

2009 Power & Gas Leaders Conference

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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; the success of NiSource's restructured outsourcing agreement; actual operating experience of NiSource 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, many of which are beyond the control of NiSource. These and other factors are detailed from time to time in the company's SEC reports. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The company expressly disclaims a duty to update any of the forward-looking statements contained in this presentation.

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 Distribution

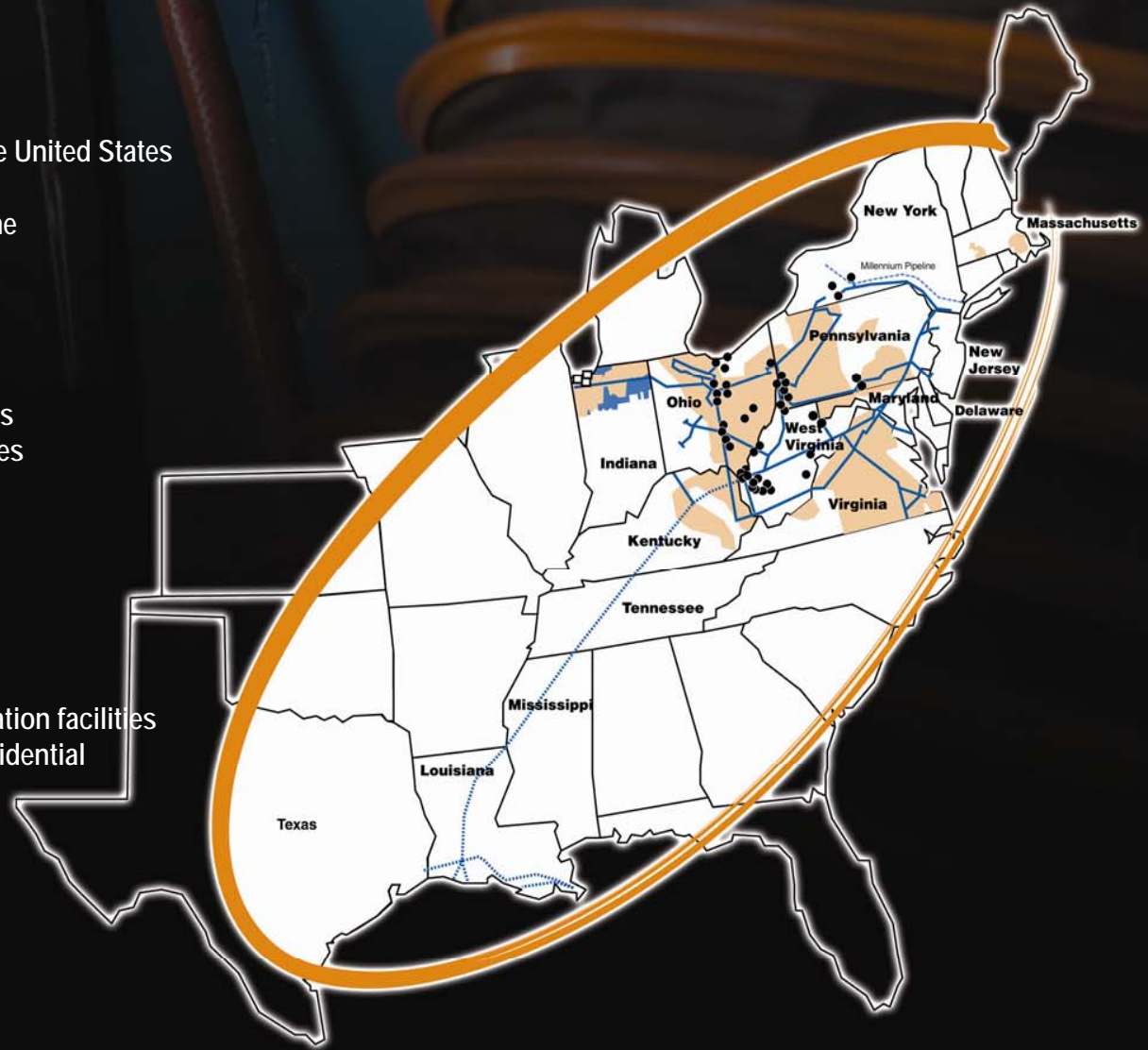
- 3rd largest natural gas distribution company in the United States
- 3.3 million customers in 7 states
- Approximately 57,000 miles of distribution pipeline
- Strong focus on infrastructure

Gas Transmission & Storage

- 4th largest natural gas pipeline in the United States
- Approximately 16,000 miles of pipeline in 16 states
- One of the largest natural gas storage networks
- Prime footprint to the East Coast
- Wide array of growth and expansion projects

