

NiSource 2010 Sustainability Report

Global Reporting Initiative – Profile Indicators

This report was produced using the Global Reporting Initiative (GRI) G3 Reporting Guidelines. NiSource self declares – supported with third-party assurance from CH2M HILL– that this report meets the requirements of GRI Application Level B+. The Statement of Assurance is available in the [Sustainability](#) section of [nisource.com](#)

● - Indicates full compliance with indicator | ● - Indicates partial compliance with indicator

GRI Indicator & Description	Complete	Reference/Location
Profile Indicators		
STRATEGY AND ANALYSIS		
1.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	●	<p>See page 1: Building Sustainable Value: A Message from Our CEO.</p> <p>NiSource's Sustainability Policy, approved by NiSource's Board of Directors, is available on nisource.com. It outlines the company's commitment to sustainability and how it aligns with the company's business strategy.</p>
1.2 Description of key impacts, risks and opportunities.	●	<p>NiSource's Sustainability Policy and Environmental, Safety & Sustainability Committee charter outlines the company's responsibility for identifying impact, risks and opportunities. The newly formed employee Sustainability Council also is responsible for ensuring accountability of sustainability initiatives.</p> <p>Detailed company risks are available on page 9-18 of NiSource's 2010 Form 10K available on nisource.com. NiSource's Sustainability Report also includes data tables that outline NiSource's impacts on sustainability.</p>

GRI Indicator & Description	Complete	Reference/Location
Profile Indicators		
ORGANIZATIONAL PROFILE		
2.1 Name of the organization.	●	NiSource Inc.
2.2 Primary brands, products and/or services.	●	<p>See inside front cover: NiSource Corporate Profile.</p> <p>Also available on pages 6-8 of NiSource's 2010 Form 10K available on nisource.com.</p>
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	●	<p>See inside front cover: NiSource Corporate Profile.</p> <p>NiSource is comprised of three main business units: NiSource Gas Transmission & Storage, NiSource Gas Distribution and NiSource Electric. Learn more about Our Companies on nisource.com.</p> <p>Detailed information is available on pages 6-8 of NiSource's 2010 Form 10K available on nisource.com.</p>
2.4 Location of organization's headquarters.	●	801 East 86th Avenue Merrillville, Indiana 46410
2.5 Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	NiSource operates solely in the United States.
2.6 Nature of ownership and legal form.	●	NiSource (NYSE: NI) is a Fortune 500, investor-owned corporation incorporated in the state of Delaware.

2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	●	See inside front cover: NiSource Corporate Profile. Also available on pages 6-8 of NiSource's 2010 Form 10K available on nisource.com .
2.8	Scale of the reporting organization.	●	See inside front cover: NiSource Corporate Profile. Also available on pages 6-8 and page 22 of NiSource's 2010 Form 10K available on nisource.com .
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	No significant changes occurred during the reporting period.
2.10	Awards received in the reporting period.	●	See page 21: Ensuring Safety for a selection of awards. Also available in the Our Accomplishments section on nisource.com .

GRI Indicator & Description		Complete	Reference/Location
Profile Indicators			
REPORT PARAMETERS			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Calendar year 2010, published June 2011.
3.2	Date of most recent previous report.	●	Calendar year 2009, published April 2010.
3.3	Reporting cycle (annual).	●	Annual.
3.4	Contact point for questions regarding the report or its contents.	●	Julie Shea Team Leader, Environmental, Safety & Sustainability NiSource 801 East 86th Avenue Merrillville, Indiana 46410 jashea@nisource.com
3.5	Process for defining report content.	●	See inside back cover: Report Parameters. The report content is guided by the company's Sustainability Policy , as well as its Sustainability Council. In addition, an overview of the report development process is available in the Sustainability section of nisource.com .
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	●	See inside back cover: Report Parameters. NiSource is comprised of three main business units: NiSource Gas Transmission & Storage, NiSource Gas Distribution and NiSource Electric. The data in this report relates to the businesses within these three business units and our corporate functions. In addition, an overview of the report development process is available in the Sustainability section of nisource.com .
3.7	State any specific limitations on the scope or boundary of the report.	●	See inside back cover: Report Parameters. NiSource is comprised of three main business units: NiSource Gas Transmission & Storage, NiSource Gas Distribution and NiSource Electric. The data in this report relates to the businesses within these three business units and our corporate functions. In addition, an overview of the report development process is available in the Sustainability section of nisource.com .

