Financial Information

NISOURCE
CORPORATE PROFILE

NiSource Inc. (NYSE:NI) is an energy holding company with headquarters in Merrillville, Ind. Our companies provide natural gas, electricity and other products and services to approximately 3.8 million customers located within the high-demand energy corridor that runs from the Gulf Coast through the Midwest to New England. Our business strategy is focused on our core, rate-regulated, asset-based businesses which generate substantially all of our operating income.

GAS DISTRIBUTION

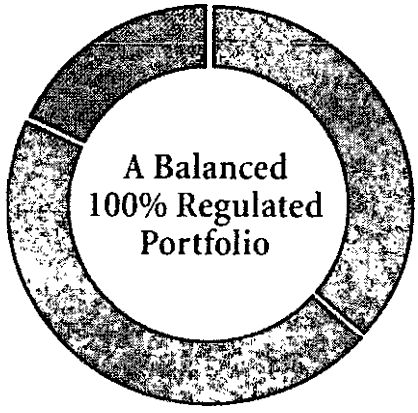
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

GAS TRANSMISSION & STORAGE

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Prolific Marcellus Shale Production Region of Appalachia
- Deep Inventory of Attractive Investment Opportunities

ELECTRIC OPERATIONS

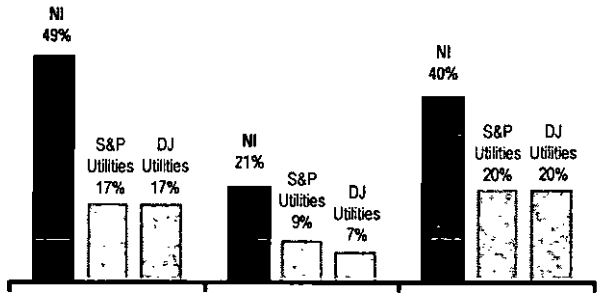
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



FINANCIAL HIGHLIGHTS (12/31/2011)

Stock Price	$23.81
Common Shares Outstanding	281.9M
Annual Dividend	$0.92
Market Capitalization	$6.71B

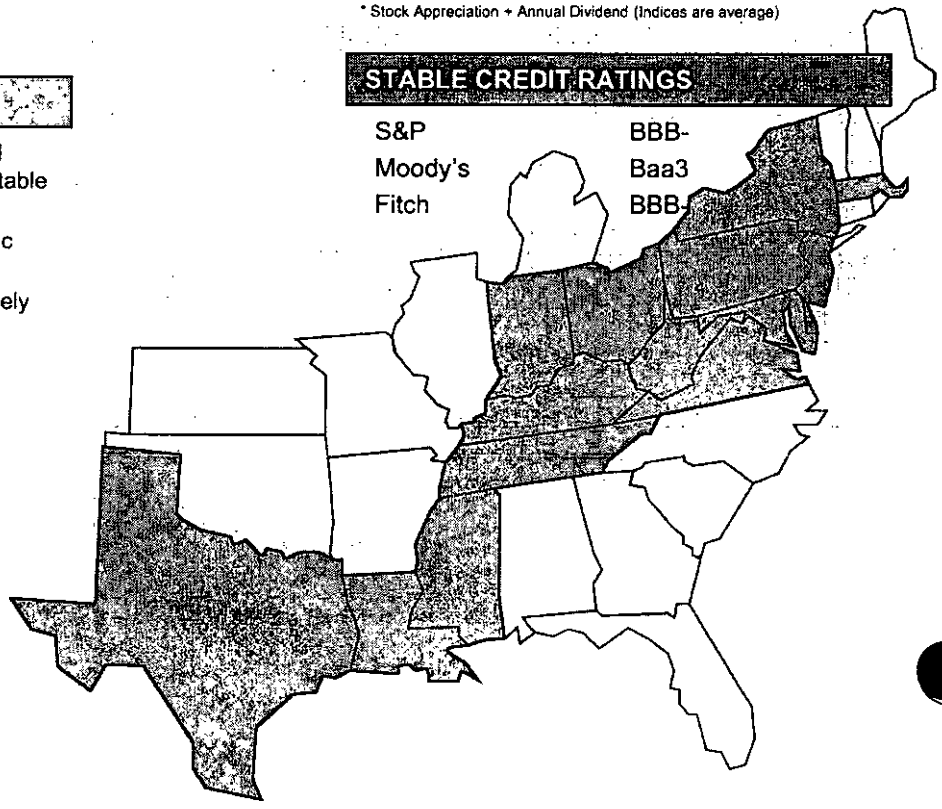
TOTAL SHAREHOLDER RETURN*



* Stock Appreciation + Annual Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-



NISOURCE
GAS DISTRIBUTION

Our natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 58,000 miles of pipeline. Under the banner of "Columbia Gas," NiSource owns six distribution subsidiaries that provide clean and affordable natural gas to approximately 2.5 million residential, commercial and industrial customers in Ohio, Pennsylvania, Maryland, Virginia, Kentucky and Massachusetts. NiSource also distributes natural gas to approximately 795,000 customers in Indiana through our Northern Indiana Public Service Company (NIPSCO) subsidiary.

NiSource gas distribution companies have established a state-of-the-art regulatory platform that focuses on de-risking earnings and synching long-term, low risk infrastructure replacement programs with complementary regulatory recovery mechanisms.

COLUMBIA GAS OF OHIO
- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers; 19,000+ Miles of Pipe

COLUMBIA GAS OF PENNSYLVANIA
- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers; 7,400 Miles of Pipe

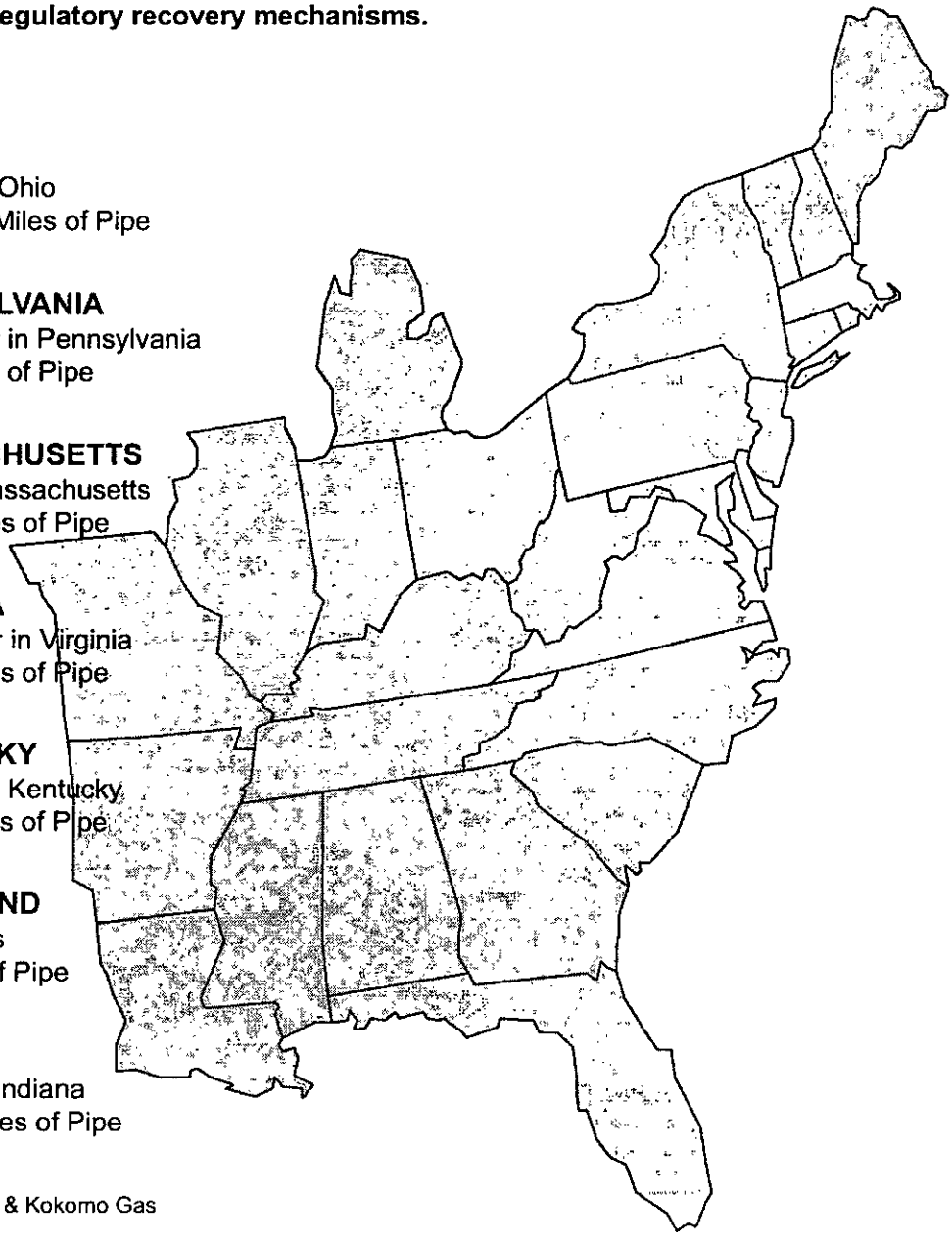
COLUMBIA GAS OF MASSACHUSETTS
- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF VIRGINIA
- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF KENTUCKY
- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers; 2,500+ Miles of Pipe

COLUMBIA GAS OF MARYLAND
- Complementary to PA Operations
- 33,000 Customers; 750+ Miles of Pipe

NIPSCO GAS*
- Largest Natural Gas Provider in Indiana
- 795,000 Customers; 16,000+ Miles of Pipe



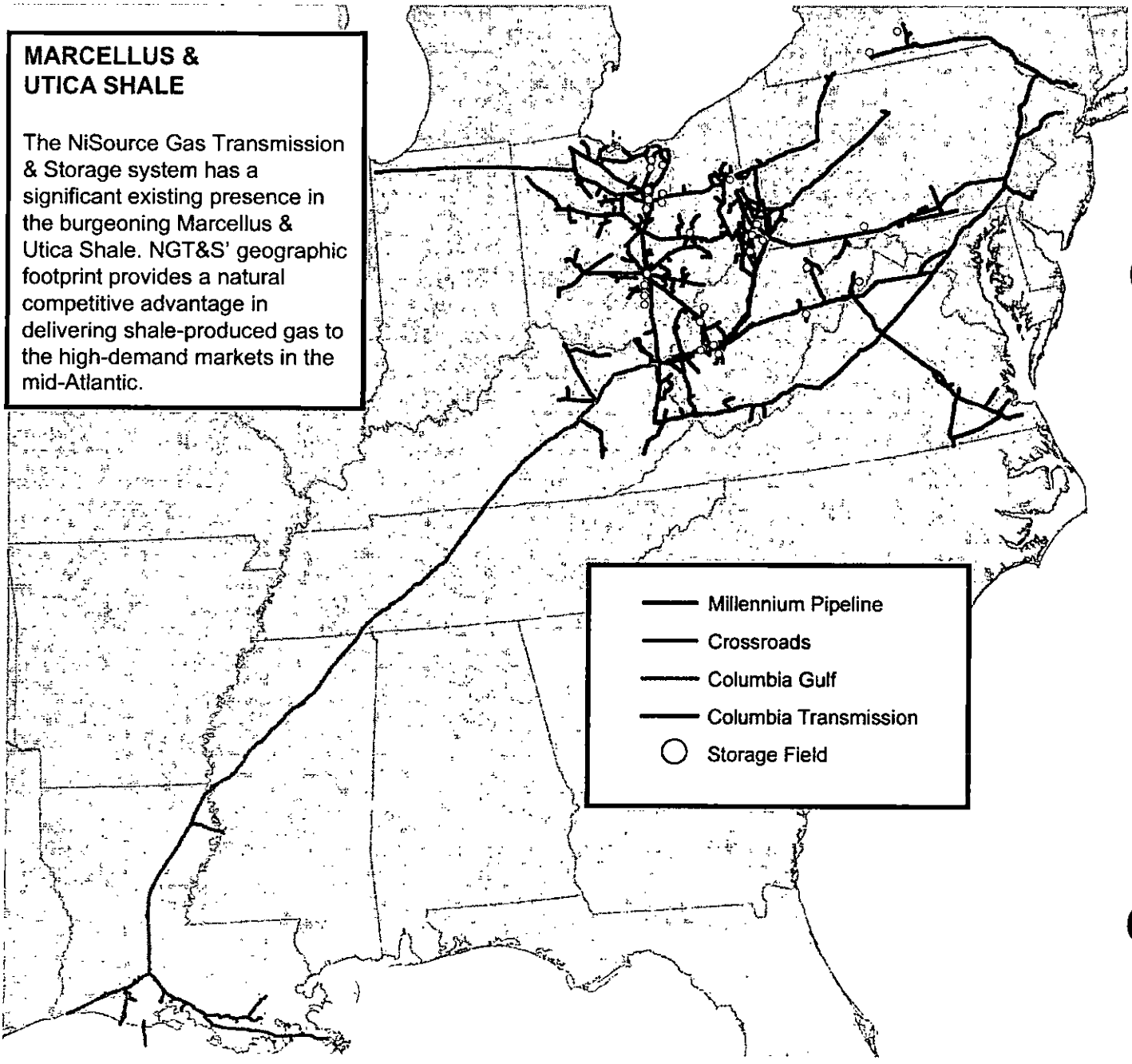
* Includes Northern Indiana Fuel and Light & Kokomo Gas

NISOURCE
GAS TRANSMISSION & STORAGE

NiSource Gas Transmission & Storage (NGT&S) is an interstate natural gas transmission and storage company that transports natural gas through its 15,000 miles of pipeline, and stores natural gas in its 37 market area storage fields with a capacity of approximately 640 Bcf.

The NiSource Gas Transmission & Storage companies service customers in more than 15 states. From the Gulf Coast to the Midwest, Mid-Atlantic and Northeast, the system connects premium natural gas supplies with some of the nation's strongest energy markets.

More than one trillion cubic feet of natural gas flows through the companies' pipeline and storage systems each year, providing competitively priced, clean energy for millions of homes, businesses and industries.

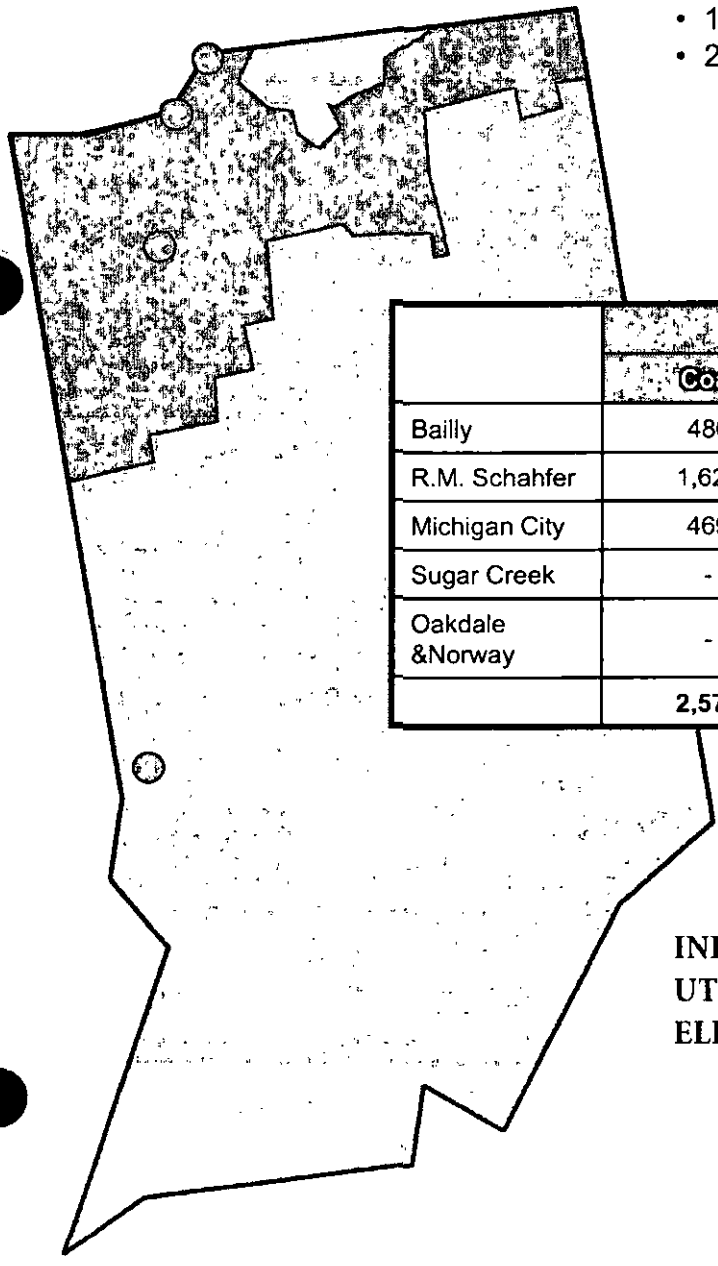


NISOURCE
ELECTRIC OPERATIONS

NiSource generates, transmits and distributes electricity through its subsidiary Northern Indiana Public Service Company (NIPSCO) to approximately 458,000 customers in 20 counties located in northern Indiana. NIPSCO owns and operates four electric generating stations with a total generating capacity of approximately 3,300MW (78% coal, 22% natural gas) NIPSCO's transmission system, with voltages from 69Kv, consists of 2,800 circuit miles interconnecting with five neighboring electric utilities.

NIPSCO electric has more than $850 million of revenue producing environmental investment opportunities.

CONSTRUCTIVE REGULATORY ENVIRONMENT



ELECTRIC DISTRIBUTION & TRANSMISSION

- 458,000 Electric Customers
- 10,000 Mile of Electric Distribution
- 2,800 Miles of Electric Transmission

ELECTRIC GENERATION

	Capacity (MW)			
	Coal	Natural Gas	Hydro	Total
Bailly	480	31	-	511
R.M. Schahfer	1,625	155	-	1,780
Michigan City	469	-	-	469
Sugar Creek	-	535	-	535
Oakdale &Norway	-	-	10	10
	2,574	**721**	**10**	**3,305**

INDIANA'S LARGEST COMBINATION UTILITY & SECOND LARGEST ELECTRIC COMPANY

NEWS

NiSource

801 E. 86th Avenue
Merrillville, IN 46410

February 1, 2012

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NiSource Reports 2011 Earnings

- Results at the top of 2011 earnings guidance range
- Infrastructure-investment-driven growth opportunities advance
- Record $1.4 billion capital investment program in 2012
- 2012 earnings outlook of $1.40 to $1.50 per share reflects ongoing growth

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of $377.8 million, or $1.35 per share, for the twelve months ended Dec. 31, 2011, compared to net operating earnings of $338.2 million, or $1.22 per share for 2010 – an increase of about 10.7 percent. NiSource's consolidated operating earnings (non-GAAP) for the twelve months ended Dec. 31, 2011, were $961.3 million compared to $915.3 million in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010. Operating income was $905.1 million for 2011 versus $905.7 million in the year-ago period. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

For the three months ended Dec. 31, 2011, net operating earnings (non-GAAP) were $91.2 million, or $0.32 per share, compared with $93.6 million, or $0.33 per share, for the same period in 2010. On a GAAP basis, income from continuing operations for the three months ended Dec. 31, 2011, was $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

"2011 was a year of significant achievement, groundbreaking performance and industry-leading growth in shareholder value," NiSource President and Chief Executive Officer **Robert C. Skaggs, Jr.** said. "Across the board, NiSource teams delivered on our well-established, infrastructure-investment-driven business strategy. This strategy generated earnings growth in line with our guidance range for the fifth consecutive year, and positioned the company to deliver total shareholder return of approximately 40 percent in 2011, significantly outperforming broader market and utility indices for the third consecutive year."

In announcing NiSource's 2011 results, Skaggs highlighted key business accomplishments and ongoing initiatives expected to drive continued earnings growth for the company during 2012.

Financial strength to fund $1.4 billion in 2012 capital investments

NiSource continued to build on its financial strength and discipline during 2011, positioning the company to take advantage of a deep and expanding inventory of identified investment opportunities across all its business units.

"Building on NiSource's disciplined, well-executed financial strategy, and the range of investment opportunities available to the company, we are pleased to announce a capital investment program of approximately $1.4 billion in 2012," Skaggs said. "This represents an increase of nearly 25 percent over our $1.13 billion 2011 program."

Skaggs noted that the increase will primarily fund attractive and accretive investment opportunities at its **NiSource Gas Transmission and Storage (NGT&S)** unit, as well as at **Northern Indiana Public Service Company (NIPSCO)**. In addition, the company expects to invest approximately $530 million at its **NiSource Gas Distribution (NGD)** business unit.

The company's solid financial profile was further strengthened as a result of a number of key initiatives taken during 2011. These initiatives, which will serve to reduce financing costs, extend the company's debt maturity profile and help manage its liabilities, included:

- Successful issuance of a total of $900 million of long-term notes, of which $250 million was used to make an accelerated contribution to the company's pension plans;
- Completion of a $250 million tender offer to repurchase high-interest long-term debt in December;
- Launch of a $500 million commercial paper program in June; and
- Renewal of the company's $1.5 billion revolving credit facility for an additional four years in March.

Skaggs noted that, given NiSource's strong cash position, the company does not plan to draw upon its Sept. 2010 forward equity sale until the third quarter of 2012. NiSource closed the year with $364 million in net available liquidity.

NIPSCO electric positioned for continued long-term investment and growth

NIPSCO's electric business made significant strides during 2011 to advance its strategy of enhancing customer service and reliability, modernizing rate design and building a foundation for long-term, investment-driven growth.

- In December, NIPSCO's landmark electric rate case settlement was approved without modification by the Indiana Utility Regulatory Commission (IURC). The collaborative settlement represents a balanced agreement that supports NIPSCO's ability to provide Indiana families, businesses and industries with the affordable, reliable and environmentally sustainable power they need now and in the future.

- As part of a multi-state effort to strengthen the electric transmission system serving the Midwest, NIPSCO will make an approximately $270 million investment in a new, 100-mile, 345-kilovolt transmission project in northern Indiana. The project, one of 17 major new transmission system improvements reviewed and authorized by the Midwest Independent Transmission System Operator (MISO), is scheduled to be in service during the latter part of the decade.

- Significant environmental investments at NIPSCO's coal-fired electric generation facilities remain on schedule, including construction of Flue Gas Desulfurization equipment on two units at the company's Schahfer generating station. The improvements, part of a nearly $850 million environmental investment program over the next six to eight years, will position NIPSCO to comply with emission standards recently issued by the U.S. Environmental Protection Agency.

"From the successful completion of the electric rate case, to ongoing customer, environmental and economic development programs, NIPSCO is well positioned for significant, sustainable investment and growth in northern Indiana," Skaggs noted. "Taken together, these efforts will strengthen system reliability, customer service and responsiveness, environmental and community quality, while providing stable ongoing earnings growth."

Leveraging gas transmission and storage and midstream growth opportunities

NGT&S also continues to advance key strategies to enhance system reliability, develop new growth projects, and leverage the company's strategic footprint in emerging shale gas production areas.

- During 2011, NGT&S placed into service a number of strategic growth projects, primarily serving the Marcellus shale production area. These and other projects placed into service in previous years contributed over $30 million in additional demand revenues in 2011.

- On the regulatory front, in November, the Federal Energy Regulatory Commission (FERC) approved the settlement of **Columbia Gulf Transmission's** Oct 2010 base rate case. The settlement – effective as of May 2011 – reflects updated costs and operating conditions, and will position the company to meet customer needs and earn a reasonable return on its investment.

- NGT&S continues to develop a range of additional supply-driven growth initiatives, including mineral leasing, midstream projects and traditional pipeline expansion opportunities. One project in the later stages of development involves an approximately $145 million investment in 90 miles of pipeline facilities in western Pennsylvania supporting increased shale production. A major Marcellus shale producer will anchor the project, which is expected to have an initial capacity of approximately 300,000 dekatherms per day with interconnects with multiple interstate pipelines. A definitive agreement is anticipated by the end of the first quarter, and the project is expected to be placed in service in late 2012.

- **Millennium Pipeline** also is progressing on plans to add more than 12,000 horsepower of compression to its system in Orange County, NY, driven by increased shale production. Pending FERC approval, the new compressor station represents an investment of approximately $43 million. The project is anticipated to be in-service in Nov. 2012 and increase Millennium's delivery capabilities at its interconnection with Algonquin Gas Transmission to 675,000 dekatherms per day. NiSource owns a 47.5 percent interest in Millennium.

- Looking forward, NGT&S also is considering the possibility of a long-term system modernization program designed to enhance the reliability and flexibility of its infrastructure; respond to changing supply and market dynamics; and comply with developing pipeline safety and integrity requirements. In addition to numerous customer, environmental and economic development benefits, the multi-billion dollar program – which is in the early stages of development – would also support ongoing rate base and earnings growth.

"On the heels of solid progress and the addition of experienced, energized leadership in 2011, our NGT&S team is fully engaged with customers to develop and execute on a broad array of infrastructure enhancement and new growth opportunities," Skaggs said. "Our NGT&S capital investment program for 2012 is approximately $430 million – an increase of 43 percent over 2011 – reflecting a significant increase in accretive expansion projects capitalizing on the attractive opportunities available to NGT&S in the developing shale supply regions. These and other projects will serve to enhance the long-term value of our assets for the benefit of our customers, shareholders and other key stakeholders."

Executing gas distribution infrastructure, customer and regulatory programs

Combining long-term infrastructure modernization programs with complementary customer programs and regulatory initiatives continues to be the focus at NGD.

- Infrastructure modernization and replacement projects continued across NGD as part of its $4 billion plus modernization program. In total during 2011, nearly $320 million was invested in modernization and replacement programs at NGD.

- In November, **Columbia Gas of Virginia** received regulatory approval of its application for accelerated recovery of its infrastructure projects. Part of Virginia's SAVE Act (Steps To Advance Virginia's Energy Plan), the company plans to invest $100 million over the next five years on its infrastructure modernization program.

- On the customer front, in December, **Columbia Gas of Ohio** received approval from the Public Utilities Commission of Ohio to extend and expand its energy efficiency programs for an additional five years, starting in 2012. Over the life of the proposed programs, COH estimates customers will save up to $300 million through reduced energy usage. Also in December, NIPSCO's gas business received IURC approval of various existing and new customer energy efficiency programs through Nov. 2012.

- As previously announced, the Pennsylvania Public Utility Commission issued a final order in **Columbia Gas of Pennsylvania's** base rate case on Oct. 14, which authorized an annual revenue increase of $17 million. The Commission also authorized a new residential rate design with a higher minimum monthly charge, including a fixed customer charge and usage allowance.

"Our focus on infrastructure modernization at our utilities continues to benefit our customers and communities, as well as NiSource shareholders," Skaggs said. "Our proactive, collaborative approach, combined with appropriate regulatory treatment, has served us well as we execute on this long-term core strategy."

Earnings growth outlook continues with 2012 guidance of $1.40 to $1.50 per share

Based on the continued success of NiSource's balanced business strategy and a deep inventory of investment opportunities across each of its business units, NiSource expects to deliver 2012 net operating earnings (non-GAAP) within a range of $1.40 to $1.50 per share, representing solid growth over 2011 results.

There will likely be differences between net operating earnings and GAAP earnings, but, due to the unpredictability of weather and other factors, NiSource is not providing GAAP earnings guidance.

Skaggs noted that the company's outlook continues to be driven by execution of its infrastructure-investment programs and is premised on a relatively modest and gradual economic recovery across the markets served by its utilities.

"With a growing inventory of infrastructure investment opportunities and a strong financial foundation to support a $1.4 billion capital investment program, NiSource is well-positioned to continue growing earnings and increasing shareholder value in 2012 and beyond," Skaggs concluded. "Leveraging the momentum we have built over the past few years will enable NiSource to continue delivering on our financial commitments – a strong and secure dividend, stable investment-grade credit ratings and long-term, sustainable earnings growth."

Full-Year 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the year ended Dec. 31, 2011, were $961.3 million, compared to $915.3 million in 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the full-year ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $438.8 million compared to $342.6 million reported for the year ended Dec. 31, 2010. Net revenues, excluding the impact of regulatory trackers, increased $31.2 million primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins. These increases were partially offset by a decrease in off-system sales and lower industrial margins.

Operating expenses, excluding the impact of trackers, were $65.0 million lower than the comparable period in the prior year primarily due to a reduction of approximately $75 million in depreciation costs as a result of reduced depreciation rates at NIPSCO. These decreases were partially offset by an increase in employee and administrative costs for the business segment.

NiSource Gas Transmission and Storage reported operating earnings of $360.1 million versus operating earnings of $376.8 million for the year ended Dec. 31, 2010. Net revenues, excluding trackers, increased $50.5 million primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010, the impact of new Columbia Gulf rates placed into effect on May 1, 2011, and an increase in mineral rights royalty revenue. These increases were partially offset by the recognition of revenue in the prior year related to a previously deferred gain for native gas.

Operating expenses, excluding trackers, increased by $66.8 million primarily due to higher employee and administrative expenses, driven largely by pension contributions, increased environmental costs, higher software and separation costs. These increases were partially offset by a decrease in outside service costs.

Equity earnings decreased by $0.4 million for 2011 compared to 2010.

NiSource Electric reported operating earnings of $203.0 million for the year ended Dec. 31, 2011, compared with operating earnings of $217.0 million for the prior year period. Net revenues, excluding trackers, decreased by $0.6 million primarily due to decreased residential and commercial margins and lower environmental cost recovery rates partially offset by increased industrial usage and margins and lower revenue credits.

Operating expenses, excluding trackers, increased by $13.4 million due primarily to an increase in employee and administrative expenses, higher outside service and rate case costs. These increases were partially offset by the costs incurred in the prior year related to an inventory write-off.

Corporate and Other Operations reported an operating earnings loss of $40.6 million for the year ended Dec. 31, 2011, compared to an operating earnings loss of $21.1 million for the year ended Dec. 31, 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items
Interest expense decreased by $15.5 million due to the repurchase of long-term debt in Nov. 2011 and Dec. 2010 and a long-term debt maturity in Nov. 2010. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in Nov. 2011, June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected expense of $7.3 million in 2011 compared to income of $3.8 million in 2010. The increase in expense is the result of additional charitable contributions in the current year.

The effective tax rate of net operating earnings was 34.5 percent compared to 35.8 percent for the same period last year.

Fourth Quarter 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated fourth quarter 2011 operating earnings (non-GAAP) were $252.9 million, compared to $247.8 million for the same period in 2010. Refer to Schedule 2 for the items included in the fourth quarter 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the fourth quarter ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $144.9 million versus operating earnings of $112.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory and tax trackers, increased $15.0 million, primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins.

Operating expenses, excluding trackers, were $17.0 million lower than the comparable period due to decreases in environmental costs and depreciation expenses. These decreases were partially offset by an increase in uncollectibles.

NiSource Gas Transmission and Storage reported operating earnings of $89.0 million versus operating earnings of $99.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory trackers, increased $24.9 million, primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010 and the impact of new Columbia Gulf rates placed into effect on May 1, 2011.

Operating expenses, excluding trackers, increased by $37.9 million primarily due to an increase in employee and administrative expenses, driven largely by pension contributions, and an increase in software costs. These increases were partially offset by a decrease in outside service costs and lower depreciation.

Equity earnings increased by $2.1 million primarily the result of an increase in earnings at Millennium Pipeline.

NiSource Electric reported operating earnings of $43.0 million versus operating earnings of $43.4 million from the same quarter last year. Net revenues, excluding regulatory trackers, decreased $4.7 million compared to the prior year. The decrease was primarily the result of lower environmental cost recovery due primarily to a decrease in environmental spend.

Operating expenses decreased by $4.3 million, excluding trackers, due primarily to lower electric generation costs which were partially offset by increased outside service costs.

Corporate and Other Operations reported an operating earnings loss of $24.0 million in the fourth quarter of 2011 compared to an operating earnings loss of $8.4 million in 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items

Interest expense decreased by $0.6 million in 2011 compared to 2010 due to the change in long-term debt noted above.

Other-net reflected an expense of $12.8 million compared to $3.5 million in 2010. The change in expense was the result of an increase in charitable contributions in the current year.

The effective tax rate of net operating earnings was 36.3 percent compared to 36.2 percent for the same period last year.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Dec. 31, 2011, of $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

The NiSource GAAP results reflect certain non-material corrections to its consolidated financial statements as of Dec. 31, 2010 and for the three and twelve months ended Dec. 31, 2010. The effect of these non-material corrections was a decrease in income from continuing operations of $9.4 million or $0.03 per share for the year ended Dec. 31, 2010 and a decrease in income from continuing operations of $1.6 million or $0.01 per share for the three months ended Dec. 31, 2010.

On November 14, 2011, NiSource commenced a cash tender offer to repurchase up to $250.0 million aggregate principal amount of its outstanding 10.75% notes due 2016 and 6.15% notes due 2013. A condition of the offering was that all validly tendered 2016 notes would be accepted for purchase before any 2013 notes were accepted. On December 13, 2011, NiSource announced that approximately $125.3 million of the aggregate principal amount of its outstanding 10.75% notes due 2016 were validly tendered. Based upon the principal amount of the 2016 notes tendered, NiSource also repurchased $124.7 million of the 2013 notes. As a result of this tender offer, NiSource incurred $53.9 million in early redemption fees, primarily attributable to early redemption premiums and unamortized discounts and fees, which are recorded as a loss on the early extinguishment of long-term debt.

During the fourth quarter of 2011, NiSource reviewed its current estimates for future environmental remediation costs related to the company's manufactured gas plant (MGP) sites. Following the review, NiSource revised its estimates based on expected remediation activities and experience with similar facilities and recorded $35.5 million of expense at subsidiaries for which environmental expense is not probable of recovery from customers.

About NiSource
NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements
This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this presentation are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; the effectiveness of NiSource's restructured outsourcing agreement; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counterparty credit risk and the matters set forth in the "Risk Factors" Section in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are risks beyond the control of NiSource. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)
(unaudited)

(in millions, except per share amounts*)*	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Net Revenues				
Gas Distribution	**$ 730.9**	$ 973.6	**$ 2,927.6**	$ 3,097.4
Gas Transportation and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**329.6**	316.7	**1,420.2**	1,367.5
Other	**29.2**	21.4	**92.5**	92.0
Gross Revenues	**1,450.7**	1,667.6	**5,794.9**	5,818.3
Cost of Sales (excluding depreciation and amortization)	**545.6**	752.3	**2,334.0**	2,379.2
Total Net Revenues	**905.1**	915.3	**3,460.9**	3,439.1
Operating Expenses				
Operation and maintenance	**406.0**	393.5	**1,488.5**	1,417.6
Operation and maintenance - trackers	**43.3**	62.6	**194.3**	239.7
Depreciation and amortization	**131.1**	138.8	**524.1**	584.7
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**54.0**	48.5	**212.6**	207.1
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**658.0**	671.2	**2,514.2**	2,538.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**252.9**	247.8	**961.3**	915.3
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Deductions	**(109.7)**	(101.0)	**(384.1)**	(388.5)
Operating Earnings From Continuing Operations Before Income Taxes	**143.2**	146.8	**577.2**	526.8
Income Taxes	**52.0**	53.2	**199.4**	188.6
Net Operating Earnings from Continuing Operations	**91.2**	93.6	**377.8**	338.2
GAAP Adjustment	**(73.6)**	(59.4)	**(74.0)**	(53.0)
GAAP Income from Continuing Operations	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Net Operating Earnings Per Share from Continuing Operations	**0.32**	0.33	**1.35**	1.22
GAAP Basic Earnings Per Share from Continuing Operations	**0.06**	0.12	**1.08**	1.03
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Sales Revenues	**$ 877.0**	$ 1,123.4	**$ 3,508.4**	$ 3,677.2
Less: Cost of gas sold	**443.8**	679.8	**1,917.4**	2,065.6
Net Revenues	**433.2**	443.6	**1,591.0**	1,611.6
Operating Expenses				
Operation and maintenance	**178.6**	192.1	**694.5**	699.1
Operation and maintenance - trackers	**23.6**	44.6	**115.7**	170.8
Depreciation and amortization	**43.6**	49.5	**174.0**	239.3
Other taxes	**22.3**	19.9	**87.4**	82.5
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**288.3**	330.7	**1,152.2**	1,269.0
Operating Earnings	**$ 144.9**	$ 112.9	**$ 438.8**	$ 342.6
GAAP Adjustment	**(48.2)**	8.6	**(46.0)**	(10.3)
GAAP Operating Income	**$ 96.7**	$ 121.5	**$ 392.8**	$ 332.3

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Transportation revenues	**$ 222.6**	$ 205.8	**$ 776.7**	$ 728.4
Storage revenues	**48.1**	49.7	**196.1**	198.7
Other revenues	**12.6**	2.3	**32.8**	22.1
Net Operating Revenues	**283.3**	257.8	**1,005.6**	949.2
Operating Expenses				
Operation and maintenance	**137.1**	96.5	**407.7**	339.4
Operation and maintenance - trackers	**16.3**	15.7	**65.8**	59.9
Depreciation and amortization	**31.9**	35.8	**130.0**	130.7
Other taxes	**14.8**	13.6	**56.6**	57.4
Total Operating Expenses	**200.1**	161.6	**660.1**	587.4
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**$ 89.0**	$ 99.9	**$ 360.1**	$ 376.8
GAAP Adjustment	**(0.1)**	0.1	**(0.1)**	(0.2)
GAAP Operating Income	**$ 88.9**	$ 100.0	**$ 360.0**	$ 376.6

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Sales revenues	**$ 332.1**	$ 331.5	**$ 1,428.4**	$ 1,383.0
Less: Cost of sales	**122.5**	118.4	**548.8**	508.3
Net Revenues	**209.6**	213.1	**879.6**	874.7
Operating Expenses				
Operation and maintenance	**96.1**	101.3	**392.6**	378.3
Operation and maintenance - trackers	**3.3**	2.3	**12.8**	9.0
Depreciation and amortization	**49.9**	49.0	**200.6**	199.4
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**13.9**	13.9	**56.5**	58.6
Total Operating Expenses	**166.6**	169.7	**676.6**	657.7
Operating Earnings	**$ 43.0**	$ 43.4	**$ 203.0**	$ 217.0
GAAP Adjustment	**(3.2)**	(0.9)	**6.5**	3.8
GAAP Operating Income	**$ 39.8**	$ 42.5	**$ 209.5**	$ 220.8

Corporate and Other Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Operating Loss	**$ (24.0)**	$ (8.4)	**$ (40.6)**	$ (21.1)
GAAP Adjustment	**(15.6)**	(2.9)	**(16.6)**	(2.9)
GAAP Operating Loss	**$ (39.6)**	$ (11.3)	**$ (57.2)**	$ (24.0)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales and Transportation (MMDth)				
Residential	**72.6**	87.8	**254.5**	258.0
Commercial	**46.7**	51.7	**168.6**	166.8
Industrial	**109.5**	101.7	**431.8**	385.9
Off System	**10.2**	15.1	**62.4**	71.9
Other	**0.1**	0.1	**0.6**	1.0
Total	**239.1**	256.4	**917.9**	883.6
Weather Adjustment	**18.1**	(9.4)	**12.7**	5.1
Sales and Transportation Volumes - Excluding Weather	**257.2**	247.0	**930.6**	888.7
Heating Degree Days	**1,742**	2,177	**5,434**	5,547
Normal Heating Degree Days	**2,037**	2,037	**5,633**	5,633
% Colder (Warmer) than Normal	**(14%)**	7%	**(4%)**	(2%)
Customers				
Residential			**3,039,579**	3,039,874
Commercial			**280,521**	281,473
Industrial			**7,861**	7,668
Other			**19**	65
Total			**3,327,980**	3,329,080

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Throughput (MMDth)				
Columbia Transmission	**301.4**	342.3	**1,117.5**	1,092.4
Columbia Gulf	**270.6**	223.4	**1,048.0**	848.4
Crossroads Gas Pipeline	**4.0**	5.2	**18.7**	25.4
Intrasegment eliminations	**(124.0)**	(145.5)	**(548.5)**	(568.7)
Total	**452.0**	425.4	**1,635.7**	1,397.5

NiSource Inc.
Segment Volumes and Statistical Data

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales (Gigawatt Hours)				
Residential	**765.6**	792.4	**3,526.5**	3,625.6
Commercial	**931.3**	928.8	**3,886.5**	3,919.9
Industrial	**2,247.5**	2,137.2	**9,257.6**	8,459.0
Wholesale	**144.4**	181.4	**651.6**	817.1
Other	**44.2**	58.2	**165.5**	186.4
Total	**4,133.0**	4,098.0	**17,487.7**	17,008.0
Weather Adjustment	**31.1**	(15.8)	**(101.1)**	(174.1)
Sales Volumes - Excluding Weather impacts	**4,164.1**	4,082.2	**17,386.6**	**16,833.9**
Cooling Degree Days			**907**	977
Normal Cooling Degree Days			**808**	808
% Warmer (Colder) than Normal			**12%**	21%
Electric Customers				
Residential			**400,567**	400,522
Commercial			**54,029**	53,877
Industrial			**2,405**	2,432
Wholesale			**17**	15
Other			**737**	740
Total			**457,755**	457,586

NiSource Inc.
Schedule 1 – Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts*)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$ 91.2**	$ 93.6	**$ 377.8**	$ 338.2
Items excluded from operating earnings:				
Net Revenues:				
Weather - compared to normal	**(14.4)**	9.7	**(2.1)**	8.4
Revenue adjustment	**(0.6)**	(2.1)	**(0.6)**	(13.1)
Unregulated natural gas marketing business	**0.5**	0.4	**4.5**	6.2
Operating Expenses:				
Restructuring	**-**	-	**-**	(0.7)
Environmental MGP remediation review	**(35.5)**	-	**(35.5)**	-
Unregulated natural gas marketing business	**(1.2)**	(2.6)	**(5.6)**	(8.5)
Loss on sale of assets and asset impairments	**(15.9)**	(0.5)	**(16.9)**	(1.9)
Total items excluded from operating earnings	**(67.1)**	4.9	**(56.2)**	(9.6)
Loss on early extinguishment of debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Tax effect of above items	**47.4**	36.3	**42.9**	42.0
Income Taxes - Tax method / rate changes	**-**	(3.9)	**(6.8)**	(3.9)
Income Taxes - Rate settlement flow-through	**-**	-	**-**	15.2
Total items excluded from net operating earnings	**(73.6)**	(59.4)	**(74.0)**	(53.0)
Reported Income from Continuing Operations - GAAP	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Basic Net Operating Earnings Per Share from Continuing Operations	**$ 0.32**	$ 0.33	**$ 1.35**	$ 1.22
Items excluded from net operating earnings (after-tax)	**(0.26)**	(0.21)	**(0.27)**	(0.19)
GAAP Basic Earnings Per Share from Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 144.9**	**$ 89.0**	**$ 43.0**	**$ (24.0)**	**$ 252.9**
Net Revenues:					
Weather (compared to normal)	(12.1)	-	(2.3)	-	**(14.4)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	0.5	**0.5**
Total Impact - Net Revenues	**(12.1)**	**-**	**(2.9)**	**0.5**	**(14.5)**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(1.2)	**(1.2)**
Loss on sale of assets and asset impairments	(0.6)	(0.1)	(0.3)	(14.9)	**(15.9)**
Total Impact - Operating Expenses	**(36.1)**	**(0.1)**	**(0.3)**	**(16.1)**	**(52.6)**
Total Impact - Operating Income (Loss)	**$ (48.2)**	**$ (0.1)**	**$ (3.2)**	**$ (15.6)**	**$ (67.1)**
Operating Income (Loss) - GAAP	**$ 96.7**	**$ 88.9**	**$ 39.8**	**$ (39.6)**	**$ 185.8**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 112.9**	**$ 99.9**	**$ 43.4**	**$ (8.4)**	**$ 247.8**
Net Revenues:					
Weather (compared to normal)	8.6	-	1.1	-	**9.7**
Revenue adjustment	-	-	(2.1)	-	**(2.1)**
Unregulated natural gas marketing business	-	-	-	0.4	**0.4**
Total Impact - Net Revenues	**8.6**	**-**	**(1.0)**	**0.4**	**8.0**
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(2.6)	**(2.6)**
Gain/(Loss) on sale of assets and asset impairments	-	0.1	0.1	(0.7)	**(0.5)**
Total Impact - Operating Expenses	**-**	**0.1**	**0.1**	**(3.3)**	**(3.1)**
Total Impact - Operating Income (Loss)	**$ 8.6**	**$ 0.1**	**$ (0.9)**	**$ (2.9)**	**$ 4.9**
Operating Income (Loss) - GAAP	**$ 121.5**	**$ 100.0**	**$ 42.5**	**$ (11.3)**	**$ 252.7**

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Twelve Months ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 438.8**	**$ 360.1**	**$ 203.0**	**$ (40.6)**	**$ 961.3**
Net Revenues:					
Weather (compared to normal)	(9.7)	-	7.6	-	**(2.1)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	4.5	**4.5**
Total Impact - Net Revenues	**(9.7)**	**-**	**7.0**	**4.5**	**1.8**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(5.6)	**(5.6)**
Loss on sale of assets and asset impairments	(0.8)	(0.1)	(0.5)	(15.5)	**(16.9)**
Total Impact - Operating Expenses	**(36.3)**	**(0.1)**	**(0.5)**	**(21.1)**	**(58.0)**
Total Impact - Operating (Loss) Income	**$ (46.0)**	**$ (0.1)**	**$ 6.5**	**$ (16.6)**	**$ (56.2)**
Operating Income (Loss) - GAAP	**$ 392.8**	**$ 360.0**	**$ 209.5**	**$ (57.2)**	**$ 905.1**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 342.6**	**$ 376.8**	**$ 217.0**	**$ (21.1)**	**$ 915.3**
Net Revenues:					
Weather (compared to normal)	(3.4)	-	11.8	-	**8.4**
Revenue adjustment	(5.7)	-	(7.4)	-	**(13.1)**
Unregulated natural gas marketing business	-	-	-	6.2	**6.2**
Total Impact - Net Revenues	**(9.1)**	**-**	**4.4**	**6.2**	**1.5**
Operating Expenses					
Restructuring	(0.2)	-	(0.5)	-	**(0.7)**
Unregulated natural gas marketing business	-	-	-	(8.5)	**(8.5)**
Loss on sale of assets and asset impairments	(1.0)	(0.2)	(0.1)	(0.6)	**(1.9)**
Total Impact - Operating Expenses	**(1.2)**	**(0.2)**	**(0.6)**	**(9.1)**	**(11.1)**
Total Impact – Operating(Loss) Income	**$ (10.3)**	**$ (0.2)**	**$ 3.8**	**$ (2.9)**	**$ (9.6)**
Operating Income (Loss) - GAAP	**$ 332.3**	**$ 376.6**	**$ 220.8**	**$ (24.0)**	**$ 905.7**