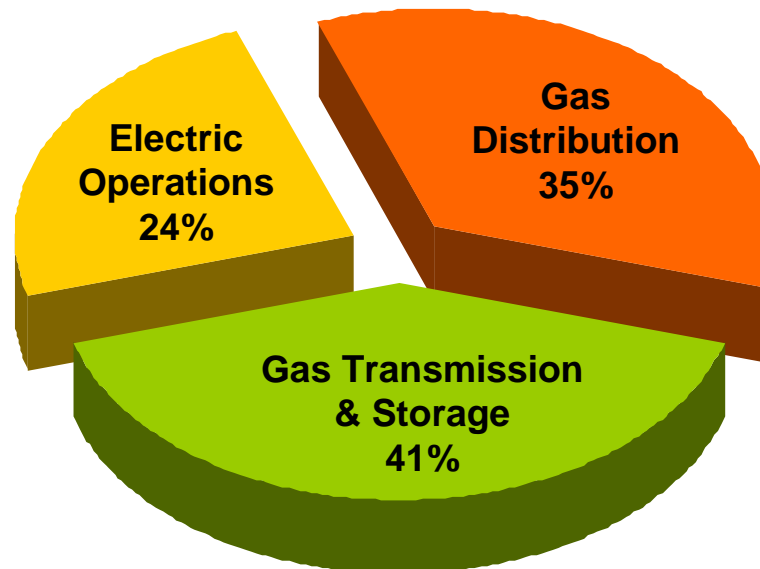
Electric Generation & Distribution

- Environmentally compliant fleet of electric generation facilities
- More than 450,000 industrial, commercial and residential electric customers in a growing marketplace



Balanced / Low Risk Portfolio

100% of Operating Earnings From Regulated Businesses



Credit Ratings

Moody's: Baa3

S&P: BBB-

Fitch: BBB-

Aspiration: The Premier Regulated Energy Company in North America

Four-Part Strategy

- Expansion and Commercial Growth of NI's Pipeline and Storage Business
- Regulatory and Commercial Initiatives
- Balance Sheet Management
- Process & Expense Management

Key Strategic Initiatives

- NIPSCO Electric Repositioning
- Gas LDC Infrastructure Programs & Complementary Regulatory Strategies
- GT&S Continuing Development of Growth Projects

Low Risk, Long-Term Infrastructure Driven Growth

Disciplined Business Unit Focus

Sustainable Growth of 100% Regulated Business Portfolio

- **Gas Distribution**
 - Targeted Investment and Regulatory Opportunities
 - Infrastructure Programs & Investment Trackers
 - Rate Design Enhancements
 - Revenue Increases
- **Electric Operations**
 - Generation Investments & Regulatory Initiatives
 - Reliability Investments
 - Environmental Compliance
 - Adding Generation Capacity
 - Successfully Resolving NIPSCO Rate Case
- **Gas Transmission & Storage (GT&S)**
 - Disciplined Growth
 - Delivering Growth Projects
 - Optimizing Existing Assets

Low Risk, High Quality Investment & Income Streams

Financial Update

Maintaining Solid Performance and Liquidity in a Challenging Economy

- 2Q '09 Earnings Release -- Reaffirmed 2009 Net Operating Earnings Guidance
 - \$1.00 - \$1.10 per Share
 - Key Sensitivity: Pace of Economic Recovery
- Execution of Liquidity Plan
 - 2009 CapEx Recalibrated
 - Accessed Debt Markets for ~\$1B in 1Q/2Q 2009
 - Tax Method Change Approval
- Advancing Business Initiatives
 - Regulatory
 - Growth Projects
 - Cost Discipline

3Q2009 Earnings Release/Business Update Scheduled for October 30, 2009

Executing in a Challenging Economic Environment

Key 2008 / 2009 Accomplishments

Gas Distribution

- ✓ Columbia Gas of Pennsylvania – \$41.5M Settlement
- ✓ Columbia Gas of Ohio – \$47.1M Settlement
- ✓ Launch of Infrastructure Programs
 - Columbia Gas of Ohio – 25 year / \$2B
 - Columbia Gas of Pennsylvania – 20 year / \$1.4B
- ✓ Columbia Gas of Ohio – \$13M Pension Deferral
- ✓ Columbia Gas of Maryland – \$1.2M Settlement
- ✓ Columbia Gas of Kentucky – Settlement Pending Approval

Electric Operations

- ✓ Advancing NIPSCO Rate Case
- ✓ Added Generating Capacity - \$330M Sugar Creek
- ✓ Cost Savings Initiatives