3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	●	See inside back cover: Report Parameters. NiSource is comprised of three main business units: NiSource Gas Transmission & Storage, NiSource Gas Distribution and NiSource Electric. The data in this report relates to the businesses within these three business units and our corporate functions.
3.9	Data measurement techniques and the base of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	●	See inside back cover: Report Parameters. See charts starting on page 26. Charts indicate any applicable measurement techniques. For example, our water usage tables use flow meter data and estimates and customer satisfaction and employee engagement are calculated via survey using third-party vendors. NiSource calculates its corporate-wide greenhouse gas emissions based on the existing GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (“WRI”) and the World Business Council (“WBC”) for Sustainable Development. Most other data is compiled using standard financial and operational reporting.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g. mergers, acquisitions, change of base years/periods, nature of business, measurement methods).	●	There were no re-statements of information from previous reports.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	There were no changes from previous reporting periods in the scope, boundary or measurement methods. We expanded the report in 2010 to include additional data and more indicators for a more comprehensive report. One area expanded is the environmental section including new water usage tables.
3.12	Table identifying the location of the Standard Disclosures in the report.	●	See page 33: GRI Content Index (<i>this table</i>).
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	See inside back cover: Report Assurance. NiSource sought out and requested third-party assurance for its 2010 Sustainability Report from CH2M HILL. The Statement of Assurance is available in the Sustainability section of nisource.com .

GRI Indicator & Description	Complete	Reference/Location
Profile Indicators		
GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
4.1	●	The NiSource Board of Directors oversees NiSource's operations. Detailed governance information also is available on NiSource.com and on page 8-12 of the company's 2011 Proxy Statement available on nisource.com .
4.2	●	NiSource's Chairman of its Board of Directors is an independent, non-executive member. Detailed information also is available on page 8-12 of the company's 2011 Proxy Statement available on nisource.com .

4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	In 2010, 10 of the 11 board members are independent, non-executive members. The only board member who is also an executive is Robert C. Skaggs Jr., NiSource's President and Chief Executive Officer. Detailed information also is available on page 8-12 of the company's 2011 Proxy Statement available on nisource.com .
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	<p>Those interested may contact the Board of Directors at any time through the methods listed in the Investor section on nisource.com.</p> <p>In addition, shareholders can attend and participate in our Annual Meeting of Shareholders where NiSource's highest governance is in attendance.</p> <p>NiSource welcomes and considers shareholder input. For example, in 2010 a shareholder requested additional transparency surrounding the company's water usage and efforts to explore alternative generation methods. In response to this request, we initiated a Water Usage Report available in the Environment section of nisource.com.</p>
4.5	Linkage between compensation for members of the highest governance body, senior managers, executives (including departure arrangements) and the organization's performance (including social and environmental performance).	●	NiSource's philosophy is to provide a total compensation program based on the company's and individual performance, and the range paid by similar energy companies. Detailed information on NiSource's approach is available on pages 16-39 of the company's 2011 Proxy Statement available on nisource.com .
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	The Board of Directors has a Code of Business Conduct to promote ethical behavior, including the ethical handling of conflicts of interest. Detailed information can be found starting on page 11 of NiSource's Code of Business Conduct available on nisource.com .
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	●	<p>The process for selecting Board of Director candidates is described in NiSource's Corporate Governance Guidelines available on nisource.com.</p> <p>Specific information about the Environmental, Safety and Sustainability committee is available in its Charter available on nisource.com. Board committees are selected by a majority vote of the Board of Directors; composition is considered based on the expertise and personal interest of the board member.</p>
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	●	<p>NiSource believes that good, ethical business conduct is the foundation of our workplace – a workplace where we can enjoy an atmosphere of fairness and honesty, and where talented people have an equal opportunity to contribute to our strength and growth. Our core values are: Fairness, Honesty, Integrity and Trust.</p> <p>Detailed information can be found in NiSource's Code of Business Conduct, Sustainability Policy and Environmental, Health & Safety Policy available on nisource.com. All corporate policies are applied and adopted equally across all NiSource businesses.</p>