NiSource Inc.
Consolidated Income Statements (GAAP) (unaudited)

(in millions, except per share amounts)	Three Months Ended December 31, **2011**	2010	Twelve Months Ended December 31, **2011**	2010
Net Revenues				
Gas Distribution	**$ 718.8**	$ 971.6	**$ 2,917.9**	$ 3,094.0
Gas Transmission and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**327.3**	328.5	**1,427.7**	1,379.3
Other	**83.4**	96.0	**318.9**	679.9
Gross Revenues	**1,490.5**	1,752.0	**6,019.1**	6,414.6
Cost of Sales (excluding depreciation and amortization)	**599.9**	828.7	**2,556.4**	2,974.1
Total Net Revenues	**890.6**	923.3	**3,462.7**	3,440.5
Operating Expenses				
Operation and maintenance	**485.7**	457.5	**1,722.5**	1,663.3
Depreciations and amortization	**134.5**	142.0	**538.2**	597.1
Impairment and loss on sale of assets, net	**15.7**	0.8	**16.8**	2.0
Other taxes	**74.7**	74.0	**294.7**	287.4
Total Operating Expenses	**710.6**	674.3	**2,572.2**	2,549.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Income	**185.8**	252.7	**905.1**	905.7
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Loss on early extinguishment of long-term debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Income (Deductions)	**(163.6)**	(197.7)	**(438.0)**	(485.2)
Income From Continuing Operations Before Income Taxes	**22.2**	55.0	**467.1**	420.5
Income Taxes	**4.6**	20.8	**163.3**	135.3
Income from Continuing Operations	**17.6**	34.2	**303.8**	285.2
(Loss) Gain from Discontinued Operations - net of taxes	**(2.9)**	(2.4)	**(4.7)**	(2.7)
Gain (Loss) on sale of Discontinued Operations - net of taxes	**-**	-	**-**	0.1
Net Income	**$ 14.7**	$ 31.8	**$ 299.1**	$ 282.6
Basic Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Basic Earnings Per Share	**$ 0.05**	$ 0.11	**$ 1.06**	$ 1.02
Diluted Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.11	**$ 1.05**	$ 1.02
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted Earnings Per Share	**$ 0.05**	$ 0.10	**$ 1.03**	$ 1.01
Dividends Declared Per Common Share	**$ 0.23**	$ 0.23	**$ 0.92**	$ 0.92
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Diluted Average Common Shares	**291.1**	282.6	**288.5**	280.1

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited)

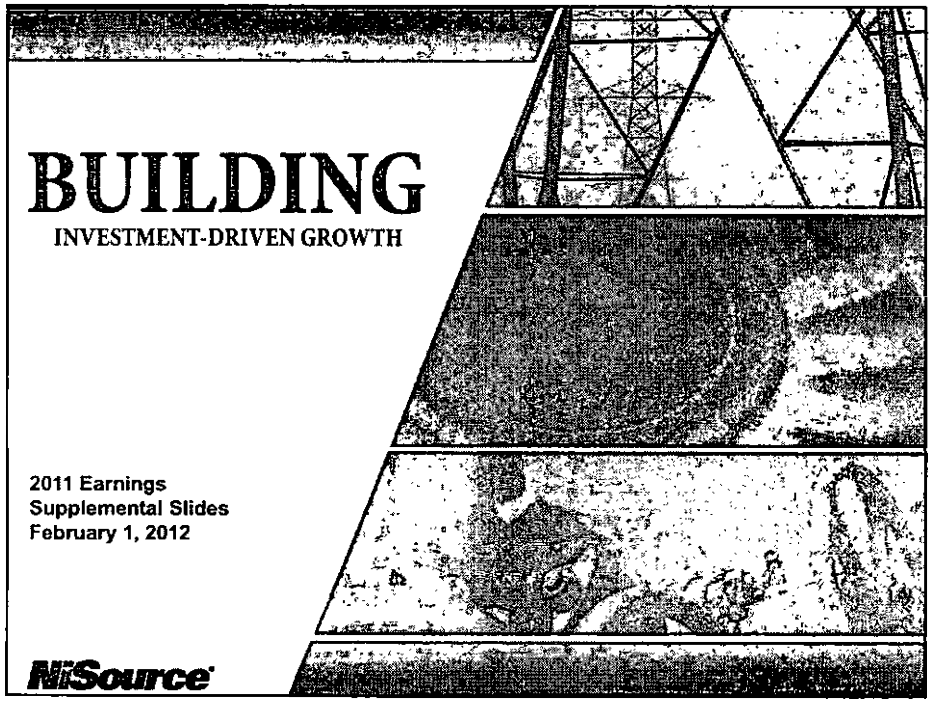
(in millions)	December 31, 2011	December 31, 2010
ASSETS		
Property, Plant and Equipment		
Utility Plant	$ 20,337.8	$ 19,494.9
Accumulated depreciation and amortization	(8,670.2)	(8,492.6)
Net utility plant	11,667.6	11,002.3
Other property, at cost, less accumulated depreciation	132.5	94.7
Net Property, Plant and Equipment	11,800.1	11,097.0
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	0.2	7.9
Unconsolidated affiliates	204.7	200.9
Other investments	150.9	139.7
Total Investments and Other Assets	355.8	348.5
Current Assets		
Cash and cash equivalents	11.5	9.2
Restricted cash	160.6	202.9
Accounts receivable (less reserve of $30.5 and $37.4, respectively)	854.8	1,079.3
Income tax receivable	0.9	99.0
Gas inventory	427.6	298.2
Underrecovered gas and fuel costs	20.7	120.7
Materials and supplies, at average cost	87.6	83.8
Electric production fuel, at average cost	50.9	46.0
Price risk management assets	137.2	159.5
Exchange gas receivable	64.9	62.7
Regulatory assets	169.7	143.8
Prepayments and other	261.8	120.8
Total Current Assets	2,248.2	2,425.9
Other Assets		
Price risk management assets	188.7	240.3
Regulatory assets	1,978.2	1,648.0
Goodwill	3,677.3	3,677.3
Intangible assets	297.6	308.6
Postretirement and postemployment benefits assets	31.5	35.1
Deferred charges and other	130.9	132.7
Total Other Assets	6,304.2	6,042.0
Total Assets	$ 20,708.3	$ 19,913.4

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited) (continued)

(in millions, except share amounts)	December 31, 2011	December 31, 2010
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 281,853,571 and 278,855,291 shares issued and outstanding, respectively	$ 2.8	$ 2.8
Additional paid-in capital	4,167.7	4,103.9
Retained earnings	917.0	876.1
Accumulated other comprehensive loss	(59.7)	(57.9)
Treasury stock	(30.5)	(27.4)
Total Common Stockholders' Equity	4,997.3	4,897.5
Long-term debt, excluding amounts due within one year	6,267.1	5,936.1
Total Capitalization	11,264.4	10,833.6
Current Liabilities		
Current portion of long-term debt	327.3	34.2
Short-term borrowings	1,359.4	1,382.5
Accounts payable	434.8	581.8
Dividends payable	-	0.1
Customer deposits and credits	313.6	318.1
Taxes accrued	220.9	221.1
Interest accrued	111.9	114.4
Overrecovered gas and fuel costs	48.9	21.4
Price risk management liabilities	167.8	173.9
Exchange gas payable	168.2	266.1
Deferred revenue	10.1	6.8
Regulatory liabilities	112.0	92.9
Accrued liability for postretirement and postemployment benefits	26.6	23.3
Legal and environmental reserves	43.9	86.0
Other accruals	301.0	343.7
Total Current Liabilities	3,646.4	3,666.3
Other Liabilities and Deferred Credits		
Price risk management liabilities	138.9	181.6
Deferred income taxes	2,541.9	2,193.1
Deferred investment tax credits	29.0	33.7
Deferred credits	78.9	68.6
Deferred revenue	-	0.3
Accrued liability for postretirement and postemployment benefits	953.8	1,039.6
Regulatory liabilities and other removal costs	1,663.9	1,595.8
Asset retirement obligations	146.4	138.8
Other noncurrent liabilities	244.7	162.0
Total Other Liabilities and Deferred Credits	5,797.5	5,413.5
Commitments and Contingencies (Refer to Note 20)	-	-
Total Capitalization and Liabilities	$ 20,708.3	$ 19,913.4

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP) (unaudited)

Year Ended December 31, *(in millions)*	2011	2010
Operating Activities		
Net Income	$ 299.1	$ 282.6
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Loss on early extinguishment of debt	53.9	96.7
Depreciation and amortization	538.2	597.1
Net changes in price risk management assets and liabilities	38.1	(5.5)
Deferred income taxes and investment tax credits	178.4	193.9
Deferred revenue	2.5	(20.4)
Stock compensation expense and 401(k) profit sharing contribution	39.2	30.9
Loss (Gain) on sale of assets	0.1	(0.1)
Loss on impairment of assets	16.7	2.1
Income from unconsolidated affiliates	(13.7)	(14.8)
Gain on disposition of discontinued operations - net of taxes	-	(0.1)
Loss from discontinued operations - net of taxes	4.7	2.7
Amortization of discount/premium on debt	8.9	10.3
AFUDC equity	(2.4)	(6.1)
Distribution Received from Equity Earnings	18.8	12.9
Changes in Assets and Liabilities:		
Accounts receivable	219.6	(243.9)
Income tax receivable	98.1	51.5
Inventories	(141.8)	103.3
Accounts payable	(154.8)	37.7
Customer deposits and credits	(4.5)	(25.0)
Taxes accrued	2.3	(117.0)
Interest accrued	(2.5)	(10.7)
(Under) Overrecovered gas and fuel costs	127.5	(243.0)
Exchange gas receivable/payable	(100.1)	(14.2)
Other accruals	33.2	63.4
Prepayments and other current assets	(10.2)	(11.5)
Regulatory assets/liabilities	(322.9)	164.3
Postretirement and postemployment benefits	(92.7)	(146.6)
Deferred credits	(2.3)	(2.6)
Deferred charges and other noncurrent assets	6.9	7.9
Other noncurrent liabilities	82.0	(13.2)
Net Operating Activities from Continuing Operations	920.3	782.6
Net Operating Activities used for Discontinued Operations	(50.1)	(57.2)
Net Cash Flows from Operating Activities	870.2	725.4
Investing Activities		
Capital expenditures	(1,125.2)	(803.8)
Insurance recoveries	-	5.0
Proceeds from disposition of assets	9.4	0.5
Restricted cash (withdrawals) deposits	42.3	(28.2)
Contributions to equity investees	(6.4)	(87.9)
Distributions from equity investees	-	23.8
Other investing activities	(69.4)	(53.1)
Net Investing Activities used for Continuing Operations	(1,149.3)	(943.7)
Net Investing Activities from Discontinued Operations	-	0.4
Net Cash Flows used for Investing Activities	(1,149.3)	(943.3)
Financing Activities		
Issuance of long-term debt	890.0	244.6
Retirement of long-term debt	(286.9)	(977.7)
Premium and other costs to retire debt	(62.1)	(93.0)
Change in short-term debt, net	(23.1)	1,279.5
Issuance of common stock	24.4	14.4
Acquisition of treasury stock	(3.1)	(1.5)
Dividends paid - common stock	(257.8)	(255.6)
Net Cash Flows from Financing Activities	281.4	210.7
Change in cash and cash equivalents from continuing operations	52.4	49.6
Cash (contributions to) receipts from discontinued operations	(50.1)	(56.8)
Cash and cash equivalents at beginning of period	9.2	16.4
Cash and Cash Equivalents at End of Period	$ 11.5	$ 9.2



Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2012 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

NiSource: A Compelling Investment

Delivering Shareholder Value

- Results at the top of 2011 earnings guidance
  - 2011 EPS: $1.35 per share*
  - Meeting earnings commitment for the fifth consecutive year
- Industry-leading total shareholder return of 40 percent
- Significant infrastructure-investment
  - $1.13B capital program executed in 2011
  - Record-level $1.4B capital program outlined for 2012
- Commitment, focus and solid execution

* Net Operating Earnings from Continuing Operations (non-GAAP)

Significant Financial Achievement

2011 Financial Highlights

Non-GAAP	2011*	2010*	Change*
Net Operating Earnings from Continuing Operations	$377.8	$338.2	$39.6
Operating Earnings Per Share	$1.35	$1.22	$0.13
Operating Earnings	$961.3	$915.3	$46.0

GAAP	2011*	2010*	Change*
Income from Continuing Operations	$303.8	$285.2	$18.6
Earnings Per Share	$1.08	$1.03	$0.05
Operating Income	$905.1	$905.7	($0.6)

* All Results Listed In Millions, Except for EPS.
For a Reconciliation to GAAP, See Schedule 1 of the Company's Feb. 1, 2012 Earnings Release

A Foundation for Sustainable Growth

NiSource Electric – 2011 Highlights*

- Operating earnings $203.0M in 2011 vs. $217.0M in 2010**
- Revenues slightly lower by $0.6M; Operating expenses up $13.4M primarily due to higher employee and administrative expenses and outside service costs
- Rate case settlement approved without modification
- Various new customer-focused programs launched in 2011

2012 Highlights Going Forward

Highlight	Key Components	Status
Coal-Fired Generation Environmental Investments	• $850M of environmental investments • Flue Gas Desulfurization equipment at Schahfer units in process	• Schahfer units on schedule, on budget
Transmission Project	• 100-mile, 345-KV transmission project • Investment of approximately $270M • Part of MISO system improvements across Midwest	• Preliminary outreach, planning to start in 2012 • Projected in-service latter part of decade
Capital Investment	• ~$415M planned in 2012 • Environmental, reliability, customer service	• Ongoing

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Continued Shale Growth Opportunities

NiSource Gas Transmission & Storage – 2011 Highlights*

- Operating earnings $360.1M in 2011 vs. $376.8M in 2010**
- Revenues increase $50.5M primarily from growth projects placed in service
- Operating expenses up $66.8M, primarily due to pension contributions and an environmental expense

2012 Highlights Going Forward

Project	Key Components	Status
Pennsylvania Marcellus Pipeline Project	• 90 miles of pipeline facilities in western Pennsylvania • 300K Dth initial capacity • ~$145M investment	• Letter of intent signed • Scheduled in-service late 2012
Millennium Expansion	• New 12,000 horsepower compressor station • ~$43M partnership investment	• Pending FERC approval • Projected in-service Nov. 2012
Rimersburg Expansion	• Phase I, $6M investment adding ~20K Dth per day of capacity	• Phase I projected in-service Q1 2012
Capital Investment	• ~$430M planned for 2012	• Focus on Utica, Marcellus shale growth opportunities

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Ongoing Infrastructure Modernization

NiSource Gas Distribution – 2011 Highlights*

- Operating earnings $438.8M in 2011 vs. $342.6M in 2010**
- Revenues up $31.2M, reflecting regulatory and infrastructure programs
- Operating expenses $65.0M lower, primarily reflecting change in depreciation rates
- Approximately $320M invested in modernization and replacement programs in 2011; Virginia received approval for accelerated recovery of infrastructure projects
- Pennsylvania rate case approved in October
- Expanded energy efficiency initiatives in Ohio starting in 2012

2012 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania, Virginia • $4B+ program benefits customers, communities and contributes to earnings growth	• ~$530M capital investment planned in 2012

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Investment-Driven Growth Platform

2011 Financing Highlights

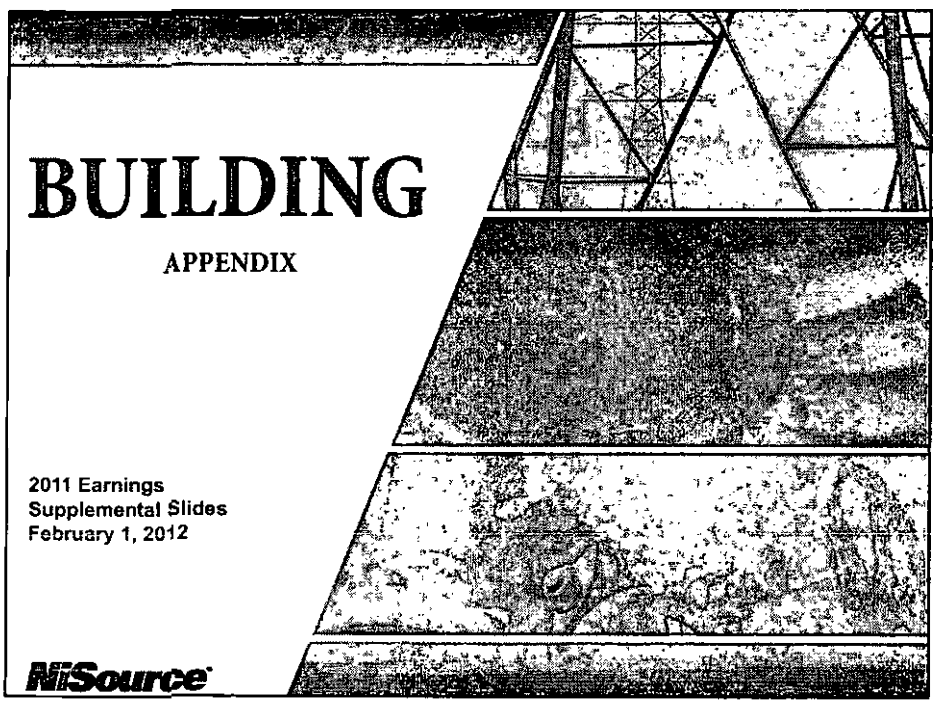
- Reducing financing costs, extending maturity profile
  - Total of $900M of long-term notes issued
  - $250M debt tender offer completed
  - $500M commercial paper program launched
  - $1.5B revolving credit facility renewed for an additional four years
- Managing future pension expenses
  - $400M total pension contribution in 2011
- Strong cash position
  - $364M in excess liquidity
- Stable investment-grade credit ratings reaffirmed

Delivering Shareholder Value

Key Takeaways for 2012

- Sustainable, long-term growth
  - 2012 EPS guidance: $1.40 to $1.50 per share*
  - Mid-point represents 7.4 percent growth over 2011*
- Record-level $1.4B in capital investments in 2012
  - All business units positioned for continued long-term growth with identified infrastructure investment opportunities
    - ~$430M at NGT&S
    - ~$530M at NGD
    - ~$415M at Electric operations
- Strong financial foundation, secure dividend, investment-grade credit ratings

* Net Operating Earnings from Continuing Operations (non-GAAP)



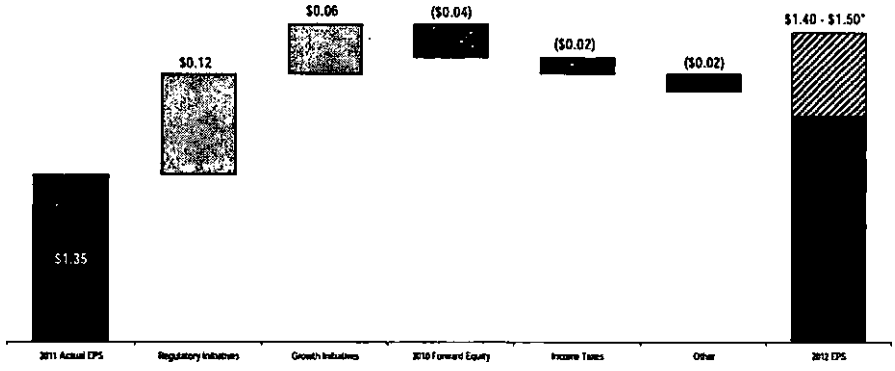
BUILDING

APPENDIX

2011 Earnings
Supplemental Slides
February 1, 2012

NiSource

2011 to 2012 – EPS*



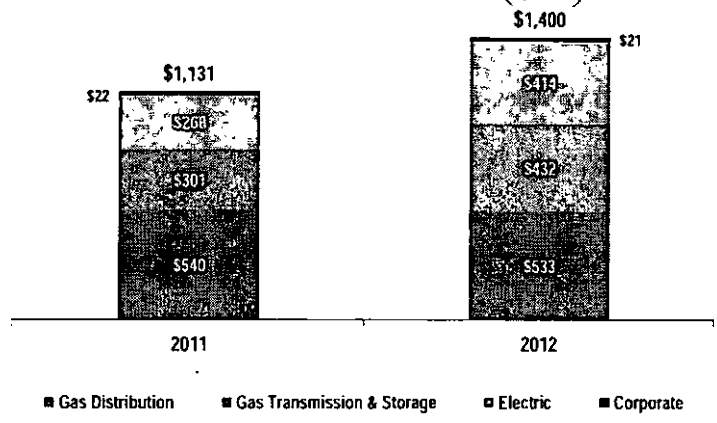
* Projected Net Operating Earnings from Continuing Operations (non-GAAP)

NiSource

2012 EPS Guidance Range $1.40 - $1.50*

Capital Expenditures

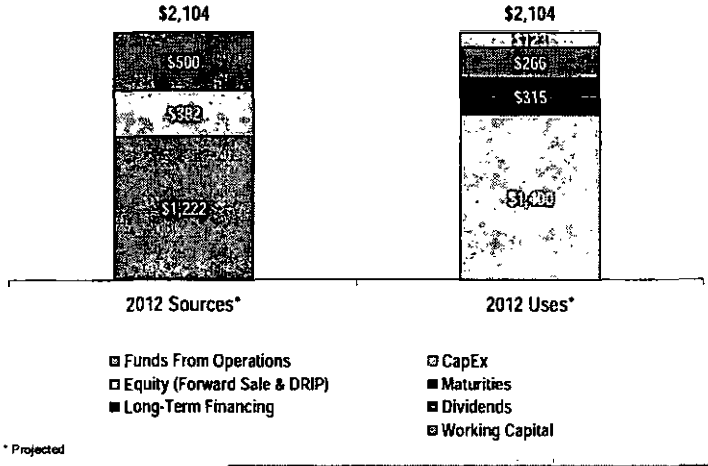
2011 Actual / 2012 Forecasted ($M)



NiSource

2012 Growth & Tracker ~$900M / Age & Condition ~$500M

2012 Sources and Uses of Cash ($M)



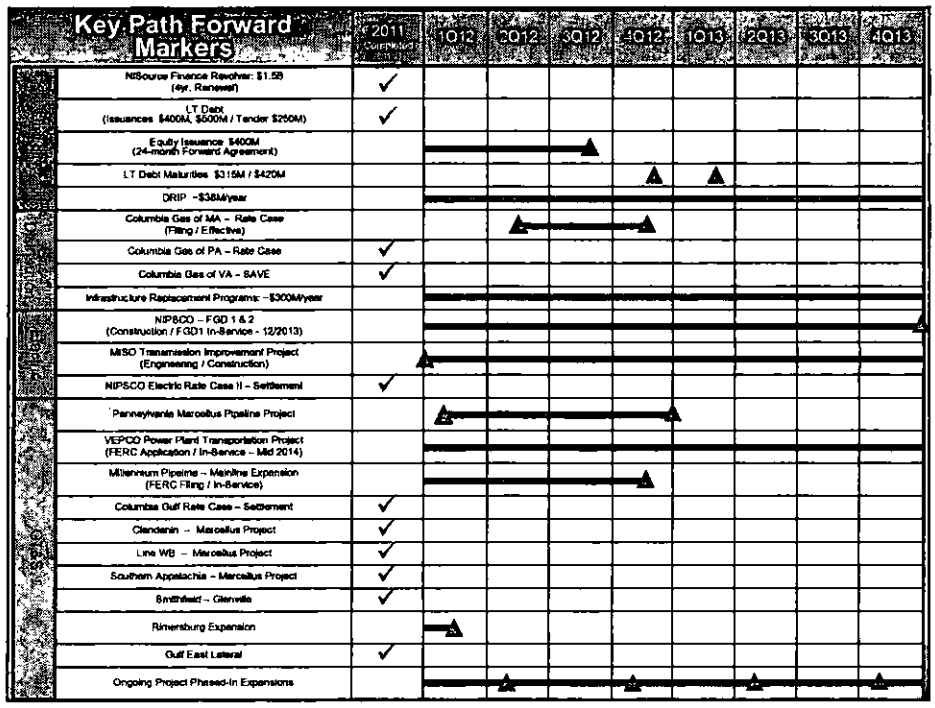
* Projected

NiSource

Current Liquidity ($M)

	Actual 12/31/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(725)	
Commercial Paper	(403)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	11	
Net Available Liquidity	**$364**	

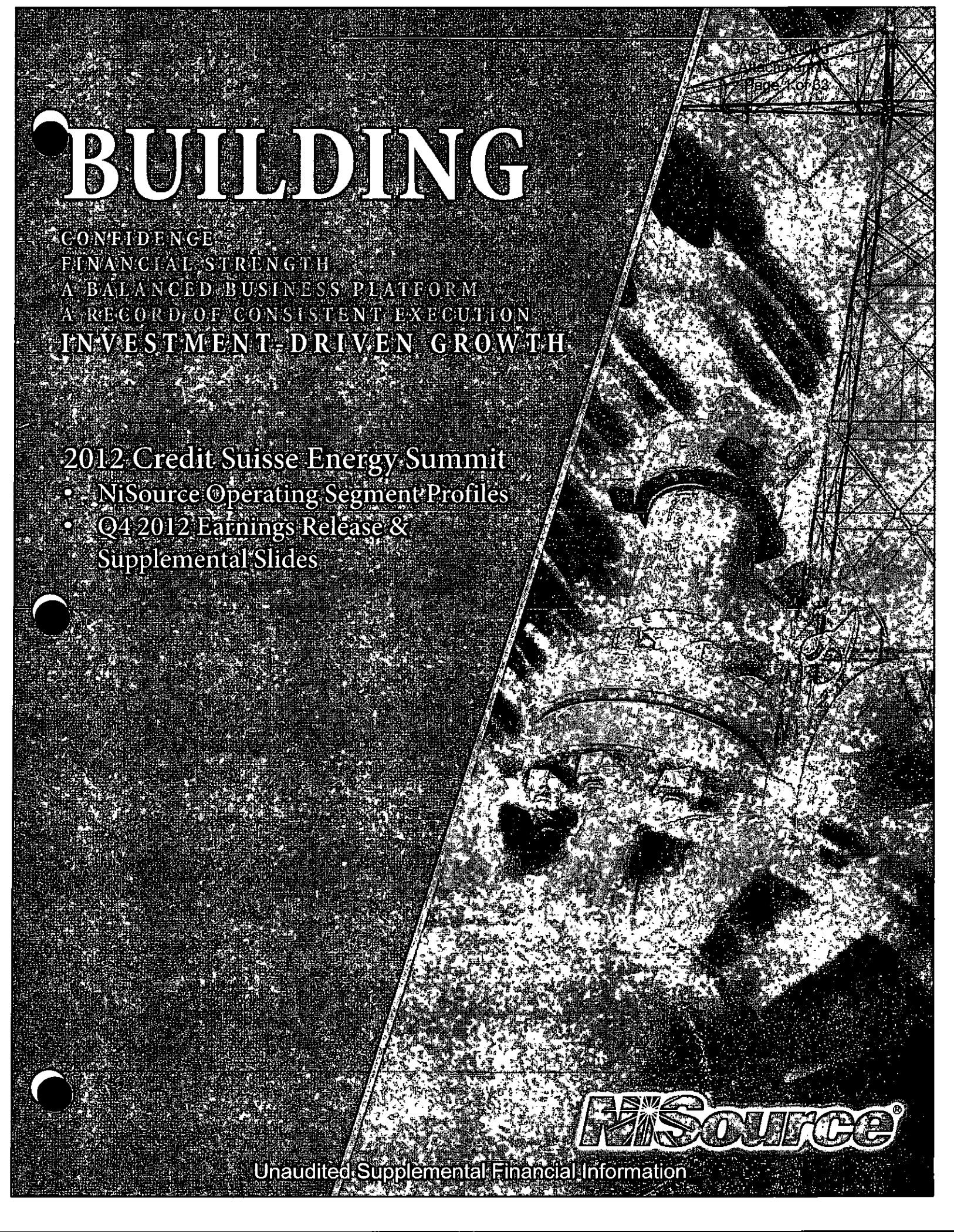
NiSource


Key Path Forward Markers
2011 Completed
1Q12
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
NiSource Finance Revolver: $1.5B (4yr. Renewal)
LT Debt (Issuances $400M, $500M / Tender $250M)
Equity Issuance $400M (24-month Forward Agreement)
LT Debt Maturities $315M / $420M
DRIP ~$38M/year
Columbia Gas of MA – Rate Case (Filing / Effective)
Columbia Gas of PA – Rate Case
Columbia Gas of VA – SAVE
Infrastructure Replacement Programs: ~$300M/year
NIPSCO – FGD 1 & 2 (Construction / FGD1 In-Service - 12/2013)
MISO Transmission Improvement Project (Engineering / Construction)
NIPSCO Electric Rate Case II – Settlement
Pennsylvania Marcellus Pipeline Project
VEPCO Power Plant Transportation Project (FERC Application / In-Service – Mid 2014)
Millennium Pipeline – Mainline Expansion (FERC Filing / In-Service)
Columbia Gulf Rate Case – Settlement
Clendenin – Marcellus Project
Line WB – Marcellus Project
Southern Appalachia – Marcellus Project
Smithfield – Glenville
Rimersburg Expansion
Gulf East Lateral
Ongoing Project Phased-In Expansions

CAC PRC 2012-00
Attachment 4
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BUILDING

CONFIDENCE
FINANCIAL STRENGTH
A BALANCED BUSINESS PLATFORM
A RECORD OF CONSISTENT EXECUTION
INVESTMENT-DRIVEN GROWTH



2012 Credit Suisse Energy Summit

- NiSource Operating Segment Profiles
- Q4 2012 Earnings Release & Supplemental Slides

NiSource®

Unaudited Supplemental Financial Information

NISOURCE
CORPORATE PROFILE

NiSource Inc. (NYSE:NI) is an energy holding company with headquarters in Merrillville, Ind. Our companies provide natural gas, electricity and other products and services to approximately 3.8 million customers located within the high-demand energy corridor that runs from the Gulf Coast through the Midwest to New England. Our business strategy is focused on our core, rate-regulated, asset-based businesses which generate substantially all of our operating income.

GAS DISTRIBUTION

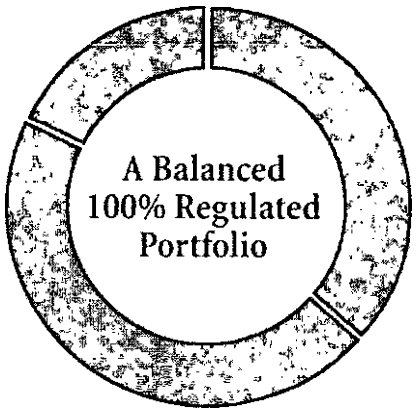
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

GAS TRANSMISSION & STORAGE

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Prolific Marcellus Shale Production Region of Appalachia
- Deep Inventory of Attractive Investment Opportunities

ELECTRIC OPERATIONS

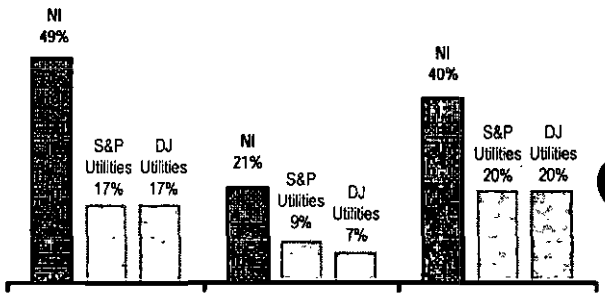
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



FINANCIAL HIGHLIGHTS (12/31/2011)

Stock Price	$23.81
Common Shares Outstanding	281.9M
Annual Dividend	$0.92
Market Capitalization	$6.71B

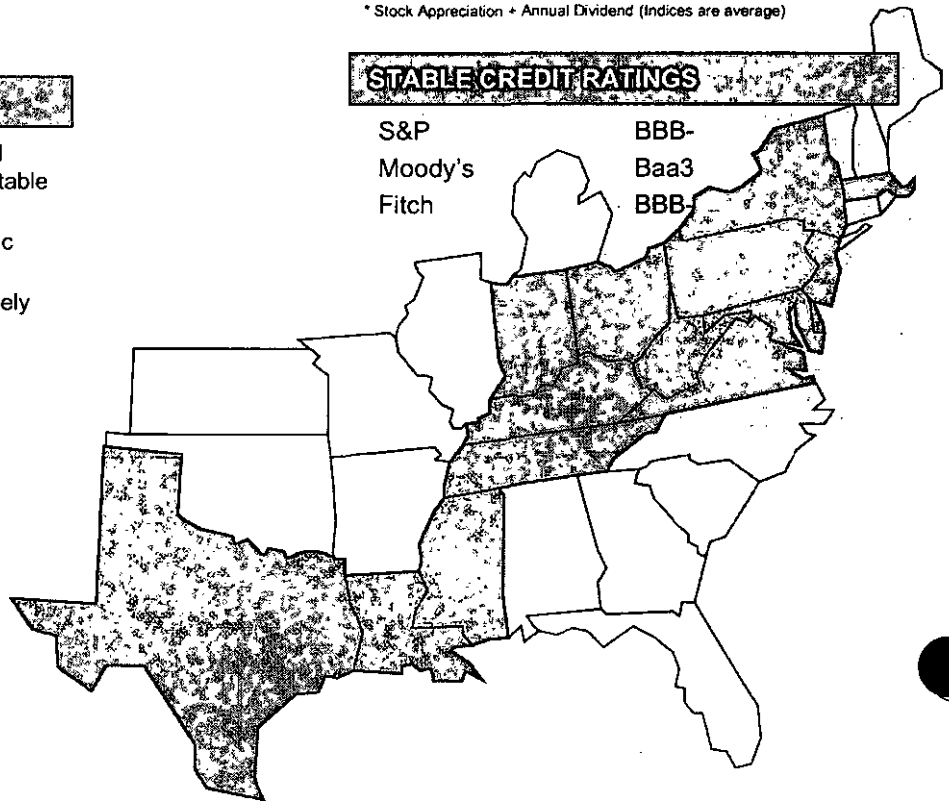
TOTAL SHAREHOLDER RETURN*



* Stock Appreciation + Annual Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-



NISOURCE
GAS DISTRIBUTION

Our natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 58,000 miles of pipeline. Under the banner of "Columbia Gas," NiSource owns six distribution subsidiaries that provide clean and affordable natural gas to approximately 2.5 million residential, commercial and industrial customers in Ohio, Pennsylvania, Maryland, Virginia, Kentucky and Massachusetts. NiSource also distributes natural gas to approximately 795,000 customers in Indiana through our Northern Indiana Public Service Company (NIPSCO) subsidiary.

NiSource gas distribution companies have established a state-of-the-art regulatory platform that focuses on de-risking earnings and synching long-term, low risk infrastructure replacement programs with complementary regulatory recovery mechanisms.

COLUMBIA GAS OF OHIO
- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers; 19,000+ Miles of Pipe

COLUMBIA GAS OF PENNSYLVANIA
- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers; 7,400 Miles of Pipe

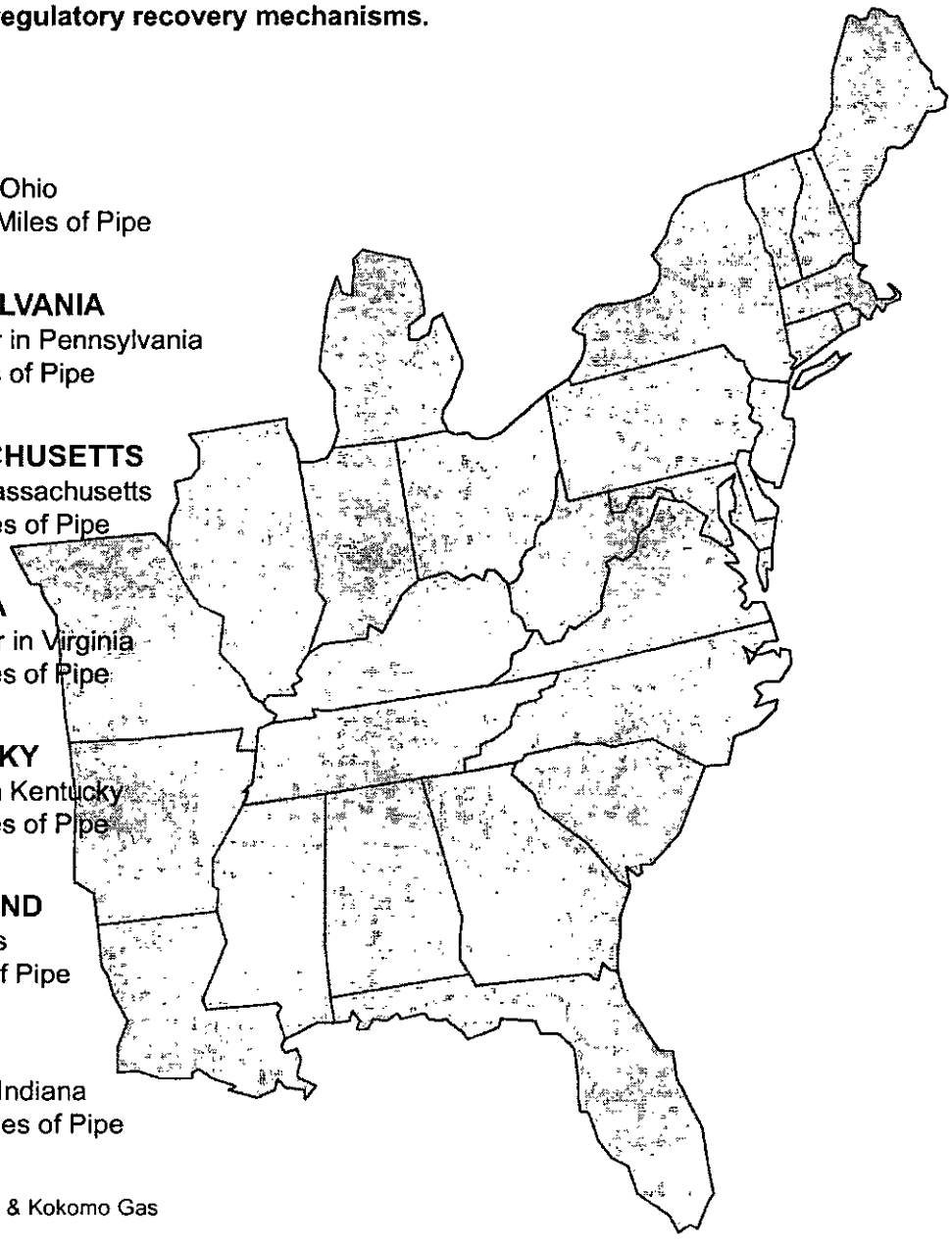
COLUMBIA GAS OF MASSACHUSETTS
- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF VIRGINIA
- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF KENTUCKY
- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers; 2,500+ Miles of Pipe

COLUMBIA GAS OF MARYLAND
- Complementary to PA Operations
- 33,000 Customers; 750+ Miles of Pipe

NIPSCO GAS*
- Largest Natural Gas Provider in Indiana
- 795,000 Customers; 16,000+ Miles of Pipe



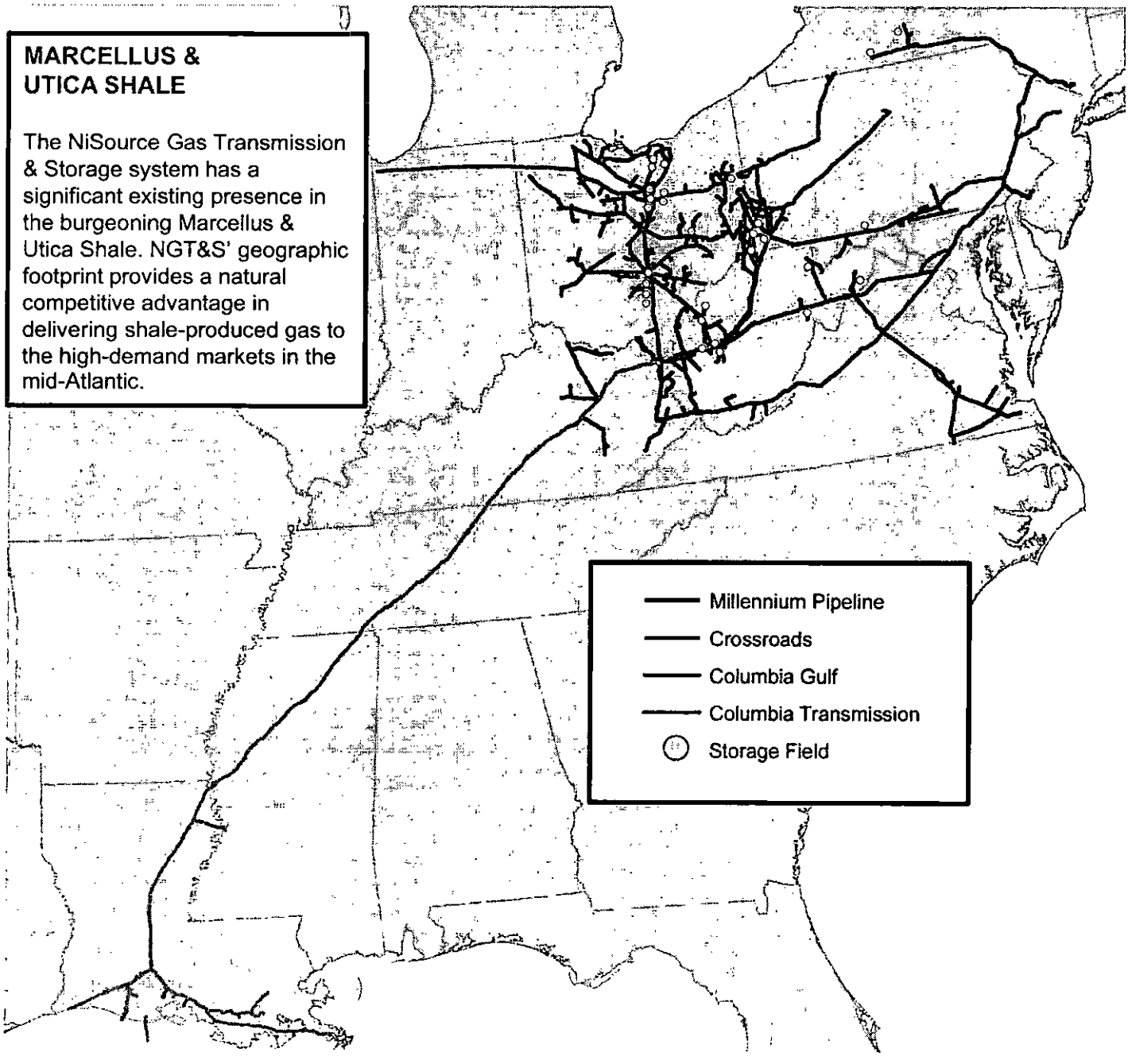
* Includes Northern Indiana Fuel and Light & Kokomo Gas

NISOURCE
GAS TRANSMISSION & STORAGE

NiSource Gas Transmission & Storage (NGT&S) is an interstate natural gas transmission and storage company that transports natural gas through its 15,000 miles of pipeline, and stores natural gas in its 37 market area storage fields with a capacity of approximately 640 Bcf.

The NiSource Gas Transmission & Storage companies service customers in more than 15 states. From the Gulf Coast to the Midwest, Mid-Atlantic and Northeast, the system connects premium natural gas supplies with some of the nation's strongest energy markets.

More than one trillion cubic feet of natural gas flows through the companies' pipeline and storage systems each year, providing competitively priced, clean energy for millions of homes, businesses and industries.

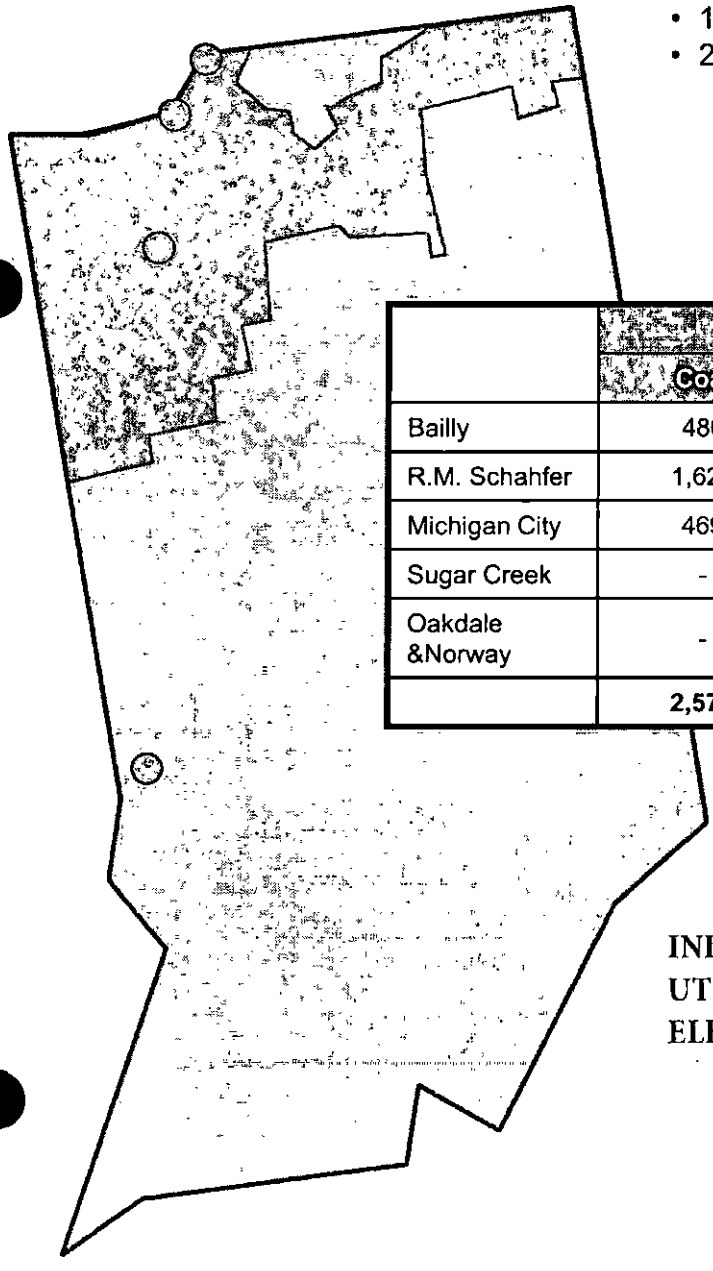


NISOURCE
ELECTRIC OPERATIONS

NiSource generates, transmits and distributes electricity through its subsidiary Northern Indiana Public Service Company (NIPSCO) to approximately 458,000 customers in 20 counties located in northern Indiana. NIPSCO owns and operates four electric generating stations with a total generating capacity of approximately 3,300MW (78% coal, 22% natural gas) NIPSCO's transmission system, with voltages from 69Kv, consists of 2,800 circuit miles interconnecting with five neighboring electric utilities.