Gas Transmission & Storage

- ✓ Millennium Pipeline – In Service
- ✓ Florida Gas Transmission Interconnect – In Service
- ✓ Eastern Market Expansion – In Service
- ✓ Appalachian Expansion Project – In Service
- ✓ Ohio Storage Expansion Project – Construction
- ✓ Organizational Restructuring

Liquidity / Other

- ✓ Liquidity Plan Execution
- ✓ Disposing of Small Gas Marketing Business
- ✓ Completed the Sale of Whiting Clean Energy
- ✓ Divested Northern Utilities

Creating Platform for Long-Term, Sustainable Growth

2009 / 2010 Key Areas of Focus

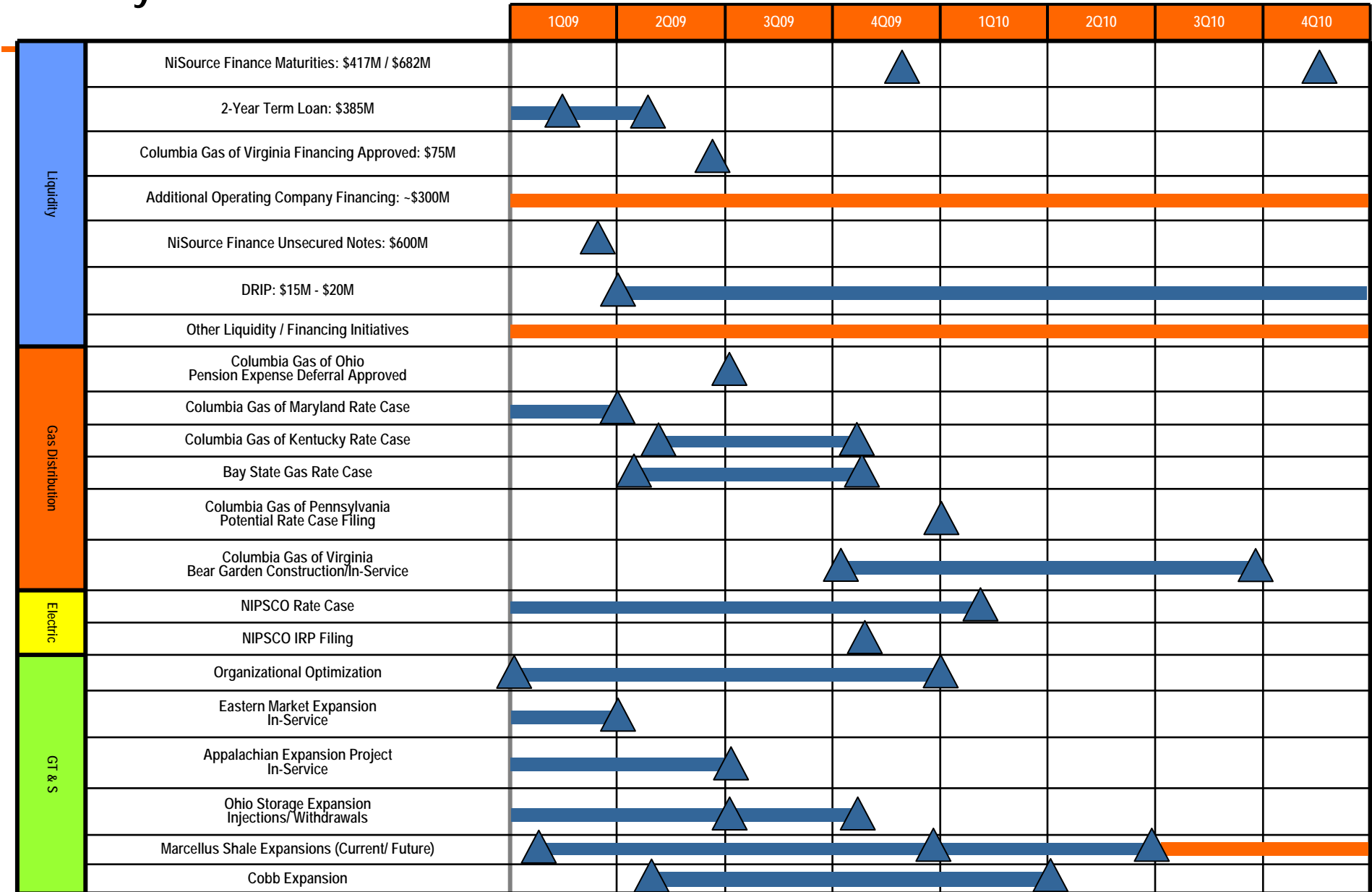
Balanced, Disciplined Approach

- Maintaining Financial Flexibility and Adequate Liquidity
- Gas Distribution: Continued Execution on Infrastructure Investments and Regulatory Initiatives
- Electric Operations: Execute NIPSCO Regulatory Strategy
- NGT&S: Deliver Growth Projects and Maximize Value from Existing Assets