4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles.	●	<p>The Audit Committee is responsible for monitoring the integrity of the company's financial statements, the independent auditors' qualifications and independence; the performance of the company's internal audit function and the independent auditors; and compliance with legal and regulatory requirements.</p> <p>The Environmental, Safety & Sustainability Committee meets no less than four times per year to fulfill the committee's responsibilities for assessing the company's sustainability initiatives.</p> <p>Detailed information can be found in the Board Committee Charters on nisource.com.</p>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	●	<p>The Corporate Governance Committee leads the Board in an annual self-evaluation to determine whether the Board and its committees are functioning effectively and in compliance with NiSource's Corporate Governance Guidelines. Detailed information can be found in the Board Committee Charters on nisource.com.</p>
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		<p>NiSource believes its Sustainability Policy, Environmental Health & Safety Policy and the establishment of the NiSource Sustainability Council reflect the internalization of the precautionary principle within NiSource.</p> <p>The company also considers elements of the precautionary principle, based on the policies listed above, including when identifying risks, environmental considerations and stakeholder impact surrounding existing, past and future business operations.</p>
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.		<p>We continue to evaluate various external charters and principles to which the company may subscribe.</p> <p>External partners we consider when we make sustainability decisions and considerations of charters to implement, include:</p> <ul style="list-style-type: none"> - Utility Air Regulatory Group (UARG) - Utility Water Act Group (UWAG) - Utility Solid Waste Activities Group (USWAG) - Coal Ash Consortium - Clean Energy Group - Energy & Climate Leadership Council - Energy Sustainability Interest Group - Sustainability Leadership Forum - Midwest Regional Carbon Sequestration Partnership - National Safety Council - World Resources Institute - World Business Council for Sustainable Development

<p>4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization.</p>	<p>●</p>	<p>See page 27: Political Engagement and Industry Associations.</p> <p>Primary industry association memberships include American Gas Association (AGA), Southern Gas Association (SGA), Edison Electric Institute (EEl) and the Interstate Natural Gas Association of America (INGAA).</p> <p>In 2010, NiSource President and CEO Bob Skaggs served as Chairman of AGA. Skaggs currently serves on AGA's board of directors.</p> <p>Chris Helms, Executive Vice President and Group CEO for NiSource's Gas Transmission & Storage business serves as second vice chair of INGAA's Executive Committee and is chairman of its Pipeline Safety Task Force. He also is a board member of the Marcellus Shale Coalition and serves on the Marcellus Shale Advisory Commission. Helms is a past chairman of the SGA and has served as vice president of the Groupe International des Importateurs de Gaz Naturel Liquéfie (GIIGNL).</p> <p>Jimmy Staton, Executive Vice President and Group CEO for NiSource's Gas Distribution and NIPSCO electric businesses, serves on the board of directors for SGA. Staton also serves on EEl's board of directors and on the EEl Climate Task Force.</p> <p>Employees in our companies also serve on different committees and subcommittees in various roles.</p>
<p>4.14 List of stakeholder groups engaged by the organization.</p>	<p>●</p>	<p>See page 18-19: Building Connections - Our Outreach Approach.</p>
<p>4.15 Basis for identification and selection of stakeholders with whom to engage.</p>	<p>●</p>	<p>See page 18-19: Building Connections - Our Outreach Approach.</p> <p>We engage with stakeholders who have a unique interest in our business. Stakeholders include our customers, employees, potential employees, community neighbors, local organizations, public officials, regulators, news media, shareholders and financial analysts.</p>
<p>4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</p>	<p>●</p>	<p>See page 18-19: Building Connections - Our Outreach Approach.</p>