NIPSCO electric has more than $850 million of revenue producing environmental investment opportunities.

CONSTRUCTIVE REGULATORY ENVIRONMENT



ELECTRIC DISTRIBUTION & TRANSMISSION

- 458,000 Electric Customers
- 10,000 Mile of Electric Distribution
- 2,800 Miles of Electric Transmission

ELECTRIC GENERATION

	Capacity (MW)			
	Coal	Natural Gas	Hydro	Total
Bailly	480	31	-	511
R.M. Schahfer	1,625	155	-	1,780
Michigan City	469	-	-	469
Sugar Creek	-	535	-	535
Oakdale &Norway	-	-	10	10
	2,574	**721**	**10**	**3,305**

INDIANA'S LARGEST COMBINATION UTILITY & SECOND LARGEST ELECTRIC COMPANY

NEWS

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February 1, 2012

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NiSource Reports 2011 Earnings

- Results at the top of 2011 earnings guidance range
- Infrastructure-investment-driven growth opportunities advance
- Record $1.4 billion capital investment program in 2012
- 2012 earnings outlook of $1.40 to $1.50 per share reflects ongoing growth

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of $377.8 million, or $1.35 per share, for the twelve months ended Dec. 31, 2011, compared to net operating earnings of $338.2 million, or $1.22 per share for 2010 – an increase of about 10.7 percent. NiSource's consolidated operating earnings (non-GAAP) for the twelve months ended Dec. 31, 2011, were $961.3 million compared to $915.3 million in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010. Operating income was $905.1 million for 2011 versus $905.7 million in the year-ago period. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

For the three months ended Dec. 31, 2011, net operating earnings (non-GAAP) were $91.2 million, or $0.32 per share, compared with $93.6 million, or $0.33 per share, for the same period in 2010. On a GAAP basis, income from continuing operations for the three months ended Dec. 31, 2011, was $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

"2011 was a year of significant achievement, groundbreaking performance and industry-leading growth in shareholder value," NiSource President and Chief Executive Officer **Robert C. Skaggs, Jr.** said. "Across the board, NiSource teams delivered on our well-established, infrastructure-investment-driven business strategy. This strategy generated earnings growth in line with our guidance range for the fifth consecutive year, and positioned the company to deliver total shareholder return of approximately 40 percent in 2011, significantly outperforming broader market and utility indices for the third consecutive year."

In announcing NiSource's 2011 results, Skaggs highlighted key business accomplishments and ongoing initiatives expected to drive continued earnings growth for the company during 2012.

Financial strength to fund $1.4 billion in 2012 capital investments

NiSource continued to build on its financial strength and discipline during 2011, positioning the company to take advantage of a deep and expanding inventory of identified investment opportunities across all its business units.

"Building on NiSource's disciplined, well-executed financial strategy, and the range of investment opportunities available to the company, we are pleased to announce a capital investment program of approximately $1.4 billion in 2012," Skaggs said. "This represents an increase of nearly 25 percent over our $1.13 billion 2011 program."

Skaggs noted that the increase will primarily fund attractive and accretive investment opportunities at its **NiSource Gas Transmission and Storage (NGT&S)** unit, as well as at **Northern Indiana Public Service Company (NIPSCO)**. In addition, the company expects to invest approximately $530 million at its **NiSource Gas Distribution (NGD)** business unit.

The company's solid financial profile was further strengthened as a result of a number of key initiatives taken during 2011. These initiatives, which will serve to reduce financing costs, extend the company's debt maturity profile and help manage its liabilities, included:

- Successful issuance of a total of $900 million of long-term notes, of which $250 million was used to make an accelerated contribution to the company's pension plans;
- Completion of a $250 million tender offer to repurchase high-interest long-term debt in December;
- Launch of a $500 million commercial paper program in June; and
- Renewal of the company's $1.5 billion revolving credit facility for an additional four years in March.

Skaggs noted that, given NiSource's strong cash position, the company does not plan to draw upon its Sept. 2010 forward equity sale until the third quarter of 2012. NiSource closed the year with $364 million in net available liquidity.

NIPSCO electric positioned for continued long-term investment and growth

NIPSCO's electric business made significant strides during 2011 to advance its strategy of enhancing customer service and reliability, modernizing rate design and building a foundation for long-term, investment-driven growth.

- In December, NIPSCO's landmark electric rate case settlement was approved without modification by the Indiana Utility Regulatory Commission (IURC). The collaborative settlement represents a balanced agreement that supports NIPSCO's ability to provide Indiana families, businesses and industries with the affordable, reliable and environmentally sustainable power they need now and in the future.

- As part of a multi-state effort to strengthen the electric transmission system serving the Midwest, NIPSCO will make an approximately $270 million investment in a new, 100-mile, 345-kilovolt transmission project in northern Indiana. The project, one of 17 major new transmission system improvements reviewed and authorized by the Midwest Independent Transmission System Operator (MISO), is scheduled to be in service during the latter part of the decade.

- Significant environmental investments at NIPSCO's coal-fired electric generation facilities remain on schedule, including construction of Flue Gas Desulfurization equipment on two units at the company's Schahfer generating station. The improvements, part of a nearly $850 million environmental investment program over the next six to eight years, will position NIPSCO to comply with emission standards recently issued by the U.S. Environmental Protection Agency.

"From the successful completion of the electric rate case, to ongoing customer, environmental and economic development programs, NIPSCO is well positioned for significant, sustainable investment and growth in northern Indiana," Skaggs noted. "Taken together, these efforts will strengthen system reliability, customer service and responsiveness, environmental and community quality, while providing stable ongoing earnings growth."

Leveraging gas transmission and storage and midstream growth opportunities

NGT&S also continues to advance key strategies to enhance system reliability, develop new growth projects, and leverage the company's strategic footprint in emerging shale gas production areas.

- During 2011, NGT&S placed into service a number of strategic growth projects, primarily serving the Marcellus shale production area. These and other projects placed into service in previous years contributed over $30 million in additional demand revenues in 2011.

- On the regulatory front, in November, the Federal Energy Regulatory Commission (FERC) approved the settlement of **Columbia Gulf Transmission's** Oct 2010 base rate case. The settlement – effective as of May 2011 – reflects updated costs and operating conditions, and will position the company to meet customer needs and earn a reasonable return on its investment.

- NGT&S continues to develop a range of additional supply-driven growth initiatives, including mineral leasing, midstream projects and traditional pipeline expansion opportunities. One project in the later stages of development involves an approximately $145 million investment in 90 miles of pipeline facilities in western Pennsylvania supporting increased shale production. A major Marcellus shale producer will anchor the project, which is expected to have an initial capacity of approximately 300,000 dekatherms per day with interconnects with multiple interstate pipelines. A definitive agreement is anticipated by the end of the first quarter, and the project is expected to be placed in service in late 2012.

- **Millennium Pipeline** also is progressing on plans to add more than 12,000 horsepower of compression to its system in Orange County, NY, driven by increased shale production. Pending FERC approval, the new compressor station represents an investment of approximately $43 million. The project is anticipated to be in-service in Nov. 2012 and increase Millennium's delivery capabilities at its interconnection with Algonquin Gas Transmission to 675,000 dekatherms per day. NiSource owns a 47.5 percent interest in Millennium.

- Looking forward, NGT&S also is considering the possibility of a long-term system modernization program designed to enhance the reliability and flexibility of its infrastructure; respond to changing supply and market dynamics; and comply with developing pipeline safety and integrity requirements. In addition to numerous customer, environmental and economic development benefits, the multi-billion dollar program – which is in the early stages of development – would also support ongoing rate base and earnings growth.

"On the heels of solid progress and the addition of experienced, energized leadership in 2011, our NGT&S team is fully engaged with customers to develop and execute on a broad array of infrastructure enhancement and new growth opportunities," Skaggs said. "Our NGT&S capital investment program for 2012 is approximately $430 million – an increase of 43 percent over 2011 – reflecting a significant increase in accretive expansion projects capitalizing on the attractive opportunities available to NGT&S in the developing shale supply regions. These and other projects will serve to enhance the long-term value of our assets for the benefit of our customers, shareholders and other key stakeholders."

Executing gas distribution infrastructure, customer and regulatory programs

Combining long-term infrastructure modernization programs with complementary customer programs and regulatory initiatives continues to be the focus at NGD.

- Infrastructure modernization and replacement projects continued across NGD as part of its $4 billion plus modernization program. In total during 2011, nearly $320 million was invested in modernization and replacement programs at NGD.

- In November, **Columbia Gas of Virginia** received regulatory approval of its application for accelerated recovery of its infrastructure projects. Part of Virginia's SAVE Act (Steps To Advance Virginia's Energy Plan), the company plans to invest $100 million over the next five years on its infrastructure modernization program.

- On the customer front, in December, **Columbia Gas of Ohio** received approval from the Public Utilities Commission of Ohio to extend and expand its energy efficiency programs for an additional five years, starting in 2012. Over the life of the proposed programs, COH estimates customers will save up to $300 million through reduced energy usage. Also in December, NIPSCO's gas business received IURC approval of various existing and new customer energy efficiency programs through Nov. 2012.

- As previously announced, the Pennsylvania Public Utility Commission issued a final order in **Columbia Gas of Pennsylvania's** base rate case on Oct. 14, which authorized an annual revenue increase of $17 million. The Commission also authorized a new residential rate design with a higher minimum monthly charge, including a fixed customer charge and usage allowance.

"Our focus on infrastructure modernization at our utilities continues to benefit our customers and communities, as well as NiSource shareholders," Skaggs said. "Our proactive, collaborative approach, combined with appropriate regulatory treatment, has served us well as we execute on this long-term core strategy."

Earnings growth outlook continues with 2012 guidance of $1.40 to $1.50 per share

Based on the continued success of NiSource's balanced business strategy and a deep inventory of investment opportunities across each of its business units, NiSource expects to deliver 2012 net operating earnings (non-GAAP) within a range of $1.40 to $1.50 per share, representing solid growth over 2011 results.

There will likely be differences between net operating earnings and GAAP earnings, but, due to the unpredictability of weather and other factors, NiSource is not providing GAAP earnings guidance.

Skaggs noted that the company's outlook continues to be driven by execution of its infrastructure-investment programs and is premised on a relatively modest and gradual economic recovery across the markets served by its utilities.

"With a growing inventory of infrastructure investment opportunities and a strong financial foundation to support a $1.4 billion capital investment program, NiSource is well-positioned to continue growing earnings and increasing shareholder value in 2012 and beyond," Skaggs concluded. "Leveraging the momentum we have built over the past few years will enable NiSource to continue delivering on our financial commitments – a strong and secure dividend, stable investment-grade credit ratings and long-term, sustainable earnings growth."

Full-Year 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the year ended Dec. 31, 2011, were $961.3 million, compared to $915.3 million in 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the full-year ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $438.8 million compared to $342.6 million reported for the year ended Dec. 31, 2010. Net revenues, excluding the impact of regulatory trackers, increased $31.2 million primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins. These increases were partially offset by a decrease in off-system sales and lower industrial margins.

Operating expenses, excluding the impact of trackers, were $65.0 million lower than the comparable period in the prior year primarily due to a reduction of approximately $75 million in depreciation costs as a result of reduced depreciation rates at NIPSCO. These decreases were partially offset by an increase in employee and administrative costs for the business segment.

NiSource Gas Transmission and Storage reported operating earnings of $360.1 million versus operating earnings of $376.8 million for the year ended Dec. 31, 2010. Net revenues, excluding trackers, increased $50.5 million primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010, the impact of new Columbia Gulf rates placed into effect on May 1, 2011, and an increase in mineral rights royalty revenue. These increases were partially offset by the recognition of revenue in the prior year related to a previously deferred gain for native gas.

Operating expenses, excluding trackers, increased by $66.8 million primarily due to higher employee and administrative expenses, driven largely by pension contributions, increased environmental costs, higher software and separation costs. These increases were partially offset by a decrease in outside service costs.

Equity earnings decreased by $0.4 million for 2011 compared to 2010.

NiSource Electric reported operating earnings of $203.0 million for the year ended Dec. 31, 2011, compared with operating earnings of $217.0 million for the prior year period. Net revenues, excluding trackers, decreased by $0.6 million primarily due to decreased residential and commercial margins and lower environmental cost recovery rates partially offset by increased industrial usage and margins and lower revenue credits.

Operating expenses, excluding trackers, increased by $13.4 million due primarily to an increase in employee and administrative expenses, higher outside service and rate case costs. These increases were partially offset by the costs incurred in the prior year related to an inventory write-off.

Corporate and Other Operations reported an operating earnings loss of $40.6 million for the year ended Dec. 31, 2011, compared to an operating earnings loss of $21.1 million for the year ended Dec. 31, 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items
Interest expense decreased by $15.5 million due to the repurchase of long-term debt in Nov. 2011 and Dec. 2010 and a long-term debt maturity in Nov. 2010. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in Nov. 2011, June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected expense of $7.3 million in 2011 compared to income of $3.8 million in 2010. The increase in expense is the result of additional charitable contributions in the current year.

The effective tax rate of net operating earnings was 34.5 percent compared to 35.8 percent for the same period last year.

Fourth Quarter 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated fourth quarter 2011 operating earnings (non-GAAP) were $252.9 million, compared to $247.8 million for the same period in 2010. Refer to Schedule 2 for the items included in the fourth quarter 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the fourth quarter ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $144.9 million versus operating earnings of $112.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory and tax trackers, increased $15.0 million, primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins.

Operating expenses, excluding trackers, were $17.0 million lower than the comparable period due to decreases in environmental costs and depreciation expenses. These decreases were partially offset by an increase in uncollectibles.

NiSource Gas Transmission and Storage reported operating earnings of $89.0 million versus operating earnings of $99.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory trackers, increased $24.9 million, primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010 and the impact of new Columbia Gulf rates placed into effect on May 1, 2011.

Operating expenses, excluding trackers, increased by $37.9 million primarily due to an increase in employee and administrative expenses, driven largely by pension contributions, and an increase in software costs. These increases were partially offset by a decrease in outside service costs and lower depreciation.

Equity earnings increased by $2.1 million primarily the result of an increase in earnings at Millennium Pipeline.

NiSource Electric reported operating earnings of $43.0 million versus operating earnings of $43.4 million from the same quarter last year. Net revenues, excluding regulatory trackers, decreased $4.7 million compared to the prior year. The decrease was primarily the result of lower environmental cost recovery due primarily to a decrease in environmental spend.

Operating expenses decreased by $4.3 million, excluding trackers, due primarily to lower electric generation costs which were partially offset by increased outside service costs.

Corporate and Other Operations reported an operating earnings loss of $24.0 million in the fourth quarter of 2011 compared to an operating earnings loss of $8.4 million in 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items

Interest expense decreased by $0.6 million in 2011 compared to 2010 due to the change in long-term debt noted above.

Other-net reflected an expense of $12.8 million compared to $3.5 million in 2010. The change in expense was the result of an increase in charitable contributions in the current year.

The effective tax rate of net operating earnings was 36.3 percent compared to 36.2 percent for the same period last year.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Dec. 31, 2011, of $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

The NiSource GAAP results reflect certain non-material corrections to its consolidated financial statements as of Dec. 31, 2010 and for the three and twelve months ended Dec. 31, 2010. The effect of these non-material corrections was a decrease in income from continuing operations of $9.4 million or $0.03 per share for the year ended Dec. 31, 2010 and a decrease in income from continuing operations of $1.6 million or $0.01 per share for the three months ended Dec. 31, 2010.

On November 14, 2011, NiSource commenced a cash tender offer to repurchase up to $250.0 million aggregate principal amount of its outstanding 10.75% notes due 2016 and 6.15% notes due 2013. A condition of the offering was that all validly tendered 2016 notes would be accepted for purchase before any 2013 notes were accepted. On December 13, 2011, NiSource announced that approximately $125.3 million of the aggregate principal amount of its outstanding 10.75% notes due 2016 were validly tendered. Based upon the principal amount of the 2016 notes tendered, NiSource also repurchased $124.7 million of the 2013 notes. As a result of this tender offer, NiSource incurred $53.9 million in early redemption fees, primarily attributable to early redemption premiums and unamortized discounts and fees, which are recorded as a loss on the early extinguishment of long-term debt.

During the fourth quarter of 2011, NiSource reviewed its current estimates for future environmental remediation costs related to the company's manufactured gas plant (MGP) sites. Following the review, NiSource revised its estimates based on expected remediation activities and experience with similar facilities and recorded $35.5 million of expense at subsidiaries for which environmental expense is not probable of recovery from customers.

About NiSource
NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements
This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this presentation are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; the effectiveness of NiSource's restructured outsourcing agreement; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counterparty credit risk and the matters set forth in the "Risk Factors" Section in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are risks beyond the control of NiSource. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)
(unaudited)

(in millions, except per share amounts*)*	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Net Revenues				
Gas Distribution	**$ 730.9**	$ 973.6	**$ 2,927.6**	$ 3,097.4
Gas Transportation and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**329.6**	316.7	**1,420.2**	1,367.5
Other	**29.2**	21.4	**92.5**	92.0
Gross Revenues	**1,450.7**	1,667.6	**5,794.9**	5,818.3
Cost of Sales (excluding depreciation and amortization)	**545.6**	752.3	**2,334.0**	2,379.2
Total Net Revenues	**905.1**	915.3	**3,460.9**	3,439.1
Operating Expenses				
Operation and maintenance	**406.0**	393.5	**1,488.5**	1,417.6
Operation and maintenance - trackers	**43.3**	62.6	**194.3**	239.7
Depreciation and amortization	**131.1**	138.8	**524.1**	584.7
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**54.0**	48.5	**212.6**	207.1
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**658.0**	671.2	**2,514.2**	2,538.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**252.9**	247.8	**961.3**	915.3
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Deductions	**(109.7)**	(101.0)	**(384.1)**	(388.5)
Operating Earnings From Continuing Operations Before Income Taxes	**143.2**	146.8	**577.2**	526.8
Income Taxes	**52.0**	53.2	**199.4**	188.6
Net Operating Earnings from Continuing Operations	**91.2**	93.6	**377.8**	338.2
GAAP Adjustment	**(73.6)**	(59.4)	**(74.0)**	(53.0)
GAAP Income from Continuing Operations	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Net Operating Earnings Per Share from Continuing Operations	**0.32**	0.33	**1.35**	1.22
GAAP Basic Earnings Per Share from Continuing Operations	**0.06**	0.12	**1.08**	1.03
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Sales Revenues	**$ 877.0**	$ 1,123.4	**$ 3,508.4**	$ 3,677.2
Less: Cost of gas sold	**443.8**	679.8	**1,917.4**	2,065.6
Net Revenues	**433.2**	443.6	**1,591.0**	1,611.6
Operating Expenses				
Operation and maintenance	**178.6**	192.1	**694.5**	699.1
Operation and maintenance - trackers	**23.6**	44.6	**115.7**	170.8
Depreciation and amortization	**43.6**	49.5	**174.0**	239.3
Other taxes	**22.3**	19.9	**87.4**	82.5
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**288.3**	330.7	**1,152.2**	1,269.0
Operating Earnings	**$ 144.9**	$ 112.9	**$ 438.8**	$ 342.6
GAAP Adjustment	**(48.2)**	8.6	**(46.0)**	(10.3)
GAAP Operating Income	**$ 96.7**	$ 121.5	**$ 392.8**	$ 332.3

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Transportation revenues	**$ 222.6**	$ 205.8	**$ 776.7**	$ 728.4
Storage revenues	**48.1**	49.7	**196.1**	198.7
Other revenues	**12.6**	2.3	**32.8**	22.1
Net Operating Revenues	**283.3**	257.8	**1,005.6**	949.2
Operating Expenses				
Operation and maintenance	**137.1**	96.5	**407.7**	339.4
Operation and maintenance - trackers	**16.3**	15.7	**65.8**	59.9
Depreciation and amortization	**31.9**	35.8	**130.0**	130.7
Other taxes	**14.8**	13.6	**56.6**	57.4
Total Operating Expenses	**200.1**	161.6	**660.1**	587.4
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**$ 89.0**	$ 99.9	**$ 360.1**	$ 376.8
GAAP Adjustment	**(0.1)**	0.1	**(0.1)**	(0.2)
GAAP Operating Income	**$ 88.9**	$ 100.0	**$ 360.0**	$ 376.6

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Electric Operations *(in millions)*	Three Months Ended December 31, **2011**	2010	Twelve Months Ended December 31, **2011**	2010
Net Revenues				
Sales revenues	**$ 332.1**	$ 331.5	**$ 1,428.4**	$ 1,383.0
Less: Cost of sales	**122.5**	118.4	**548.8**	508.3
Net Revenues	**209.6**	213.1	**879.6**	874.7
Operating Expenses				
Operation and maintenance	**96.1**	101.3	**392.6**	378.3
Operation and maintenance - trackers	**3.3**	2.3	**12.8**	9.0
Depreciation and amortization	**49.9**	49.0	**200.6**	199.4
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**13.9**	13.9	**56.5**	58.6
Total Operating Expenses	**166.6**	169.7	**676.6**	657.7
Operating Earnings	**$ 43.0**	$ 43.4	**$ 203.0**	$ 217.0
GAAP Adjustment	**(3.2)**	(0.9)	**6.5**	3.8
GAAP Operating Income	**$ 39.8**	$ 42.5	**$ 209.5**	$ 220.8

Corporate and Other Operations *(in millions)*	Three Months Ended December 31, **2011**	2010	Twelve Months Ended December 31, **2011**	2010
Operating Loss	**$ (24.0)**	$ (8.4)	**$ (40.6)**	$ (21.1)
GAAP Adjustment	**(15.6)**	(2.9)	**(16.6)**	(2.9)
GAAP Operating Loss	**$ (39.6)**	$ (11.3)	**$ (57.2)**	$ (24.0)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales and Transportation (MMDth)				
Residential	**72.6**	87.8	**254.5**	258.0
Commercial	**46.7**	51.7	**168.6**	166.8
Industrial	**109.5**	101.7	**431.8**	385.9
Off System	**10.2**	15.1	**62.4**	71.9
Other	**0.1**	0.1	**0.6**	1.0
Total	**239.1**	256.4	**917.9**	883.6
Weather Adjustment	**18.1**	(9.4)	**12.7**	5.1
Sales and Transportation Volumes - Excluding Weather	**257.2**	247.0	**930.6**	888.7
Heating Degree Days	**1,742**	2,177	**5,434**	5,547
Normal Heating Degree Days	**2,037**	2,037	**5,633**	5,633
% Colder (Warmer) than Normal	**(14%)**	7%	**(4%)**	(2%)
Customers				
Residential			**3,039,579**	3,039,874
Commercial			**280,521**	281,473
Industrial			**7,861**	7,668
Other			**19**	65
Total			**3,327,980**	3,329,080

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Throughput (MMDth)				
Columbia Transmission	**301.4**	342.3	**1,117.5**	1,092.4
Columbia Gulf	**270.6**	223.4	**1,048.0**	848.4
Crossroads Gas Pipeline	**4.0**	5.2	**18.7**	25.4
Intrasegment eliminations	**(124.0)**	(145.5)	**(548.5)**	(568.7)
Total	**452.0**	425.4	**1,635.7**	1,397.5

NiSource Inc.
Segment Volumes and Statistical Data

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales (Gigawatt Hours)				
Residential	**765.6**	792.4	**3,526.5**	3,625.6
Commercial	**931.3**	928.8	**3,886.5**	3,919.9
Industrial	**2,247.5**	2,137.2	**9,257.6**	8,459.0
Wholesale	**144.4**	181.4	**651.6**	817.1
Other	**44.2**	58.2	**165.5**	186.4
Total	**4,133.0**	4,098.0	**17,487.7**	17,008.0
Weather Adjustment	**31.1**	(15.8)	**(101.1)**	(174.1)
Sales Volumes - Excluding Weather impacts	**4,164.1**	4,082.2	**17,386.6**	**16,833.9**
Cooling Degree Days			**907**	977
Normal Cooling Degree Days			**808**	808
% Warmer (Colder) than Normal			**12%**	21%
Electric Customers				
Residential			**400,567**	400,522
Commercial			**54,029**	53,877
Industrial			**2,405**	2,432
Wholesale			**17**	15
Other			**737**	740
Total			**457,755**	457,586

NiSource Inc.
Schedule 1 – Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts*)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$ 91.2**	$ 93.6	**$ 377.8**	$ 338.2
Items excluded from operating earnings:				
Net Revenues:				
Weather - compared to normal	**(14.4)**	9.7	**(2.1)**	8.4
Revenue adjustment	**(0.6)**	(2.1)	**(0.6)**	(13.1)
Unregulated natural gas marketing business	**0.5**	0.4	**4.5**	6.2
Operating Expenses:				
Restructuring	**-**	-	**-**	(0.7)
Environmental MGP remediation review	**(35.5)**	-	**(35.5)**	-
Unregulated natural gas marketing business	**(1.2)**	(2.6)	**(5.6)**	(8.5)
Loss on sale of assets and asset impairments	**(15.9)**	(0.5)	**(16.9)**	(1.9)
Total items excluded from operating earnings	**(67.1)**	4.9	**(56.2)**	(9.6)
Loss on early extinguishment of debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Tax effect of above items	**47.4**	36.3	**42.9**	42.0
Income Taxes - Tax method / rate changes	**-**	(3.9)	**(6.8)**	(3.9)
Income Taxes - Rate settlement flow-through	**-**	-	**-**	15.2
Total items excluded from net operating earnings	**(73.6)**	(59.4)	**(74.0)**	(53.0)
Reported Income from Continuing Operations - GAAP	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Basic Net Operating Earnings Per Share from Continuing Operations	**$ 0.32**	$ 0.33	**$ 1.35**	$ 1.22
Items excluded from net operating earnings (after-tax)	**(0.26)**	(0.21)	**(0.27)**	(0.19)
GAAP Basic Earnings Per Share from Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 144.9**	**$ 89.0**	**$ 43.0**	**$ (24.0)**	**$ 252.9**
Net Revenues:					
Weather (compared to normal)	(12.1)	-	(2.3)	-	**(14.4)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	0.5	**0.5**
Total Impact - Net Revenues	**(12.1)**	**-**	**(2.9)**	**0.5**	**(14.5)**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(1.2)	**(1.2)**
Loss on sale of assets and asset impairments	(0.6)	(0.1)	(0.3)	(14.9)	**(15.9)**
Total Impact - Operating Expenses	**(36.1)**	**(0.1)**	**(0.3)**	**(16.1)**	**(52.6)**
Total Impact - Operating Income (Loss)	**$ (48.2)**	**$ (0.1)**	**$ (3.2)**	**$ (15.6)**	**$ (67.1)**
Operating Income (Loss) - GAAP	**$ 96.7**	**$ 88.9**	**$ 39.8**	**$ (39.6)**	**$ 185.8**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 112.9**	**$ 99.9**	**$ 43.4**	**$ (8.4)**	**$ 247.8**
Net Revenues:					
Weather (compared to normal)	8.6	-	1.1	-	**9.7**
Revenue adjustment	-	-	(2.1)	-	**(2.1)**
Unregulated natural gas marketing business	-	-	-	0.4	**0.4**
Total Impact - Net Revenues	**8.6**	**-**	**(1.0)**	**0.4**	**8.0**
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(2.6)	**(2.6)**
Gain/(Loss) on sale of assets and asset impairments	-	0.1	0.1	(0.7)	**(0.5)**
Total Impact - Operating Expenses	**-**	**0.1**	**0.1**	**(3.3)**	**(3.1)**
Total Impact - Operating Income (Loss)	**$ 8.6**	**$ 0.1**	**$ (0.9)**	**$ (2.9)**	**$ 4.9**
Operating Income (Loss) - GAAP	**$ 121.5**	**$ 100.0**	**$ 42.5**	**$ (11.3)**	**$ 252.7**

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Twelve Months ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 438.8**	**$ 360.1**	**$ 203.0**	**$ (40.6)**	**$ 961.3**
Net Revenues:					
Weather (compared to normal)	(9.7)	-	7.6	-	**(2.1)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	4.5	**4.5**
Total Impact - Net Revenues	**(9.7)**	**-**	**7.0**	**4.5**	**1.8**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(5.6)	**(5.6)**
Loss on sale of assets and asset impairments	(0.8)	(0.1)	(0.5)	(15.5)	**(16.9)**
Total Impact - Operating Expenses	**(36.3)**	**(0.1)**	**(0.5)**	**(21.1)**	**(58.0)**
Total Impact - Operating (Loss) Income	**$ (46.0)**	**$ (0.1)**	**$ 6.5**	**$ (16.6)**	**$ (56.2)**
Operating Income (Loss) - GAAP	**$ 392.8**	**$ 360.0**	**$ 209.5**	**$ (57.2)**	**$ 905.1**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 342.6**	**$ 376.8**	**$ 217.0**	**$ (21.1)**	**$ 915.3**
Net Revenues:					
Weather (compared to normal)	(3.4)	-	11.8	-	**8.4**
Revenue adjustment	(5.7)	-	(7.4)	-	**(13.1)**
Unregulated natural gas marketing business	-	-	-	6.2	**6.2**
Total Impact - Net Revenues	**(9.1)**	**-**	**4.4**	**6.2**	**1.5**
Operating Expenses					
Restructuring	(0.2)	-	(0.5)	-	**(0.7)**
Unregulated natural gas marketing business	-	-	-	(8.5)	**(8.5)**
Loss on sale of assets and asset impairments	(1.0)	(0.2)	(0.1)	(0.6)	**(1.9)**
Total Impact - Operating Expenses	**(1.2)**	**(0.2)**	**(0.6)**	**(9.1)**	**(11.1)**
Total Impact – Operating(Loss) Income	**$ (10.3)**	**$ (0.2)**	**$ 3.8**	**$ (2.9)**	**$ (9.6)**
Operating Income (Loss) - GAAP	**$ 332.3**	**$ 376.6**	**$ 220.8**	**$ (24.0)**	**$ 905.7**

NiSource Inc.
Consolidated Income Statements (GAAP) (unaudited)

(in millions, except per share amounts)	Three Months Ended December 31, **2011**	2010	Twelve Months Ended December 31, **2011**	2010
Net Revenues				
Gas Distribution	**$ 718.8**	$ 971.6	**$ 2,917.9**	$ 3,094.0
Gas Transmission and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**327.3**	328.5	**1,427.7**	1,379.3
Other	**83.4**	96.0	**318.9**	679.9
Gross Revenues	**1,490.5**	1,752.0	**6,019.1**	6,414.6
Cost of Sales (excluding depreciation and amortization)	**599.9**	828.7	**2,556.4**	2,974.1
Total Net Revenues	**890.6**	923.3	**3,462.7**	3,440.5
Operating Expenses				
Operation and maintenance	**485.7**	457.5	**1,722.5**	1,663.3
Depreciations and amortization	**134.5**	142.0	**538.2**	597.1
Impairment and loss on sale of assets, net	**15.7**	0.8	**16.8**	2.0
Other taxes	**74.7**	74.0	**294.7**	287.4
Total Operating Expenses	**710.6**	674.3	**2,572.2**	2,549.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Income	**185.8**	252.7	**905.1**	905.7
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Loss on early extinguishment of long-term debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Income (Deductions)	**(163.6)**	(197.7)	**(438.0)**	(485.2)
Income From Continuing Operations Before Income Taxes	**22.2**	55.0	**467.1**	420.5
Income Taxes	**4.6**	20.8	**163.3**	135.3
Income from Continuing Operations	**17.6**	34.2	**303.8**	285.2
(Loss) Gain from Discontinued Operations - net of taxes	**(2.9)**	(2.4)	**(4.7)**	(2.7)
Gain (Loss) on sale of Discontinued Operations - net of taxes	**-**	-	**-**	0.1
Net Income	**$ 14.7**	$ 31.8	**$ 299.1**	$ 282.6
Basic Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Basic Earnings Per Share	**$ 0.05**	$ 0.11	**$ 1.06**	$ 1.02
Diluted Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.11	**$ 1.05**	$ 1.02
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted Earnings Per Share	**$ 0.05**	$ 0.10	**$ 1.03**	$ 1.01
Dividends Declared Per Common Share	**$ 0.23**	$ 0.23	**$ 0.92**	$ 0.92
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Diluted Average Common Shares	**291.1**	282.6	**288.5**	280.1

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited)

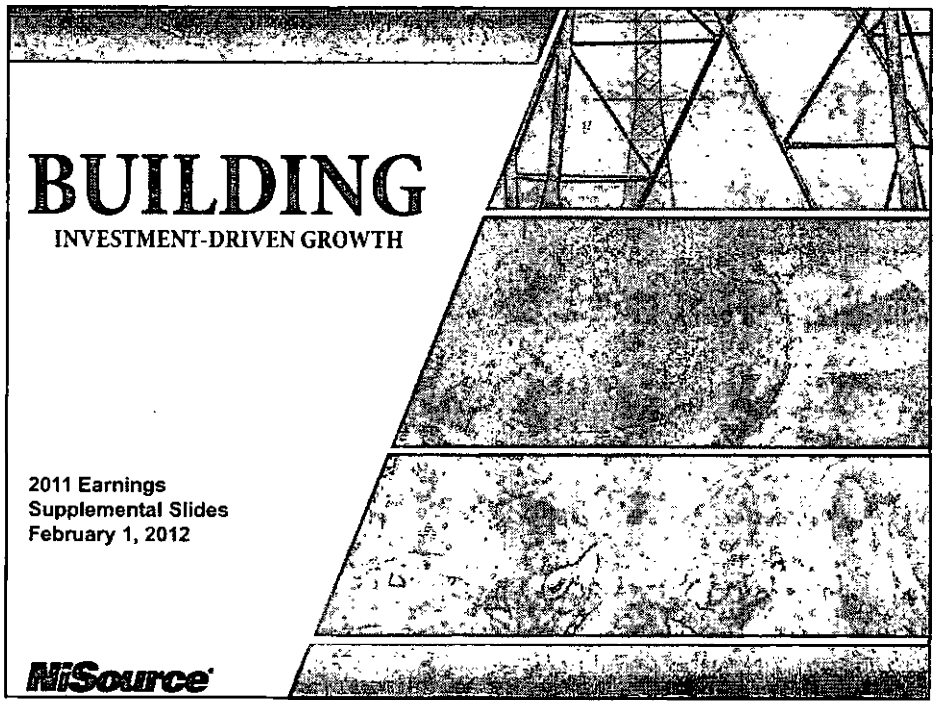
(in millions)	December 31, 2011	December 31, 2010
ASSETS		
Property, Plant and Equipment		
Utility Plant	$ 20,337.8	$ 19,494.9
Accumulated depreciation and amortization	(8,670.2)	(8,492.6)
Net utility plant	11,667.6	11,002.3
Other property, at cost, less accumulated depreciation	132.5	94.7
Net Property, Plant and Equipment	11,800.1	11,097.0
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	0.2	7.9
Unconsolidated affiliates	204.7	200.9
Other investments	150.9	139.7
Total Investments and Other Assets	355.8	348.5
Current Assets		
Cash and cash equivalents	11.5	9.2
Restricted cash	160.6	202.9
Accounts receivable (less reserve of $30.5 and $37.4, respectively)	854.8	1,079.3
Income tax receivable	0.9	99.0
Gas inventory	427.6	298.2
Underrecovered gas and fuel costs	20.7	120.7
Materials and supplies, at average cost	87.6	83.8
Electric production fuel, at average cost	50.9	46.0
Price risk management assets	137.2	159.5
Exchange gas receivable	64.9	62.7
Regulatory assets	169.7	143.8
Prepayments and other	261.8	120.8
Total Current Assets	2,248.2	2,425.9
Other Assets		
Price risk management assets	188.7	240.3
Regulatory assets	1,978.2	1,648.0
Goodwill	3,677.3	3,677.3
Intangible assets	297.6	308.6
Postretirement and postemployment benefits assets	31.5	35.1
Deferred charges and other	130.9	132.7
Total Other Assets	6,304.2	6,042.0
Total Assets	$ 20,708.3	$ 19,913.4

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited) (continued)

(in millions, except share amounts)	December 31, 2011	December 31, 2010
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 281,853,571 and 278,855,291 shares issued and outstanding, respectively	$ 2.8	$ 2.8
Additional paid-in capital	4,167.7	4,103.9
Retained earnings	917.0	876.1
Accumulated other comprehensive loss	(59.7)	(57.9)
Treasury stock	(30.5)	(27.4)
Total Common Stockholders' Equity	4,997.3	4,897.5
Long-term debt, excluding amounts due within one year	6,267.1	5,936.1
Total Capitalization	11,264.4	10,833.6
Current Liabilities		
Current portion of long-term debt	327.3	34.2
Short-term borrowings	1,359.4	1,382.5
Accounts payable	434.8	581.8
Dividends payable	-	0.1
Customer deposits and credits	313.6	318.1
Taxes accrued	220.9	221.1
Interest accrued	111.9	114.4
Overrecovered gas and fuel costs	48.9	21.4
Price risk management liabilities	167.8	173.9
Exchange gas payable	168.2	266.1
Deferred revenue	10.1	6.8
Regulatory liabilities	112.0	92.9
Accrued liability for postretirement and postemployment benefits	26.6	23.3
Legal and environmental reserves	43.9	86.0
Other accruals	301.0	343.7
Total Current Liabilities	3,646.4	3,666.3
Other Liabilities and Deferred Credits		
Price risk management liabilities	138.9	181.6
Deferred income taxes	2,541.9	2,193.1
Deferred investment tax credits	29.0	33.7
Deferred credits	78.9	68.6
Deferred revenue	-	0.3
Accrued liability for postretirement and postemployment benefits	953.8	1,039.6
Regulatory liabilities and other removal costs	1,663.9	1,595.8
Asset retirement obligations	146.4	138.8
Other noncurrent liabilities	244.7	162.0
Total Other Liabilities and Deferred Credits	5,797.5	5,413.5
Commitments and Contingencies (Refer to Note 20)	-	-
Total Capitalization and Liabilities	$ 20,708.3	$ 19,913.4

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP) (unaudited)

Year Ended December 31, *(in millions)*	2011	2010
Operating Activities		
Net Income	$ 299.1	$ 282.6
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Loss on early extinguishment of debt	53.9	96.7
Depreciation and amortization	538.2	597.1
Net changes in price risk management assets and liabilities	38.1	(5.5)
Deferred income taxes and investment tax credits	178.4	193.9
Deferred revenue	2.5	(20.4)
Stock compensation expense and 401(k) profit sharing contribution	39.2	30.9
Loss (Gain) on sale of assets	0.1	(0.1)
Loss on impairment of assets	16.7	2.1
Income from unconsolidated affiliates	(13.7)	(14.8)
Gain on disposition of discontinued operations - net of taxes	-	(0.1)
Loss from discontinued operations - net of taxes	4.7	2.7
Amortization of discount/premium on debt	8.9	10.3
AFUDC equity	(2.4)	(6.1)
Distribution Received from Equity Earnings	18.8	12.9
Changes in Assets and Liabilities:		
Accounts receivable	219.6	(243.9)
Income tax receivable	98.1	51.5
Inventories	(141.8)	103.3
Accounts payable	(154.8)	37.7
Customer deposits and credits	(4.5)	(25.0)
Taxes accrued	2.3	(117.0)
Interest accrued	(2.5)	(10.7)
(Under) Overrecovered gas and fuel costs	127.5	(243.0)
Exchange gas receivable/payable	(100.1)	(14.2)
Other accruals	33.2	63.4
Prepayments and other current assets	(10.2)	(11.5)
Regulatory assets/liabilities	(322.9)	164.3
Postretirement and postemployment benefits	(92.7)	(146.6)
Deferred credits	(2.3)	(2.6)
Deferred charges and other noncurrent assets	6.9	7.9
Other noncurrent liabilities	82.0	(13.2)
Net Operating Activities from Continuing Operations	920.3	782.6
Net Operating Activities used for Discontinued Operations	(50.1)	(57.2)
Net Cash Flows from Operating Activities	870.2	725.4
Investing Activities		
Capital expenditures	(1,125.2)	(803.8)
Insurance recoveries	-	5.0
Proceeds from disposition of assets	9.4	0.5
Restricted cash (withdrawals) deposits	42.3	(28.2)
Contributions to equity investees	(6.4)	(87.9)
Distributions from equity investees	-	23.8
Other investing activities	(69.4)	(53.1)
Net Investing Activities used for Continuing Operations	(1,149.3)	(943.7)
Net Investing Activities from Discontinued Operations	-	0.4
Net Cash Flows used for Investing Activities	(1,149.3)	(943.3)
Financing Activities		
Issuance of long-term debt	890.0	244.6
Retirement of long-term debt	(286.9)	(977.7)
Premium and other costs to retire debt	(62.1)	(93.0)
Change in short-term debt, net	(23.1)	1,279.5
Issuance of common stock	24.4	14.4
Acquisition of treasury stock	(3.1)	(1.5)
Dividends paid - common stock	(257.8)	(255.6)
Net Cash Flows from Financing Activities	281.4	210.7
Change in cash and cash equivalents from continuing operations	52.4	49.6
Cash (contributions to) receipts from discontinued operations	(50.1)	(56.8)
Cash and cash equivalents at beginning of period	9.2	16.4
Cash and Cash Equivalents at End of Period	$ 11.5	$ 9.2



Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2012 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

NiSource: A Compelling Investment

Delivering Shareholder Value

- Results at the top of 2011 earnings guidance
  - 2011 EPS: $1.35 per share*
  - Meeting earnings commitment for the fifth consecutive year
- Industry-leading total shareholder return of 40 percent
- Significant infrastructure-investment
  - $1.13B capital program executed in 2011
  - Record-level $1.4B capital program outlined for 2012
- Commitment, focus and solid execution

* *Net Operating Earnings from Continuing Operations (non-GAAP)*

Significant Financial Achievement

2011 Financial Highlights

Non-GAAP	2011*	2010*	Change*
Net Operating Earnings from Continuing Operations	$377.8	$338.2	$39.6
Operating Earnings Per Share	$1.35	$1.22	$0.13
Operating Earnings	$961.3	$915.3	$46.0

GAAP	2011*	2010*	Change*
Income from Continuing Operations	$303.8	$285.2	$18.6
Earnings Per Share	$1.08	$1.03	$0.05
Operating Income	$905.1	$905.7	($0.6)

* *All Results Listed In Millions, Except for EPS.*
† *For a Reconciliation to GAAP, See Schedule 1 of the Company's Feb. 1, 2012 Earnings Release*

A Foundation for Sustainable Growth

NiSource Electric – 2011 Highlights*

- Operating earnings $203.0M in 2011 vs. $217.0M in 2010**
- Revenues slightly lower by $0.6M; Operating expenses up $13.4M primarily due to higher employee and administrative expenses and outside service costs
- Rate case settlement approved without modification
- Various new customer-focused programs launched in 2011

2012 Highlights Going Forward

Highlight	Key Components	Status
Coal-Fired Generation Environmental Investments	• $850M of environmental investments • Flue Gas Desulfurization equipment at Schahfer units in process	• Schahfer units on schedule, on budget
Transmission Project	• 100-mile, 345-KV transmission project • Investment of approximately $270M • Part of MISO system improvements across Midwest	• Preliminary outreach, planning to start in 2012 • Projected in-service latter part of decade
Capital Investment	• ~$415M planned in 2012 • Environmental, reliability, customer service	• Ongoing

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Continued Shale Growth Opportunities

NiSource Gas Transmission & Storage – 2011 Highlights*

- Operating earnings $360.1M in 2011 vs. $376.8M in 2010**
- Revenues increase $50.5M primarily from growth projects placed in service
- Operating expenses up $66.8M, primarily due to pension contributions and an environmental expense

2012 Highlights Going Forward

Project	Key Components	Status
Pennsylvania Marcellus Pipeline Project	• 90 miles of pipeline facilities in western Pennsylvania • 300K Dth initial capacity • ~$145M investment	• Letter of intent signed • Scheduled in-service late 2012
Millennium Expansion	• New 12,000 horsepower compressor station • ~$43M partnership investment	• Pending FERC approval • Projected in-service Nov. 2012
Rimersburg Expansion	• Phase I, $6M investment adding ~20K Dth per day of capacity	• Phase I projected in-service Q1 2012
Capital Investment	• ~$430M planned for 2012	• Focus on Utica, Marcellus shale growth opportunities

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Ongoing Infrastructure Modernization

NiSource Gas Distribution – 2011 Highlights*

- Operating earnings $438.8M in 2011 vs. $342.6M in 2010**
- Revenues up $31.2M, reflecting regulatory and infrastructure programs
- Operating expenses $65.0M lower, primarily reflecting change in depreciation rates
- Approximately $320M invested in modernization and replacement programs in 2011; Virginia received approval for accelerated recovery of infrastructure projects
- Pennsylvania rate case approved in October
- Expanded energy efficiency initiatives in Ohio starting in 2012