Creating Platform for Long-Term, Sustainable Growth

Appendix

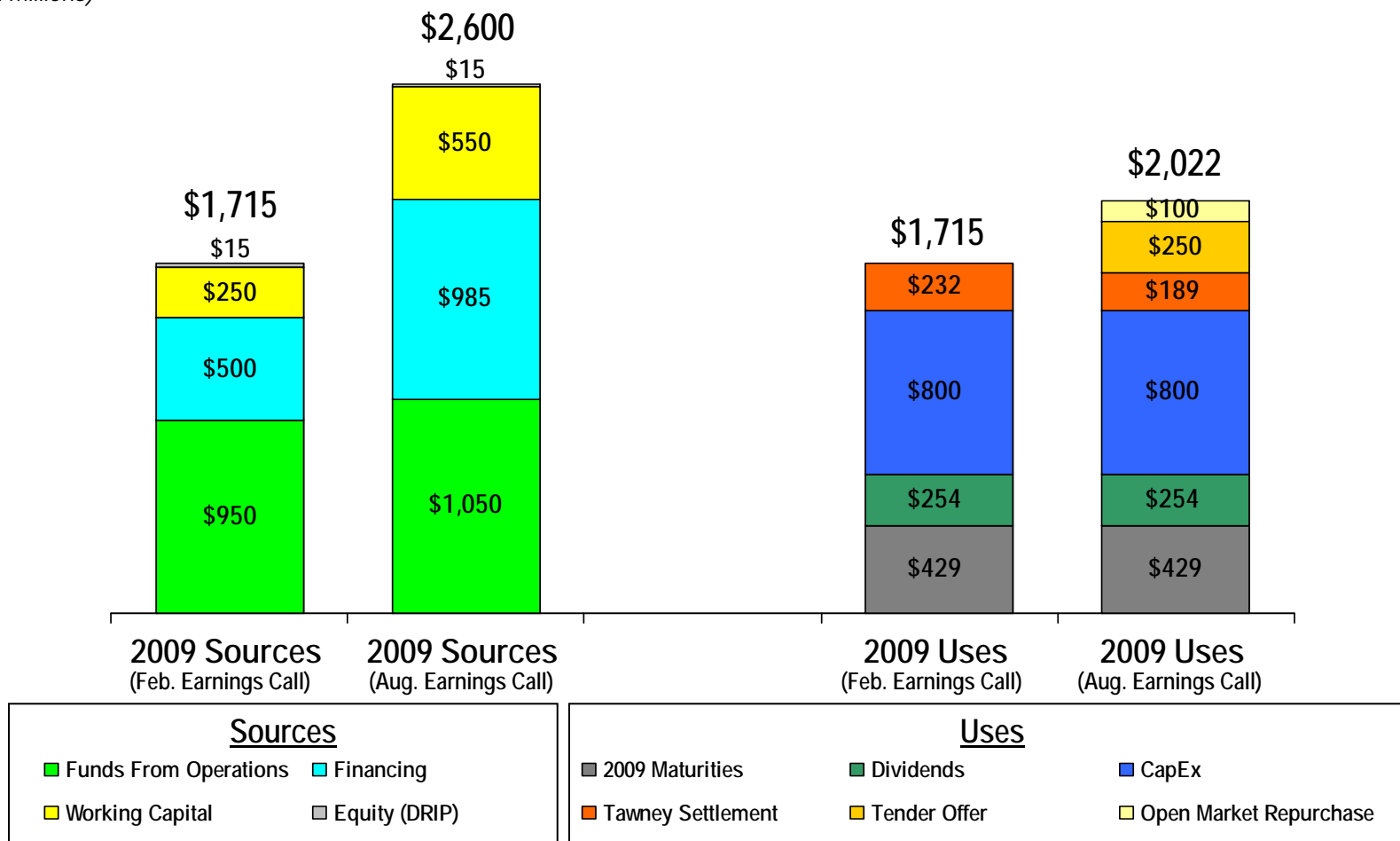
Key Path Forward Markers



2009 Sources and Uses of Cash

More than \$550M of Excess Liquidity in 2009

(\$ in millions)