4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting.	●	<p>NiSource is continuously seeking stakeholder input, and in particular, our commitment to transparency, safety, infrastructure modernization and our environmental stewardship have all had the influence of stakeholder input.</p> <p>On example includes NIPSCO's decision to seek approval of its renewable energy program, which is outlined on page 5: Embracing Renewable Generation. This was a result of collaborative efforts and input from stakeholders. In addition a shareholder in 2010 requested additional transparency surrounding the company's water usage and efforts to explore alternative generation methods. In response to this request, we initiated a Water Usage Report available in the Environment section of nisource.com.</p> <p>Currently, NiSource is seeking local stakeholder input on potential environmental investments in northern Indiana, including the installation of electric vehicle charging stations and the acquisition and conservation of environmentally sensitive areas.</p> <p>This report also serves as a collaborative tool to educate stakeholders on NiSource's sustainability progress and seek input on future sustainability initiatives. We welcome input on this report at any time.</p>
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GRI Indicator & Description	Complete	Reference/Location
Profile Indicators		
ELECTRIC UTILITY SUPPLEMENT		
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	<p>● See page 9-11: Addressing Climate Change.</p> <p>2,574 MW - Coal 738 MW - Natural Gas 10 MW - Hydroelectric 3,322 MW - Total</p> <p>Leased: 100 MW - Wind</p> <p>Detailed information can be found on pages 6-7 of NiSource's 2010 Form 10K available on nisource.com.</p>
EU2	Net energy output broken down by primary energy source and by regulatory regime.	<p>● NiSource sold 17,008 gigawatt hours in 2010 primarily from coal and natural gas. Other sources included wind and hydroelectric.</p> <p>Detailed information can be found on pages 6-7 and 59 of NiSource's 2010 Form 10K available on nisource.com.</p>
EU3	Number of residential, industrial, institutional and commercial customer accounts.	<p>● Electric Customers as of December 31, 2010.</p> <p>Residential: 400,522 Commercial: 53,877 Industrial: 2,432 Wholesale: 15 Other: 740 Total: 457,586</p> <p>Detailed information can be found on page 58 of NiSource's 2010 Form 10K available on nisource.com.</p>

EU4	Length of above and underground transmission and distribution lines by regulatory regime.	●	Distribution: 10,543 circuit miles Above-ground percentage: 78% Transmission: 2,795 circuit miles Above-ground percentage: 100%
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NiSource's transmission system has voltages from 69,000 to 345,000 volts.

Global Reporting Initiative – Performance Indicators

GRI Indicator & Description		Complete	Reference/Location
Performance Indicators			
ECONOMIC			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	●	<p>See pages 15-19: Building Sustainable Value Through Strong, Stable Communities.</p> <p>See page 26: Financials.</p> <p>See page 27: Building Strong, Stable Communities – Charitable Giving.</p> <p>Detailed information about the company's financials are available starting on page 21 of NiSource's 2010 Form 10K, as well as the company's year-end 2010 earnings available on nisource.com.</p>
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	<p>See pages 9-11: Addressing Climate Change.</p> <p>NiSource analyzes climate change risks and opportunities twice per year. In addition, management in individual business units regularly review risks and opportunities resulting from climate change on an ongoing basis.</p> <p>Additional information is available on in the Carbon Disclosure Project report and pages 13 and 144-146 of NiSource's 2010 Form 10K available on nisource.com.</p>
EC3	Coverage of the organization's defined benefit plan obligations.	●	<p>Detailed information about NiSource's defined benefit plan obligations are available on pages 116-126 of NiSource's 2010 Form 10K available on nisource.com.</p>
EC4	Significant financial assistance received from government.	●	<p>NiSource received no assistance from the government during the reporting period.</p>
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	○	<p>See page 17: Building a Diverse Supply Chain.</p> <p>We are committed to offering diverse suppliers an opportunity to succeed. Additional information is available on the Supplier Program section on nisource.com.</p>
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement.	○	<p>See page 2: Investing in Energy Infrastructure.</p> <p>See pages 3-5: Delivering Energy Efficiency and Education Programs.</p> <p>See page 16 Supporting Those in Need through Charitable Giving.</p>
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.	●	<p>Current capacity can be found on page 6-7 of NiSource's 2010 Form 10K available on nisource.com.</p> <p>On October 29, 2009, Northern Indiana filed its 2009 Integrated Resource Plan with the IURC. The plan evaluates demand-side and supply-side resource alternatives to reliably and cost-effectively meet Northern Indiana customers' future energy requirements over the next twenty years. With the effects of the present economy, existing resources are projected to be sufficient through 2012 to serve customers' needs. A revised Integrated Resource Plan will be submitted in 2011. With numerous variables NiSource continues to monitor and assess economic, regulatory and legislative activity, and will update its resource plan as appropriate.</p>