2012 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania, Virginia • $4B+ program benefits customers, communities and contributes to earnings growth	• ~$530M capital investment planned in 2012

** Revenues & Expenses Exclude Trackers*
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Investment-Driven Growth Platform

2011 Financing Highlights

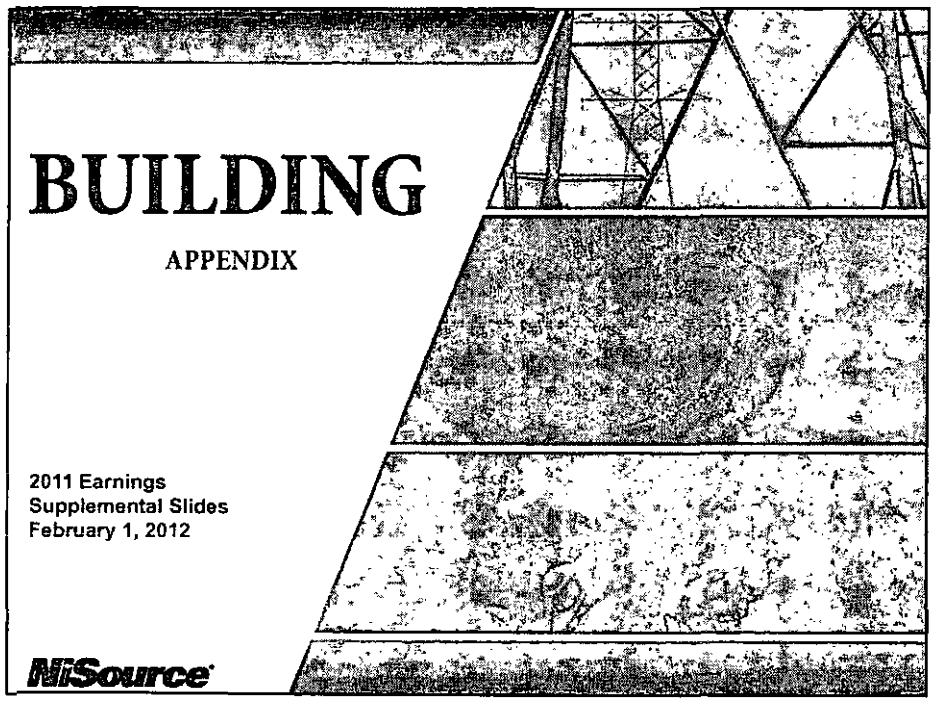
- Reducing financing costs, extending maturity profile
  - Total of $900M of long-term notes issued
  - $250M debt tender offer completed
  - $500M commercial paper program launched
  - $1.5B revolving credit facility renewed for an additional four years
- Managing future pension expenses
  - $400M total pension contribution in 2011
- Strong cash position
  - $364M in excess liquidity
- Stable investment-grade credit ratings reaffirmed

Delivering Shareholder Value

Key Takeaways for 2012

- Sustainable, long-term growth
  - 2012 EPS guidance: $1.40 to $1.50 per share*
  - Mid-point represents 7.4 percent growth over 2011*
- Record-level $1.4B in capital investments in 2012
  - All business units positioned for continued long-term growth with identified infrastructure investment opportunities
    - ~$430M at NGT&S
    - ~$530M at NGD
    - ~$415M at Electric operations
- Strong financial foundation, secure dividend, investment-grade credit ratings

* *Net Operating Earnings from Continuing Operations (non-GAAP)*



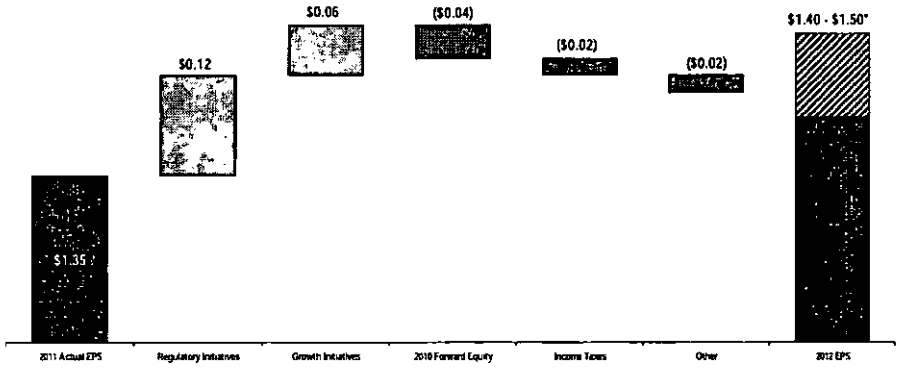
BUILDING

APPENDIX

2011 Earnings
Supplemental Slides
February 1, 2012

NiSource

2011 to 2012 – EPS*



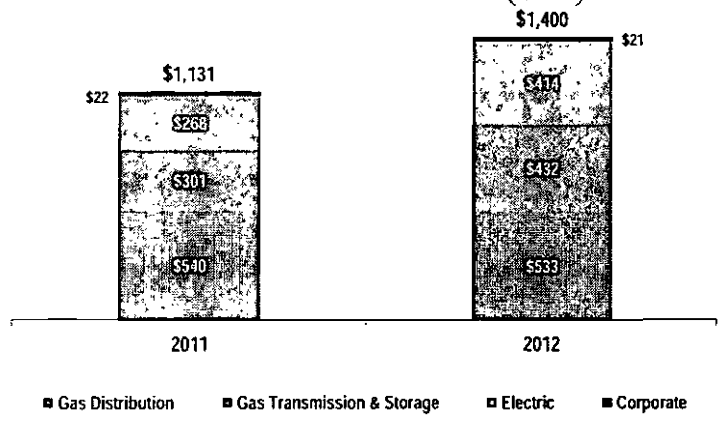
* Projected Net Operating Earnings from Continuing Operations (non-GAAP)

NiSource

2012 EPS Guidance Range $1.40 - $1.50*

Capital Expenditures

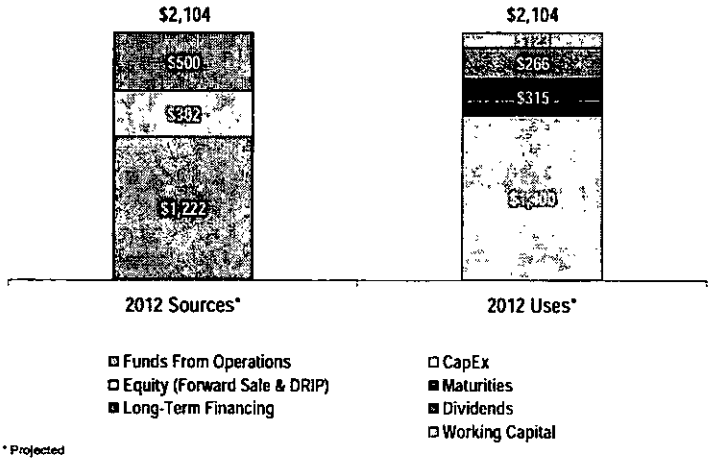
2011 Actual / 2012 Forecasted ($M)



NiSource

2012 Growth & Tracker ~$900M / Age & Condition ~$500M

2012 Sources and Uses of Cash ($M)



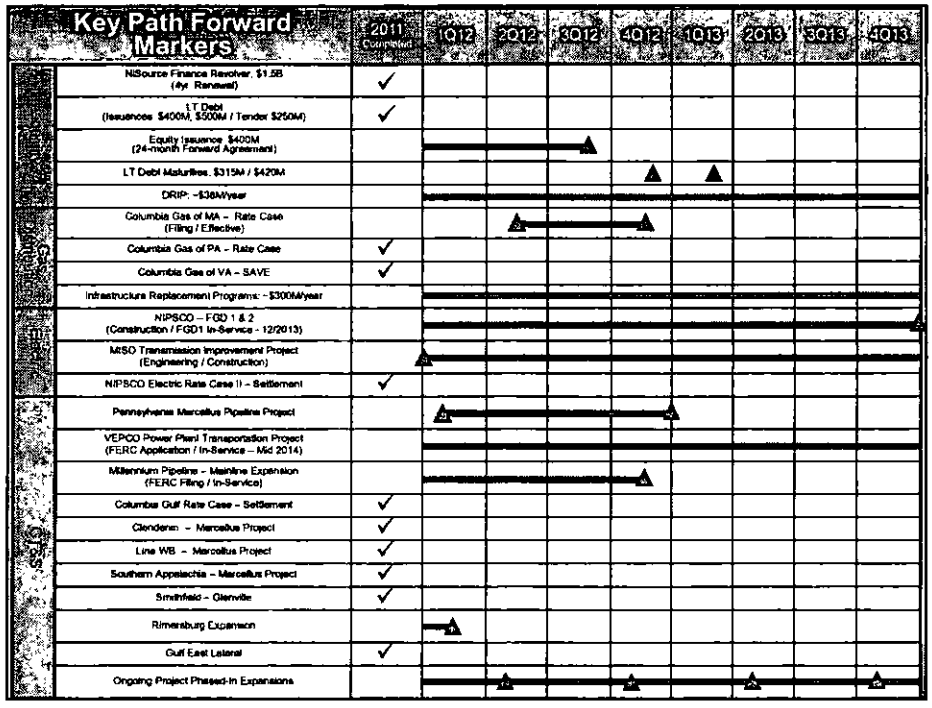
* Projected

NiSource

Current Liquidity ($M)

	Actual 12/31/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(725)	
Commercial Paper	(403)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	11	
Net Available Liquidity	**$364**	

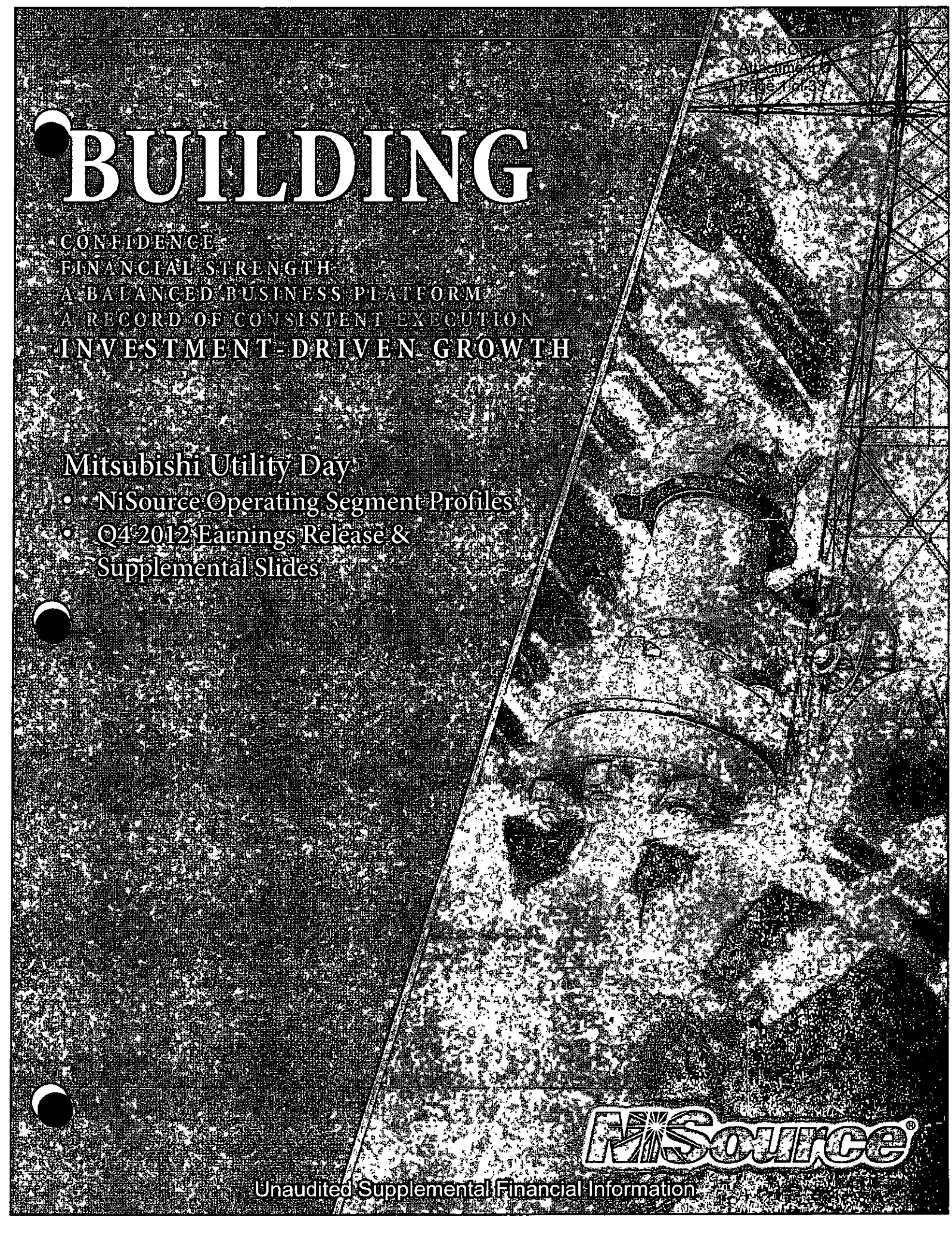
NiSource


Key Path Forward Markers
2011 Completed
1Q12
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
NiSource Finance Revolver, $1.5B (4yr Renewal)
LT Debt (Issuances $400M, $500M / Tender $250M)
Equity Issuance $400M (24-month Forward Agreement)
LT Debt Maturities, $315M / $420M
DRIP: ~$36M/year
Columbia Gas of MA – Rate Case (Filing / Effective)
Columbia Gas of PA – Rate Case
Columbia Gas of VA – SAVE
Infrastructure Replacement Programs: ~$300M/year
NIPSCO – FGD 1 & 2 (Construction / FGD1 In-Service - 12/2013)
MISO Transmission Improvement Project (Engineering / Construction)
NIPSCO Electric Rate Case II – Settlement
Pennsylvania Marcellus Pipeline Project
VEPCO Power Plant Transportation Project (FERC Application / In-Service – Mid 2014)
Millennium Pipeline – Mainline Expansion (FERC Filing / In-Service)
Columbia Gulf Rate Case – Settlement
Glendenning – Marcellus Project
Line WB – Marcellus Project
Southern Appalachia – Marcellus Project
Smithfield – Glenville
Rimersburg Expansion
Gulf East Lateral
Ongoing Project Phased-In Expansions

CASRO Code
Attachment 6
Page 1 of 33

BUILDING

CONFIDENCE
FINANCIAL STRENGTH
A BALANCED BUSINESS PLATFORM
A RECORD OF CONSISTENT EXECUTION
INVESTMENT-DRIVEN GROWTH



Mitsubishi Utility Day

- NiSource Operating Segment Profiles
- Q4 2012 Earnings Release & Supplemental Slides

NiSource®

Unaudited Supplemental Financial Information

NISOURCE
CORPORATE PROFILE

NiSource Inc. (NYSE:NI) is an energy holding company with headquarters in Merrillville, Ind. Our companies provide natural gas, electricity and other products and services to approximately 3.8 million customers located within the high-demand energy corridor that runs from the Gulf Coast through the Midwest to New England. Our business strategy is focused on our core, rate-regulated, asset-based businesses which generate substantially all of our operating income.

GAS DISTRIBUTION

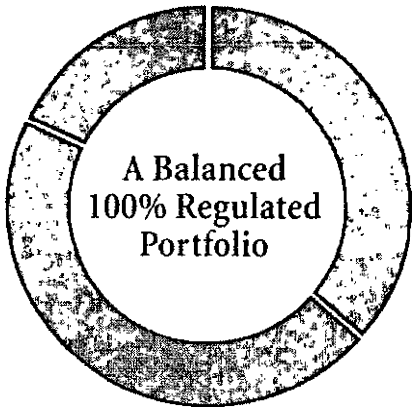
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

GAS TRANSMISSION & STORAGE

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Prolific Marcellus Shale Production Region of Appalachia
- Deep Inventory of Attractive Investment Opportunities

ELECTRIC OPERATIONS

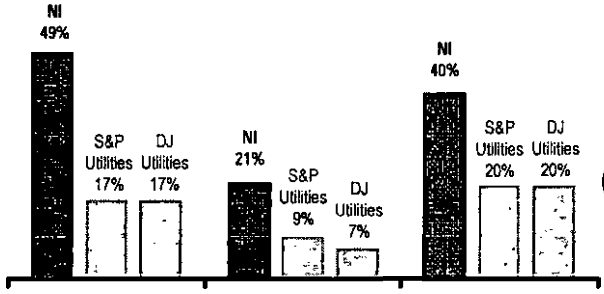
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



FINANCIAL HIGHLIGHTS (12/31/2011)

Stock Price	$23.81
Common Shares Outstanding	281.9M
Annual Dividend	$0.92
Market Capitalization	$6.71B

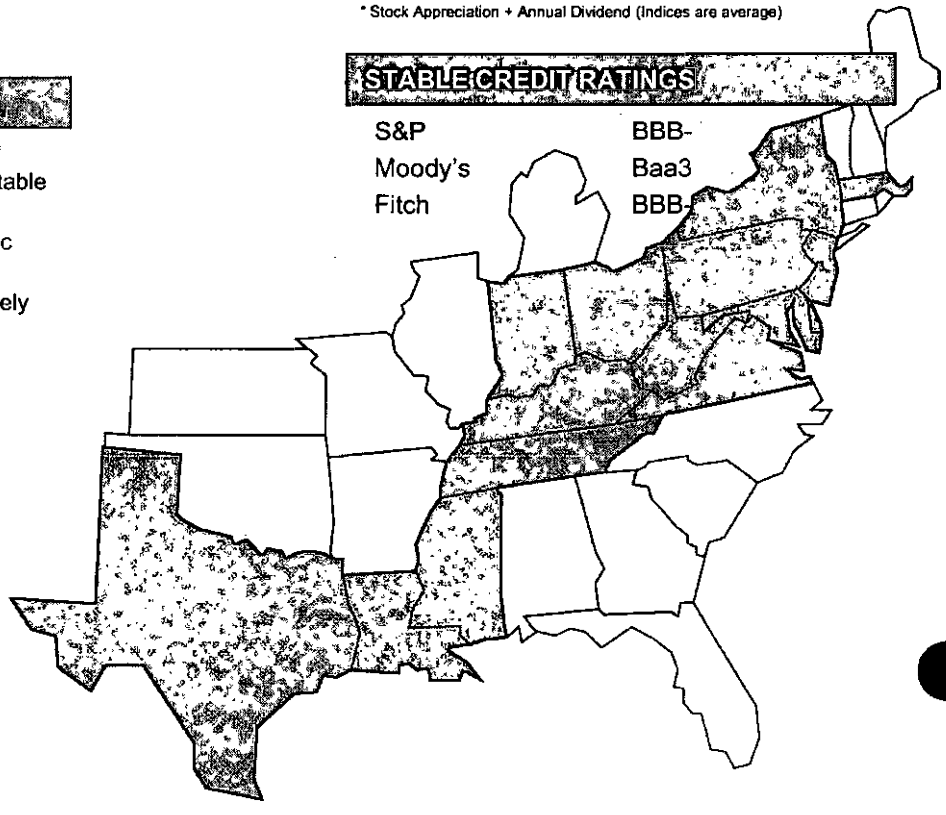
TOTAL SHAREHOLDER RETURN*



* Stock Appreciation + Annual Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-



NISOURCE
GAS DISTRIBUTION

Our natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 58,000 miles of pipeline. Under the banner of "Columbia Gas," NiSource owns six distribution subsidiaries that provide clean and affordable natural gas to approximately 2.5 million residential, commercial and industrial customers in Ohio, Pennsylvania, Maryland, Virginia, Kentucky and Massachusetts. NiSource also distributes natural gas to approximately 795,000 customers in Indiana through our Northern Indiana Public Service Company (NIPSCO) subsidiary.

NiSource gas distribution companies have established a state-of-the-art regulatory platform that focuses on de-risking earnings and synching long-term, low risk infrastructure replacement programs with complementary regulatory recovery mechanisms.

COLUMBIA GAS OF OHIO
- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers; 19,000+ Miles of Pipe

COLUMBIA GAS OF PENNSYLVANIA
- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers; 7,400 Miles of Pipe

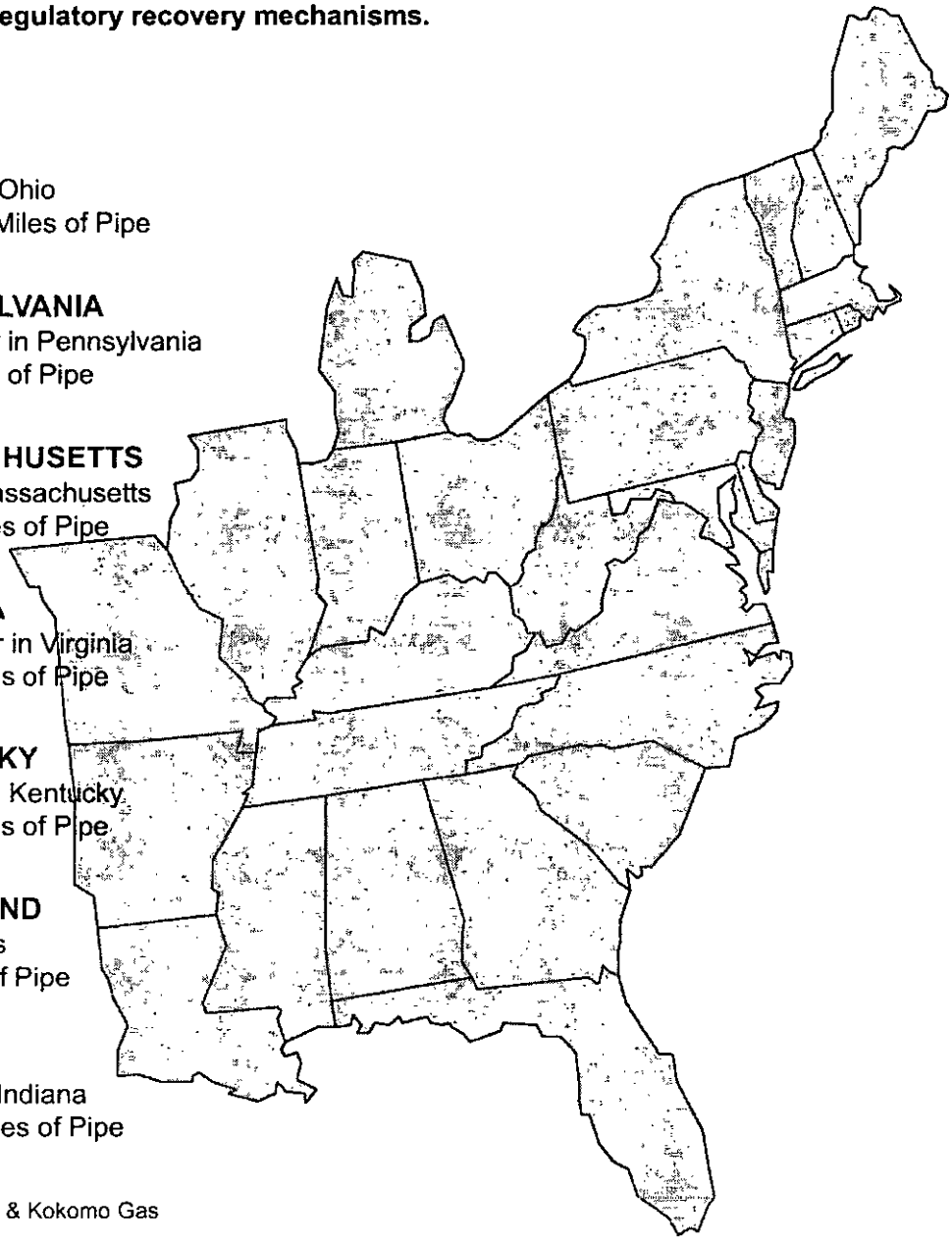
COLUMBIA GAS OF MASSACHUSETTS
- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF VIRGINIA
- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF KENTUCKY
- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers; 2,500+ Miles of Pipe

COLUMBIA GAS OF MARYLAND
- Complementary to PA Operations
- 33,000 Customers; 750+ Miles of Pipe

NIPSCO GAS*
- Largest Natural Gas Provider in Indiana
- 795,000 Customers; 16,000+ Miles of Pipe



* Includes Northern Indiana Fuel and Light & Kokomo Gas

NISOURCE
GAS TRANSMISSION & STORAGE

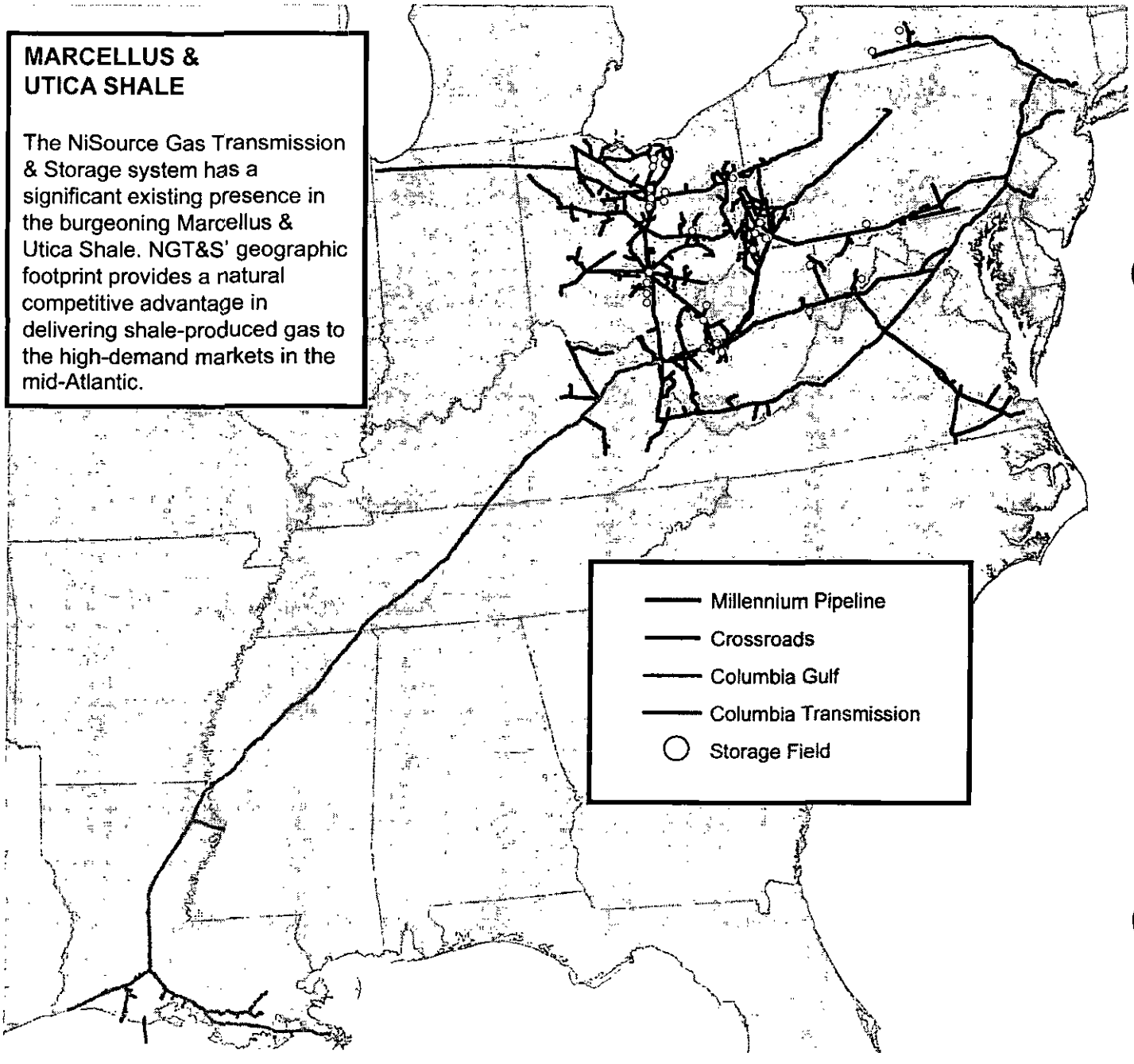
NiSource Gas Transmission & Storage (NGT&S) is an interstate natural gas transmission and storage company that transports natural gas through its 15,000 miles of pipeline, and stores natural gas in its 37 market area storage fields with a capacity of approximately 640 Bcf.

The NiSource Gas Transmission & Storage companies service customers in more than 15 states. From the Gulf Coast to the Midwest, Mid-Atlantic and Northeast, the system connects premium natural gas supplies with some of the nation's strongest energy markets.

More than one trillion cubic feet of natural gas flows through the companies' pipeline and storage systems each year, providing competitively priced, clean energy for millions of homes, businesses and industries.

MARCELLUS & UTICA SHALE

The NiSource Gas Transmission & Storage system has a significant existing presence in the burgeoning Marcellus & Utica Shale. NGT&S' geographic footprint provides a natural competitive advantage in delivering shale-produced gas to the high-demand markets in the mid-Atlantic.



NISOURCE
ELECTRIC OPERATIONS

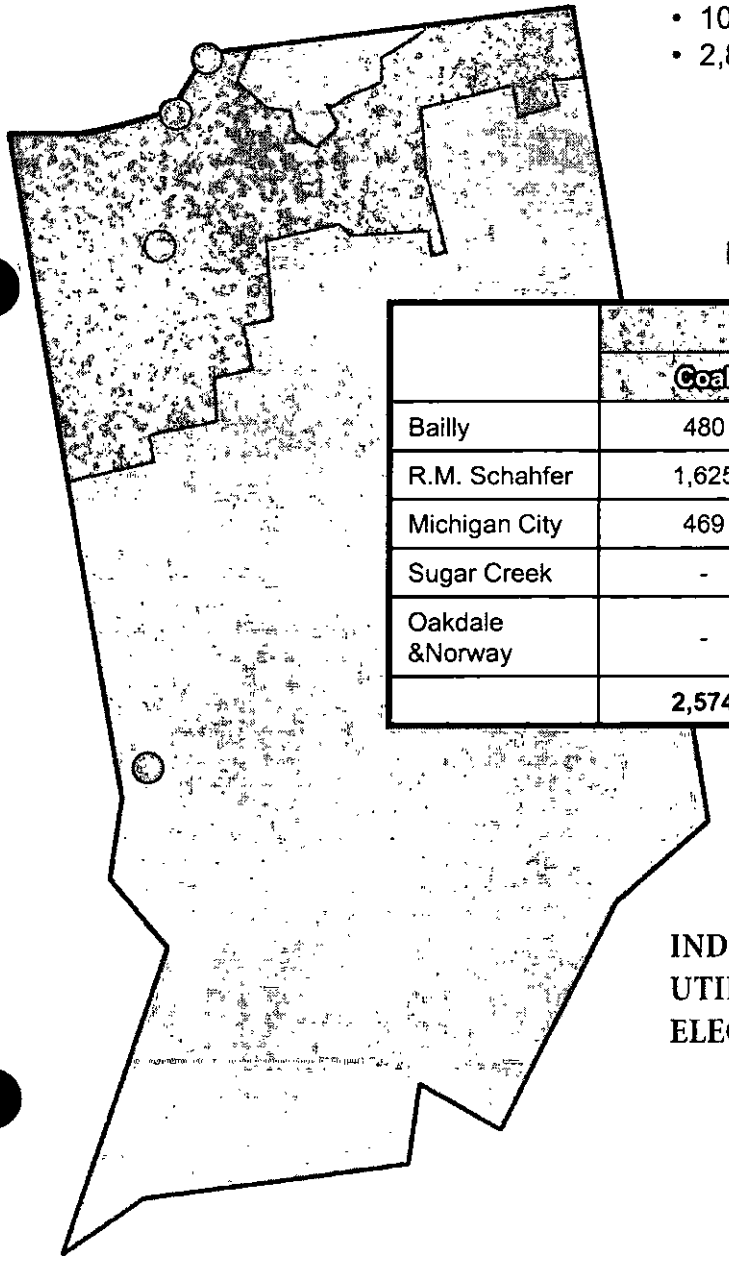
NiSource generates, transmits and distributes electricity through its subsidiary Northern Indiana Public Service Company (NIPSCO) to approximately 458,000 customers in 20 counties located in northern Indiana. NIPSCO owns and operates four electric generating stations with a total generating capacity of approximately 3,300MW (78% coal, 22% natural gas) NIPSCO's transmission system, with voltages from 69Kv, consists of 2,800 circuit miles interconnecting with five neighboring electric utilities.

NIPSCO electric has more than $850 million of revenue producing environmental investment opportunities.

CONSTRUCTIVE REGULATORY ENVIRONMENT

ELECTRIC DISTRIBUTION & TRANSMISSION

- 458,000 Electric Customers
- 10,000 Mile of Electric Distribution
- 2,800 Miles of Electric Transmission



ELECTRIC GENERATION

	Capacity (MW)			
	Coal	Natural Gas	Hydro	Total
Bailly	480	31	-	511
R.M. Schahfer	1,625	155	-	1,780
Michigan City	469	-	-	469
Sugar Creek	-	535	-	535
Oakdale &Norway	-	-	10	10
	2,574	**721**	**10**	**3,305**

INDIANA'S LARGEST COMBINATION UTILITY & SECOND LARGEST ELECTRIC COMPANY

NEWS

NiSource

801 E. 86th Avenue
Merrillville, IN 46410

February 1, 2012

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NiSource Reports 2011 Earnings

- Results at the top of 2011 earnings guidance range
- Infrastructure-investment-driven growth opportunities advance
- Record $1.4 billion capital investment program in 2012
- 2012 earnings outlook of $1.40 to $1.50 per share reflects ongoing growth

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of $377.8 million, or $1.35 per share, for the twelve months ended Dec. 31, 2011, compared to net operating earnings of $338.2 million, or $1.22 per share for 2010 – an increase of about 10.7 percent. NiSource's consolidated operating earnings (non-GAAP) for the twelve months ended Dec. 31, 2011, were $961.3 million compared to $915.3 million in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010. Operating income was $905.1 million for 2011 versus $905.7 million in the year-ago period. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

For the three months ended Dec. 31, 2011, net operating earnings (non-GAAP) were $91.2 million, or $0.32 per share, compared with $93.6 million, or $0.33 per share, for the same period in 2010. On a GAAP basis, income from continuing operations for the three months ended Dec. 31, 2011, was $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

"2011 was a year of significant achievement, groundbreaking performance and industry-leading growth in shareholder value," NiSource President and Chief Executive Officer **Robert C. Skaggs, Jr.** said. "Across the board, NiSource teams delivered on our well-established, infrastructure-investment-driven business strategy. This strategy generated earnings growth in line with our guidance range for the fifth consecutive year, and positioned the company to deliver total shareholder return of approximately 40 percent in 2011, significantly outperforming broader market and utility indices for the third consecutive year."

In announcing NiSource's 2011 results, Skaggs highlighted key business accomplishments and ongoing initiatives expected to drive continued earnings growth for the company during 2012.

Financial strength to fund $1.4 billion in 2012 capital investments

NiSource continued to build on its financial strength and discipline during 2011, positioning the company to take advantage of a deep and expanding inventory of identified investment opportunities across all its business units.

"Building on NiSource's disciplined, well-executed financial strategy, and the range of investment opportunities available to the company, we are pleased to announce a capital investment program of approximately $1.4 billion in 2012," Skaggs said. "This represents an increase of nearly 25 percent over our $1.13 billion 2011 program."

Skaggs noted that the increase will primarily fund attractive and accretive investment opportunities at its **NiSource Gas Transmission and Storage (NGT&S)** unit, as well as at **Northern Indiana Public Service Company (NIPSCO)**. In addition, the company expects to invest approximately $530 million at its **NiSource Gas Distribution (NGD)** business unit.

The company's solid financial profile was further strengthened as a result of a number of key initiatives taken during 2011. These initiatives, which will serve to reduce financing costs, extend the company's debt maturity profile and help manage its liabilities, included:

- Successful issuance of a total of $900 million of long-term notes, of which $250 million was used to make an accelerated contribution to the company's pension plans;
- Completion of a $250 million tender offer to repurchase high-interest long-term debt in December;
- Launch of a $500 million commercial paper program in June; and
- Renewal of the company's $1.5 billion revolving credit facility for an additional four years in March.

Skaggs noted that, given NiSource's strong cash position, the company does not plan to draw upon its Sept. 2010 forward equity sale until the third quarter of 2012. NiSource closed the year with $364 million in net available liquidity.

NIPSCO electric positioned for continued long-term investment and growth

NIPSCO's electric business made significant strides during 2011 to advance its strategy of enhancing customer service and reliability, modernizing rate design and building a foundation for long-term, investment-driven growth.

- In December, NIPSCO's landmark electric rate case settlement was approved without modification by the Indiana Utility Regulatory Commission (IURC). The collaborative settlement represents a balanced agreement that supports NIPSCO's ability to provide Indiana families, businesses and industries with the affordable, reliable and environmentally sustainable power they need now and in the future.

- As part of a multi-state effort to strengthen the electric transmission system serving the Midwest, NIPSCO will make an approximately $270 million investment in a new, 100-mile, 345-kilovolt transmission project in northern Indiana. The project, one of 17 major new transmission system improvements reviewed and authorized by the Midwest Independent Transmission System Operator (MISO), is scheduled to be in service during the latter part of the decade.

- Significant environmental investments at NIPSCO's coal-fired electric generation facilities remain on schedule, including construction of Flue Gas Desulfurization equipment on two units at the company's Schahfer generating station. The improvements, part of a nearly $850 million environmental investment program over the next six to eight years, will position NIPSCO to comply with emission standards recently issued by the U.S. Environmental Protection Agency.

"From the successful completion of the electric rate case, to ongoing customer, environmental and economic development programs, NIPSCO is well positioned for significant, sustainable investment and growth in northern Indiana," Skaggs noted. "Taken together, these efforts will strengthen system reliability, customer service and responsiveness, environmental and community quality, while providing stable ongoing earnings growth."

Leveraging gas transmission and storage and midstream growth opportunities

NGT&S also continues to advance key strategies to enhance system reliability, develop new growth projects, and leverage the company's strategic footprint in emerging shale gas production areas.

- During 2011, NGT&S placed into service a number of strategic growth projects, primarily serving the Marcellus shale production area. These and other projects placed into service in previous years contributed over $30 million in additional demand revenues in 2011.

- On the regulatory front, in November, the Federal Energy Regulatory Commission (FERC) approved the settlement of **Columbia Gulf Transmission's** Oct 2010 base rate case. The settlement – effective as of May 2011 – reflects updated costs and operating conditions, and will position the company to meet customer needs and earn a reasonable return on its investment.

- NGT&S continues to develop a range of additional supply-driven growth initiatives, including mineral leasing, midstream projects and traditional pipeline expansion opportunities. One project in the later stages of development involves an approximately $145 million investment in 90 miles of pipeline facilities in western Pennsylvania supporting increased shale production. A major Marcellus shale producer will anchor the project, which is expected to have an initial capacity of approximately 300,000 dekatherms per day with interconnects with multiple interstate pipelines. A definitive agreement is anticipated by the end of the first quarter, and the project is expected to be placed in service in late 2012.

- **Millennium Pipeline** also is progressing on plans to add more than 12,000 horsepower of compression to its system in Orange County, NY, driven by increased shale production. Pending FERC approval, the new compressor station represents an investment of approximately $43 million. The project is anticipated to be in-service in Nov. 2012 and increase Millennium's delivery capabilities at its interconnection with Algonquin Gas Transmission to 675,000 dekatherms per day. NiSource owns a 47.5 percent interest in Millennium.

- Looking forward, NGT&S also is considering the possibility of a long-term system modernization program designed to enhance the reliability and flexibility of its infrastructure; respond to changing supply and market dynamics; and comply with developing pipeline safety and integrity requirements. In addition to numerous customer, environmental and economic development benefits, the multi-billion dollar program – which is in the early stages of development – would also support ongoing rate base and earnings growth.

"On the heels of solid progress and the addition of experienced, energized leadership in 2011, our NGT&S team is fully engaged with customers to develop and execute on a broad array of infrastructure enhancement and new growth opportunities," Skaggs said. "Our NGT&S capital investment program for 2012 is approximately $430 million – an increase of 43 percent over 2011 – reflecting a significant increase in accretive expansion projects capitalizing on the attractive opportunities available to NGT&S in the developing shale supply regions. These and other projects will serve to enhance the long-term value of our assets for the benefit of our customers, shareholders and other key stakeholders."

Executing gas distribution infrastructure, customer and regulatory programs

Combining long-term infrastructure modernization programs with complementary customer programs and regulatory initiatives continues to be the focus at NGD.

- Infrastructure modernization and replacement projects continued across NGD as part of its $4 billion plus modernization program. In total during 2011, nearly $320 million was invested in modernization and replacement programs at NGD.

- In November, **Columbia Gas of Virginia** received regulatory approval of its application for accelerated recovery of its infrastructure projects. Part of Virginia's SAVE Act (Steps To Advance Virginia's Energy Plan), the company plans to invest $100 million over the next five years on its infrastructure modernization program.

- On the customer front, in December, **Columbia Gas of Ohio** received approval from the Public Utilities Commission of Ohio to extend and expand its energy efficiency programs for an additional five years, starting in 2012. Over the life of the proposed programs, COH estimates customers will save up to $300 million through reduced energy usage. Also in December, NIPSCO's gas business received IURC approval of various existing and new customer energy efficiency programs through Nov. 2012.

- As previously announced, the Pennsylvania Public Utility Commission issued a final order in **Columbia Gas of Pennsylvania's** base rate case on Oct. 14, which authorized an annual revenue increase of $17 million. The Commission also authorized a new residential rate design with a higher minimum monthly charge, including a fixed customer charge and usage allowance.

"Our focus on infrastructure modernization at our utilities continues to benefit our customers and communities, as well as NiSource shareholders," Skaggs said. "Our proactive, collaborative approach, combined with appropriate regulatory treatment, has served us well as we execute on this long-term core strategy."

Earnings growth outlook continues with 2012 guidance of $1.40 to $1.50 per share

Based on the continued success of NiSource's balanced business strategy and a deep inventory of investment opportunities across each of its business units, NiSource expects to deliver 2012 net operating earnings (non-GAAP) within a range of $1.40 to $1.50 per share, representing solid growth over 2011 results.

There will likely be differences between net operating earnings and GAAP earnings, but, due to the unpredictability of weather and other factors, NiSource is not providing GAAP earnings guidance.

Skaggs noted that the company's outlook continues to be driven by execution of its infrastructure-investment programs and is premised on a relatively modest and gradual economic recovery across the markets served by its utilities.

"With a growing inventory of infrastructure investment opportunities and a strong financial foundation to support a $1.4 billion capital investment program, NiSource is well-positioned to continue growing earnings and increasing shareholder value in 2012 and beyond," Skaggs concluded. "Leveraging the momentum we have built over the past few years will enable NiSource to continue delivering on our financial commitments – a strong and secure dividend, stable investment-grade credit ratings and long-term, sustainable earnings growth."

Full-Year 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the year ended Dec. 31, 2011, were $961.3 million, compared to $915.3 million in 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the full-year ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $438.8 million compared to $342.6 million reported for the year ended Dec. 31, 2010. Net revenues, excluding the impact of regulatory trackers, increased $31.2 million primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins. These increases were partially offset by a decrease in off-system sales and lower industrial margins.

Operating expenses, excluding the impact of trackers, were $65.0 million lower than the comparable period in the prior year primarily due to a reduction of approximately $75 million in depreciation costs as a result of reduced depreciation rates at NIPSCO. These decreases were partially offset by an increase in employee and administrative costs for the business segment.

NiSource Gas Transmission and Storage reported operating earnings of $360.1 million versus operating earnings of $376.8 million for the year ended Dec. 31, 2010. Net revenues, excluding trackers, increased $50.5 million primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010, the impact of new Columbia Gulf rates placed into effect on May 1, 2011, and an increase in mineral rights royalty revenue. These increases were partially offset by the recognition of revenue in the prior year related to a previously deferred gain for native gas.

Operating expenses, excluding trackers, increased by $66.8 million primarily due to higher employee and administrative expenses, driven largely by pension contributions, increased environmental costs, higher software and separation costs. These increases were partially offset by a decrease in outside service costs.

Equity earnings decreased by $0.4 million for 2011 compared to 2010.

NiSource Electric reported operating earnings of $203.0 million for the year ended Dec. 31, 2011, compared with operating earnings of $217.0 million for the prior year period. Net revenues, excluding trackers, decreased by $0.6 million primarily due to decreased residential and commercial margins and lower environmental cost recovery rates partially offset by increased industrial usage and margins and lower revenue credits.

Operating expenses, excluding trackers, increased by $13.4 million due primarily to an increase in employee and administrative expenses, higher outside service and rate case costs. These increases were partially offset by the costs incurred in the prior year related to an inventory write-off.

Corporate and Other Operations reported an operating earnings loss of $40.6 million for the year ended Dec. 31, 2011, compared to an operating earnings loss of $21.1 million for the year ended Dec. 31, 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items
Interest expense decreased by $15.5 million due to the repurchase of long-term debt in Nov. 2011 and Dec. 2010 and a long-term debt maturity in Nov. 2010. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in Nov. 2011, June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected expense of $7.3 million in 2011 compared to income of $3.8 million in 2010. The increase in expense is the result of additional charitable contributions in the current year.

The effective tax rate of net operating earnings was 34.5 percent compared to 35.8 percent for the same period last year.

Fourth Quarter 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated fourth quarter 2011 operating earnings (non-GAAP) were $252.9 million, compared to $247.8 million for the same period in 2010. Refer to Schedule 2 for the items included in the fourth quarter 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the fourth quarter ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $144.9 million versus operating earnings of $112.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory and tax trackers, increased $15.0 million, primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins.

Operating expenses, excluding trackers, were $17.0 million lower than the comparable period due to decreases in environmental costs and depreciation expenses. These decreases were partially offset by an increase in uncollectibles.

NiSource Gas Transmission and Storage reported operating earnings of $89.0 million versus operating earnings of $99.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory trackers, increased $24.9 million, primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010 and the impact of new Columbia Gulf rates placed into effect on May 1, 2011.