Current Liquidity (In Millions)

	Actual 6/30/09	Maturity
Committed Credit Facility	\$1,500	Jul 2011
Less:		
Drawn on Credit Facility	-	
Letters of Credit ⁽¹⁾	(275)	
Add:		
Cash & Equivalents	249	
Net Available Liquidity	\$1,474	

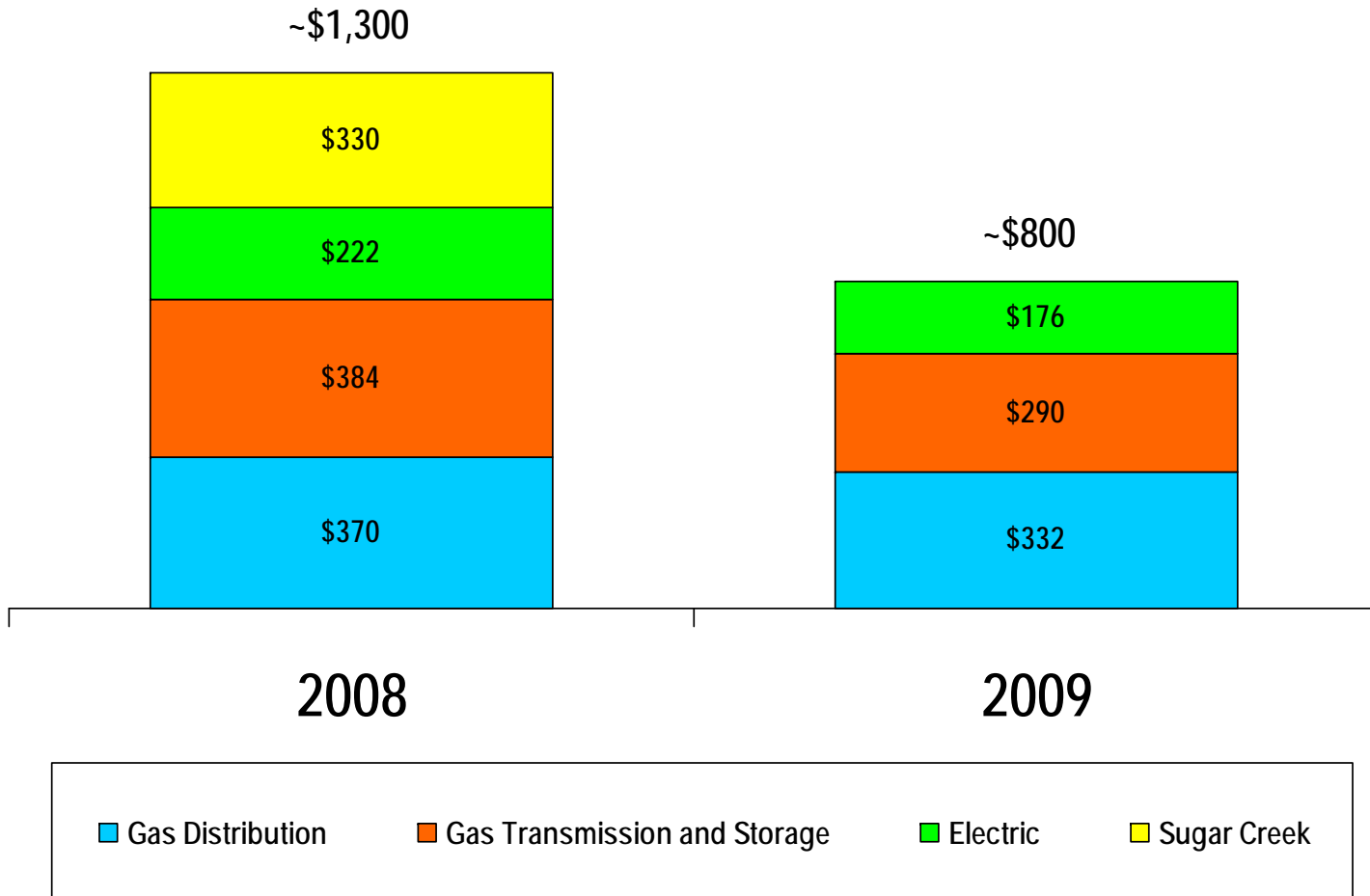
(1) Includes \$254.0M LC for Tawney Settlement

NI's Liquidity Position is \$1.5B as of June 30

Capital Expenditures

2009 Cap-Ex Program On-Track

(\$ in millions)



Note: Average aggregate annual capital expenditures for the period 2003-2007 were approximately \$620M