GRI Indicator & Description		Complete	Reference/Location
Performance Indicators			
ENVIRONMENTAL			
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	○	<p>See pages 3-5: Delivering Energy Efficiency and Education Programs.</p> <p>See pages 12-13: Reducing Reusing, Recycling; Engaged Employees Reducing Recycling, Restoring.</p>
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	○	NiSource has increased the use of hybrid and bio-diesel technologies in its vehicle fleet. In addition, the company is considering replacing and/or retrofitting diesel engines with hybrid and/or electric vehicles.
EN8	Total water withdrawal by source.	●	<p>See pages 11-12: Conserving Water Resources.</p> <p>See page 28: Water Usage.</p> <p>Additional data is available in the company's Water Usage Report available in the Environment section of nisource.com.</p>
EN9	Water sources significantly affected by withdrawal of water.	○	See pages 11-12: Conserving Water Resources.
EN10	Percentage and total volume of water recycled and reused.	●	Ninety two percent of water used in our generating facilities is recycled or returned to its source.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	<p>See pages 13-14: Preserving and Educating for Future Generations.</p> <p>NiSource has restored 6,344 acres since 2004.</p> <p>Additional information is available in the Sustainability section of nisource.com.</p>
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○	<p>See pages 13-14: Preserving and Educating for Future Generations.</p> <p>NiSource is working on a Habitat Conservation Plan - a unique, multi-species, multi-state conservation effort - for its more than 15,000 miles of transmission pipeline. More information is available in the Sustainability section of nisource.com.</p>
EN13	Habitats protected or restored.	●	<p>See pages 13-14: Preserving and Educating for Future Generations.</p> <p>NiSource has restored 6,344 acres since 2004.</p> <p>NiSource is working on a Habitat Conservation Plan - a unique, multi-species, multi-state conservation effort - for its more than 15,000 miles of transmission pipeline. This HCP contains the methodology and biological goals and objectives for managing impacts on biodiversity. More information is in the Sustainability section of nisource.com.</p>
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	●	NiSource is working on a Habitat Conservation Plan - a unique, multi-species, multi-state conservation effort - for its more than 15,000 miles of transmission pipeline. This HCP contains the methodology and biological goals and objectives for managing impacts on biodiversity. More information is in the Sustainability section of nisource.com .
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	<p>See pages 8-14: Building Sustainable Value Through Environmental Stewardship.</p> <p>See page 30-31: Direct and Indirect GHG Emission Improvements.</p> <p>Additional information can be found in NiSource's Carbon Disclosure Project report available on nisource.com.</p>

EN17	Other relevant indirect greenhouse gas emissions by weight.	●	See pages 8-14: Building Sustainable Value Through Environmental Stewardship.
			See pages 29-32: Various charts.
			Additional information can be found in NiSource's Carbon Disclosure Project report available on nisource.com .
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	See pages 8-14: Building Sustainable Value Through Environmental Stewardship.
			See page 30-31: Direct and Indirect GHG Emission Improvements.
			Additional information can be found in NiSource's Carbon Disclosure Project report available on nisource.com .
EN19	Emissions of ozone-depleting substances by weight.	○	See page 8-14: Building Sustainable Value Through Environmental Stewardship.
			See pages 29-32: Various charts.
			Additional information can be found in NiSource's Carbon Disclosure Project report available on nisource.com .
EN20	NO _x , SO _x and other significant air emissions by type and weight.	○	See page 8-14: Building Sustainable Value Through Environmental Stewardship.
			See pages 29-32: Various charts.
			Additional information can be found in NiSource's Carbon Disclosure Project report available on nisource.com .
EN21	Total water discharge by quality and destination.	○	See page 28: Water Usage.
			NiSource uses more than 98 billion gallons of water per year, most of which is used to generate electricity. Nearly all of the water used is recycled or returned to its source.
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○	NiSource's Bailly and Michigan City Generating Stations sit on the shore of Lake Michigan in the Great Lakes Basin. The electric generation plants draw their water from Lake Michigan and one of its tributaries. Like all water withdrawals from Lake Michigan, Bailly's and Michigan City's usage is heavily regulated by international, federal and state law. The primary guiding document is the Great Lakes Compact, an agreement that has been ratified by the United States, two Canadian provinces and eight Great Lakes States. Indiana statutes passed pursuant to the Compact require large existing users to document their usage and to implement water conservation programs. NiSource is fully supportive of the Great Lakes Compact and worked with the State of Indiana to develop ways to implement the Compact. NiSource operates its generating stations in compliance with the Compact and Indiana water-use laws.
			The R.M. Schahfer and Sugar Creek Generating Stations are located on the Kankakee and Wabash Rivers, both of which eventually flow into the Mississippi River. The State of Indiana comprehensively regulates the consumptive use of water in the Kankakee River Basin. NiSource has obtained a permit from the Indiana Department of Natural Resources for water withdrawals from the Kankakee.