Operating expenses, excluding trackers, increased by $37.9 million primarily due to an increase in employee and administrative expenses, driven largely by pension contributions, and an increase in software costs. These increases were partially offset by a decrease in outside service costs and lower depreciation.

Equity earnings increased by $2.1 million primarily the result of an increase in earnings at Millennium Pipeline.

NiSource Electric reported operating earnings of $43.0 million versus operating earnings of $43.4 million from the same quarter last year. Net revenues, excluding regulatory trackers, decreased $4.7 million compared to the prior year. The decrease was primarily the result of lower environmental cost recovery due primarily to a decrease in environmental spend.

Operating expenses decreased by $4.3 million, excluding trackers, due primarily to lower electric generation costs which were partially offset by increased outside service costs.

Corporate and Other Operations reported an operating earnings loss of $24.0 million in the fourth quarter of 2011 compared to an operating earnings loss of $8.4 million in 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items

Interest expense decreased by $0.6 million in 2011 compared to 2010 due to the change in long-term debt noted above.

Other-net reflected an expense of $12.8 million compared to $3.5 million in 2010. The change in expense was the result of an increase in charitable contributions in the current year.

The effective tax rate of net operating earnings was 36.3 percent compared to 36.2 percent for the same period last year.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Dec. 31, 2011, of $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

The NiSource GAAP results reflect certain non-material corrections to its consolidated financial statements as of Dec. 31, 2010 and for the three and twelve months ended Dec. 31, 2010. The effect of these non-material corrections was a decrease in income from continuing operations of $9.4 million or $0.03 per share for the year ended Dec. 31, 2010 and a decrease in income from continuing operations of $1.6 million or $0.01 per share for the three months ended Dec. 31, 2010.

On November 14, 2011, NiSource commenced a cash tender offer to repurchase up to $250.0 million aggregate principal amount of its outstanding 10.75% notes due 2016 and 6.15% notes due 2013. A condition of the offering was that all validly tendered 2016 notes would be accepted for purchase before any 2013 notes were accepted. On December 13, 2011, NiSource announced that approximately $125.3 million of the aggregate principal amount of its outstanding 10.75% notes due 2016 were validly tendered. Based upon the principal amount of the 2016 notes tendered, NiSource also repurchased $124.7 million of the 2013 notes. As a result of this tender offer, NiSource incurred $53.9 million in early redemption fees, primarily attributable to early redemption premiums and unamortized discounts and fees, which are recorded as a loss on the early extinguishment of long-term debt.

During the fourth quarter of 2011, NiSource reviewed its current estimates for future environmental remediation costs related to the company's manufactured gas plant (MGP) sites. Following the review, NiSource revised its estimates based on expected remediation activities and experience with similar facilities and recorded $35.5 million of expense at subsidiaries for which environmental expense is not probable of recovery from customers.

About NiSource
NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements
This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this presentation are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; the effectiveness of NiSource's restructured outsourcing agreement; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counterparty credit risk and the matters set forth in the "Risk Factors" Section in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are risks beyond the control of NiSource. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)
(unaudited)

(in millions, except per share amounts*)*	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Net Revenues				
Gas Distribution	**$ 730.9**	$ 973.6	**$ 2,927.6**	$ 3,097.4
Gas Transportation and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**329.6**	316.7	**1,420.2**	1,367.5
Other	**29.2**	21.4	**92.5**	92.0
Gross Revenues	**1,450.7**	1,667.6	**5,794.9**	5,818.3
Cost of Sales (excluding depreciation and amortization)	**545.6**	752.3	**2,334.0**	2,379.2
Total Net Revenues	**905.1**	915.3	**3,460.9**	3,439.1
Operating Expenses				
Operation and maintenance	**406.0**	393.5	**1,488.5**	1,417.6
Operation and maintenance - trackers	**43.3**	62.6	**194.3**	239.7
Depreciation and amortization	**131.1**	138.8	**524.1**	584.7
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**54.0**	48.5	**212.6**	207.1
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**658.0**	671.2	**2,514.2**	2,538.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**252.9**	247.8	**961.3**	915.3
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Deductions	**(109.7)**	(101.0)	**(384.1)**	(388.5)
Operating Earnings From Continuing Operations Before Income Taxes	**143.2**	146.8	**577.2**	526.8
Income Taxes	**52.0**	53.2	**199.4**	188.6
Net Operating Earnings from Continuing Operations	**91.2**	93.6	**377.8**	338.2
GAAP Adjustment	**(73.6)**	(59.4)	**(74.0)**	(53.0)
GAAP Income from Continuing Operations	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Net Operating Earnings Per Share from Continuing Operations	**0.32**	0.33	**1.35**	1.22
GAAP Basic Earnings Per Share from Continuing Operations	**0.06**	0.12	**1.08**	1.03
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Gas Distribution Operations *(in millions)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Revenues				
Sales Revenues	**$ 877.0**	$ 1,123.4	**$ 3,508.4**	$ 3,677.2
Less: Cost of gas sold	**443.8**	679.8	**1,917.4**	2,065.6
Net Revenues	**433.2**	443.6	**1,591.0**	1,611.6
Operating Expenses				
Operation and maintenance	**178.6**	192.1	**694.5**	699.1
Operation and maintenance - trackers	**23.6**	44.6	**115.7**	170.8
Depreciation and amortization	**43.6**	49.5	**174.0**	239.3
Other taxes	**22.3**	19.9	**87.4**	82.5
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**288.3**	330.7	**1,152.2**	1,269.0
Operating Earnings	**$ 144.9**	$ 112.9	**$ 438.8**	$ 342.6
GAAP Adjustment	**(48.2)**	8.6	**(46.0)**	(10.3)
GAAP Operating Income	**$ 96.7**	$ 121.5	**$ 392.8**	$ 332.3

Gas Transmission and Storage Operations *(in millions)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Revenues				
Transportation revenues	**$ 222.6**	$ 205.8	**$ 776.7**	$ 728.4
Storage revenues	**48.1**	49.7	**196.1**	198.7
Other revenues	**12.6**	2.3	**32.8**	22.1
Net Operating Revenues	**283.3**	257.8	**1,005.6**	949.2
Operating Expenses				
Operation and maintenance	**137.1**	96.5	**407.7**	339.4
Operation and maintenance - trackers	**16.3**	15.7	**65.8**	59.9
Depreciation and amortization	**31.9**	35.8	**130.0**	130.7
Other taxes	**14.8**	13.6	**56.6**	57.4
Total Operating Expenses	**200.1**	161.6	**660.1**	587.4
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**$ 89.0**	$ 99.9	**$ 360.1**	$ 376.8
GAAP Adjustment	**(0.1)**	0.1	**(0.1)**	(0.2)
GAAP Operating Income	**$ 88.9**	$ 100.0	**$ 360.0**	$ 376.6

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Sales revenues	**$ 332.1**	$ 331.5	**$ 1,428.4**	$ 1,383.0
Less: Cost of sales	**122.5**	118.4	**548.8**	508.3
Net Revenues	**209.6**	213.1	**879.6**	874.7
Operating Expenses				
Operation and maintenance	**96.1**	101.3	**392.6**	378.3
Operation and maintenance - trackers	**3.3**	2.3	**12.8**	9.0
Depreciation and amortization	**49.9**	49.0	**200.6**	199.4
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**13.9**	13.9	**56.5**	58.6
Total Operating Expenses	**166.6**	169.7	**676.6**	657.7
Operating Earnings	**$ 43.0**	$ 43.4	**$ 203.0**	$ 217.0
GAAP Adjustment	**(3.2)**	(0.9)	**6.5**	3.8
GAAP Operating Income	**$ 39.8**	$ 42.5	**$ 209.5**	$ 220.8

Corporate and Other Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Operating Loss	**$ (24.0)**	$ (8.4)	**$ (40.6)**	$ (21.1)
GAAP Adjustment	**(15.6)**	(2.9)	**(16.6)**	(2.9)
GAAP Operating Loss	**$ (39.6)**	$ (11.3)	**$ (57.2)**	$ (24.0)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales and Transportation (MMDth)				
Residential	**72.6**	87.8	**254.5**	258.0
Commercial	**46.7**	51.7	**168.6**	166.8
Industrial	**109.5**	101.7	**431.8**	385.9
Off System	**10.2**	15.1	**62.4**	71.9
Other	**0.1**	0.1	**0.6**	1.0
Total	**239.1**	256.4	**917.9**	883.6
Weather Adjustment	**18.1**	(9.4)	**12.7**	5.1
Sales and Transportation Volumes - Excluding Weather	**257.2**	247.0	**930.6**	888.7
Heating Degree Days	**1,742**	2,177	**5,434**	5,547
Normal Heating Degree Days	**2,037**	2,037	**5,633**	5,633
% Colder (Warmer) than Normal	**(14%)**	7%	**(4%)**	(2%)
Customers				
Residential			**3,039,579**	3,039,874
Commercial			**280,521**	281,473
Industrial			**7,861**	7,668
Other			**19**	65
Total			**3,327,980**	3,329,080

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Throughput (MMDth)				
Columbia Transmission	**301.4**	342.3	**1,117.5**	1,092.4
Columbia Gulf	**270.6**	223.4	**1,048.0**	848.4
Crossroads Gas Pipeline	**4.0**	5.2	**18.7**	25.4
Intrasegment eliminations	**(124.0)**	(145.5)	**(548.5)**	(568.7)
Total	**452.0**	425.4	**1,635.7**	1,397.5

NiSource Inc.
Segment Volumes and Statistical Data

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales (Gigawatt Hours)				
Residential	**765.6**	792.4	**3,526.5**	3,625.6
Commercial	**931.3**	928.8	**3,886.5**	3,919.9
Industrial	**2,247.5**	2,137.2	**9,257.6**	8,459.0
Wholesale	**144.4**	181.4	**651.6**	817.1
Other	**44.2**	58.2	**165.5**	186.4
Total	**4,133.0**	4,098.0	**17,487.7**	17,008.0
Weather Adjustment	**31.1**	(15.8)	**(101.1)**	(174.1)
Sales Volumes - Excluding Weather impacts	**4,164.1**	4,082.2	**17,386.6**	**16,833.9**
Cooling Degree Days			**907**	977
Normal Cooling Degree Days			**808**	808
% Warmer (Colder) than Normal			**12%**	21%
Electric Customers				
Residential			**400,567**	400,522
Commercial			**54,029**	53,877
Industrial			**2,405**	2,432
Wholesale			**17**	15
Other			**737**	740
Total			**457,755**	457,586

NiSource Inc.
Schedule 1 – Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$ 91.2**	$ 93.6	**$ 377.8**	$ 338.2
Items excluded from operating earnings:				
Net Revenues:				
Weather - compared to normal	**(14.4)**	9.7	**(2.1)**	8.4
Revenue adjustment	**(0.6)**	(2.1)	**(0.6)**	(13.1)
Unregulated natural gas marketing business	**0.5**	0.4	**4.5**	6.2
Operating Expenses:				
Restructuring	**-**	-	**-**	(0.7)
Environmental MGP remediation review	**(35.5)**	-	**(35.5)**	-
Unregulated natural gas marketing business	**(1.2)**	(2.6)	**(5.6)**	(8.5)
Loss on sale of assets and asset impairments	**(15.9)**	(0.5)	**(16.9)**	(1.9)
Total items excluded from operating earnings	**(67.1)**	4.9	**(56.2)**	(9.6)
Loss on early extinguishment of debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Tax effect of above items	**47.4**	36.3	**42.9**	42.0
Income Taxes - Tax method / rate changes	**-**	(3.9)	**(6.8)**	(3.9)
Income Taxes - Rate settlement flow-through	**-**	-	**-**	15.2
Total items excluded from net operating earnings	**(73.6)**	(59.4)	**(74.0)**	(53.0)
Reported Income from Continuing Operations - GAAP	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Basic Net Operating Earnings Per Share from Continuing Operations	**$ 0.32**	$ 0.33	**$ 1.35**	$ 1.22
Items excluded from net operating earnings (after-tax)	**(0.26)**	(0.21)	**(0.27)**	(0.19)
GAAP Basic Earnings Per Share from Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 144.9**	**$ 89.0**	**$ 43.0**	**$ (24.0)**	**$ 252.9**
Net Revenues:					
Weather (compared to normal)	(12.1)	-	(2.3)	-	**(14.4)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	0.5	**0.5**
Total Impact - Net Revenues	**(12.1)**	**-**	**(2.9)**	**0.5**	**(14.5)**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(1.2)	**(1.2)**
Loss on sale of assets and asset impairments	(0.6)	(0.1)	(0.3)	(14.9)	**(15.9)**
Total Impact - Operating Expenses	**(36.1)**	**(0.1)**	**(0.3)**	**(16.1)**	**(52.6)**
Total Impact - Operating Income (Loss)	**$ (48.2)**	**$ (0.1)**	**$ (3.2)**	**$ (15.6)**	**$ (67.1)**
Operating Income (Loss) - GAAP	**$ 96.7**	**$ 88.9**	**$ 39.8**	**$ (39.6)**	**$ 185.8**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 112.9**	**$ 99.9**	**$ 43.4**	**$ (8.4)**	**$ 247.8**
Net Revenues:					
Weather (compared to normal)	8.6	-	1.1	-	**9.7**
Revenue adjustment	-	-	(2.1)	-	**(2.1)**
Unregulated natural gas marketing business	-	-	-	0.4	**0.4**
Total Impact - Net Revenues	**8.6**	**-**	**(1.0)**	**0.4**	**8.0**
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(2.6)	**(2.6)**
Gain/(Loss) on sale of assets and asset impairments	-	0.1	0.1	(0.7)	**(0.5)**
Total Impact - Operating Expenses	**-**	**0.1**	**0.1**	**(3.3)**	**(3.1)**
Total Impact - Operating Income (Loss)	**$ 8.6**	**$ 0.1**	**$ (0.9)**	**$ (2.9)**	**$ 4.9**
Operating Income (Loss) - GAAP	**$ 121.5**	**$ 100.0**	**$ 42.5**	**$ (11.3)**	**$ 252.7**

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Twelve Months ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 438.8**	**$ 360.1**	**$ 203.0**	**$ (40.6)**	**$ 961.3**
Net Revenues:					
Weather (compared to normal)	(9.7)	-	7.6	-	**(2.1)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	4.5	**4.5**
Total Impact - Net Revenues	**(9.7)**	**-**	**7.0**	**4.5**	**1.8**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(5.6)	**(5.6)**
Loss on sale of assets and asset impairments	(0.8)	(0.1)	(0.5)	(15.5)	**(16.9)**
Total Impact - Operating Expenses	**(36.3)**	**(0.1)**	**(0.5)**	**(21.1)**	**(58.0)**
Total Impact - Operating (Loss) Income	**$ (46.0)**	**$ (0.1)**	**$ 6.5**	**$ (16.6)**	**$ (56.2)**
Operating Income (Loss) - GAAP	**$ 392.8**	**$ 360.0**	**$ 209.5**	**$ (57.2)**	**$ 905.1**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 342.6**	**$ 376.8**	**$ 217.0**	**$ (21.1)**	**$ 915.3**
Net Revenues:					
Weather (compared to normal)	(3.4)	-	11.8	-	**8.4**
Revenue adjustment	(5.7)	-	(7.4)	-	**(13.1)**
Unregulated natural gas marketing business	-	-	-	6.2	**6.2**
Total Impact - Net Revenues	**(9.1)**	**-**	**4.4**	**6.2**	**1.5**
Operating Expenses					
Restructuring	(0.2)	-	(0.5)	-	**(0.7)**
Unregulated natural gas marketing business	-	-	-	(8.5)	**(8.5)**
Loss on sale of assets and asset impairments	(1.0)	(0.2)	(0.1)	(0.6)	**(1.9)**
Total Impact - Operating Expenses	**(1.2)**	**(0.2)**	**(0.6)**	**(9.1)**	**(11.1)**
Total Impact – Operating(Loss) Income	**$ (10.3)**	**$ (0.2)**	**$ 3.8**	**$ (2.9)**	**$ (9.6)**
Operating Income (Loss) - GAAP	**$ 332.3**	**$ 376.6**	**$ 220.8**	**$ (24.0)**	**$ 905.7**

NiSource Inc.
Consolidated Income Statements (GAAP) (unaudited)

(in millions, except per share amounts)	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Revenues				
Gas Distribution	**$ 718.8**	$ 971.6	**$ 2,917.9**	$ 3,094.0
Gas Transmission and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**327.3**	328.5	**1,427.7**	1,379.3
Other	**83.4**	96.0	**318.9**	679.9
Gross Revenues	**1,490.5**	1,752.0	**6,019.1**	6,414.6
Cost of Sales (excluding depreciation and amortization)	**599.9**	828.7	**2,556.4**	2,974.1
Total Net Revenues	**890.6**	923.3	**3,462.7**	3,440.5
Operating Expenses				
Operation and maintenance	**485.7**	457.5	**1,722.5**	1,663.3
Depreciations and amortization	**134.5**	142.0	**538.2**	597.1
Impairment and loss on sale of assets, net	**15.7**	0.8	**16.8**	2.0
Other taxes	**74.7**	74.0	**294.7**	287.4
Total Operating Expenses	**710.6**	674.3	**2,572.2**	2,549.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Income	**185.8**	252.7	**905.1**	905.7
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Loss on early extinguishment of long-term debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Income (Deductions)	**(163.6)**	(197.7)	**(438.0)**	(485.2)
Income From Continuing Operations Before Income Taxes	**22.2**	55.0	**467.1**	420.5
Income Taxes	**4.6**	20.8	**163.3**	135.3
Income from Continuing Operations	**17.6**	34.2	**303.8**	285.2
(Loss) Gain from Discontinued Operations - net of taxes	**(2.9)**	(2.4)	**(4.7)**	(2.7)
Gain (Loss) on sale of Discontinued Operations - net of taxes	**-**	-	**-**	0.1
Net Income	**$ 14.7**	$ 31.8	**$ 299.1**	$ 282.6
Basic Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Basic Earnings Per Share	**$ 0.05**	$ 0.11	**$ 1.06**	$ 1.02
Diluted Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.11	**$ 1.05**	$ 1.02
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted Earnings Per Share	**$ 0.05**	$ 0.10	**$ 1.03**	$ 1.01
Dividends Declared Per Common Share	**$ 0.23**	$ 0.23	**$ 0.92**	$ 0.92
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Diluted Average Common Shares	**291.1**	282.6	**288.5**	280.1

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited)

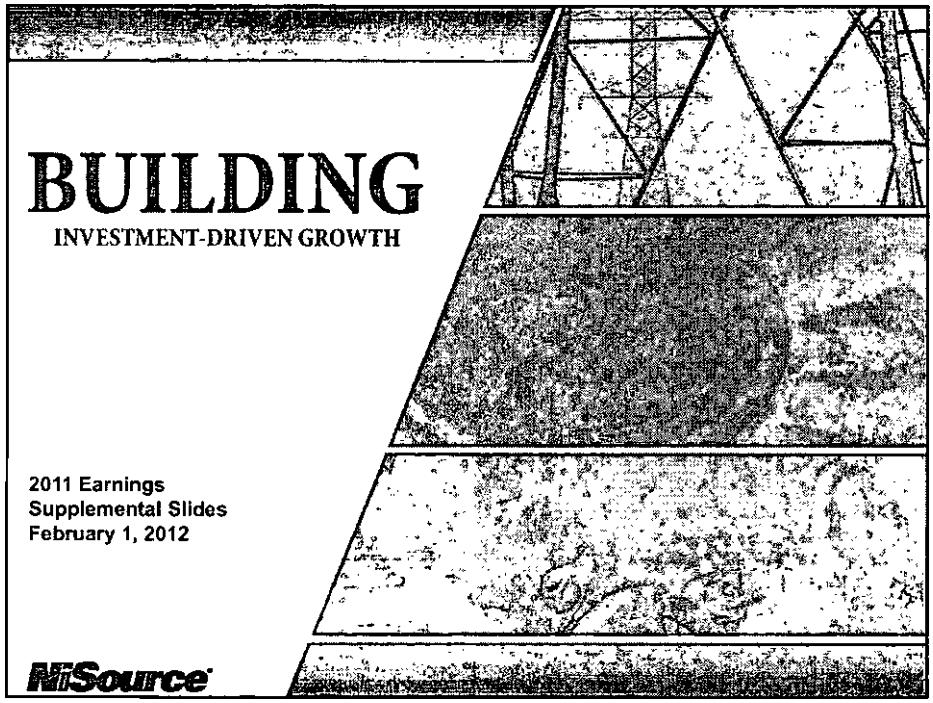
(in millions)	December 31, 2011	December 31, 2010
ASSETS		
Property, Plant and Equipment		
Utility Plant	$ 20,337.8	$ 19,494.9
Accumulated depreciation and amortization	(8,670.2)	(8,492.6)
Net utility plant	11,667.6	11,002.3
Other property, at cost, less accumulated depreciation	132.5	94.7
Net Property, Plant and Equipment	11,800.1	11,097.0
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	0.2	7.9
Unconsolidated affiliates	204.7	200.9
Other investments	150.9	139.7
Total Investments and Other Assets	355.8	348.5
Current Assets		
Cash and cash equivalents	11.5	9.2
Restricted cash	160.6	202.9
Accounts receivable (less reserve of $30.5 and $37.4, respectively)	854.8	1,079.3
Income tax receivable	0.9	99.0
Gas inventory	427.6	298.2
Underrecovered gas and fuel costs	20.7	120.7
Materials and supplies, at average cost	87.6	83.8
Electric production fuel, at average cost	50.9	46.0
Price risk management assets	137.2	159.5
Exchange gas receivable	64.9	62.7
Regulatory assets	169.7	143.8
Prepayments and other	261.8	120.8
Total Current Assets	2,248.2	2,425.9
Other Assets		
Price risk management assets	188.7	240.3
Regulatory assets	1,978.2	1,648.0
Goodwill	3,677.3	3,677.3
Intangible assets	297.6	308.6
Postretirement and postemployment benefits assets	31.5	35.1
Deferred charges and other	130.9	132.7
Total Other Assets	6,304.2	6,042.0
Total Assets	$ 20,708.3	$ 19,913.4

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited) (continued)

(in millions, except share amounts)	December 31, 2011	December 31, 2010
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 281,853,571 and 278,855,291 shares issued and outstanding, respectively	$ 2.8	$ 2.8
Additional paid-in capital	4,167.7	4,103.9
Retained earnings	917.0	876.1
Accumulated other comprehensive loss	(59.7)	(57.9)
Treasury stock	(30.5)	(27.4)
Total Common Stockholders' Equity	4,997.3	4,897.5
Long-term debt, excluding amounts due within one year	6,267.1	5,936.1
Total Capitalization	11,264.4	10,833.6
Current Liabilities		
Current portion of long-term debt	327.3	34.2
Short-term borrowings	1,359.4	1,382.5
Accounts payable	434.8	581.8
Dividends payable	-	0.1
Customer deposits and credits	313.6	318.1
Taxes accrued	220.9	221.1
Interest accrued	111.9	114.4
Overrecovered gas and fuel costs	48.9	21.4
Price risk management liabilities	167.8	173.9
Exchange gas payable	168.2	266.1
Deferred revenue	10.1	6.8
Regulatory liabilities	112.0	92.9
Accrued liability for postretirement and postemployment benefits	26.6	23.3
Legal and environmental reserves	43.9	86.0
Other accruals	301.0	343.7
Total Current Liabilities	3,646.4	3,666.3
Other Liabilities and Deferred Credits		
Price risk management liabilities	138.9	181.6
Deferred income taxes	2,541.9	2,193.1
Deferred investment tax credits	29.0	33.7
Deferred credits	78.9	68.6
Deferred revenue	-	0.3
Accrued liability for postretirement and postemployment benefits	953.8	1,039.6
Regulatory liabilities and other removal costs	1,663.9	1,595.8
Asset retirement obligations	146.4	138.8
Other noncurrent liabilities	244.7	162.0
Total Other Liabilities and Deferred Credits	5,797.5	5,413.5
Commitments and Contingencies (Refer to Note 20)	-	-
Total Capitalization and Liabilities	$ 20,708.3	$ 19,913.4

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP) (unaudited)

Year Ended December 31, *(in millions)*	2011	2010
Operating Activities		
Net Income	$ 299.1	$ 282.6
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Loss on early extinguishment of debt	53.9	96.7
Depreciation and amortization	538.2	597.1
Net changes in price risk management assets and liabilities	38.1	(5.5)
Deferred income taxes and investment tax credits	178.4	193.9
Deferred revenue	2.5	(20.4)
Stock compensation expense and 401(k) profit sharing contribution	39.2	30.9
Loss (Gain) on sale of assets	0.1	(0.1)
Loss on impairment of assets	16.7	2.1
Income from unconsolidated affiliates	(13.7)	(14.8)
Gain on disposition of discontinued operations - net of taxes	-	(0.1)
Loss from discontinued operations - net of taxes	4.7	2.7
Amortization of discount/premium on debt	8.9	10.3
AFUDC equity	(2.4)	(6.1)
Distribution Received from Equity Earnings	18.8	12.9
Changes in Assets and Liabilities:		
Accounts receivable	219.6	(243.9)
Income tax receivable	98.1	51.5
Inventories	(141.8)	103.3
Accounts payable	(154.8)	37.7
Customer deposits and credits	(4.5)	(25.0)
Taxes accrued	2.3	(117.0)
Interest accrued	(2.5)	(10.7)
(Under) Overrecovered gas and fuel costs	127.5	(243.0)
Exchange gas receivable/payable	(100.1)	(14.2)
Other accruals	33.2	63.4
Prepayments and other current assets	(10.2)	(11.5)
Regulatory assets/liabilities	(322.9)	164.3
Postretirement and postemployment benefits	(92.7)	(146.6)
Deferred credits	(2.3)	(2.6)
Deferred charges and other noncurrent assets	6.9	7.9
Other noncurrent liabilities	82.0	(13.2)
Net Operating Activities from Continuing Operations	920.3	782.6
Net Operating Activities used for Discontinued Operations	(50.1)	(57.2)
Net Cash Flows from Operating Activities	870.2	725.4
Investing Activities		
Capital expenditures	(1,125.2)	(803.8)
Insurance recoveries	-	5.0
Proceeds from disposition of assets	9.4	0.5
Restricted cash (withdrawals) deposits	42.3	(28.2)
Contributions to equity investees	(6.4)	(87.9)
Distributions from equity investees	-	23.8
Other investing activities	(69.4)	(53.1)
Net Investing Activities used for Continuing Operations	(1,149.3)	(943.7)
Net Investing Activities from Discontinued Operations	-	0.4
Net Cash Flows used for Investing Activities	(1,149.3)	(943.3)
Financing Activities		
Issuance of long-term debt	890.0	244.6
Retirement of long-term debt	(286.9)	(977.7)
Premium and other costs to retire debt	(62.1)	(93.0)
Change in short-term debt, net	(23.1)	1,279.5
Issuance of common stock	24.4	14.4
Acquisition of treasury stock	(3.1)	(1.5)
Dividends paid - common stock	(257.8)	(255.6)
Net Cash Flows from Financing Activities	281.4	210.7
Change in cash and cash equivalents from continuing operations	52.4	49.6
Cash (contributions to) receipts from discontinued operations	(50.1)	(56.8)
Cash and cash equivalents at beginning of period	9.2	16.4
Cash and Cash Equivalents at End of Period	$ 11.5	$ 9.2



Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative Changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2012 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

NiSource: A Compelling Investment

Delivering Shareholder Value

- Results at the top of 2011 earnings guidance
  - 2011 EPS: $1.35 per share*
  - Meeting earnings commitment for the fifth consecutive year
- Industry-leading total shareholder return of 40 percent
- Significant infrastructure-investment
  - $1.13B capital program executed in 2011
  - Record-level $1.4B capital program outlined for 2012
- Commitment, focus and solid execution

* *Net Operating Earnings from Continuing Operations (non-GAAP)*

Significant Financial Achievement

2011 Financial Highlights

Non-GAAP	2011*	2010*	Change*
Net Operating Earnings from Continuing Operations	$377.8	$338.2	$39.6
Operating Earnings Per Share	$1.35	$1.22	$0.13
Operating Earnings	$961.3	$915.3	$46.0

GAAP	2011*	2010*	Change*
Income from Continuing Operations	$303.8	$285.2	$18.6
Earnings Per Share	$1.08	$1.03	$0.05
Operating Income	$905.1	$905.7	($0.6)

* *All Results Listed in Millions, Except for EPS.*
For a Reconciliation to GAAP, See Schedule 1 of the Company's Feb. 1, 2012 Earnings Release

A Foundation for Sustainable Growth

NiSource Electric – 2011 Highlights*

- Operating earnings $203.0M in 2011 vs. $217.0M in 2010**
- Revenues slightly lower by $0.6M; Operating expenses up $13.4M primarily due to higher employee and administrative expenses and outside service costs
- Rate case settlement approved without modification
- Various new customer-focused programs launched in 2011

2012 Highlights Going Forward

Highlight	Key Components	Status
Coal-Fired Generation Environmental Investments	• $850M of environmental investments • Flue Gas Desulfurization equipment at Schahfer units in process	• Schahfer units on schedule, on budget
Transmission Project	• 100-mile, 345-KV transmission project • Investment of approximately $270M • Part of MISO system improvements across Midwest	• Preliminary outreach, planning to start in 2012 • Projected in-service latter part of decade
Capital Investment	• ~$415M planned in 2012 • Environmental, reliability, customer service	• Ongoing

Revenues & Expenses Exclude Trackers
*** Non-GAAP, For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb 1, 2012 Earnings Release*

Continued Shale Growth Opportunities

NiSource Gas Transmission & Storage – 2011 Highlights*

- Operating earnings $360.1M in 2011 vs. $376.8M in 2010**
- Revenues increase $50.5M primarily from growth projects placed in service
- Operating expenses up $66.8M, primarily due to pension contributions and an environmental expense

2012 Highlights Going Forward

Project	Key Components	Status
Pennsylvania Marcellus Pipeline Project	• 90 miles of pipeline facilities in western Pennsylvania • 300K Dth initial capacity • ~$145M investment	• Letter of intent signed • Scheduled in-service late 2012
Millennium Expansion	• New 12,000 horsepower compressor station • ~$43M partnership investment	• Pending FERC approval • Projected in-service Nov. 2012
Rimersburg Expansion	• Phase I, $6M investment adding ~20K Dth per day of capacity	• Phase I projected in-service Q1 2012
Capital Investment	• ~$430M planned for 2012	• Focus on Utica, Marcellus shale growth opportunities

Revenues & Expenses Exclude Trackers
*** Non-GAAP, For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Ongoing Infrastructure Modernization

NiSource Gas Distribution – 2011 Highlights*

- Operating earnings $438.8M in 2011 vs. $342.6M in 2010**
- Revenues up $31.2M, reflecting regulatory and infrastructure programs
- Operating expenses $65.0M lower, primarily reflecting change in depreciation rates
- Approximately $320M invested in modernization and replacement programs in 2011; Virginia received approval for accelerated recovery of infrastructure projects
- Pennsylvania rate case approved in October
- Expanded energy efficiency initiatives in Ohio starting in 2012

2012 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania, Virginia • $4B+ program benefits customers, communities and contributes to earnings growth	• ~$530M capital investment planned in 2012

*Revenues & Expenses Exclude Trackers
**Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release

Investment-Driven Growth Platform

2011 Financing Highlights

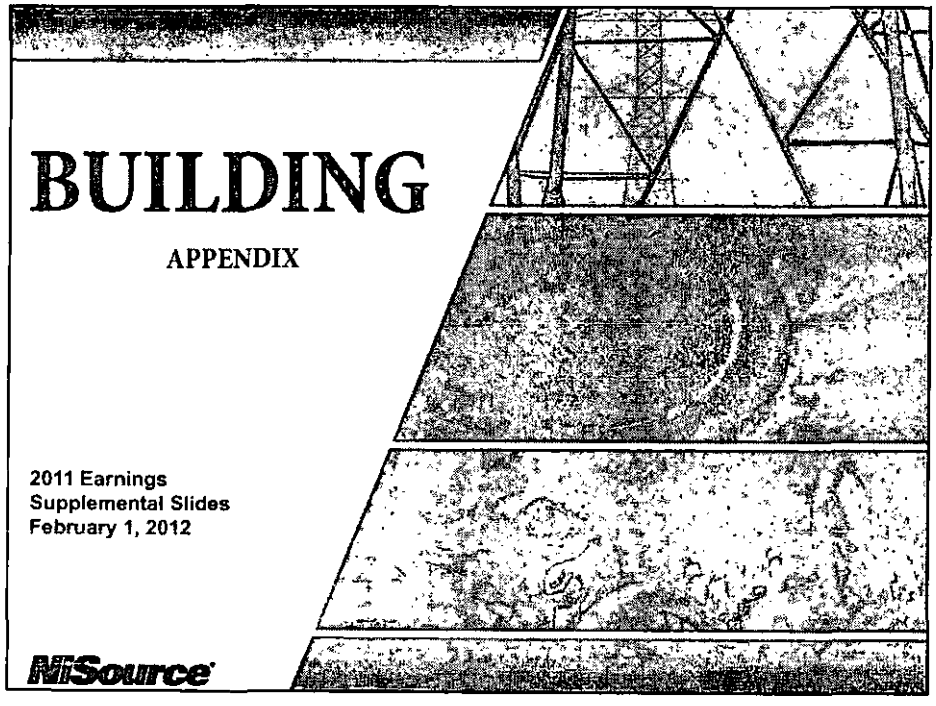
- Reducing financing costs, extending maturity profile
  - Total of $900M of long-term notes issued
  - $250M debt tender offer completed
  - $500M commercial paper program launched
  - $1.5B revolving credit facility renewed for an additional four years
- Managing future pension expenses
  - $400M total pension contribution in 2011
- Strong cash position
  - $364M in excess liquidity
- Stable investment-grade credit ratings reaffirmed

Delivering Shareholder Value

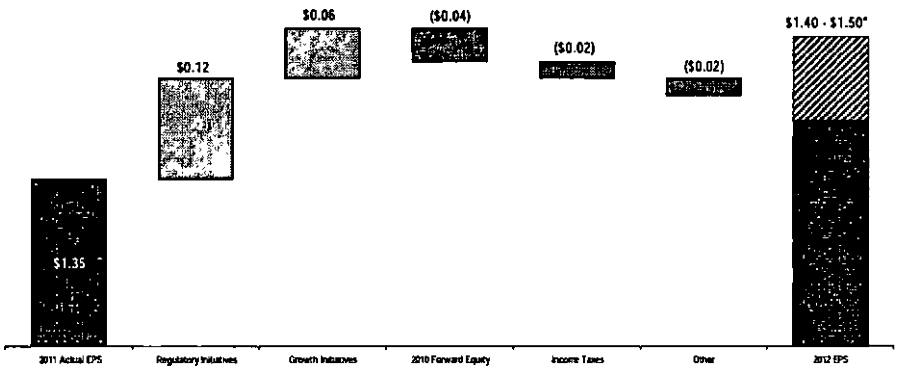
Key Takeaways for 2012

- Sustainable, long-term growth
  - 2012 EPS guidance: $1.40 to $1.50 per share*
  - Mid-point represents 7.4 percent growth over 2011*
- Record-level $1.4B in capital investments in 2012
  - All business units positioned for continued long-term growth with identified infrastructure investment opportunities
    - ~$430M at NGT&S
    - ~$530M at NGD
    - ~$415M at Electric operations
- Strong financial foundation, secure dividend, investment-grade credit ratings

* *Net Operating Earnings from Continuing Operations (non-GAAP)*



2011 to 2012 – EPS*



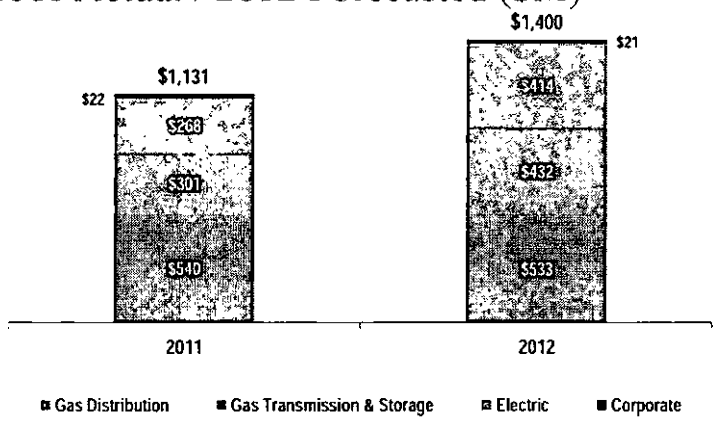
* Projected Net Operating Earnings from Continuing Operations (non-GAAP)

NiSource

2012 EPS Guidance Range $1.40 - $1.50*

Capital Expenditures

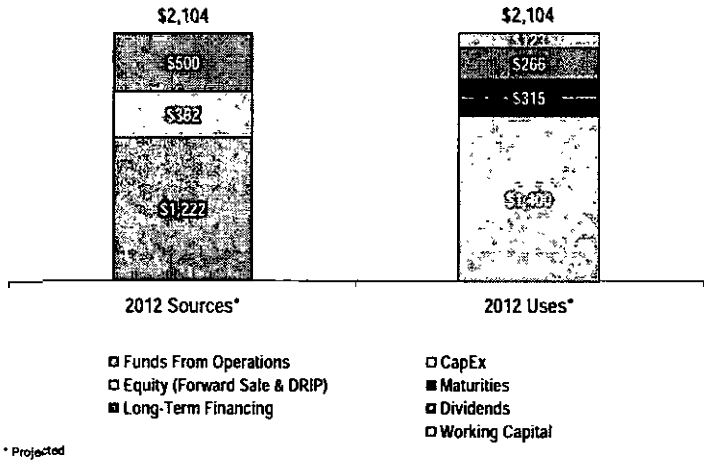
2011 Actual / 2012 Forecasted ($M)



NiSource

2012 Growth & Tracker ~$900M / Age & Condition ~$500M

2012 Sources and Uses of Cash ($M)



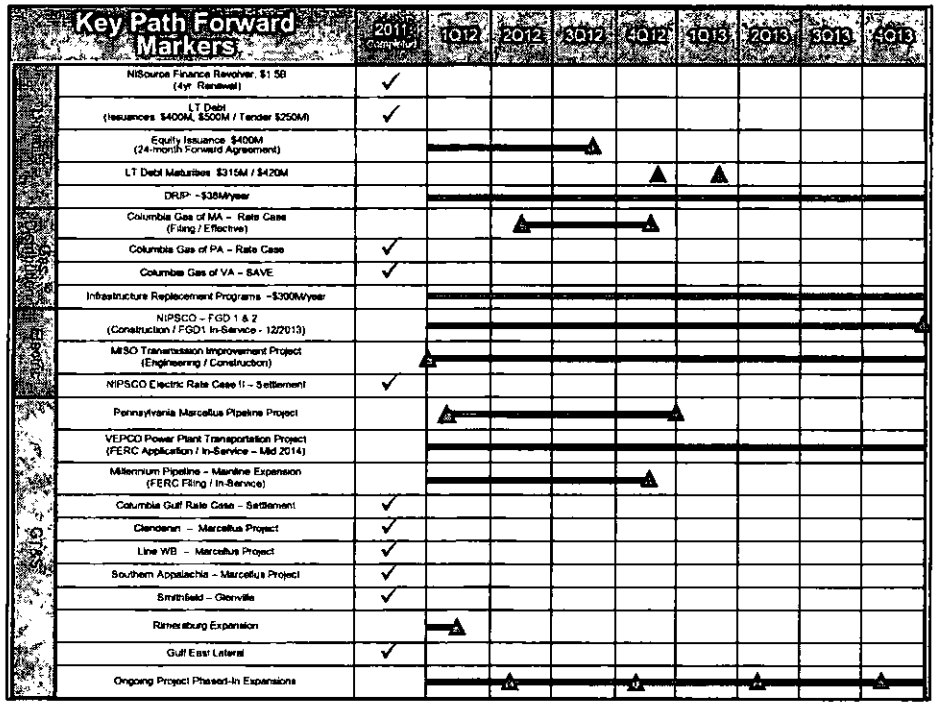
* Projected

NiSource

Current Liquidity ($M)

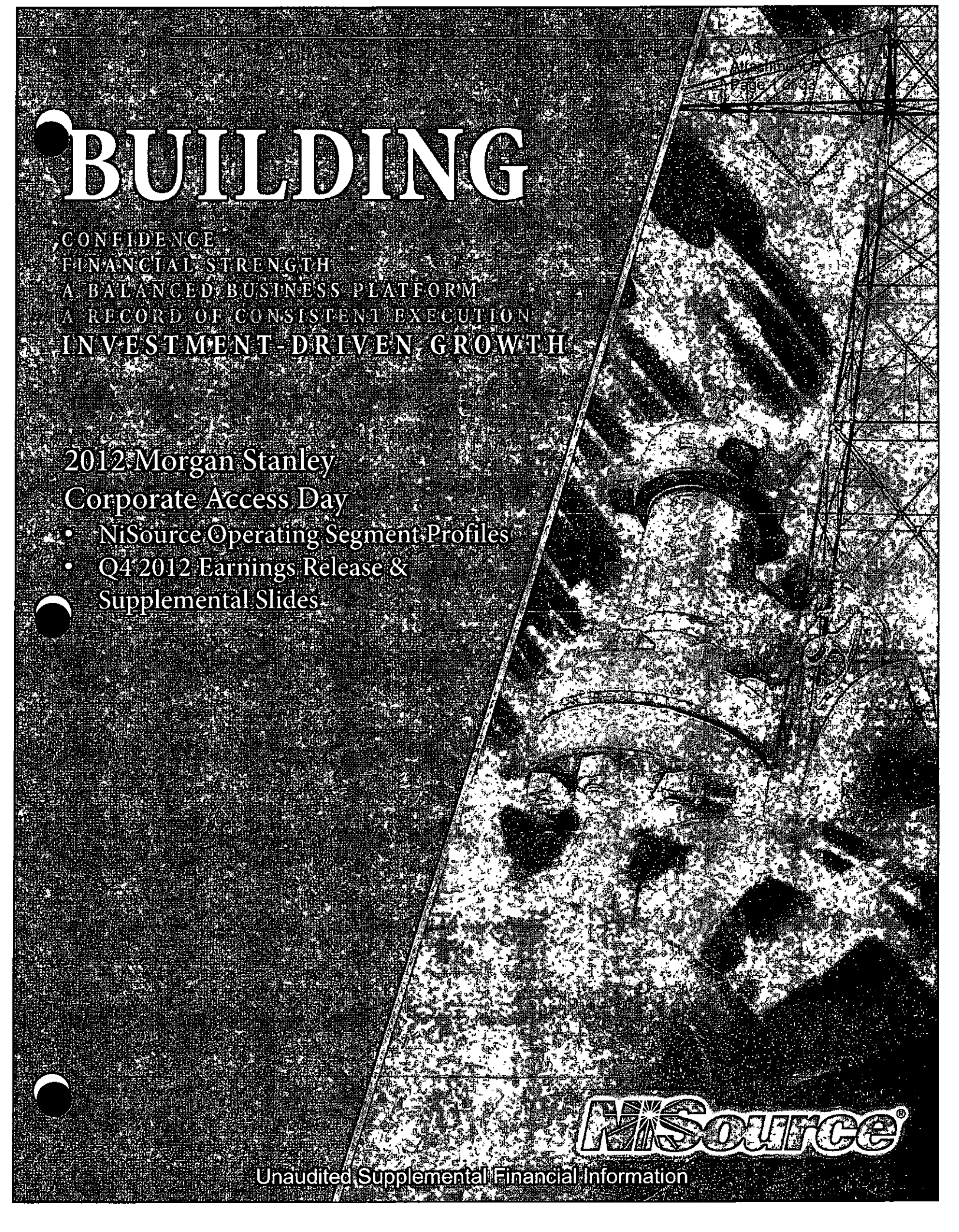
	Actual 12/31/11	Maturity
Committed Credit Facility	$1,500	March 2015
Less:		
Drawn on Credit Facility	(725)	
Commercial Paper	(403)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	11	
Net Available Liquidity	$364	

NiSource


Key Path Forward Markers
2011 Completed
1Q12
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
NiSource Finance Revolver, $1.5B (4yr Renewal)
LT Debt (Issuances $400M, $500M / Tender $250M)
Equity Issuance $400M (24-month Forward Agreement)
LT Debt Maturities $315M / $420M
DRIP ~$38M/year
Columbia Gas of MA – Rate Case (Filing / Effective)
Columbia Gas of PA – Rate Case
Columbia Gas of VA – SAVE
Infrastructure Replacement Programs ~$300M/year
NIPSCO – FGD 1 & 2 (Construction / FGD1 In-Service - 12/2013)
MISO Transmission Improvement Project (Engineering / Construction)
NIPSCO Electric Rate Case II – Settlement
Pennsylvania Marcellus Pipeline Project
VEPCO Power Plant Transportation Project (FERC Application / In-Service – Mid 2014)
Millennium Pipeline – Mainline Expansion (FERC Filing / In-Service)
Columbia Gulf Rate Case – Settlement
Clendenin – Marcellus Project
Line WB – Marcellus Project
Southern Appalachia – Marcellus Project
Smithfield – Glenville
Rimersburg Expansion
Gulf East Lateral
Ongoing Project Phase-In Expansions

BUILDING

CONFIDENCE
FINANCIAL STRENGTH
A BALANCED BUSINESS PLATFORM
A RECORD OF CONSISTENT EXECUTION
INVESTMENT-DRIVEN GROWTH



2012 Morgan Stanley Corporate Access Day

- NiSource Operating Segment Profiles
- Q4 2012 Earnings Release & Supplemental Slides

NiSource®

Unaudited Supplemental Financial Information

NISOURCE
CORPORATE PROFILE

NiSource Inc. (NYSE:NI) is an energy holding company with headquarters in Merrillville, Ind. Our companies provide natural gas, electricity and other products and services to approximately 3.8 million customers located within the high-demand energy corridor that runs from the Gulf Coast through the Midwest to New England. Our business strategy is focused on our core, rate-regulated, asset-based businesses which generate substantially all of our operating income.

