

## Climate Change Policy

NiSource actively considers economic, social and environmental values in conducting its business activities.

In the course of providing natural gas and electricity to serve customers' energy needs, the core business activities of the NiSource companies result, directly or indirectly, in greenhouse gas emissions, which call for actions targeted at reducing these emissions.

NiSource companies are committed to meeting current and future environmental obligations, and will aggressively engage in activities to reduce potential risks and pursue opportunities associated with policies enacted to address the climate change issue.

NiSource is also committed to continuing to reduce the carbon intensity of its operations. NiSource will both meet the energy needs of its customers and address climate change issues through business activities which promote sustained economic growth in a manner compatible with its environmental obligations.

To these ends, NiSource will:

- Remain an industry leader in accurately accounting for greenhouse gas emissions, and providing timely reporting and transparency in climate related activities.
- Increase the efficiency and reduce the carbon intensity with which NiSource companies provide energy
  to our customers by taking steps to produce and obtain electricity from sources with lower carbon
  intensity, increase natural gas transportation efficiency and reduce methane losses from natural gas
  transmission and distribution.
- Encourage our customers to use energy wisely by working with them to develop demand side
  management and energy conservation programs, along with ensuring that the revenue models under
  which regulated NiSource companies recover their costs are aligned with energy efficiency goals.
- Promote adoption of reasonable policies addressing climate change. In this regard, NiSource will support appropriately crafted federal legislation on climate change that:
  - Recognizes that greenhouse gas reduction targets must be applicable to all sources of greenhouse gas and be realistically achievable and consistent with projected availability of commercial technology;
  - Protects against undue increases in energy costs to any particular regions or groups of consumers; and
  - Recognizes the environmental benefits of natural gas and promotes policies and practices that result in the continued efficient use of natural gas by all customers.

See Carbon Disclosure Project document for further information on NiSource's Climate Strategy.

Adopted April 14, 2009 Environmental Health and Safety Committee NiSource Board of Directors

Please address general inquiries to environmental@nisource.com