GRI Indicator & Description		Complete	Reference/Location
Performance Indicators			
LABOR PRACTICES AND DECENT WORK			
LA1	Total workforce by employment type, employment contract and region.	●	As of December 31, 2010, NiSource had 7,604 employees of whom 3,278 were subject to collective bargaining agreements. All are employed within the United States and the majority is full-time.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	Part-time employees of NiSource are eligible for the same healthcare offerings as full-time employees. In some instances (depending on the business segment or labor union), part-time employees do not receive dental, vision, short- or long-term disability. Part-time employees also receive a smaller company-provided life insurance policy compared to full-time employees. In general, outside of these items, part-time and full-time employees receive similar benefits. Temporary employees do not receive company-provided benefits.
LA4	Percentage of employees covered by collective bargaining agreements.	●	As of December 31, 2010, NiSource had 7,604 employees of whom 43 percent were subject to collective bargaining agreements.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise of occupational health and safety programs.	●	See pages 21-22: Ensuring Safety. All employees must undergo basic yearly health and safety training. Each of NiSource's operating companies employ health and safety experts to monitor, report and advise on occupational health and safety programs.
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region.	●	See pages 21-22: Ensuring Safety.
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	See pages 21-22: Ensuring Safety. All employees and their families have access to the NiSource Employee Assistance Program (EAP) at no cost 24 hours a day. The EAP is a confidential counseling service which addresses items such as: marital and family issues; child and elder care concerns; stress, anxiety and other emotional health topics; workplace concerns; legal and financial issues; substance abuse and dependency struggles; and health issues.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	See pages 22-24: Building Leaders.
LA12	Percentage of employees receiving regular performance and career development reviews.	●	100 percent of employees at all levels of management and specialists groups receive regular performance and career development reviews. In total 4,264 employees received performance reviews in 2010.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	●	As of December 31, 2010, NiSource's Board of Directors was comprised of 11 directors, of which all are above 50 years old, two of which are women and two of which are minorities. Additional background information about NiSource's Board of Directors can be found in the Investor section of NiSource.com

GRI Indicator & Description		Complete	Reference/Location
Performance Indicators			
HUMAN RIGHTS			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	●	NiSource operates solely within the United States. NiSource does not have any significant investment agreements in countries where human rights are at risk. NiSource abides by all laws and regulations.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	○	NiSource does not undergo any specific screening of suppliers or contractors with respect to human rights; however all must be in compliance with applicable laws, statutes, codes, etc. The majority of our contract and supplier relationships reside in the United States.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	○	See pages 22-24: Building Leaders. 100 percent of employees are required to complete annual ethics training – three modules were introduced in 2010 (Information Security, Equal Employment Opportunity; and the NiSource Code of Business Conduct).
HR4	Total number of incidents of discrimination and actions taken.	○	See pages 23-24: Ethics and Compliance. In 2010, we investigated 48 ethics cases and found 29 to involve company policies or our code of conduct.
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor.	●	NiSource operates solely within the United States and abides by all local and national laws. NiSource does not operate where child labor is a significant risk.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor.	●	NiSource operates solely within the United States and abides by all local and national laws. NiSource does not operate where forced or compulsory labor is present.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	NiSource operates solely within the United States and abides by all local and national laws. NiSource does not operate where human rights are a significant risk. 100 percent of NiSource security personnel are required to complete annual ethics training – three modules were introduced in 2010 (Information Security, Equal Employment Opportunity; and the NiSource Code of Business Conduct). Security contractors are not included in this figure.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	NiSource operates solely within the United States and abides by all local and national laws. NiSource does not operate where violations involving rights of indigenous people are a significant risk.

GRI Indicator & Description		Complete	Reference/Location
Performance Indicators			
SOCIETY PERFORMANCE INDICATORS			
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	○	See pages 3-5: Delivering Energy Efficiency and Education Programs. See page 18: Building Community Awareness.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	100 percent of employees are required to complete annual ethics training – three modules were introduced in 2010 (Information Security, Equal Employment Opportunity; and the NiSource Code of Business Conduct). Additional information can be found in the NiSource Code of Business Conduct available on nisource.com .