GAS DISTRIBUTION

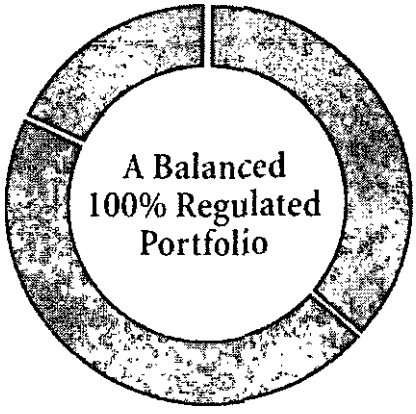
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

GAS TRANSMISSION & STORAGE

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Prolific Marcellus Shale Production Region of Appalachia
- Deep Inventory of Attractive Investment Opportunities

ELECTRIC OPERATIONS

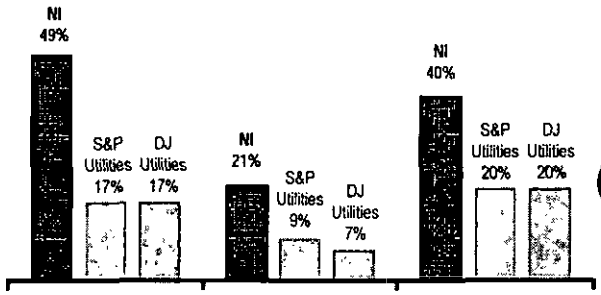
- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of Approximately 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



FINANCIAL HIGHLIGHTS (12/31/2011)

Stock Price	$23.81
Common Shares Outstanding	281.9M
Annual Dividend	$0.92
Market Capitalization	$6.71B

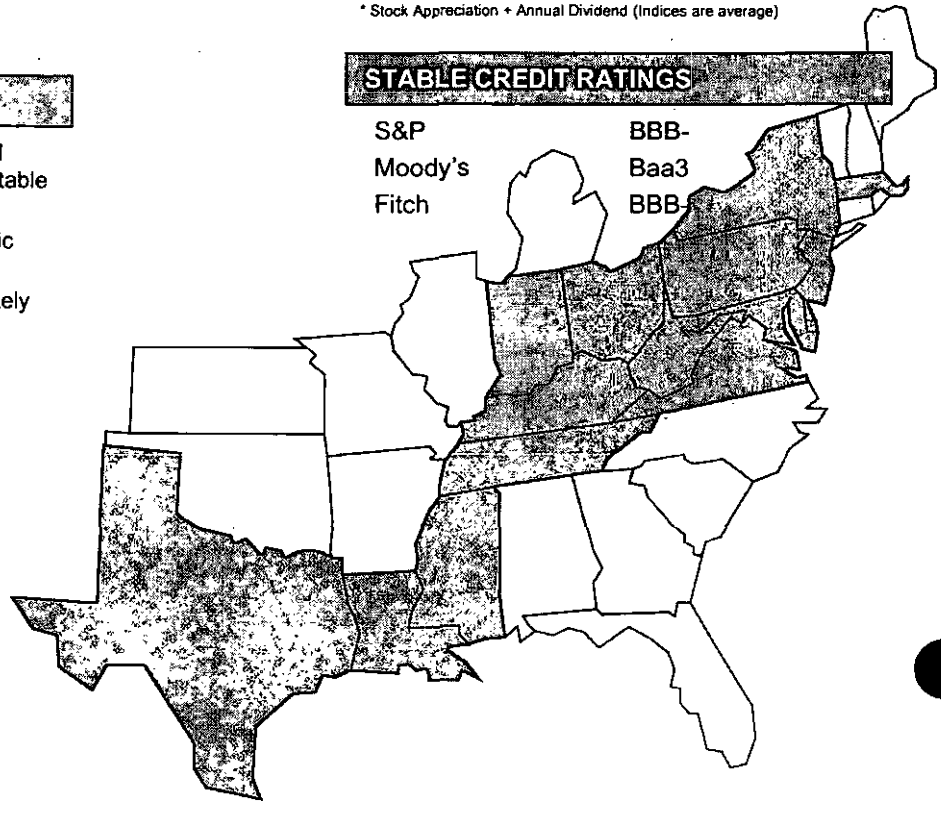
TOTAL SHAREHOLDER RETURN*



* Stock Appreciation + Annual Dividend (Indices are average)

STABLE CREDIT RATINGS

S&P	BBB-
Moody's	Baa3
Fitch	BBB-



NISOURCE
GAS DISTRIBUTION

Our natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 58,000 miles of pipeline. Under the banner of "Columbia Gas," NiSource owns six distribution subsidiaries that provide clean and affordable natural gas to approximately 2.5 million residential, commercial and industrial customers in Ohio, Pennsylvania, Maryland, Virginia, Kentucky and Massachusetts. NiSource also distributes natural gas to approximately 795,000 customers in Indiana through our Northern Indiana Public Service Company (NIPSCO) subsidiary.

NiSource gas distribution companies have established a state-of-the-art regulatory platform that focuses on de-risking earnings and synching long-term, low risk infrastructure replacement programs with complementary regulatory recovery mechanisms.

COLUMBIA GAS OF OHIO
- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers; 19,000+ Miles of Pipe

COLUMBIA GAS OF PENNSYLVANIA
- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers; 7,400 Miles of Pipe

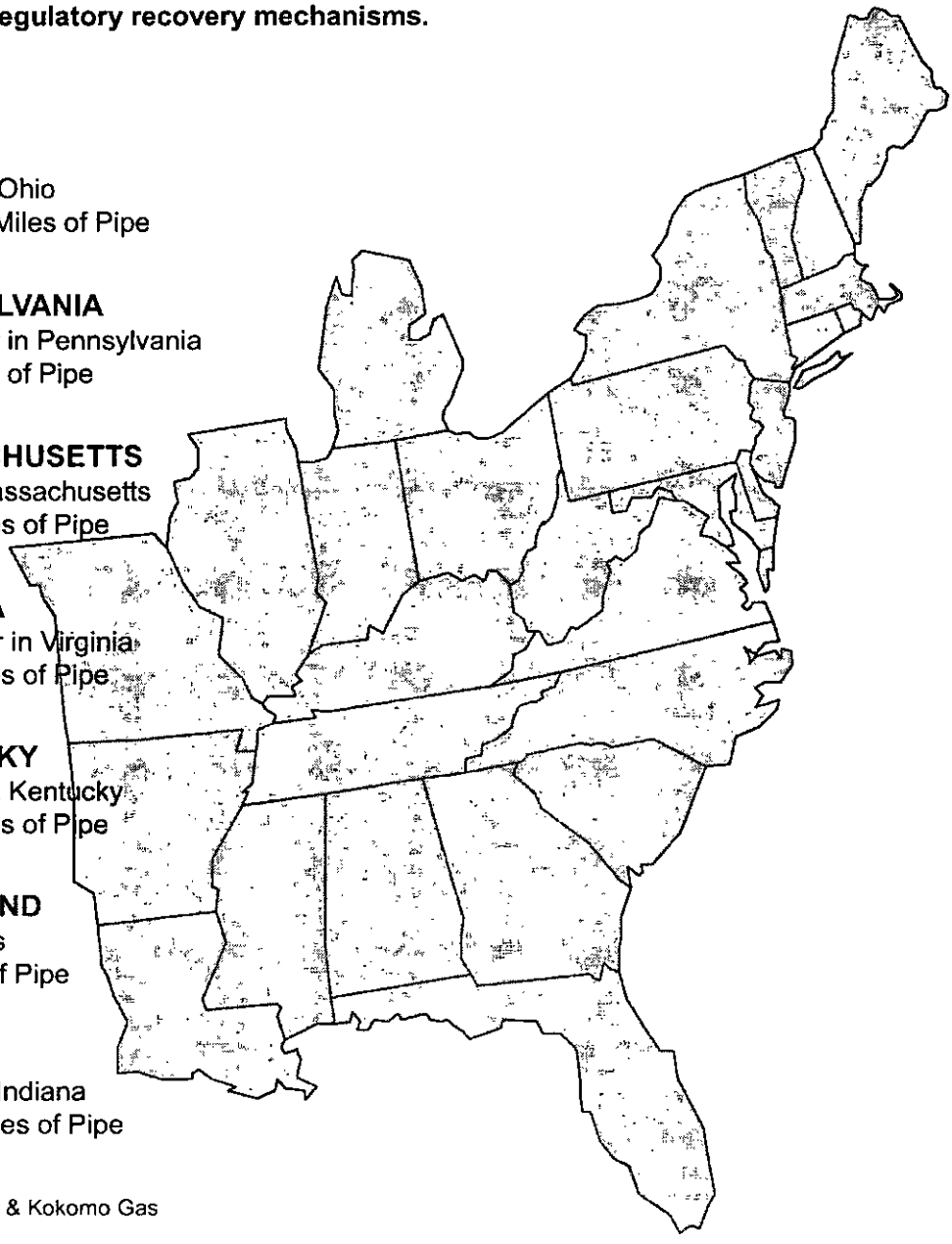
COLUMBIA GAS OF MASSACHUSETTS
- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF VIRGINIA
- 2nd Largest Natural Gas Provider in Virginia
- 240,000 Customers; 4,800+ Miles of Pipe

COLUMBIA GAS OF KENTUCKY
- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers; 2,500+ Miles of Pipe

COLUMBIA GAS OF MARYLAND
- Complementary to PA Operations
- 33,000 Customers; 750+ Miles of Pipe

NIPSCO GAS*
- Largest Natural Gas Provider in Indiana
- 795,000 Customers; 16,000+ Miles of Pipe



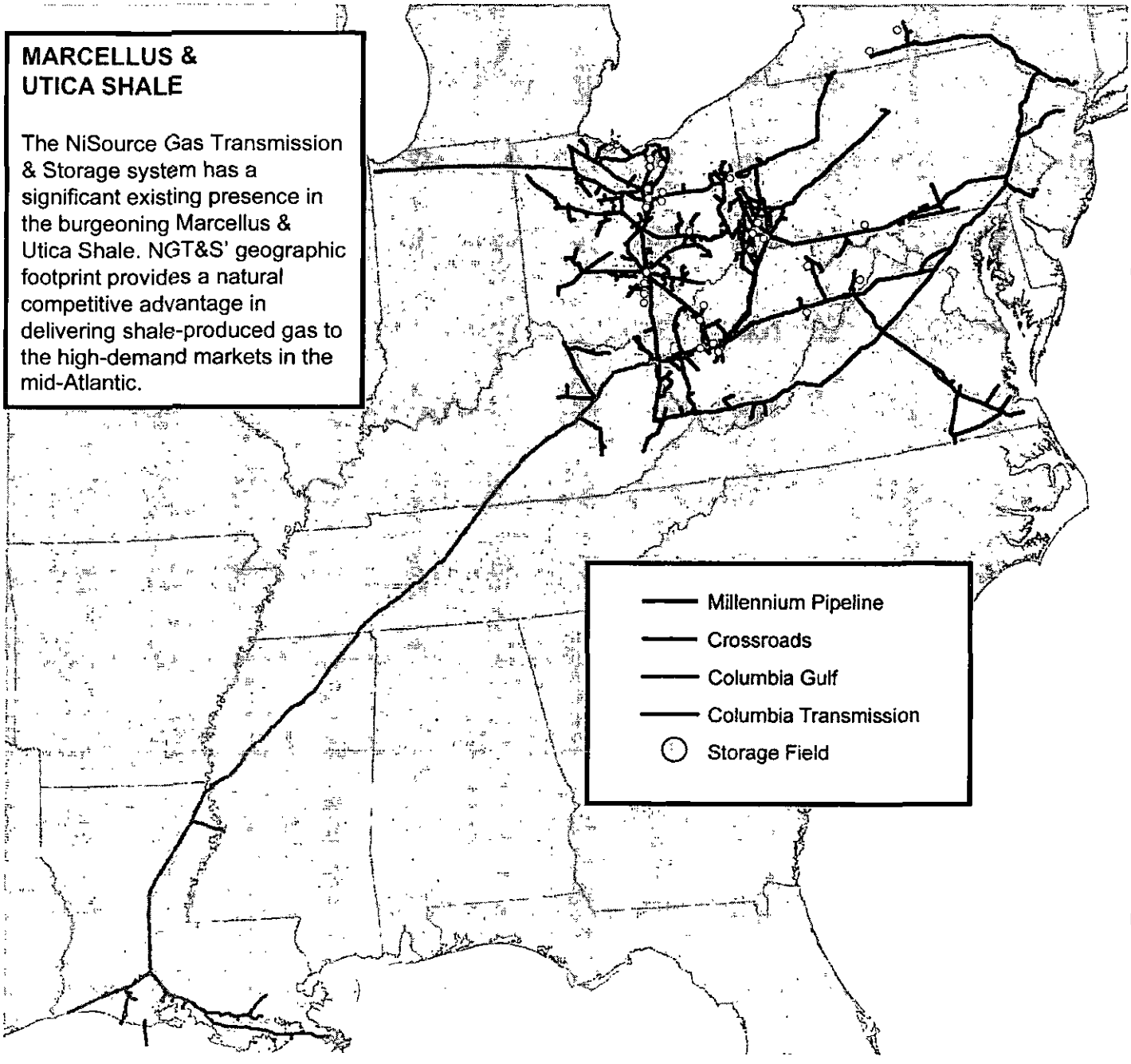
* Includes Northern Indiana Fuel and Light & Kokomo Gas

NISOURCE
GAS TRANSMISSION & STORAGE

NiSource Gas Transmission & Storage (NGT&S) is an interstate natural gas transmission and storage company that transports natural gas through its 15,000 miles of pipeline, and stores natural gas in its 37 market area storage fields with a capacity of approximately 640 Bcf.

The NiSource Gas Transmission & Storage companies service customers in more than 15 states. From the Gulf Coast to the Midwest, Mid-Atlantic and Northeast, the system connects premium natural gas supplies with some of the nation's strongest energy markets.

More than one trillion cubic feet of natural gas flows through the companies' pipeline and storage systems each year, providing competitively priced, clean energy for millions of homes, businesses and industries.

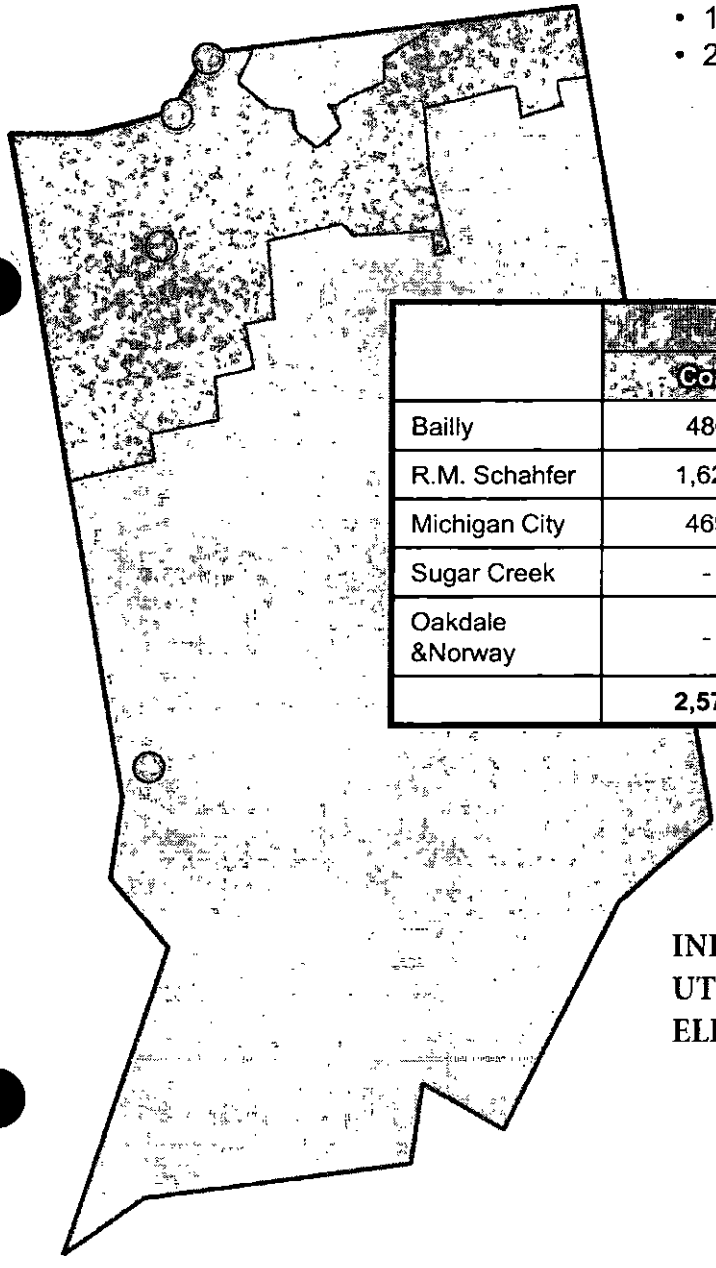


NISOURCE
ELECTRIC OPERATIONS

NiSource generates, transmits and distributes electricity through its subsidiary Northern Indiana Public Service Company (NIPSCO) to approximately 458,000 customers in 20 counties located in northern Indiana. NIPSCO owns and operates four electric generating stations with a total generating capacity of approximately 3,300MW (78% coal, 22% natural gas) NIPSCO's transmission system, with voltages from 69Kv, consists of 2,800 circuit miles interconnecting with five neighboring electric utilities.

NIPSCO electric has more than $850 million of revenue producing environmental investment opportunities.

CONSTRUCTIVE REGULATORY ENVIRONMENT



ELECTRIC DISTRIBUTION & TRANSMISSION

- 458,000 Electric Customers
- 10,000 Mile of Electric Distribution
- 2,800 Miles of Electric Transmission

ELECTRIC GENERATION

	Capacity (MW)			
	Coal	Natural Gas	Hydro	Total
Bailly	480	31	-	511
R.M. Schahfer	1,625	155	-	1,780
Michigan City	469	-	-	469
Sugar Creek	-	535	-	535
Oakdale &Norway	-	-	10	10
	2,574	**721**	**10**	**3,305**

INDIANA'S LARGEST COMBINATION UTILITY & SECOND LARGEST ELECTRIC COMPANY

NEWS

NiSource

801 E. 86th Avenue
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February 1, 2012

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NiSource Reports 2011 Earnings

- Results at the top of 2011 earnings guidance range
- Infrastructure-investment-driven growth opportunities advance
- Record $1.4 billion capital investment program in 2012
- 2012 earnings outlook of $1.40 to $1.50 per share reflects ongoing growth

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of $377.8 million, or $1.35 per share, for the twelve months ended Dec. 31, 2011, compared to net operating earnings of $338.2 million, or $1.22 per share for 2010 – an increase of about 10.7 percent. NiSource's consolidated operating earnings (non-GAAP) for the twelve months ended Dec. 31, 2011, were $961.3 million compared to $915.3 million in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010. Operating income was $905.1 million for 2011 versus $905.7 million in the year-ago period. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

For the three months ended Dec. 31, 2011, net operating earnings (non-GAAP) were $91.2 million, or $0.32 per share, compared with $93.6 million, or $0.33 per share, for the same period in 2010. On a GAAP basis, income from continuing operations for the three months ended Dec. 31, 2011, was $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

"2011 was a year of significant achievement, groundbreaking performance and industry-leading growth in shareholder value," NiSource President and Chief Executive Officer **Robert C. Skaggs, Jr.** said. "Across the board, NiSource teams delivered on our well-established, infrastructure-investment-driven business strategy. This strategy generated earnings growth in line with our guidance range for the fifth consecutive year, and positioned the company to deliver total shareholder return of approximately 40 percent in 2011, significantly outperforming broader market and utility indices for the third consecutive year."

In announcing NiSource's 2011 results, Skaggs highlighted key business accomplishments and ongoing initiatives expected to drive continued earnings growth for the company during 2012.

Financial strength to fund $1.4 billion in 2012 capital investments

NiSource continued to build on its financial strength and discipline during 2011, positioning the company to take advantage of a deep and expanding inventory of identified investment opportunities across all its business units.

"Building on NiSource's disciplined, well-executed financial strategy, and the range of investment opportunities available to the company, we are pleased to announce a capital investment program of approximately $1.4 billion in 2012," Skaggs said. "This represents an increase of nearly 25 percent over our $1.13 billion 2011 program."

Skaggs noted that the increase will primarily fund attractive and accretive investment opportunities at its **NiSource Gas Transmission and Storage (NGT&S)** unit, as well as at **Northern Indiana Public Service Company (NIPSCO)**. In addition, the company expects to invest approximately $530 million at its **NiSource Gas Distribution (NGD)** business unit.

The company's solid financial profile was further strengthened as a result of a number of key initiatives taken during 2011. These initiatives, which will serve to reduce financing costs, extend the company's debt maturity profile and help manage its liabilities, included:

- Successful issuance of a total of $900 million of long-term notes, of which $250 million was used to make an accelerated contribution to the company's pension plans;
- Completion of a $250 million tender offer to repurchase high-interest long-term debt in December;
- Launch of a $500 million commercial paper program in June; and
- Renewal of the company's $1.5 billion revolving credit facility for an additional four years in March.

Skaggs noted that, given NiSource's strong cash position, the company does not plan to draw upon its Sept. 2010 forward equity sale until the third quarter of 2012. NiSource closed the year with $364 million in net available liquidity.

NIPSCO electric positioned for continued long-term investment and growth

NIPSCO's electric business made significant strides during 2011 to advance its strategy of enhancing customer service and reliability, modernizing rate design and building a foundation for long-term, investment-driven growth.

- In December, NIPSCO's landmark electric rate case settlement was approved without modification by the Indiana Utility Regulatory Commission (IURC). The collaborative settlement represents a balanced agreement that supports NIPSCO's ability to provide Indiana families, businesses and industries with the affordable, reliable and environmentally sustainable power they need now and in the future.

- As part of a multi-state effort to strengthen the electric transmission system serving the Midwest, NIPSCO will make an approximately $270 million investment in a new, 100-mile, 345-kilovolt transmission project in northern Indiana. The project, one of 17 major new transmission system improvements reviewed and authorized by the Midwest Independent Transmission System Operator (MISO), is scheduled to be in service during the latter part of the decade.

- Significant environmental investments at NIPSCO's coal-fired electric generation facilities remain on schedule, including construction of Flue Gas Desulfurization equipment on two units at the company's Schahfer generating station. The improvements, part of a nearly $850 million environmental investment program over the next six to eight years, will position NIPSCO to comply with emission standards recently issued by the U.S. Environmental Protection Agency.

"From the successful completion of the electric rate case, to ongoing customer, environmental and economic development programs, NIPSCO is well positioned for significant, sustainable investment and growth in northern Indiana," Skaggs noted. "Taken together, these efforts will strengthen system reliability, customer service and responsiveness, environmental and community quality, while providing stable ongoing earnings growth."

Leveraging gas transmission and storage and midstream growth opportunities

NGT&S also continues to advance key strategies to enhance system reliability, develop new growth projects, and leverage the company's strategic footprint in emerging shale gas production areas.

- During 2011, NGT&S placed into service a number of strategic growth projects, primarily serving the Marcellus shale production area. These and other projects placed into service in previous years contributed over $30 million in additional demand revenues in 2011.

- On the regulatory front, in November, the Federal Energy Regulatory Commission (FERC) approved the settlement of **Columbia Gulf Transmission's** Oct 2010 base rate case. The settlement – effective as of May 2011 – reflects updated costs and operating conditions, and will position the company to meet customer needs and earn a reasonable return on its investment.

- NGT&S continues to develop a range of additional supply-driven growth initiatives, including mineral leasing, midstream projects and traditional pipeline expansion opportunities. One project in the later stages of development involves an approximately $145 million investment in 90 miles of pipeline facilities in western Pennsylvania supporting increased shale production. A major Marcellus shale producer will anchor the project, which is expected to have an initial capacity of approximately 300,000 dekatherms per day with interconnects with multiple interstate pipelines. A definitive agreement is anticipated by the end of the first quarter, and the project is expected to be placed in service in late 2012.

- **Millennium Pipeline** also is progressing on plans to add more than 12,000 horsepower of compression to its system in Orange County, NY, driven by increased shale production. Pending FERC approval, the new compressor station represents an investment of approximately $43 million. The project is anticipated to be in-service in Nov. 2012 and increase Millennium's delivery capabilities at its interconnection with Algonquin Gas Transmission to 675,000 dekatherms per day. NiSource owns a 47.5 percent interest in Millennium.

- Looking forward, NGT&S also is considering the possibility of a long-term system modernization program designed to enhance the reliability and flexibility of its infrastructure; respond to changing supply and market dynamics; and comply with developing pipeline safety and integrity requirements. In addition to numerous customer, environmental and economic development benefits, the multi-billion dollar program – which is in the early stages of development – would also support ongoing rate base and earnings growth.

"On the heels of solid progress and the addition of experienced, energized leadership in 2011, our NGT&S team is fully engaged with customers to develop and execute on a broad array of infrastructure enhancement and new growth opportunities," Skaggs said. "Our NGT&S capital investment program for 2012 is approximately $430 million – an increase of 43 percent over 2011 – reflecting a significant increase in accretive expansion projects capitalizing on the attractive opportunities available to NGT&S in the developing shale supply regions. These and other projects will serve to enhance the long-term value of our assets for the benefit of our customers, shareholders and other key stakeholders."

Executing gas distribution infrastructure, customer and regulatory programs

Combining long-term infrastructure modernization programs with complementary customer programs and regulatory initiatives continues to be the focus at NGD.

- Infrastructure modernization and replacement projects continued across NGD as part of its $4 billion plus modernization program. In total during 2011, nearly $320 million was invested in modernization and replacement programs at NGD.

- In November, **Columbia Gas of Virginia** received regulatory approval of its application for accelerated recovery of its infrastructure projects. Part of Virginia's SAVE Act (Steps To Advance Virginia's Energy Plan), the company plans to invest $100 million over the next five years on its infrastructure modernization program.

- On the customer front, in December, **Columbia Gas of Ohio** received approval from the Public Utilities Commission of Ohio to extend and expand its energy efficiency programs for an additional five years, starting in 2012. Over the life of the proposed programs, COH estimates customers will save up to $300 million through reduced energy usage. Also in December, NIPSCO's gas business received IURC approval of various existing and new customer energy efficiency programs through Nov. 2012.

- As previously announced, the Pennsylvania Public Utility Commission issued a final order in **Columbia Gas of Pennsylvania's** base rate case on Oct. 14, which authorized an annual revenue increase of $17 million. The Commission also authorized a new residential rate design with a higher minimum monthly charge, including a fixed customer charge and usage allowance.

"Our focus on infrastructure modernization at our utilities continues to benefit our customers and communities, as well as NiSource shareholders," Skaggs said. "Our proactive, collaborative approach, combined with appropriate regulatory treatment, has served us well as we execute on this long-term core strategy."

Earnings growth outlook continues with 2012 guidance of $1.40 to $1.50 per share

Based on the continued success of NiSource's balanced business strategy and a deep inventory of investment opportunities across each of its business units, NiSource expects to deliver 2012 net operating earnings (non-GAAP) within a range of $1.40 to $1.50 per share, representing solid growth over 2011 results.

There will likely be differences between net operating earnings and GAAP earnings, but, due to the unpredictability of weather and other factors, NiSource is not providing GAAP earnings guidance.

Skaggs noted that the company's outlook continues to be driven by execution of its infrastructure-investment programs and is premised on a relatively modest and gradual economic recovery across the markets served by its utilities.

"With a growing inventory of infrastructure investment opportunities and a strong financial foundation to support a $1.4 billion capital investment program, NiSource is well-positioned to continue growing earnings and increasing shareholder value in 2012 and beyond," Skaggs concluded. "Leveraging the momentum we have built over the past few years will enable NiSource to continue delivering on our financial commitments – a strong and secure dividend, stable investment-grade credit ratings and long-term, sustainable earnings growth."

Full-Year 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the year ended Dec. 31, 2011, were $961.3 million, compared to $915.3 million in 2010. Refer to Schedule 2 for the items included in 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the full-year ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $438.8 million compared to $342.6 million reported for the year ended Dec. 31, 2010. Net revenues, excluding the impact of regulatory trackers, increased $31.2 million primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins. These increases were partially offset by a decrease in off-system sales and lower industrial margins.

Operating expenses, excluding the impact of trackers, were $65.0 million lower than the comparable period in the prior year primarily due to a reduction of approximately $75 million in depreciation costs as a result of reduced depreciation rates at NIPSCO. These decreases were partially offset by an increase in employee and administrative costs for the business segment.

NiSource Gas Transmission and Storage reported operating earnings of $360.1 million versus operating earnings of $376.8 million for the year ended Dec. 31, 2010. Net revenues, excluding trackers, increased $50.5 million primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010, the impact of new Columbia Gulf rates placed into effect on May 1, 2011, and an increase in mineral rights royalty revenue. These increases were partially offset by the recognition of revenue in the prior year related to a previously deferred gain for native gas.

Operating expenses, excluding trackers, increased by $66.8 million primarily due to higher employee and administrative expenses, driven largely by pension contributions, increased environmental costs, higher software and separation costs. These increases were partially offset by a decrease in outside service costs.

Equity earnings decreased by $0.4 million for 2011 compared to 2010.

NiSource Electric reported operating earnings of $203.0 million for the year ended Dec. 31, 2011, compared with operating earnings of $217.0 million for the prior year period. Net revenues, excluding trackers, decreased by $0.6 million primarily due to decreased residential and commercial margins and lower environmental cost recovery rates partially offset by increased industrial usage and margins and lower revenue credits.

Operating expenses, excluding trackers, increased by $13.4 million due primarily to an increase in employee and administrative expenses, higher outside service and rate case costs. These increases were partially offset by the costs incurred in the prior year related to an inventory write-off.

Corporate and Other Operations reported an operating earnings loss of $40.6 million for the year ended Dec. 31, 2011, compared to an operating earnings loss of $21.1 million for the year ended Dec. 31, 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items
Interest expense decreased by $15.5 million due to the repurchase of long-term debt in Nov. 2011 and Dec. 2010 and a long-term debt maturity in Nov. 2010. The benefits were partially offset by incremental interest expense associated with a swap maturity in Nov. 2010, the issuance of long-term debt in Nov. 2011, June 2011 and Dec. 2010, and higher average short-term borrowings and rates.

Other-net reflected expense of $7.3 million in 2011 compared to income of $3.8 million in 2010. The increase in expense is the result of additional charitable contributions in the current year.

The effective tax rate of net operating earnings was 34.5 percent compared to 35.8 percent for the same period last year.

Fourth Quarter 2011 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated fourth quarter 2011 operating earnings (non-GAAP) were $252.9 million, compared to $247.8 million for the same period in 2010. Refer to Schedule 2 for the items included in the fourth quarter 2011 and 2010 GAAP operating income but excluded from operating earnings. Operating earnings for NiSource's business segments for the fourth quarter ended Dec. 31, 2011, are discussed below.

NiSource Gas Distribution reported operating earnings of $144.9 million versus operating earnings of $112.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory and tax trackers, increased $15.0 million, primarily attributable to new rates under Columbia Gas of Ohio's approved infrastructure replacement program and rate cases at other utilities. Additionally, there was an increase in residential and commercial margins.

Operating expenses, excluding trackers, were $17.0 million lower than the comparable period due to decreases in environmental costs and depreciation expenses. These decreases were partially offset by an increase in uncollectibles.

NiSource Gas Transmission and Storage reported operating earnings of $89.0 million versus operating earnings of $99.9 million in the fourth quarter of 2010. Net revenues, excluding the impact of regulatory trackers, increased $24.9 million, primarily attributable to an increase in demand margin revenue as a result of growth projects placed into service in 2011 and throughout 2010 and the impact of new Columbia Gulf rates placed into effect on May 1, 2011.

Operating expenses, excluding trackers, increased by $37.9 million primarily due to an increase in employee and administrative expenses, driven largely by pension contributions, and an increase in software costs. These increases were partially offset by a decrease in outside service costs and lower depreciation.

Equity earnings increased by $2.1 million primarily the result of an increase in earnings at Millennium Pipeline.

NiSource Electric reported operating earnings of $43.0 million versus operating earnings of $43.4 million from the same quarter last year. Net revenues, excluding regulatory trackers, decreased $4.7 million compared to the prior year. The decrease was primarily the result of lower environmental cost recovery due primarily to a decrease in environmental spend.

Operating expenses decreased by $4.3 million, excluding trackers, due primarily to lower electric generation costs which were partially offset by increased outside service costs.

Corporate and Other Operations reported an operating earnings loss of $24.0 million in the fourth quarter of 2011 compared to an operating earnings loss of $8.4 million in 2010 due to a reserve on certain assets related to the wind down of the unregulated natural gas marketing business.

Other Items

Interest expense decreased by $0.6 million in 2011 compared to 2010 due to the change in long-term debt noted above.

Other-net reflected an expense of $12.8 million compared to $3.5 million in 2010. The change in expense was the result of an increase in charitable contributions in the current year.

The effective tax rate of net operating earnings was 36.3 percent compared to 36.2 percent for the same period last year.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the twelve months ended Dec. 31, 2011, of $303.8 million, or $1.08 per share, compared with $285.2 million, or $1.03 per share in 2010.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Dec. 31, 2011, of $17.6 million, or $0.06 per share, compared with $34.2 million, or $0.12 per share for the fourth quarter of 2010.

The NiSource GAAP results reflect certain non-material corrections to its consolidated financial statements as of Dec. 31, 2010 and for the three and twelve months ended Dec. 31, 2010. The effect of these non-material corrections was a decrease in income from continuing operations of $9.4 million or $0.03 per share for the year ended Dec. 31, 2010 and a decrease in income from continuing operations of $1.6 million or $0.01 per share for the three months ended Dec. 31, 2010.

On November 14, 2011, NiSource commenced a cash tender offer to repurchase up to $250.0 million aggregate principal amount of its outstanding 10.75% notes due 2016 and 6.15% notes due 2013. A condition of the offering was that all validly tendered 2016 notes would be accepted for purchase before any 2013 notes were accepted. On December 13, 2011, NiSource announced that approximately $125.3 million of the aggregate principal amount of its outstanding 10.75% notes due 2016 were validly tendered. Based upon the principal amount of the 2016 notes tendered, NiSource also repurchased $124.7 million of the 2013 notes. As a result of this tender offer, NiSource incurred $53.9 million in early redemption fees, primarily attributable to early redemption premiums and unamortized discounts and fees, which are recorded as a loss on the early extinguishment of long-term debt.

During the fourth quarter of 2011, NiSource reviewed its current estimates for future environmental remediation costs related to the company's manufactured gas plant (MGP) sites. Following the review, NiSource revised its estimates based on expected remediation activities and experience with similar facilities and recorded $35.5 million of expense at subsidiaries for which environmental expense is not probable of recovery from customers.

About NiSource
NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements
This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this presentation are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; the effectiveness of NiSource's restructured outsourcing agreement; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counterparty credit risk and the matters set forth in the "Risk Factors" Section in NiSource's 2010 Form 10-K and 2011 Forms 10-Q, many of which are risks beyond the control of NiSource. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)
(unaudited)

(in millions, except per share amounts*)*	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Net Revenues				
Gas Distribution	**$ 730.9**	$ 973.6	**$ 2,927.6**	$ 3,097.4
Gas Transportation and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**329.6**	316.7	**1,420.2**	1,367.5
Other	**29.2**	21.4	**92.5**	92.0
Gross Revenues	**1,450.7**	1,667.6	**5,794.9**	5,818.3
Cost of Sales (excluding depreciation and amortization)	**545.6**	752.3	**2,334.0**	2,379.2
Total Net Revenues	**905.1**	915.3	**3,460.9**	3,439.1
Operating Expenses				
Operation and maintenance	**406.0**	393.5	**1,488.5**	1,417.6
Operation and maintenance - trackers	**43.3**	62.6	**194.3**	239.7
Depreciation and amortization	**131.1**	138.8	**524.1**	584.7
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**54.0**	48.5	**212.6**	207.1
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**658.0**	671.2	**2,514.2**	2,538.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**252.9**	247.8	**961.3**	915.3
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Deductions	**(109.7)**	(101.0)	**(384.1)**	(388.5)
Operating Earnings From Continuing Operations Before Income Taxes	**143.2**	146.8	**577.2**	526.8
Income Taxes	**52.0**	53.2	**199.4**	188.6
Net Operating Earnings from Continuing Operations	**91.2**	93.6	**377.8**	338.2
GAAP Adjustment	**(73.6)**	(59.4)	**(74.0)**	(53.0)
GAAP Income from Continuing Operations	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Net Operating Earnings Per Share from Continuing Operations	**0.32**	0.33	**1.35**	1.22
GAAP Basic Earnings Per Share from Continuing Operations	**0.06**	0.12	**1.08**	1.03
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Gas Distribution Operations *(in millions)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Revenues				
Sales Revenues	**$ 877.0**	$ 1,123.4	**$ 3,508.4**	$ 3,677.2
Less: Cost of gas sold	**443.8**	679.8	**1,917.4**	2,065.6
Net Revenues	**433.2**	443.6	**1,591.0**	1,611.6
Operating Expenses				
Operation and maintenance	**178.6**	192.1	**694.5**	699.1
Operation and maintenance - trackers	**23.6**	44.6	**115.7**	170.8
Depreciation and amortization	**43.6**	49.5	**174.0**	239.3
Other taxes	**22.3**	19.9	**87.4**	82.5
Other taxes - trackers	**20.2**	24.6	**80.6**	77.3
Total Operating Expenses	**288.3**	330.7	**1,152.2**	1,269.0
Operating Earnings	**$ 144.9**	$ 112.9	**$ 438.8**	$ 342.6
GAAP Adjustment	**(48.2)**	8.6	**(46.0)**	(10.3)
GAAP Operating Income	**$ 96.7**	$ 121.5	**$ 392.8**	$ 332.3

Gas Transmission and Storage Operations *(in millions)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Revenues				
Transportation revenues	**$ 222.6**	$ 205.8	**$ 776.7**	$ 728.4
Storage revenues	**48.1**	49.7	**196.1**	198.7
Other revenues	**12.6**	2.3	**32.8**	22.1
Net Operating Revenues	**283.3**	257.8	**1,005.6**	949.2
Operating Expenses				
Operation and maintenance	**137.1**	96.5	**407.7**	339.4
Operation and maintenance - trackers	**16.3**	15.7	**65.8**	59.9
Depreciation and amortization	**31.9**	35.8	**130.0**	130.7
Other taxes	**14.8**	13.6	**56.6**	57.4
Total Operating Expenses	**200.1**	161.6	**660.1**	587.4
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Earnings	**$ 89.0**	$ 99.9	**$ 360.1**	$ 376.8
GAAP Adjustment	**(0.1)**	0.1	**(0.1)**	(0.2)
GAAP Operating Income	**$ 88.9**	$ 100.0	**$ 360.0**	$ 376.6

NiSource Inc.
Segment Operating Earnings (Non-GAAP)
(unaudited)

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Net Revenues				
Sales revenues	**$ 332.1**	$ 331.5	**$ 1,428.4**	$ 1,383.0
Less: Cost of sales	**122.5**	118.4	**548.8**	508.3
Net Revenues	**209.6**	213.1	**879.6**	874.7
Operating Expenses				
Operation and maintenance	**96.1**	101.3	**392.6**	378.3
Operation and maintenance - trackers	**3.3**	2.3	**12.8**	9.0
Depreciation and amortization	**49.9**	49.0	**200.6**	199.4
Depreciation and amortization - trackers	**3.4**	3.2	**14.1**	12.4
Other taxes	**13.9**	13.9	**56.5**	58.6
Total Operating Expenses	**166.6**	169.7	**676.6**	657.7
Operating Earnings	**$ 43.0**	$ 43.4	**$ 203.0**	$ 217.0
GAAP Adjustment	**(3.2)**	(0.9)	**6.5**	3.8
GAAP Operating Income	**$ 39.8**	$ 42.5	**$ 209.5**	$ 220.8

Corporate and Other Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions)	**2011**	2010	**2011**	2010
Operating Loss	**$ (24.0)**	$ (8.4)	**$ (40.6)**	$ (21.1)
GAAP Adjustment	**(15.6)**	(2.9)	**(16.6)**	(2.9)
GAAP Operating Loss	**$ (39.6)**	$ (11.3)	**$ (57.2)**	$ (24.0)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales and Transportation (MMDth)				
Residential	**72.6**	87.8	**254.5**	258.0
Commercial	**46.7**	51.7	**168.6**	166.8
Industrial	**109.5**	101.7	**431.8**	385.9
Off System	**10.2**	15.1	**62.4**	71.9
Other	**0.1**	0.1	**0.6**	1.0
Total	**239.1**	256.4	**917.9**	883.6
Weather Adjustment	**18.1**	(9.4)	**12.7**	5.1
Sales and Transportation Volumes - Excluding Weather	**257.2**	247.0	**930.6**	888.7
Heating Degree Days	**1,742**	2,177	**5,434**	5,547
Normal Heating Degree Days	**2,037**	2,037	**5,633**	5,633
% Colder (Warmer) than Normal	**(14%)**	7%	**(4%)**	(2%)
Customers				
Residential			**3,039,579**	3,039,874
Commercial			**280,521**	281,473
Industrial			**7,861**	7,668
Other			**19**	65
Total			**3,327,980**	3,329,080

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Throughput (MMDth)				
Columbia Transmission	**301.4**	342.3	**1,117.5**	1,092.4
Columbia Gulf	**270.6**	223.4	**1,048.0**	848.4
Crossroads Gas Pipeline	**4.0**	5.2	**18.7**	25.4
Intrasegment eliminations	**(124.0)**	(145.5)	**(548.5)**	(568.7)
Total	**452.0**	425.4	**1,635.7**	1,397.5

NiSource Inc.
Segment Volumes and Statistical Data

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	**2011**	2010
Sales (Gigawatt Hours)				
Residential	**765.6**	792.4	**3,526.5**	3,625.6
Commercial	**931.3**	928.8	**3,886.5**	3,919.9
Industrial	**2,247.5**	2,137.2	**9,257.6**	8,459.0
Wholesale	**144.4**	181.4	**651.6**	817.1
Other	**44.2**	58.2	**165.5**	186.4
Total	**4,133.0**	4,098.0	**17,487.7**	17,008.0
Weather Adjustment	**31.1**	(15.8)	**(101.1)**	(174.1)
Sales Volumes - Excluding Weather impacts	**4,164.1**	4,082.2	**17,386.6**	**16,833.9**
Cooling Degree Days			**907**	977
Normal Cooling Degree Days			**808**	808
% Warmer (Colder) than Normal			**12%**	21%
Electric Customers				
Residential			**400,567**	400,522
Commercial			**54,029**	53,877
Industrial			**2,405**	2,432
Wholesale			**17**	15
Other			**737**	740
Total			**457,755**	457,586

NiSource Inc.
Schedule 1 – Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts*)*	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Twelve Months Ended December 31, 2011	Twelve Months Ended December 31, 2010
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$ 91.2**	$ 93.6	**$ 377.8**	$ 338.2
Items excluded from operating earnings:				
Net Revenues:				
Weather - compared to normal	**(14.4)**	9.7	**(2.1)**	8.4
Revenue adjustment	**(0.6)**	(2.1)	**(0.6)**	(13.1)
Unregulated natural gas marketing business	**0.5**	0.4	**4.5**	6.2
Operating Expenses:				
Restructuring	-	-	-	(0.7)
Environmental MGP remediation review	**(35.5)**	-	**(35.5)**	-
Unregulated natural gas marketing business	**(1.2)**	(2.6)	**(5.6)**	(8.5)
Loss on sale of assets and asset impairments	**(15.9)**	(0.5)	**(16.9)**	(1.9)
Total items excluded from operating earnings	**(67.1)**	4.9	**(56.2)**	(9.6)
Loss on early extinguishment of debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Tax effect of above items	**47.4**	36.3	**42.9**	42.0
Income Taxes - Tax method / rate changes	-	(3.9)	**(6.8)**	(3.9)
Income Taxes - Rate settlement flow-through	-	-	-	15.2
Total items excluded from net operating earnings	**(73.6)**	(59.4)	**(74.0)**	(53.0)
Reported Income from Continuing Operations - GAAP	**$ 17.6**	$ 34.2	**$ 303.8**	$ 285.2
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Basic Net Operating Earnings Per Share from Continuing Operations	**$ 0.32**	$ 0.33	**$ 1.35**	$ 1.22
Items excluded from net operating earnings (after-tax)	**(0.26)**	(0.21)	**(0.27)**	(0.19)
GAAP Basic Earnings Per Share from Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 144.9**	**$ 89.0**	**$ 43.0**	**$ (24.0)**	**$ 252.9**
Net Revenues:					
Weather (compared to normal)	(12.1)	-	(2.3)	-	**(14.4)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	0.5	**0.5**
Total Impact - Net Revenues	**(12.1)**	**-**	**(2.9)**	**0.5**	**(14.5)**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(1.2)	**(1.2)**
Loss on sale of assets and asset impairments	(0.6)	(0.1)	(0.3)	(14.9)	**(15.9)**
Total Impact - Operating Expenses	**(36.1)**	**(0.1)**	**(0.3)**	**(16.1)**	**(52.6)**
Total Impact - Operating Income (Loss)	**$ (48.2)**	**$ (0.1)**	**$ (3.2)**	**$ (15.6)**	**$ (67.1)**
Operating Income (Loss) - GAAP	**$ 96.7**	**$ 88.9**	**$ 39.8**	**$ (39.6)**	**$ 185.8**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate & Other	Total
Operating Earnings (Loss)	**$ 112.9**	**$ 99.9**	**$ 43.4**	**$ (8.4)**	**$ 247.8**
Net Revenues:					
Weather (compared to normal)	8.6	-	1.1	-	**9.7**
Revenue adjustment	-	-	(2.1)	-	**(2.1)**
Unregulated natural gas marketing business	-	-	-	0.4	**0.4**
Total Impact - Net Revenues	**8.6**	**-**	**(1.0)**	**0.4**	**8.0**
Operating Expenses					
Unregulated natural gas marketing business	-	-	-	(2.6)	**(2.6)**
Gain/(Loss) on sale of assets and asset impairments	-	0.1	0.1	(0.7)	**(0.5)**
Total Impact - Operating Expenses	**-**	**0.1**	**0.1**	**(3.3)**	**(3.1)**
Total Impact - Operating Income (Loss)	**$ 8.6**	**$ 0.1**	**$ (0.9)**	**$ (2.9)**	**$ 4.9**
Operating Income (Loss) - GAAP	**$ 121.5**	**$ 100.0**	**$ 42.5**	**$ (11.3)**	**$ 252.7**