SO4	Actions taken in response to incidents of corruption.	○	<p>See pages 23-24: Ethics and Compliance.</p> <p>In 2010, we investigated 48 ethics cases and found 29 to involve company policies or our code of conduct. We closed cases in an average of 15 days, compared to an all-industry average of 29 days. We take these investigations seriously and apply appropriate discipline when warranted, ranging from letters of information up to termination.</p>
SO5	Public policy positions and participation in public policy development and lobbying.	●	<p>See pages 18-19: Building Connections – Our Outreach Approach.</p> <p>See page 27: Political Engagement and Industry Associations.</p> <p>Additional information is available in the Our Commitments section of nisource.com.</p>
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	○	<p>See page 27: Political Engagement and Industry Associations.</p> <p>All political engagement was completed in the United States.</p>
SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	●	None.

GRI Indicator & Description	Complete	Reference/Location	
Performance Indicators			
PRODUCT RESPONSIBILITY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	○	The lifecycle and health and safety of our assets are assessed regularly, as required by laws, regulation or internal policies.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	<p>See pages 2-7: Building Sustainable Value Through Customer-Focused Energy Solutions.</p> <p>See page 26: Customer Satisfaction.</p> <p>Resulting from customer feedback and outreach initiatives, one item implemented included the online streetlight outage reporting system at NIPSCO. More information is available on pages 5-6: Enhancing the Customer Experience through New Technology.</p>
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	●	<p>We market our services in a fair, truthful and ethical manner. Marketing and advertising materials are designed to reflect available products and services. A team approach is used to review marketing and advertising materials, which typically includes any subject matter expert and legal review.</p> <p>Additional information can be found in the NiSource Code of Business Conduct available on nisource.com.</p>
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	●	There were no incidents of non-compliance with these regulations during the reporting period.

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	There were no substantiated complaints regarding breaches of customer privacy or loss of customer data during the reporting period.
EU28	Power outage frequency.	●	2010 System Average Interruption Frequency Index (SAIFI): 0.94.
EU29	Average power outage duration.	●	2010 Customer Average Interruption Disruption Index (CAIDI): 130 minutes.
EU30	Average plant availability factor by energy source and by regulatory regime.	●	2010 Equivalent Availability Factor (EAF): 78.6 percent (steam) – Coal/Natural Gas.

Global Reporting Initiative – Disclosure on Management Approach

GRI Indicator & Description		Complete	Reference/Location
Disclosure on Management Approach			
ECONOMIC ASPECTS			
G3-E	Provide a concise disclosure on the Management Approach items outlined below with reference to the following Economic Aspects: <ul style="list-style-type: none"> – Economic Performance; – Market Presence; and – Indirect Economic Impacts. 	●	NiSource's vision is to establish a legacy of sustained economic growth, social responsibility and environmental stewardship reflective of a premier energy company. Additional information can be found in our Sustainability Policy and in our Code of Business Conduct and throughout our 2010 Form 10K available on nisource.com .
EU6	Management approach to ensure short and long-term electricity availability and reliability.	●	On October 29, 2009, Northern Indiana filed its 2009 Integrated Resource Plan with the IURC. The plan evaluates demand-side and supply-side resource alternatives to reliably and cost-effectively meet Northern Indiana customers' future energy requirements over the next twenty years. With the effects of the present economy, existing resources are projected to be sufficient through 2012 to serve customers' needs. A revised Integrated Resource Plan will be submitted in 2011. With numerous variables NiSource continues to monitor and assess economic, regulatory and legislative activity, and will update its resource plan as appropriate.
EU7	Demand-side management programs including residential, commercial, institutional and industrial programs.	●	See pages 3-5: Delivering Energy Efficiency and Education Programs for a selection. Additional information can be found in NiSource's Carbon Disclosure Project report and on NiSource company websites available through nisource.com .
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development.	●	In 2010, NiSource's NIPSCO electric utility invested \$200 million in ensuring a safe, reliable and efficient electric infrastructure. NiSource's natural gas utilities are three years into an infrastructure modernization program, which will invest approximately \$4.4 billion over the life of the program.
EU9	Provisions for decommissioning of nuclear power sites.	●	NiSource does not operate any nuclear power sites.

GRI Indicator & Description		Complete	Reference/Location
Disclosure on Management Approach			
ENVIRONMENTAL ASPECTS			
G3-EN	Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects: <ul style="list-style-type: none"> – Materials; – Energy; – Water; – Biodiversity; – Emissions, Effluents and Waste; – Products and Services; – Compliance; – Transport; and – Overall. 	●	Building a cleaner, more efficient and affordable energy future is core to NiSource's environmental goals and our overall sustainability approach. We operate one of the nation's largest transportation and delivery systems for natural gas and continue to grow our system. We must balance this growth with reducing environmental impacts and implementing energy-efficiency measures for our customers, and we are committed to serving as responsible stewards of our natural and environmental resources. Our Management Approach to protecting biodiversity, complying with environmental regulations and reducing our environmental impacts can be found in our Environmental, Health & Safety Policy and throughout the Sustainability section of nisource.com .