NiSource Inc.
Schedule 2 – Adjustments by Segment from Operating Earnings to GAAP
For Twelve Months ended December 31,

2011 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 438.8**	**$ 360.1**	**$ 203.0**	**$ (40.6)**	**$ 961.3**
Net Revenues:					
Weather (compared to normal)	(9.7)	-	7.6	-	**(2.1)**
Revenue sales adjustment	-	-	(0.6)	-	**(0.6)**
Unregulated natural gas marketing business	-	-	-	4.5	**4.5**
Total Impact - Net Revenues	**(9.7)**	**-**	**7.0**	**4.5**	**1.8**
Operating Expenses					
Environmental MGP remediation review	(35.5)	-	-	-	**(35.5)**
Unregulated natural gas marketing business	-	-	-	(5.6)	**(5.6)**
Loss on sale of assets and asset impairments	(0.8)	(0.1)	(0.5)	(15.5)	**(16.9)**
Total Impact - Operating Expenses	**(36.3)**	**(0.1)**	**(0.5)**	**(21.1)**	**(58.0)**
Total Impact - Operating (Loss) Income	**$ (46.0)**	**$ (0.1)**	**$ 6.5**	**$ (16.6)**	**$ (56.2)**
Operating Income (Loss) - GAAP	**$ 392.8**	**$ 360.0**	**$ 209.5**	**$ (57.2)**	**$ 905.1**

2010 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Corporate and Other	Total
Operating Earnings (Loss)	**$ 342.6**	**$ 376.8**	**$ 217.0**	**$ (21.1)**	**$ 915.3**
Net Revenues:					
Weather (compared to normal)	(3.4)	-	11.8	-	**8.4**
Revenue adjustment	(5.7)	-	(7.4)	-	**(13.1)**
Unregulated natural gas marketing business	-	-	-	6.2	**6.2**
Total Impact - Net Revenues	**(9.1)**	**-**	**4.4**	**6.2**	**1.5**
Operating Expenses					
Restructuring	(0.2)	-	(0.5)	-	**(0.7)**
Unregulated natural gas marketing business	-	-	-	(8.5)	**(8.5)**
Loss on sale of assets and asset impairments	(1.0)	(0.2)	(0.1)	(0.6)	**(1.9)**
Total Impact - Operating Expenses	**(1.2)**	**(0.2)**	**(0.6)**	**(9.1)**	**(11.1)**
Total Impact – Operating(Loss) Income	**$ (10.3)**	**$ (0.2)**	**$ 3.8**	**$ (2.9)**	**$ (9.6)**
Operating Income (Loss) - GAAP	**$ 332.3**	**$ 376.6**	**$ 220.8**	**$ (24.0)**	**$ 905.7**

NiSource Inc.
Consolidated Income Statements (GAAP) (unaudited)

(in millions, except per share amounts)	Three Months Ended December 31, **2011**	2010	Twelve Months Ended December 31, **2011**	2010
Net Revenues				
Gas Distribution	**$ 718.8**	$ 971.6	**$ 2,917.9**	$ 3,094.0
Gas Transmission and Storage	**361.0**	355.9	**1,354.6**	1,261.4
Electric	**327.3**	328.5	**1,427.7**	1,379.3
Other	**83.4**	96.0	**318.9**	679.9
Gross Revenues	**1,490.5**	1,752.0	**6,019.1**	6,414.6
Cost of Sales (excluding depreciation and amortization)	**599.9**	828.7	**2,556.4**	2,974.1
Total Net Revenues	**890.6**	923.3	**3,462.7**	3,440.5
Operating Expenses				
Operation and maintenance	**485.7**	457.5	**1,722.5**	1,663.3
Depreciations and amortization	**134.5**	142.0	**538.2**	597.1
Impairment and loss on sale of assets, net	**15.7**	0.8	**16.8**	2.0
Other taxes	**74.7**	74.0	**294.7**	287.4
Total Operating Expenses	**710.6**	674.3	**2,572.2**	2,549.8
Equity Earnings in Unconsolidated Affiliates	**5.8**	3.7	**14.6**	15.0
Operating Income	**185.8**	252.7	**905.1**	905.7
Other Income (Deductions)				
Interest expense, net	**(96.9)**	(97.5)	**(376.8)**	(392.3)
Loss on early extinguishment of long-term debt	**(53.9)**	(96.7)	**(53.9)**	(96.7)
Other, net	**(12.8)**	(3.5)	**(7.3)**	3.8
Total Other Income (Deductions)	**(163.6)**	(197.7)	**(438.0)**	(485.2)
Income From Continuing Operations Before Income Taxes	**22.2**	55.0	**467.1**	420.5
Income Taxes	**4.6**	20.8	**163.3**	135.3
Income from Continuing Operations	**17.6**	34.2	**303.8**	285.2
(Loss) Gain from Discontinued Operations - net of taxes	**(2.9)**	(2.4)	**(4.7)**	(2.7)
Gain (Loss) on sale of Discontinued Operations - net of taxes	**-**	-	**-**	0.1
Net Income	**$ 14.7**	$ 31.8	**$ 299.1**	$ 282.6
Basic Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.12	**$ 1.08**	$ 1.03
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Basic Earnings Per Share	**$ 0.05**	$ 0.11	**$ 1.06**	$ 1.02
Diluted Earnings Per Share				
Continuing Operations	**$ 0.06**	$ 0.11	**$ 1.05**	$ 1.02
Discontinued Operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted Earnings Per Share	**$ 0.05**	$ 0.10	**$ 1.03**	$ 1.01
Dividends Declared Per Common Share	**$ 0.23**	$ 0.23	**$ 0.92**	$ 0.92
Basic Average Common Shares Outstanding	**281.4**	278.6	**280.4**	277.8
Diluted Average Common Shares	**291.1**	282.6	**288.5**	280.1

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited)

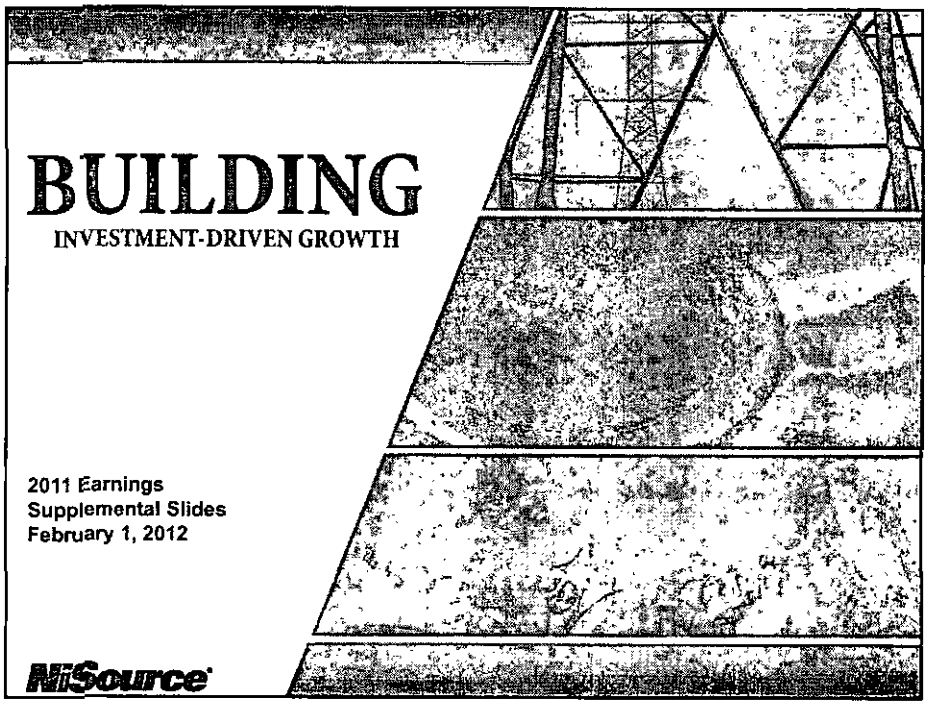
(in millions)	December 31, 2011	December 31, 2010
ASSETS		
Property, Plant and Equipment		
Utility Plant	$ 20,337.8	$ 19,494.9
Accumulated depreciation and amortization	(8,670.2)	(8,492.6)
Net utility plant	11,667.6	11,002.3
Other property, at cost, less accumulated depreciation	132.5	94.7
Net Property, Plant and Equipment	11,800.1	11,097.0
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	0.2	7.9
Unconsolidated affiliates	204.7	200.9
Other investments	150.9	139.7
Total Investments and Other Assets	355.8	348.5
Current Assets		
Cash and cash equivalents	11.5	9.2
Restricted cash	160.6	202.9
Accounts receivable (less reserve of $30.5 and $37.4, respectively)	854.8	1,079.3
Income tax receivable	0.9	99.0
Gas inventory	427.6	298.2
Underrecovered gas and fuel costs	20.7	120.7
Materials and supplies, at average cost	87.6	83.8
Electric production fuel, at average cost	50.9	46.0
Price risk management assets	137.2	159.5
Exchange gas receivable	64.9	62.7
Regulatory assets	169.7	143.8
Prepayments and other	261.8	120.8
Total Current Assets	2,248.2	2,425.9
Other Assets		
Price risk management assets	188.7	240.3
Regulatory assets	1,978.2	1,648.0
Goodwill	3,677.3	3,677.3
Intangible assets	297.6	308.6
Postretirement and postemployment benefits assets	31.5	35.1
Deferred charges and other	130.9	132.7
Total Other Assets	6,304.2	6,042.0
Total Assets	$ 20,708.3	$ 19,913.4

NiSource Inc.
Consolidated Balance Sheets (GAAP) (unaudited) (continued)

(in millions, except share amounts)	December 31, 2011	December 31, 2010
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock - $0.01 par value, 400,000,000 shares authorized; 281,853,571 and 278,855,291 shares issued and outstanding, respectively	$ 2.8	$ 2.8
Additional paid-in capital	4,167.7	4,103.9
Retained earnings	917.0	876.1
Accumulated other comprehensive loss	(59.7)	(57.9)
Treasury stock	(30.5)	(27.4)
Total Common Stockholders' Equity	4,997.3	4,897.5
Long-term debt, excluding amounts due within one year	6,267.1	5,936.1
Total Capitalization	11,264.4	10,833.6
Current Liabilities		
Current portion of long-term debt	327.3	34.2
Short-term borrowings	1,359.4	1,382.5
Accounts payable	434.8	581.8
Dividends payable	-	0.1
Customer deposits and credits	313.6	318.1
Taxes accrued	220.9	221.1
Interest accrued	111.9	114.4
Overrecovered gas and fuel costs	48.9	21.4
Price risk management liabilities	167.8	173.9
Exchange gas payable	168.2	266.1
Deferred revenue	10.1	6.8
Regulatory liabilities	112.0	92.9
Accrued liability for postretirement and postemployment benefits	26.6	23.3
Legal and environmental reserves	43.9	86.0
Other accruals	301.0	343.7
Total Current Liabilities	3,646.4	3,666.3
Other Liabilities and Deferred Credits		
Price risk management liabilities	138.9	181.6
Deferred income taxes	2,541.9	2,193.1
Deferred investment tax credits	29.0	33.7
Deferred credits	78.9	68.6
Deferred revenue	-	0.3
Accrued liability for postretirement and postemployment benefits	953.8	1,039.6
Regulatory liabilities and other removal costs	1,663.9	1,595.8
Asset retirement obligations	146.4	138.8
Other noncurrent liabilities	244.7	162.0
Total Other Liabilities and Deferred Credits	5,797.5	5,413.5
Commitments and Contingencies (Refer to Note 20)	-	-
Total Capitalization and Liabilities	$ 20,708.3	$ 19,913.4

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP) (unaudited)

Year Ended December 31, *(in millions)*	2011	2010
Operating Activities		
Net Income	$ 299.1	$ 282.6
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Loss on early extinguishment of debt	53.9	96.7
Depreciation and amortization	538.2	597.1
Net changes in price risk management assets and liabilities	38.1	(5.5)
Deferred income taxes and investment tax credits	178.4	193.9
Deferred revenue	2.5	(20.4)
Stock compensation expense and 401(k) profit sharing contribution	39.2	30.9
Loss (Gain) on sale of assets	0.1	(0.1)
Loss on impairment of assets	16.7	2.1
Income from unconsolidated affiliates	(13.7)	(14.8)
Gain on disposition of discontinued operations - net of taxes	-	(0.1)
Loss from discontinued operations - net of taxes	4.7	2.7
Amortization of discount/premium on debt	8.9	10.3
AFUDC equity	(2.4)	(6.1)
Distribution Received from Equity Earnings	18.8	12.9
Changes in Assets and Liabilities:		
Accounts receivable	219.6	(243.9)
Income tax receivable	98.1	51.5
Inventories	(141.8)	103.3
Accounts payable	(154.8)	37.7
Customer deposits and credits	(4.5)	(25.0)
Taxes accrued	2.3	(117.0)
Interest accrued	(2.5)	(10.7)
(Under) Overrecovered gas and fuel costs	127.5	(243.0)
Exchange gas receivable/payable	(100.1)	(14.2)
Other accruals	33.2	63.4
Prepayments and other current assets	(10.2)	(11.5)
Regulatory assets/liabilities	(322.9)	164.3
Postretirement and postemployment benefits	(92.7)	(146.6)
Deferred credits	(2.3)	(2.6)
Deferred charges and other noncurrent assets	6.9	7.9
Other noncurrent liabilities	82.0	(13.2)
Net Operating Activities from Continuing Operations	920.3	782.6
Net Operating Activities used for Discontinued Operations	(50.1)	(57.2)
Net Cash Flows from Operating Activities	870.2	725.4
Investing Activities		
Capital expenditures	(1,125.2)	(803.8)
Insurance recoveries	-	5.0
Proceeds from disposition of assets	9.4	0.5
Restricted cash (withdrawals) deposits	42.3	(28.2)
Contributions to equity investees	(6.4)	(87.9)
Distributions from equity investees	-	23.8
Other investing activities	(69.4)	(53.1)
Net Investing Activities used for Continuing Operations	(1,149.3)	(943.7)
Net Investing Activities from Discontinued Operations	-	0.4
Net Cash Flows used for Investing Activities	(1,149.3)	(943.3)
Financing Activities		
Issuance of long-term debt	890.0	244.6
Retirement of long-term debt	(286.9)	(977.7)
Premium and other costs to retire debt	(62.1)	(93.0)
Change in short-term debt, net	(23.1)	1,279.5
Issuance of common stock	24.4	14.4
Acquisition of treasury stock	(3.1)	(1.5)
Dividends paid - common stock	(257.8)	(255.6)
Net Cash Flows from Financing Activities	281.4	210.7
Change in cash and cash equivalents from continuing operations	52.4	49.6
Cash (contributions to) receipts from discontinued operations	(50.1)	(56.8)
Cash and cash equivalents at beginning of period	9.2	16.4
Cash and Cash Equivalents at End of Period	$ 11.5	$ 9.2



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NiSource: A Compelling Investment

Delivering Shareholder Value

- Results at the top of 2011 earnings guidance
  - 2011 EPS: $1.35 per share*
  - Meeting earnings commitment for the fifth consecutive year
- Industry-leading total shareholder return of 40 percent
- Significant infrastructure-investment
  - $1.13B capital program executed in 2011
  - Record-level $1.4B capital program outlined for 2012
- Commitment, focus and solid execution

* Net Operating Earnings from Continuing Operations (non-GAAP)

Significant Financial Achievement

2011 Financial Highlights

Non-GAAP	2011*	2010*	Change*
Net Operating Earnings from Continuing Operations	$377.8	$338.2	$39.6
Operating Earnings Per Share	$1.35	$1.22	$0.13
Operating Earnings	$961.3	$915.3	$46.0

GAAP	2011*	2010*	Change*
Income from Continuing Operations	$303.8	$285.2	$18.6
Earnings Per Share	$1.08	$1.03	$0.05
Operating Income	$905.1	$905.7	($0.6)

* All Results Listed In Millions, Except for EPS;
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A Foundation for Sustainable Growth

NiSource Electric – 2011 Highlights*

- Operating earnings $203.0M in 2011 vs. $217.0M in 2010**
- Revenues slightly lower by $0.6M; Operating expenses up $13.4M primarily due to higher employee and administrative expenses and outside service costs
- Rate case settlement approved without modification
- Various new customer-focused programs launched in 2011

2012 Highlights Going Forward

Highlight	Key Components	Status
Coal-Fired Generation Environmental Investments	• $850M of environmental investments • Flue Gas Desulfurization equipment at Schahfer units in process	• Schahfer units on schedule, on budget
Transmission Project	• 100-mile, 345-KV transmission project • Investment of approximately $270M • Part of MISO system improvements across Midwest	• Preliminary outreach, planning to start in 2012 • Projected in-service latter part of decade
Capital Investment	• ~$415M planned in 2012 • Environmental, reliability, customer service	• Ongoing

Revenues & Expenses Exclude Trackers
*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's Feb. 1, 2012 Earnings Release*

Continued Shale Growth Opportunities

NiSource Gas Transmission & Storage – 2011 Highlights*

- Operating earnings $360.1M in 2011 vs. $376.8M in 2010**
- Revenues increase $50.5M primarily from growth projects placed in service
- Operating expenses up $66.8M, primarily due to pension contributions and an environmental expense

2012 Highlights Going Forward

Project	Key Components	Status
Pennsylvania Marcellus Pipeline Project	• 90 miles of pipeline facilities in western Pennsylvania • 300K Dth initial capacity • ~$145M investment	• Letter of intent signed • Scheduled in-service late 2012
Millennium Expansion	• New 12,000 horsepower compressor station • ~$43M partnership investment	• Pending FERC approval • Projected in-service Nov. 2012
Rimersburg Expansion	• Phase I, $6M investment adding ~20K Dth per day of capacity	• Phase I projected in-service Q1 2012
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Ongoing Infrastructure Modernization

NiSource Gas Distribution – 2011 Highlights*

- Operating earnings $438.8M in 2011 vs. $342.6M in 2010**
- Revenues up $31.2M, reflecting regulatory and infrastructure programs
- Operating expenses $65.0M lower, primarily reflecting change in depreciation rates
- Approximately $320M invested in modernization and replacement programs in 2011; Virginia received approval for accelerated recovery of infrastructure projects
- Pennsylvania rate case approved in October
- Expanded energy efficiency initiatives in Ohio starting in 2012

2012 Highlights Going Forward

Highlight	Key Components	Status
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania, Virginia • $4B+ program benefits customers, communities and contributes to earnings growth	• ~$530M capital investment planned in 2012

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Investment-Driven Growth Platform

2011 Financing Highlights

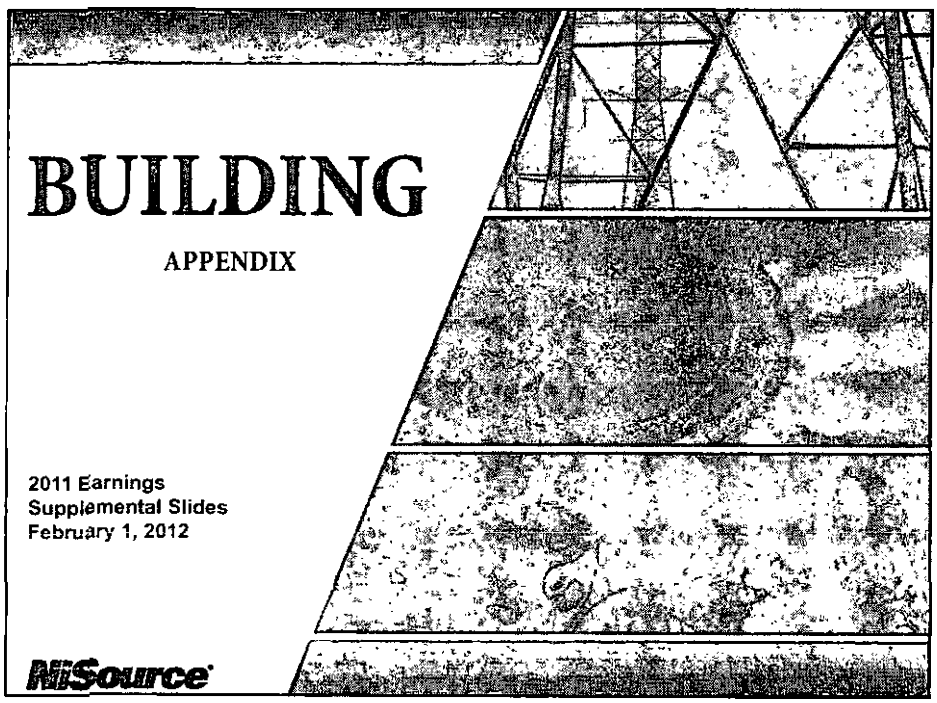
- Reducing financing costs, extending maturity profile
  - Total of $900M of long-term notes issued
  - $250M debt tender offer completed
  - $500M commercial paper program launched
  - $1.5B revolving credit facility renewed for an additional four years
- Managing future pension expenses
  - $400M total pension contribution in 2011
- Strong cash position
  - $364M in excess liquidity
- Stable investment-grade credit ratings reaffirmed

Delivering Shareholder Value

Key Takeaways for 2012

- Sustainable, long-term growth
  - 2012 EPS guidance: $1.40 to $1.50 per share*
  - Mid-point represents 7.4 percent growth over 2011*
- Record-level $1.4B in capital investments in 2012
  - All business units positioned for continued long-term growth with identified infrastructure investment opportunities
    - ~$430M at NGT&S
    - ~$530M at NGD
    - ~$415M at Electric operations
- Strong financial foundation, secure dividend, investment-grade credit ratings

* Net Operating Earnings from Continuing Operations (non-GAAP)



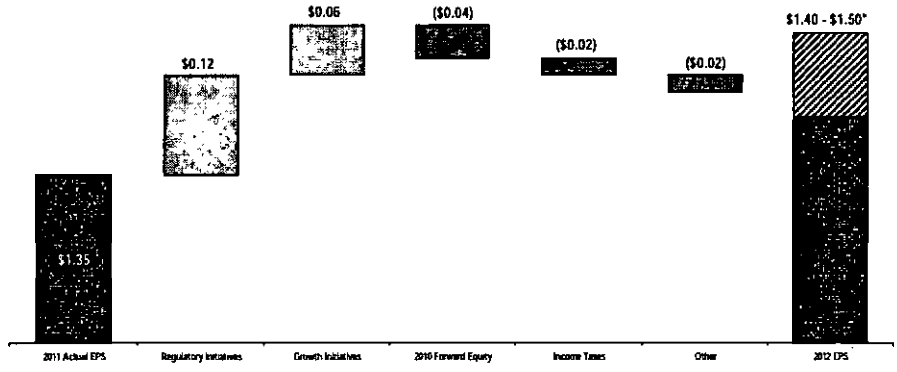
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2011 Earnings
Supplemental Slides
February 1, 2012

NiSource

2011 to 2012 – EPS*



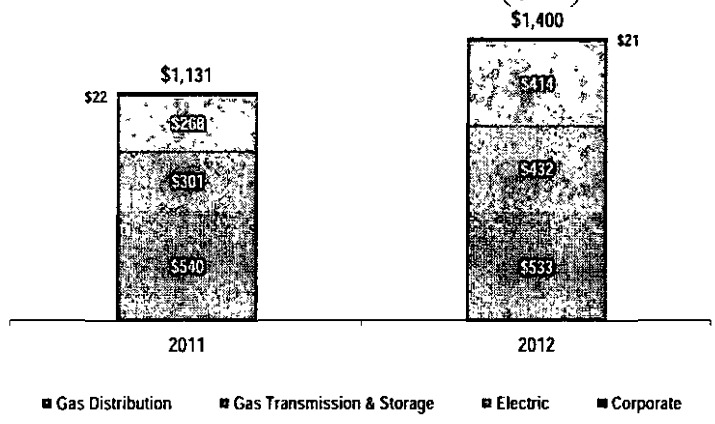
* Projected Net Operating Earnings from Continuing Operations (non-GAAP)

NiSource

2012 EPS Guidance Range $1.40 - $1.50*

Capital Expenditures

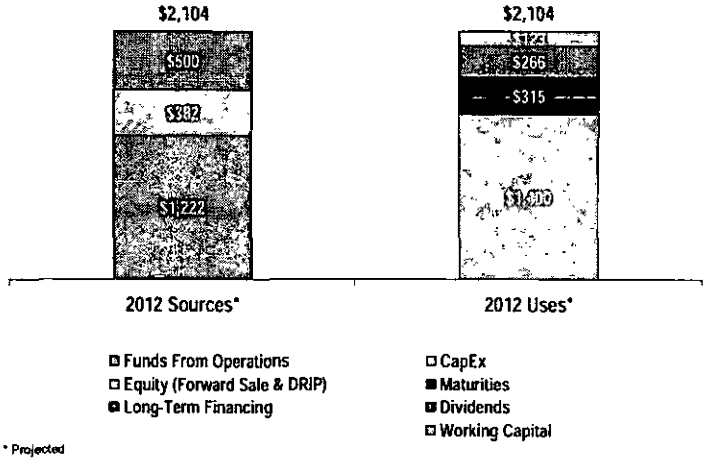
2011 Actual / 2012 Forecasted ($M)



NiSource

2012 Growth & Tracker ~$900M / Age & Condition ~$500M

2012 Sources and Uses of Cash ($M)



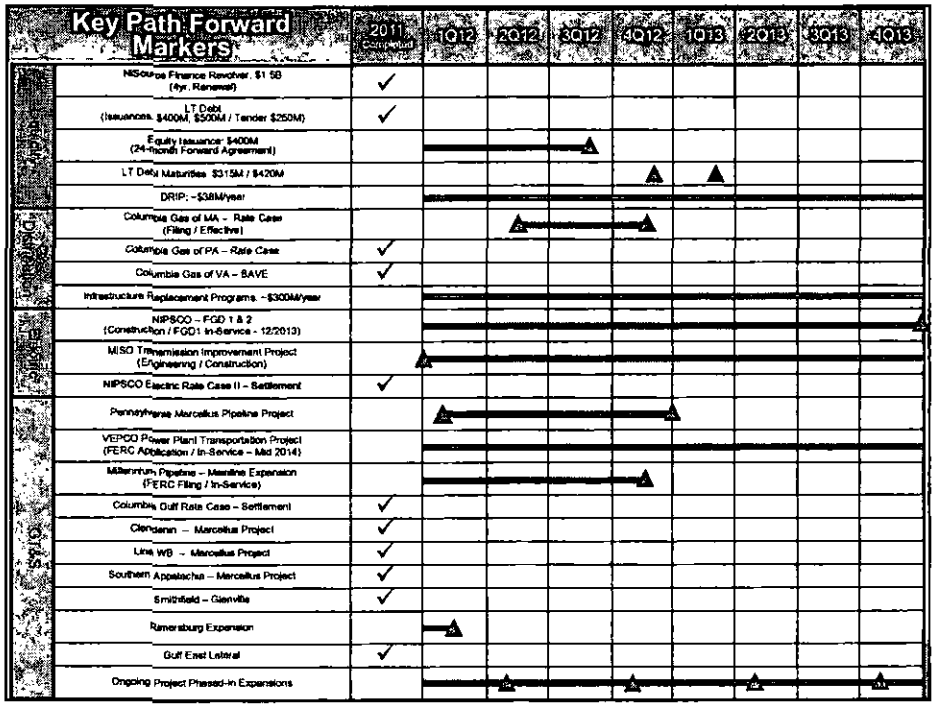
* Projected

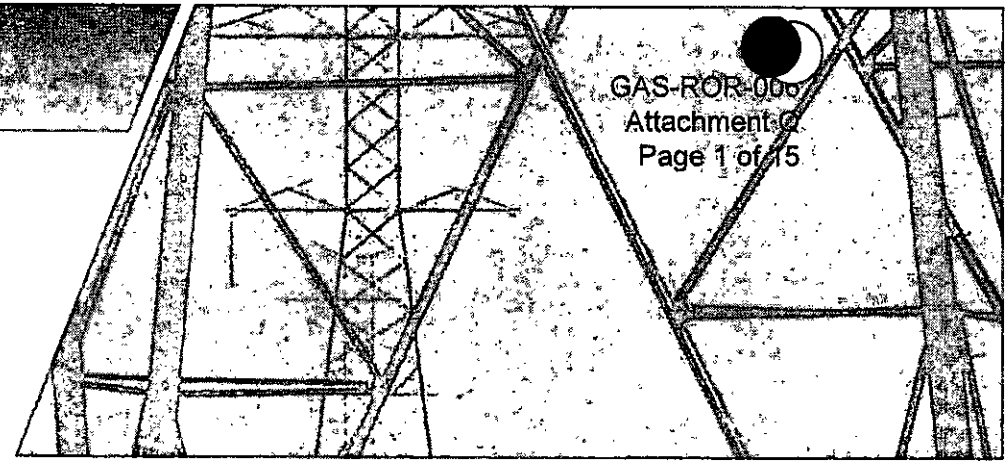
NiSource

Current Liquidity ($M)

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Committed Credit Facility	$1,500	March 2015
Less:		
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Net Available Liquidity	**$364**	

NiSource


Key Path Forward Markers
2011 Completed
1Q12
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
Capital Structure
NiSource Finance Revolver, $1.5B (4yr. Renewal)
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Pipeline



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INVESTMENT-DRIVEN GROWTH

2011 Earnings
Supplemental Slides
February 1, 2012

NiSource®

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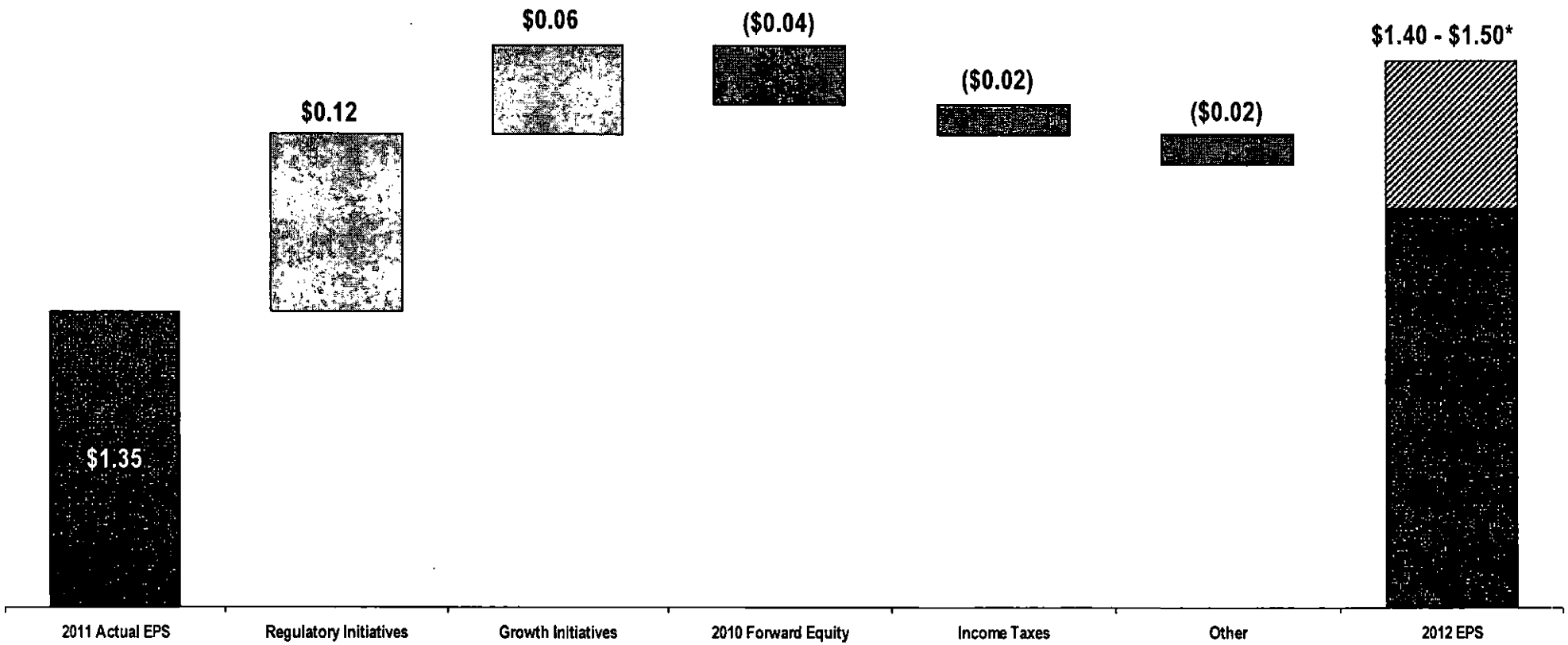
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February 1, 2012

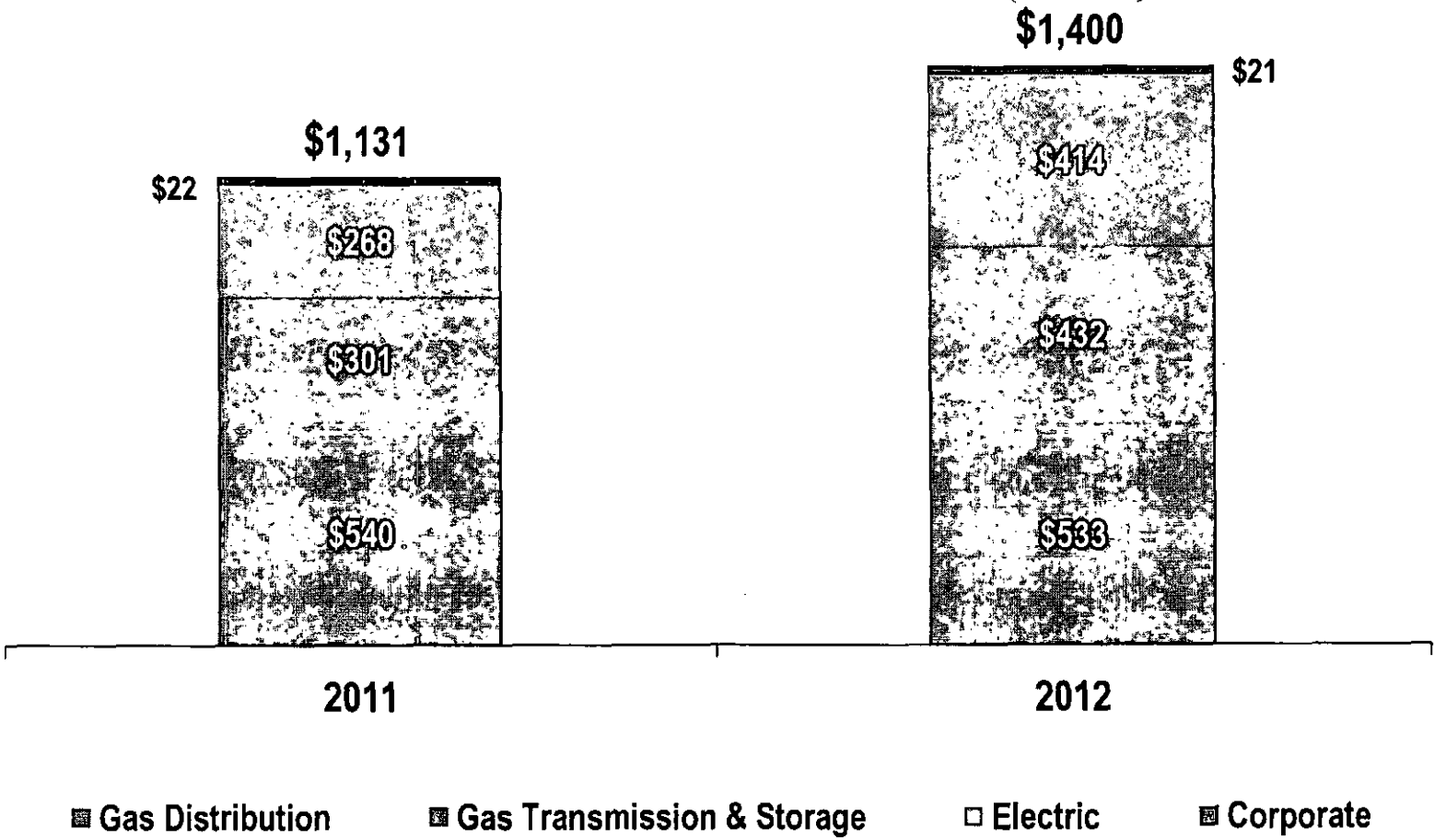
NiSource

2011 to 2012 – EPS*

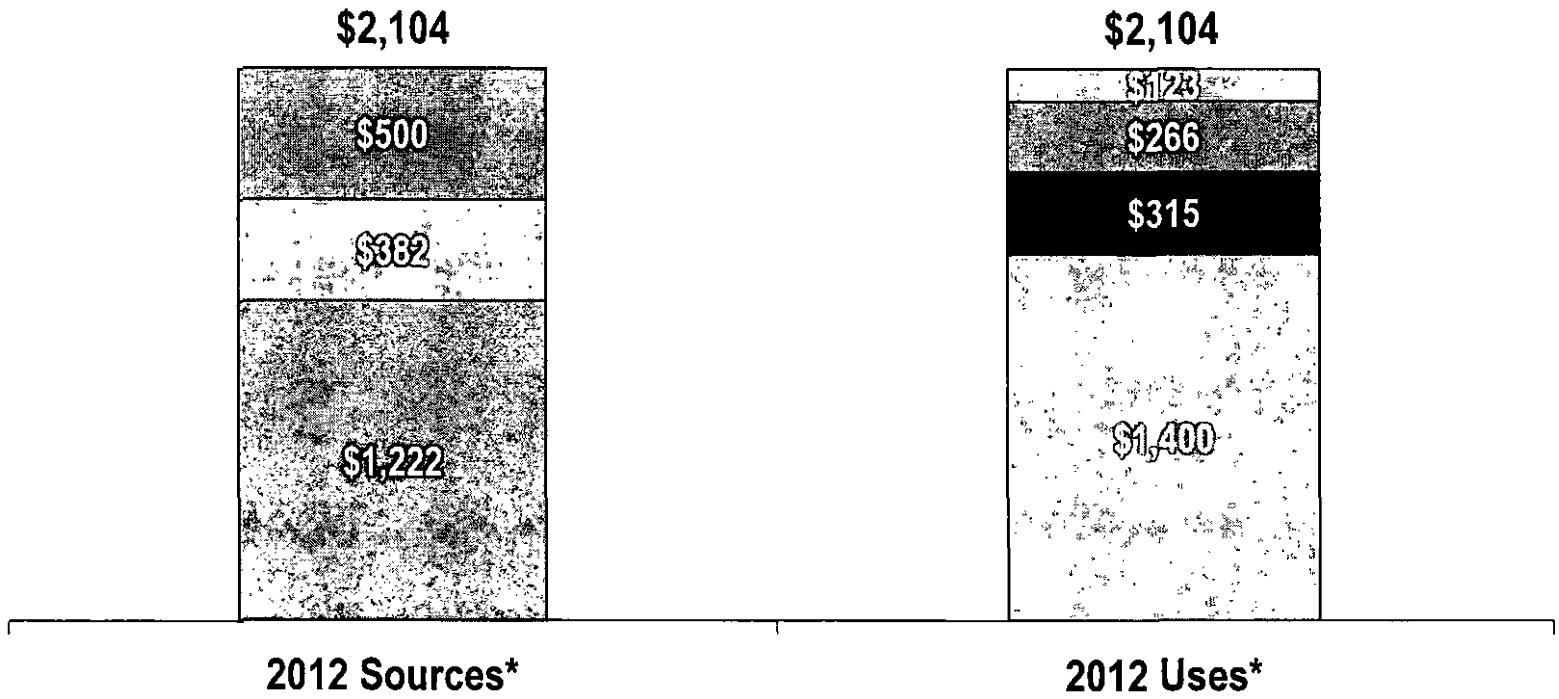


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2011 Actual / 2012 Forecasted ($M)



2012 Sources and Uses of Cash ($M)



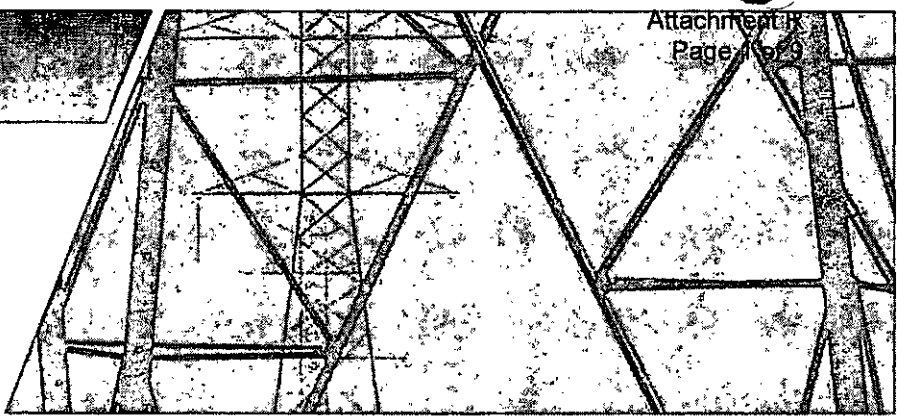
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	LT Debt (Issuances: $400M, $500M / Tender $250M)	✓								
	Equity Issuance: $400M (24-month Forward Agreement)		▲		▲					
	LT Debt Maturities: $315M / $420M					▲	▲			
	DRIP: ~$38M/year									
Gas Distribution	Columbia Gas of MA – Rate Case (Filing / Effective)			▲		▲				
	Columbia Gas of PA – Rate Case	✓								
	Columbia Gas of VA – SAVE	✓								
	Infrastructure Replacement Programs: ~$300M/year									
Electric	NIPSCO – FGD 1 & 2 (Construction / FGD1 In-Service - 12/2013)									▲
	MISO Transmission Improvement Project (Engineering / Construction)		▲							
	NIPSCO Electric Rate Case II – Settlement	✓								
G T&S	Pennsylvania Marcellus Pipeline Project		▲			▲				
	VEPCO Power Plant Transportation Project (FERC Application / In-Service – Mid 2014)									
	Millennium Pipeline – Mainline Expansion (FERC Filing / In-Service)					▲				
	Columbia Gulf Rate Case – Settlement	✓								
	Clendenin – Marcellus Project	✓								
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	Smithfield – Glenville	✓								
	Rimersburg Expansion		▲							
	Gulf East Lateral	✓								
	Ongoing Project Phased-In Expansions			▲		▲		▲		▲



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Midwest Utilities Seminar
April 5, 2012

NiSource®

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Regulation G Disclosure Statement

This document and today's presentation include certain non-GAAP financial measures as defined by the SEC's Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is contained in Schedules 1 and 2 of the NiSource quarterly earnings release and in the 2010 Statistical Summary Book, both of which are available on the NiSource Investor Relations website at http://ir.nisource.com/results.cfm and http://ir.nisource.com/annuals.cfm.

Building Investment-Driven Growth

NiSource Inc.

Gas Distribution

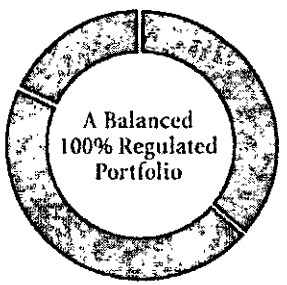
- One of the Nation's Largest Natural Gas Distribution Companies Serving More Than 3.3 Million Customers
- Established Best-in-Class Platform for Sustainable Earnings Growth Through:
  - Comprehensive long-term infrastructure-investment programs
  - Responsive customer programs
  - Creative regulatory approaches

Gas Transmission & Storage

- 15,000 Mile Network of Interstate Natural Gas Pipelines
- One of the Nation's Largest Market Area Storage Systems
- Unparalleled Strategic Footprint in the Growing Shale Production Regions of Appalachia
- Deep Inventory of Attractive Investment Opportunities

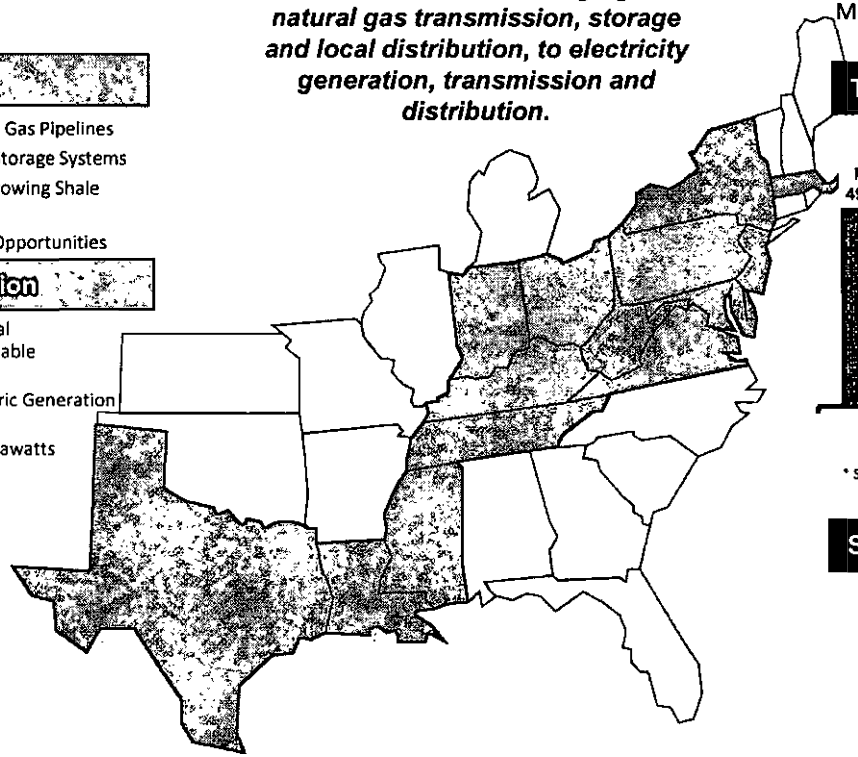
Electric Generation & Distribution

- More than 450,000 Industrial, Commercial and Residential Electric Customers in a Stable Marketplace
- Environmentally Compliant Fleet of Electric Generation Facilities
- Total Generating Capability of 3,300 Megawatts
- Recently Added Natural-Gas Fired Sugar Creek Facility



NiSource®

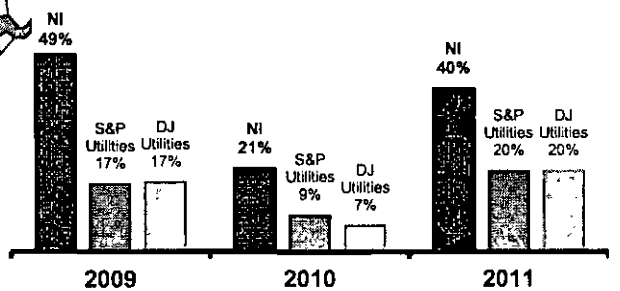
From the Gulf Coast through the Midwest to the Northeast, our portfolio of companies serves some of the nation's highest-value energy markets, with services ranging from natural gas transmission, storage and local distribution, to electricity generation, transmission and distribution.