GRI Indicator & Description	Complete	Reference/Location
Disclosure on Management Approach		
LABOR PRACTICES AND DECENT WORK ASPECTS		
G3-LA	●	<p>See pages 19-25: Building Sustainable Value Through Engaged, Aligned and Safe Teams.</p> <p>NiSource operates solely within the United States and abides by all laws and regulations.</p> <p>At NiSource, we aspire to become the premier company in our industry. We want to be the company that sets the bar, operating safely and in an environmentally sound manner and utilizing innovative energy sources. We want to be known for reliable service and for being a valuable partner to the community. We are proud of how our employees work to help us reach our goals and proud to have an environment that allows us to generate collaborative, long-term energy solutions while we continually improve and grow together.</p> <p>Our work environment and culture are grounded in values that will continue to help us achieve our goals, including: Teamwork, Pride, Empowerment, Accountability, Safety, Growth and Development, Reward and Equal Opportunity.</p> <p>More information is available in the Careers section of nisource.com.</p>
EU14	●	<p>See pages 19-25: Building Sustainable Value Through Engaged, Aligned and Safe Teams.</p> <p>In addition, our companies partner - through contributions, training classes, mentorship and other ways - with local universities, trade schools, high schools and elementary schools to support education and future employment to develop a pipeline of skilled workers.</p>
EU16	●	<p>See pages 21-22: Ensuring Safety.</p> <p>We have a fundamental responsibility to ensure personal and public safety and work tirelessly to be a top safety performer in our industry.</p> <p>NiSource maintains a Board of Directors Committee focused on safety and employs strict policies and procedures surrounding the health and safety of our employees and contractors.</p>

GRI Indicator & Description	Complete	Reference/Location
Disclosure on Management Approach		
HUMAN RIGHTS ASPECTS		
G3-HR	●	<p>NiSource operates solely within the United States and abides by all laws and regulations related to human rights.</p> <p>NiSource companies are Equal Employment Opportunity employers and do not discriminate in any employer/employee relations based on race, color, religion, sex, marital status, sexual orientation, national origin, age, disability, veteran status, or other characteristics protected by law. NiSource companies require all employees to adhere strictly to this policy.</p>

GRI Indicator & Description	Complete	Reference/Location
Disclosure on Management Approach		
SOCIETY ASPECTS		
G3-SO	●	<p>See pages 15-19: Building Sustainable Value Through Strong, Stable Communities.</p> <p>Our reputation ultimately rests on the good judgment and personal integrity of each of our employees, officers, directors and those with whom we do business. We believe, therefore, that our core values must at all times guide our decisions, actions and conduct.</p> <p>Our core values are: Fairness, Honesty, Integrity and Trust.</p> <p>Detailed information can be found in NiSource's Code of Business Conduct available on nisource.com.</p>
EU19	●	<p>See pages 18-19: Building Connections - Our Outreach Approach.</p>

GRI Indicator & Description	Complete	Reference/Location
Disclosure on Management Approach		
PRODUCT RESPONSIBILITY ASPECTS		
G3-PR	●	<p>Our reputation ultimately rests on the good judgment and personal integrity of each of our employees, officers, directors and those with whom we do business. We believe, therefore, that our core values must at all times guide our decisions, actions and conduct.</p> <p>Our core values are: Fairness, Honesty, Integrity and Trust.</p> <p>Detailed information can be found in NiSource's Code of Business Conduct available on nisource.com.</p>
EU23	●	<p>See page 16: Supporting Those in Need Through Charitable Giving, Supporting Customers in Need.</p> <p>NiSource customers received more than \$80 million in Low-Income Home Energy Assistance Program dollars during the 2009-2010 winter season.</p> <p>Additional information can be found on NiSource company websites available through nisource.com.</p>
EU24	○	<p>NiSource company websites include at least some information in English and Spanish. In addition, our companies offer Spanish-speaking customer service support. We are working on implementing translation technology across our websites. We also partner with and support many local organizations that support and educate our customers who may have barriers to safely using electricity and customer support services.</p>

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