FINANCIAL HIGHLIGHTS (12/31/2011)

Stock Price	$23.81
Common Shares Outstanding	281.9M
Annual Dividend	$0.92
Market Capitalization	$6.71B

TOTAL SHAREHOLDER RETURN *



* Stock Appreciation + Reinvested Dividend (Indices are average)

STABLE CREDIT RATINGS

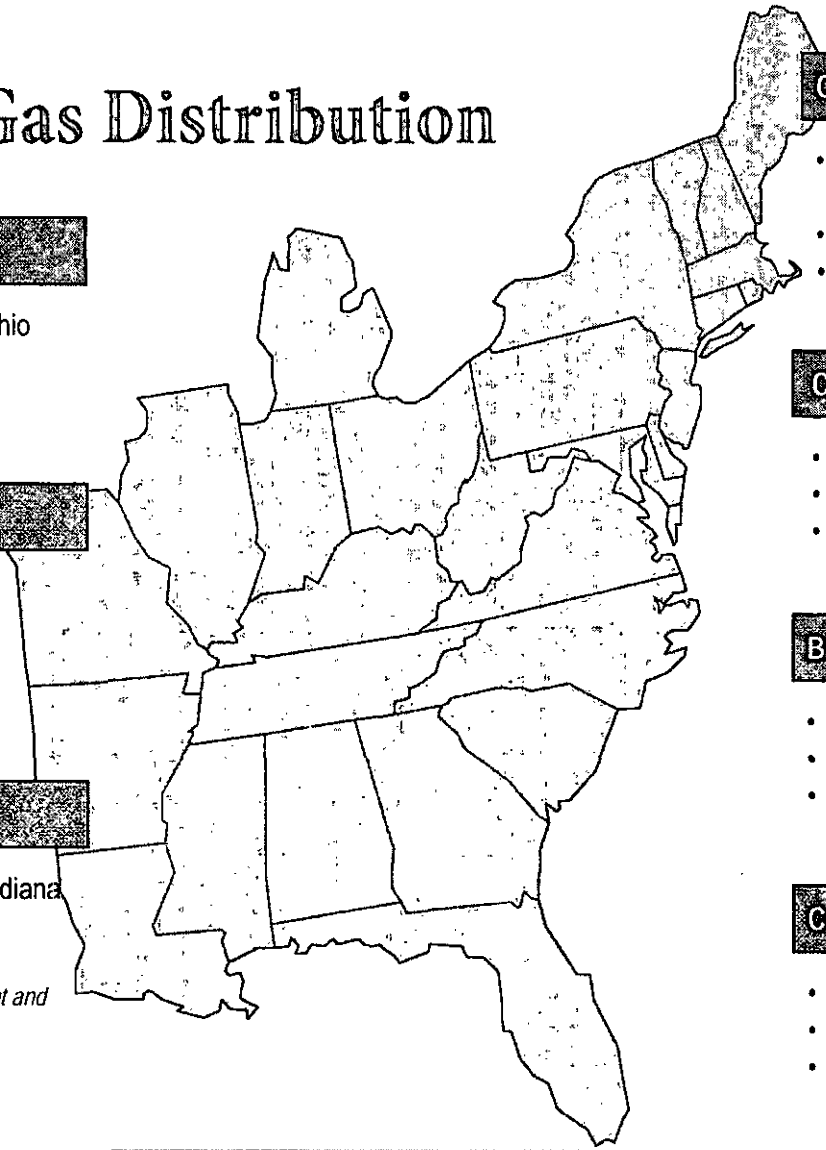
S&P	BBB-
Moody's	Baa3
Fitch	BBB-

NiSource Strategic Framework

Aspiration	**North America's Premier Regulated Energy Company**
Value Proposition	**Regulated, Infrastructure Investment-Driven Growth + Secure, Attractive Dividend**
Strategic Approach	**Balanced Four-Part Plan** • Gas Transmission & Storage Expansion • Infrastructure Modernization Programs Synched with Regulatory Initiatives • Financial Management • Cost & Process Excellence

Leading Portfolio of Gas Companies

NiSource Gas Distribution



Columbia Gas of Ohio

- Largest Natural Gas Provider in Ohio
- 1.4 Million Customers
- 19,000+ Miles of Pipe

Columbia Gas of Kentucky

- 2nd Largest Gas-Only Provider in Kentucky
- 142,000 Customers
- 2,500+ Miles of Pipe

NIPSCO Gas*

- Largest Natural Gas Provider in Indiana
- 785,000 Customers
- 16,000+ Miles of Pipe

**Includes Northern Indiana Fuel & Light and Kokomo Gas and Fuel*

Columbia Gas of Pennsylvania

- 3rd Largest Natural Gas Provider in Pennsylvania
- 413,000 Customers
- 9,300+ Miles of Pipe

Columbia Gas of Maryland

- Complementary to PA Operations
- 33,000 Customers
- 750+ Miles of Pipe

Bay State Gas

- Largest Gas-Only Provider in Massachusetts
- 300,000 Customers
- 4,800+ Miles of Pipe

Columbia Gas of Virginia

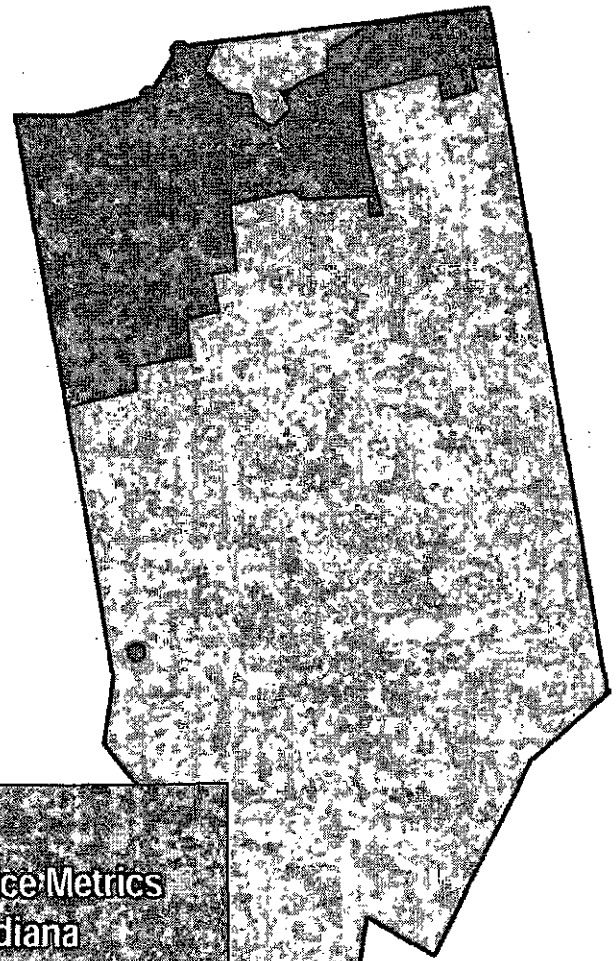
- 3rd Largest Natural Gas Provider in Virginia
- 240,000 Customers
- 4,800+ Miles of Pipe

NiSource®

Constructive Regulatory Environments

Indiana's Largest Combination Utility

NIPSCO Electric



Electric Distribution & Transmission

- 458,000 Electric Customers
- 17,000 GWH Electricity Sales
- 10,000 Miles of Electric Distribution
- 2,800 Miles of Electric Transmission

Electric Generation

- 3,300 MW Total Generating Capacity (78% Coal; 22% Gas)
- ~60% SO_2-Controlled and NOx-Controlled

- Competitive Rates
- Solid Operating/Customer Service Metrics
- Environmental Leadership in Indiana
- $2.3B Rate Base

NiSource®

Constructive Regulatory Environment

Strategically Positioned

NGT&S Assets

15,000
Pipeline Miles

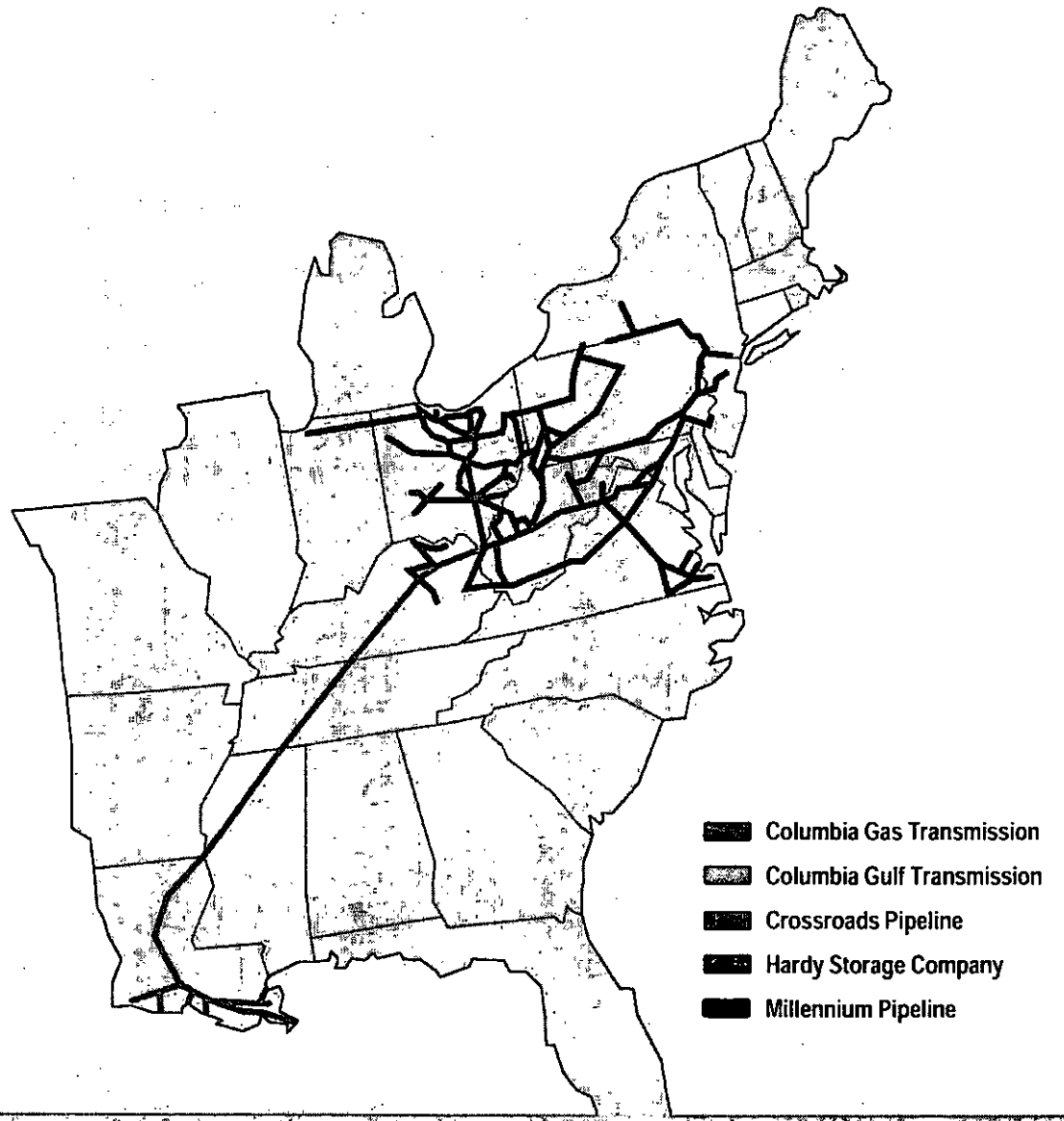
Annual Deliveries: 1.4 Tcf
Peak Day Deliveries: 7.4 Bcf
Serving 40 Markets
Operations in 16 states

37
Storage Fields

Capacity: 615 Bcf
Daily Delivery: 4.8 Bcf
Working Gas: 280 Bcf

106
Compressor Stations

Horsepower: 1,100,000



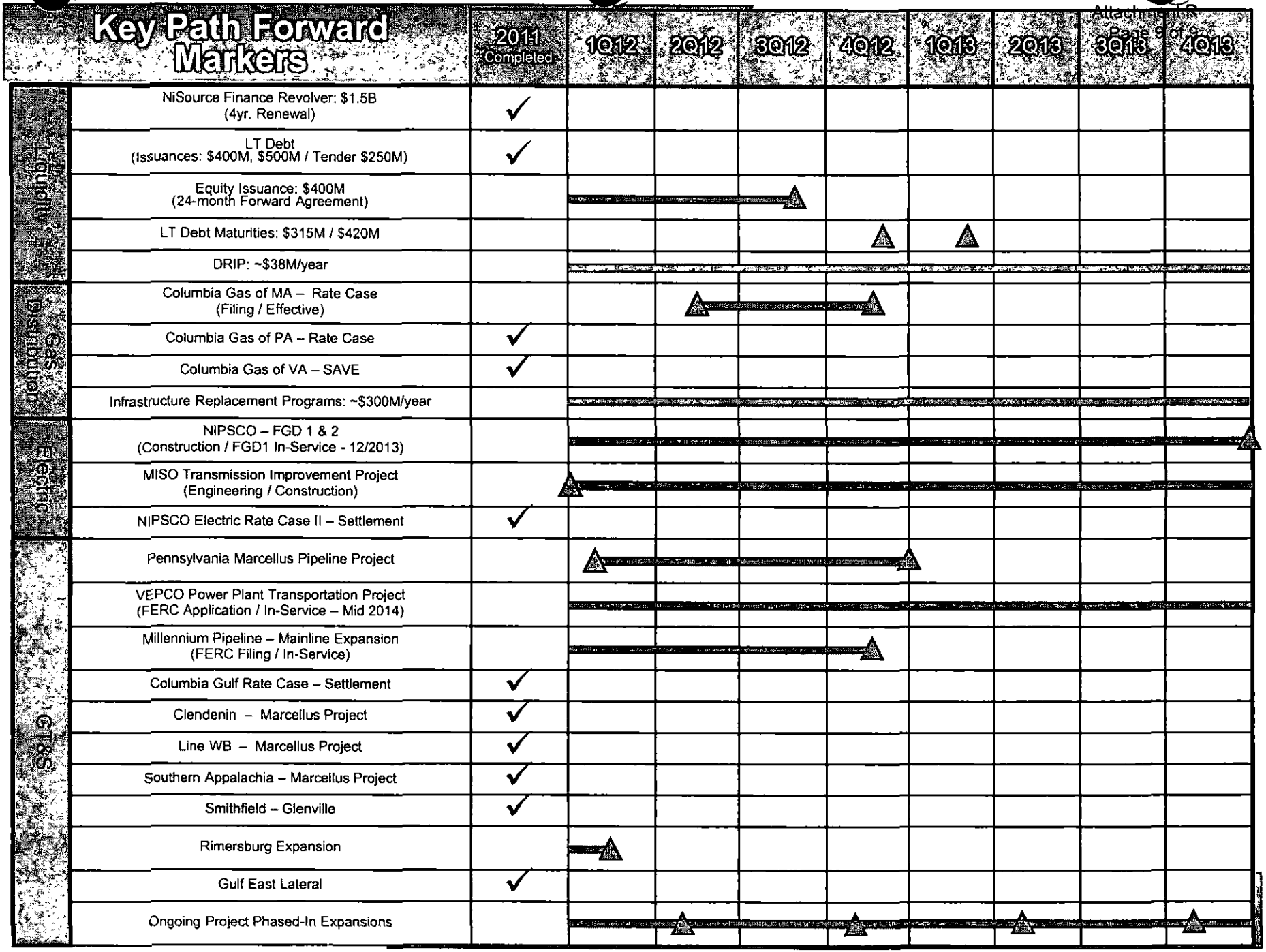
NiSource®

Great Assets, Great Markets

Key 2012 Priorities

- Gas Distribution Infrastructure Program
- LDC Regulatory Initiatives
  - CMA and CPA Rate Cases
- FGD Construction and Tracker Filings
- Advancing NGT&S Business Plan
  - Marcellus and Utica Project Inventory
  - Minerals Strategy
  - Pipeline Modernization
- Delivering Our 2012 Financial Commitments
- Long-Term Dividend Policy

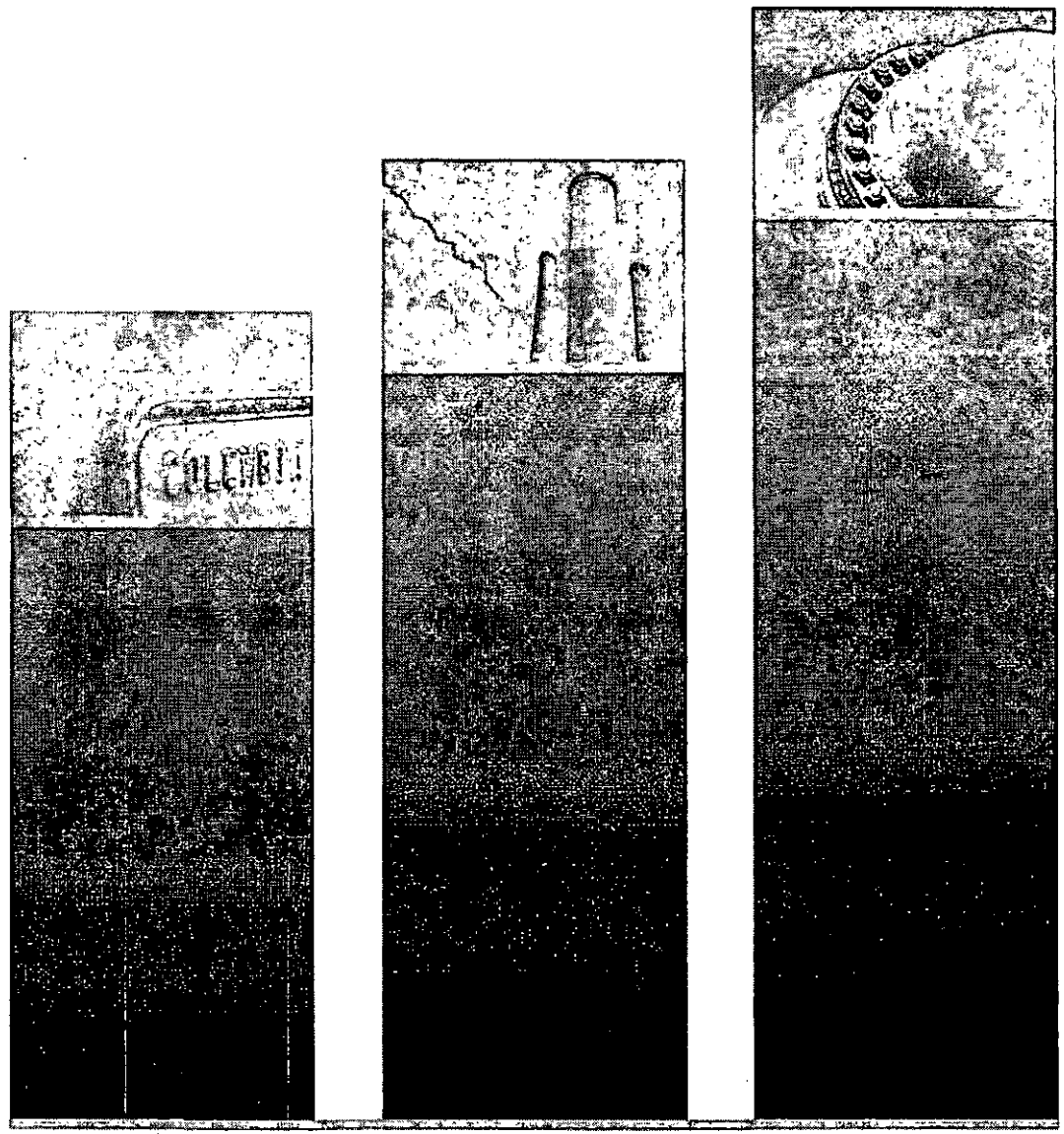
Key Path Forward Markers



B U I L D I N G

Supplemental Slides

First Quarter 2012 Earnings
May 1, 2012



NiSource®

Forward-Looking Statements

This document contains forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed herein include, among other things, weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of new environmental laws and regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; counter-party credit risk; and the matters set forth in the "Risk Factors" sections in NiSource's 2011 Form 10-K and 2011 Forms 10-Q, many of which are beyond the control of NiSource. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this document.

With regard to Net Operating Earnings Guidance for 2012 – it should be noted that there will likely be differences between net operating earnings and GAAP earnings for matters including, but not limited to, weather, and other factors. NiSource is not able to estimate the impact of such items on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways – Q1 2012

NiSource: A Compelling Investment

- Results squarely in line with 2012 earnings guidance range
  - 2012 EPS guidance range: $1.40 to $1.50 per share*
- Positive results from regulatory, modernization and growth initiatives
- Solid Midstream and pipeline expansion projects moving ahead
- Record $1.4B capital investment program on track
- Investment grade credit ratings affirmed

Building Long-Term, Sustainable Growth

** Net Operating Earnings from Continuing Operations (non-GAAP)*

First Quarter 2012 Financial Highlights

Solid Financial Results

Non-GAAP	Q1 2012*	Q1 2011*	Change*
Net Operating Earnings from Continuing Operations	$214.5	$206.6	$7.9
Operating Earnings Per Share	$0.76	$0.74	$0.02
Operating Earnings	$435.5	$402.1	$33.4

GAAP	Q1 2012*	Q1 2011*	Change*
Income from Continuing Operations	$193.5	$209.1	($15.6)
Earnings Per Share	$0.68	$0.75	($0.07)
Operating Income	$399.4	$406.4	($7.0)

Well Established, Customer-Focused Plan

** All Results Listed In Millions, Except for EPS;*
For a Reconciliation to GAAP, See Schedule 1 of the Company's May 1, 2012 Earnings Release

NiSource Gas Transmission & Storage – Q1 2012 Highlights*

Continued Shale Growth Opportunities

- Operating earnings $138.6M in Q1 2012 vs. $118.4M in Q1 2011**
- Revenues increase $16.5M primarily from growth projects placed in service and the Columbia Gulf rate case; Operating expenses up $1.0M
- Solid opportunities in eastern Ohio's Utica shale, including mineral rights leasing, gathering and traditional pipeline opportunities
- Continued customer discussions regarding long-term infrastructure modernization

2012 Highlights Going Forward

Project	Key Components	Status
West Side Expansion	• Approximately 500,000 dekatherms per day of Marcellus production to Gulf Coast markets • ~$220M investment	• Binding long-term precedent agreements signed with two shippers • Projected in-service late-2014
Big Pine Gathering System	• 425 million cubic feet per day • ~$150M investment	• Anchored by a long-term gathering agreement with XTO Energy • Projected in-service late 2012
Warren County Electric Generation Project	• Up to 250,000 dekatherms per day of long-term firm transportation • ~$35M investment	• Received FERC approval in March 2012 • Projected in-service mid-2014

Midstream, Modernization & Growth

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 1, 2012 Earnings Release*

NiSource Electric – Q1 2012 Highlights*

A Foundation for Sustainable Growth

- Operating earnings $48.5M in Q1 2012 vs. $49.3M in Q1 2011**
- Revenues increased by $29.1M due to increased margins; Operating expenses up $29.9M primarily due to higher employee and administrative expenses, generation costs and MISO fees
- Continued to strengthen management team to deliver on customer and community commitments
- New customer programs and services, including electric vehicle program and new mobile website with transaction capabilities

2012 Highlights Going Forward

Highlight	Key Components	Status
Coal-Fired Generation Environmental Investments	• Flue Gas Desulfurization equipment at Schahfer units in process • ~$850M of environmental investments	• Schahfer units on schedule, on budget
Transmission Project	• 100-mile, 345-KV transmission project • Part of MISO system improvements across Midwest • ~$270M investment	• Preliminary outreach, planning to start in 2012 • Projected in-service latter part of decade

Enhancing Customer Service, Reliability

** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 1, 2012 Earnings Release*

NiSource Gas Distribution – Q1 2012 Highlights*

Ongoing Infrastructure Modernization

- Operating earnings $246.5M in Q1 2012 vs. $237M in Q1 2011**
- Revenues up $11.4M, reflecting regulatory and infrastructure programs; Operating expenses $1.9M higher due to increased depreciation from elevated capital spend
- Strengthening business unit leadership
- Columbia Gas of Massachusetts base rate case filed on April 13
- Accelerated recovery of infrastructure investments approved in Pennsylvania

2012 Highlights Going Forward

Highlight	Key Components	Status
Columbia Gas of Massachusetts Base Rate Case	• Supports expanded infrastructure modernization plans and timely cost recovery • Revised rates to support ongoing operations and maintenance • Revenue increase of $29M annually	• Decision expected late October 2012
Infrastructure Modernization	• Programs moving ahead in Kentucky, Massachusetts, Ohio, Pennsylvania, Virginia • $4B+ program benefits customers, communities and contributes to earnings growth	• ~$530M capital investment planned in 2012

Significant Customer, Regulatory Progress

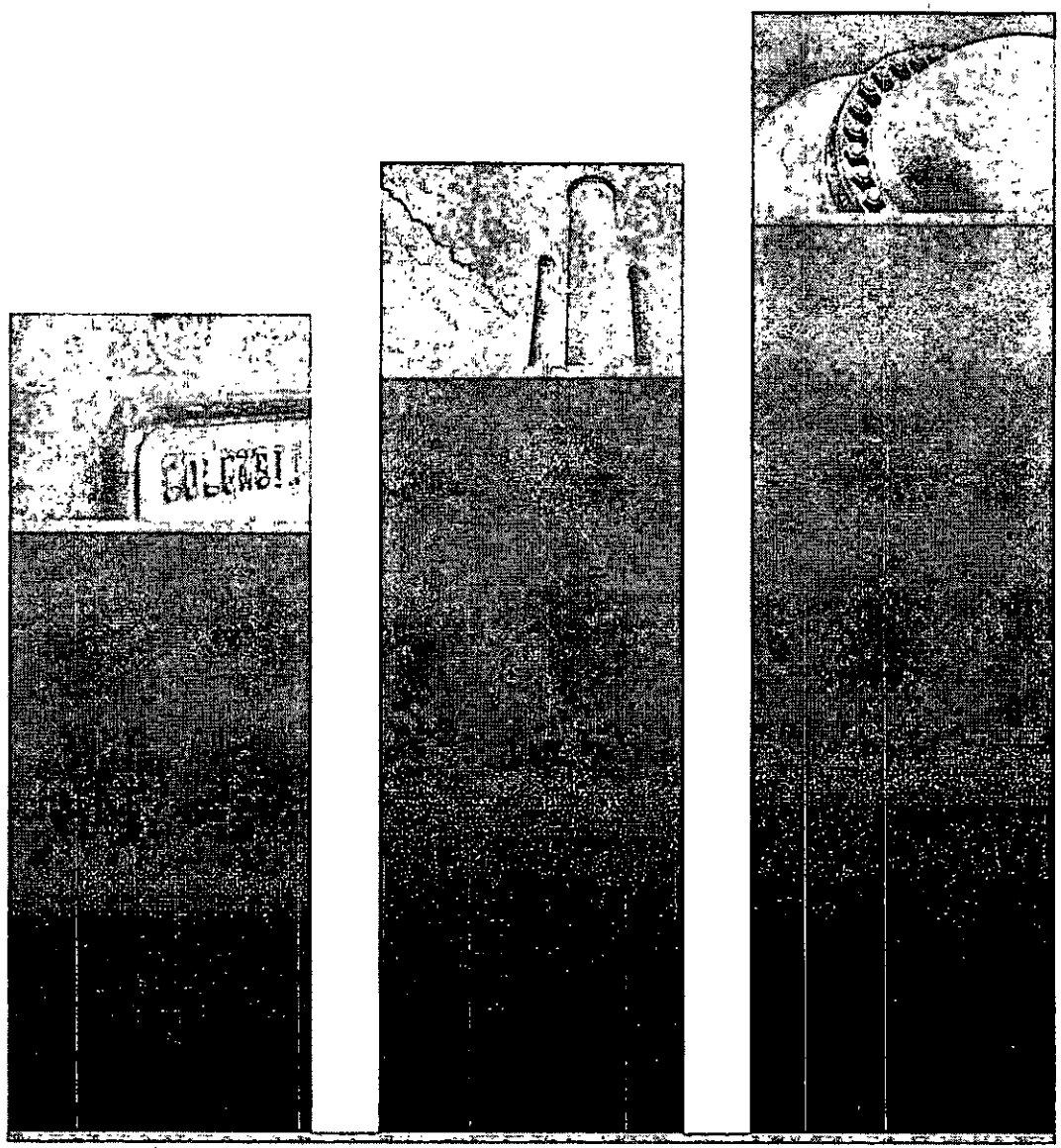
** Revenues & Expenses Exclude Trackers*

*** Non-GAAP. For a Reconciliation to GAAP, See Schedule 2 of the Company's May 1, 2012 Earnings Release*

B U I L D I N G

Appendix

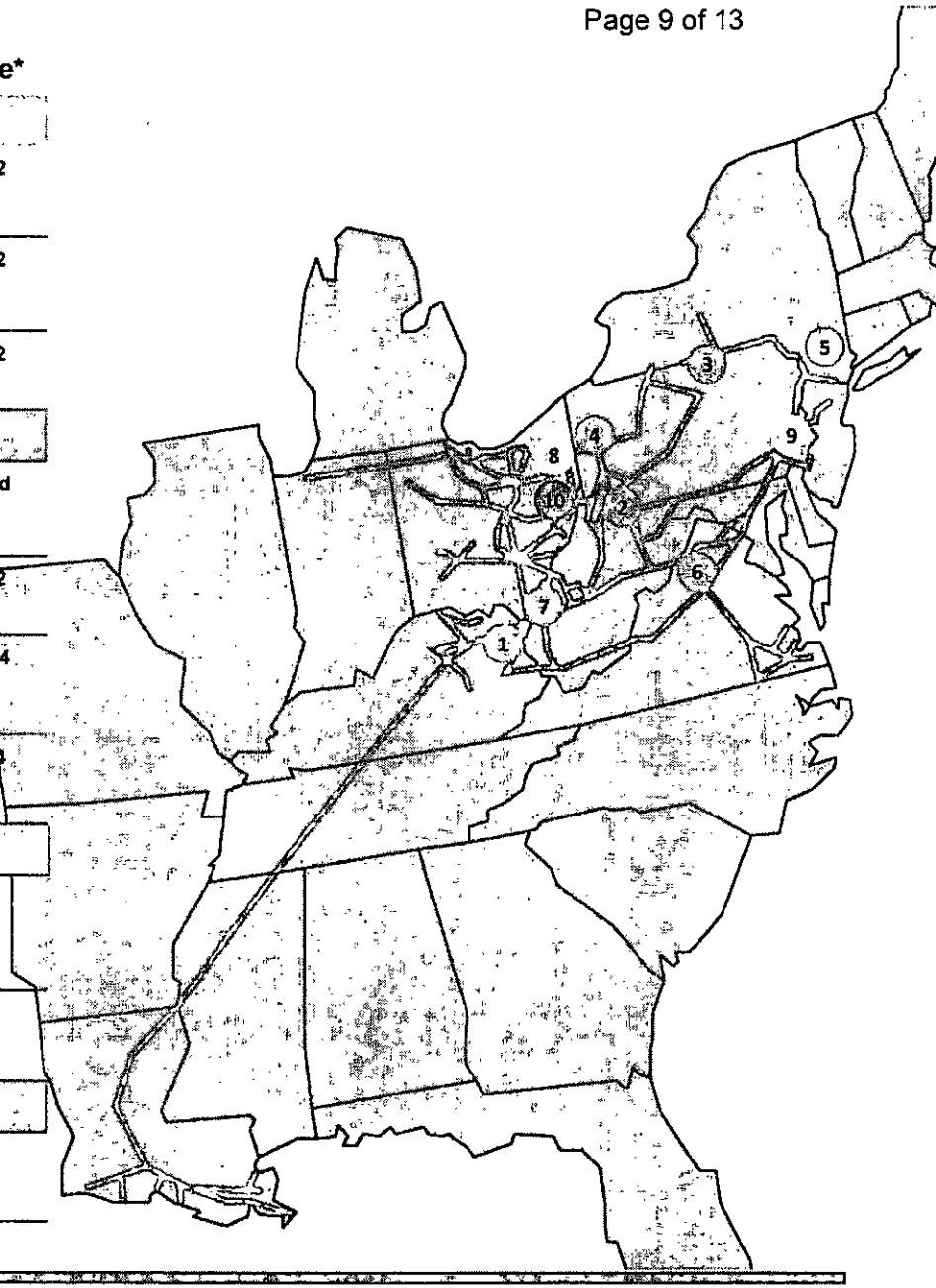
First Quarter 2012 Earnings
May 1, 2012



NiSource®

NGT&S Growth Projects

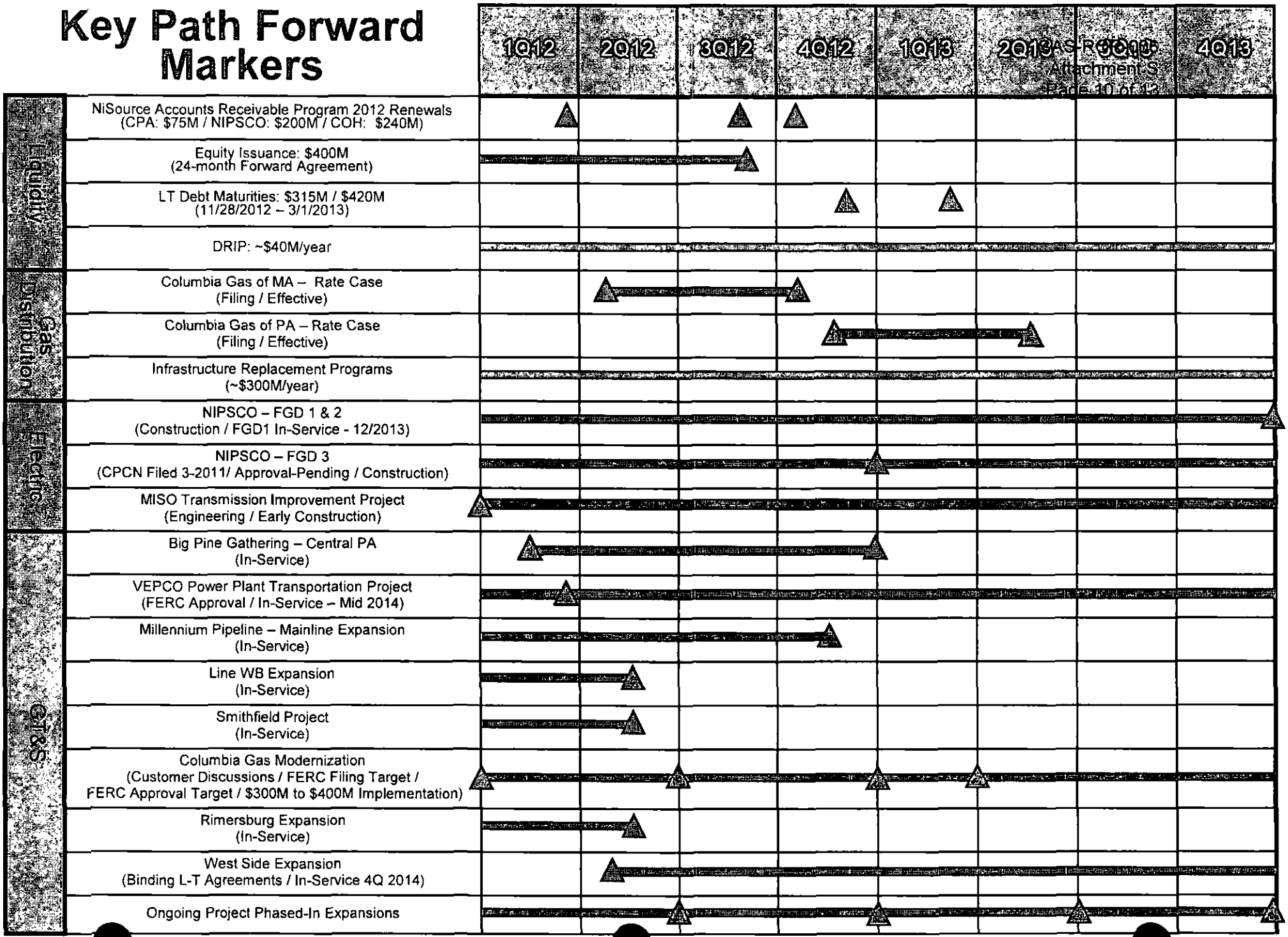
	Project	Description	CapEx	In-Service*
		Completed (2012)		
1	Line WB Expansion	Marcellus: Additional Compression – between Loudoun, VA & Leach, KY (+175K Dth/Day)	$14M	2Q/2012
2	Smithfield Project	Marcellus: Pipeline and Compressor Modifications – near Smithfield, WV & Waynesburg, PA (+150K Dth/Day)	$14M	2Q/2012
3	Rimersburg Expansion	Marcellus: Line Expansion – North Central PA (+19K Dth/Day)	$6M	2Q/2012
		In Execution		
4	Big Pine Gathering System	Marcellus: ~70 Miles of Pipeline with Multiple Interstate Interconnections – Western PA (+425 MMcf/Day)	$150M	Year-end 2012
5	Millennium Expansion	Marcellus: Mainline Compression – Stagecoach to Ramapo (+~120K Dth/Day)	$47M (NI = ~$22M)	4Q/2012
6	VEPCO Power Plant Transportation	Gas Generation: Pipeline to Service Virginia Electric Power's New 1,300 MW Plant (+250K Dth/Day)	$35M	Mid 2014
7	West Side Expansion	Marcellus: Transport Marcellus Gas South to Gulf Coast Markets (+~500K Dth/Day)	$220M	4Q/2014
		In Development/Negotiations		
8	Utica Minerals JV	Utica: Potential JV to Optimize Minerals Position and Midstream Investment – including Gathering, Processing and Residue Line	TBD	TBD
9	East Side Expansion	Marcellus: Connect Marcellus Gas to Growing Mid-Atlantic Markets (+500K Dth/Day)	TBD	TBD
		In Evaluation		
10	"Fairway" Gathering & Processing	Utica: 90 Miles of Gathering and 200 Mcf/Day of Processing – Eastern OH	TBD	TBD



** Projected*

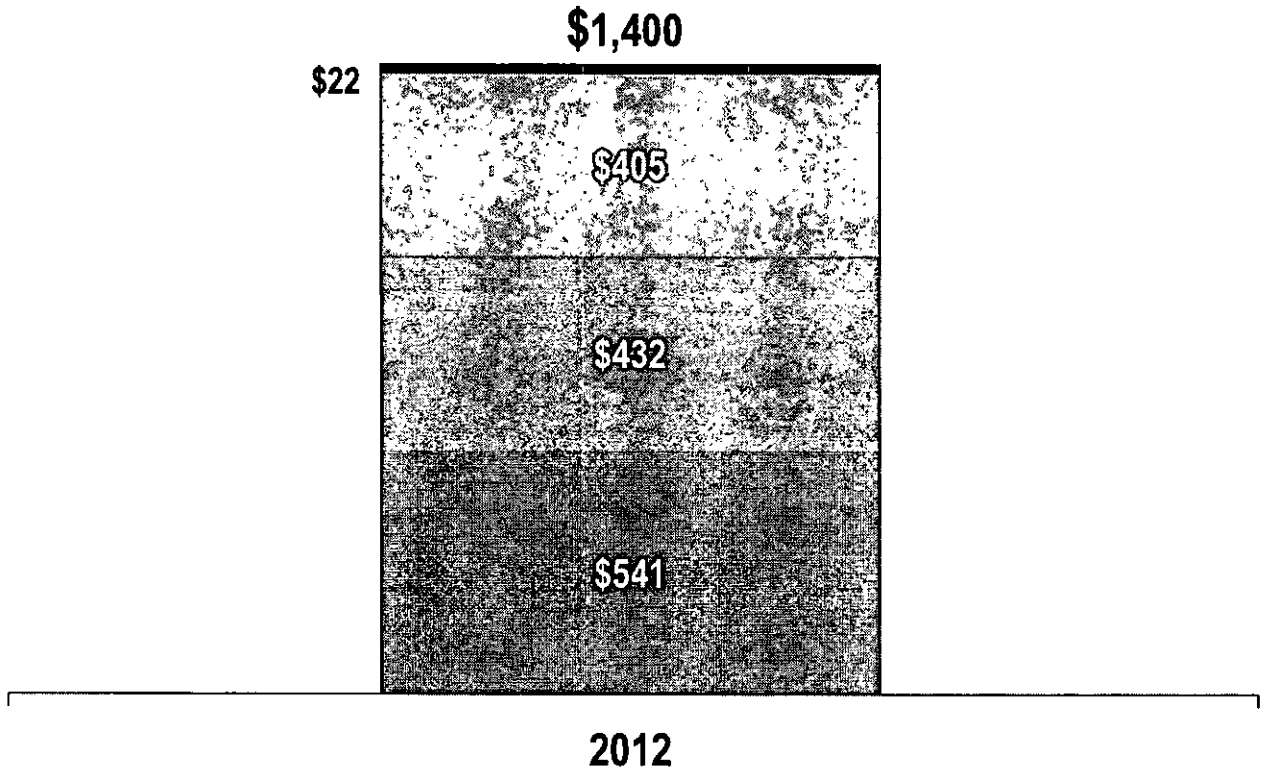
MSource®

Key Path Forward Markers



2012 Forecasted ($M)

Capital Expenditures



2012 Growth & Tracker $897M / Age & Condition $530M

Current Liquidity ($M)

	Actual 3/31/12	Maturity
Committed Credit Facility	$ 1,500	March 2015
Less:		
Drawn on Credit Facility	(391)	
Commercial Paper	(497)	
Letters of Credit	(19)	
Add:		
Cash & Equivalents	38	
Net Available Liquidity	**$ 631**	

Capitalization ($M)

	Actual 3/31/2012		
	Debt	**Equity**	**Total**
Long-Term Debt	$5,834.4		$5,834.4
Short-Term Debt	887.6		887.6
Sale of A/R	376.6		376.6
Current Maturities	750.8		750.8
Common Equity		$5,080.5	5,080.5
Total Capitalization Per Balance Sheet	**$7,849.4**	**$5,080.5**	**$12,929.9**
% of Capitalization Per Balance Sheet	**60.7%**	**39.3%**	**100.0%**

Total Debt to Capitalization 60.7% as of 3/31/12

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-007:

Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.

Response:

Columbia Gas of Pennsylvania, Inc.:

The Company plans to reissue a current maturity due in November 2012. The actual coupon rate will be updated when available. The Company also plans on reissuing a current maturity due in December 2013. The current plan also anticipates issuing new debt in 2013 and 2014.

Issue Date	Principal	Coupon	Maturity
November 2012 (CM)	$64.825M	5.45%	30 Year
May 2013 (New)	$33.175M	5.50%	30 Year
December 2013 (CM)	$22M	5.55%	30 Year
June 2014(New)	$18M	5.55%	30 Year

Note: The coupons are based upon the forward curves run in August 2012 from the Bloomberg Financial System plus NiSource's BBB- credit spread obtained from Reuter's Corporate Bond Spread Tables.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

NiSource Inc.

NiSource Inc. issued long-term debt in June 2012. NiSource Inc. also anticipates issuing external long-term debt in 2013 and 2014:

Issue Date	Principal	Coupon	Maturity
June 2012	$250M	3.85%	10 Year
June 2012	$500M	5.25%	30 Year
April 2013	$250M	3.85%	10 Year
April 2013	$500M	4.675%	20 Year
April 2013	$500M	5.50%	30 Year
June 2014	$500M	4.10%	10 Year
June 2014	$500M	5.55%	30 Year

Note: The coupons are based upon the forward curves run in August 2012 from the Bloomberg Financial System plus NiSource's BBB- credit spread obtained from Reuter's Corporate Bond Spread Tables.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-008:

Please identify all of the Company's and, if applicable, its parent's publicly underwritten common stock issuances written in the last five years. Identify which such issuances were related to mergers or acquisitions, and which were undertaken to fund facility investments in utility plant and equipment.

Response: Columbia Gas of Pennsylvania, Inc.

Columbia Gas of Pennsylvania, Inc. (Company) is a wholly owned subsidiary of Columbia Energy Group, which is a subsidiary of NiSource, Inc. (Parent). All equity of the Company is held by the Parent and is not publicly traded.

Response: NiSource Inc.

NiSource Inc. has not issued any common stock over the last five years (2008-June 2012) except that stock has been issued in conjunction with its Long-term Incentive Plan and other benefit plans (Employee Stock Purchase Plan, Dividend Reinvestment and Stock Purchase Plan and NiSource Inc. Retirement Savings Plan). These issuances were not related to mergers, acquisitions or undertaken to fund a specific facility investment.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-009:

Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.

Response:

The Company (Columbia Gas of Pennsylvania, Inc.) does not have a plan to refinance long-term debt in its current planning assumptions. The Company does not have preferred stock.