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PUCO

July 8, 2009

Public Utilities Commission of Ohio
Docketing Division
13th Floor
180 East Broad Street
Columbus, OH 43215-3793

05-1135-GA-CRS

Dear Sirs,

Enclosed is the EnergyUSA-TPC Renewal Application. Our most recent renewal certificate expires after October 13, 2009. As required, our application includes one original and 10 copies of the entire package.

I believe that these items fulfill the requirements established by the Commission. If you have any questions or require further information, please contact me at (219) 647-5899. Thank you very much for your consideration.

Sincerely,

Robert Nuss
Director of Sales and Marketing
EnergyUSA

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Technician SM Date Processed JUL 09 2009

ORIGINAL

PUCO USE ONLY - Version 1.07		ORIGINAL CRS Case Number
Date Received	Renewal Certification Number	
		05 -1135 - GA-CRS

RENEWAL CERTIFICATION APPLICATION
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (***Example: Exhibit A-16 - Company History***). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION AND SERVICES

A-1 Applicant intends to renew its certificate as: (check all that apply)

☐ **Retail Natural Gas Aggregator** ☐ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name EnergyUSA-TPC

Address 233 East 84th Drive Suite 102 Merrillville, IN 46410

Telephone No. 800-531-1193 Web site Address www.energyusa.com

Current PUCO Certificate No. 05-105(2) Effective Dates October 13, 2007 through October 13, 2009

A-3 Applicant information under which applicant will do business in Ohio:

Name EnergyUSA-TPC

Address 233 East 84th Drive Suite 102 Merrillville, IN 46410

Web site Address www.energyusa.com Telephone No. 800-531-1193

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A-4 List all names under which the applicant does business in North America:

EnergyUSA-TPC , EnergyUSA

A-5 Contact person for regulatory or emergency matters:

Name Robert Nuss Title Director of Sales and Marketing

Business Address 233 East 84th Drive Suite 102 Merrillville, IN 46410

Telephone No. 219-647-5899 Fax No. 219-647-5297 Email Address rnuss@nisource.com

A-6 Contact person for Commission Staff use in investigating customer complaints:

Name Robert Nuss Title Director of Sales and Marketing

Business address 233 East 84th Drive Suite 102 Merrillville, IN 46410

Telephone No. 219-647-5899 Fax No. 219-647-5297 Email Address rnuss@nisource.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer service address 233 East 84th Drive Suite 102 Merrillville, IN 46410

Toll-Free Telephone No. 800-531-1193 Fax No. 219-647-5297 Email Address rnuss@nisource.com

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name Milas Harris Title Territory Manager - Ohio

Business address 6342 Morrisey Place Dublin, OH 43016

Telephone No. 614-343-0595 Fax No. 614-876-8157 Email Address mharris@nisource.com

A-9 Applicant's federal employer identification number 35-2116555

A-10 Applicant's form of ownership: (Check one)

- ☐ **Sole Proprietorship**
- ☐ **Partnership**
- ☐ **Limited Liability Partnership (LLP)**
- ☐ **Limited Liability Company (LLC)**
- ☑ **Corporation**
- ☐ **Other**

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers.* (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

☑ Columbia Gas of Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Dominion East Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Duke Energy Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial
☑ Vectren Energy Delivery of Ohio	☑ Residential	☑ Small Commercial	☑ Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☑ **Columbia Gas of Ohio**

☐ Residential	Beginning Date of Service		End Date	
☐ Small Commercial	Beginning Date of Service		End Date	
☑ Large Commercial	Beginning Date of Service	October 2000	End Date	
☑ Industrial	Beginning Date of Service	October 2000	End Date	

☑ **Dominion East Ohio**

☐ Residential	Beginning Date of Service		End Date	
☐ Small Commercial	Beginning Date of Service		End Date	
☑ Large Commercial	Beginning Date of Service	October 2004	End Date	
☑ Industrial	Beginning Date of Service	October 2004	End Date	

☑ **Duke Energy Ohio**

☐ Residential	Beginning Date of Service		End Date	
☐ Small Commercial	Beginning Date of Service		End Date	
☑ Large Commercial	Beginning Date of Service	October 2001	End Date	
☑ Industrial	Beginning Date of Service	October 2001	End Date	

☑ **Vectren Energy Delivery of Ohio**

☐ Residential	Beginning Date of Service		End Date	
☐ Small Commercial	Beginning Date of Service		End Date	
☑ Large Commercial	Beginning Date of Service	February 2005	End Date	
☑ Industrial	Beginning Date of Service	February 2005	End Date	

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

✔	**Columbia Gas of Ohio**	**Intended Start Date**	November 2009
✔	**Dominion East Ohio**	**Intended Start Date**	November 2009
✔	**Duke Energy Ohio**	**Intended Start Date**	January 2010
✔	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	January 2010

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application.***

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

B-5 **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Consumer Protection Violations," detailing such violation(s) and providing all relevant documents.

B-6 **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment, labeled as Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation," detailing such action(s) and providing all relevant documents.

SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.

C-4 **Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title Melissa Aton Director

Sworn and subscribed before me this 8th **day of** June **Month** 2009 **Year**

Julie M Wojcinski

Signature of official administering oath

Julie M Wojcinski

Print Name and Title

JULIE M. WOJCINSKI
Lake County
My Commission Expires
November 21, 2009

My commission expires on November 21, 2009

The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of	)		
EnergyUSA-TPC	)	**Case No.**	05 - 1135 **-GA-CRS**
for a Certificate or Renewal Certificate to Provide	)		
Competitive Retail Natural Gas Service in Ohio.	)		

County of LAKE
State of INDIANA

Melissa Aton [Affiant], being duly sworn/affirmed, hereby states that:

(1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.

(2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

(3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.

(4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

(5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.

(6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

(7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.

(8) Affiant further sayeth naught.

Affiant Signature & Title Melissa Aton Director

Sworn and subscribed before me this 8th **day of** June **Month** 2009 **Year**

Julie M Wojcinski   Julie M Wojcinski

Signature of Official Administering Oath   **Print Name and Title**

NOTARY SEAL
JULIE M. WOJCINSKI
Lake County
My Commission Expires
November 21, 2009

My commission expires on November 21, 2009

180 East Broad Street • Columbus, OH 43215-3793 • (614) 466-3016 • www.PUCO.ohio.gov
The Public Utilities Commission of Ohio is an Equal Opportunity Employer and Service Provider

Exhibit A-14 "Principal Officers, Directors & Partners"

EnergyUSA-TPC is a wholly owned subsidiary of NiSource, Inc. We have no separate officers, directors or partners. The company is managed by the following NiSource employees:

Mike O'Donnell
President
EnergyUSA-TPC
801 East 86th Avenue
Merrillville, IN 46410
(219) 647-6044

Val Trinkley
General Manager
EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410
(219) 647-5293

Robert Nuss
Director Sales and Marketing
EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410
(219) 647-5899

Melissa Aton
Director of Risk Management
EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410
(219) 647-5283

Exhibit A-15 "Corporate Structure"

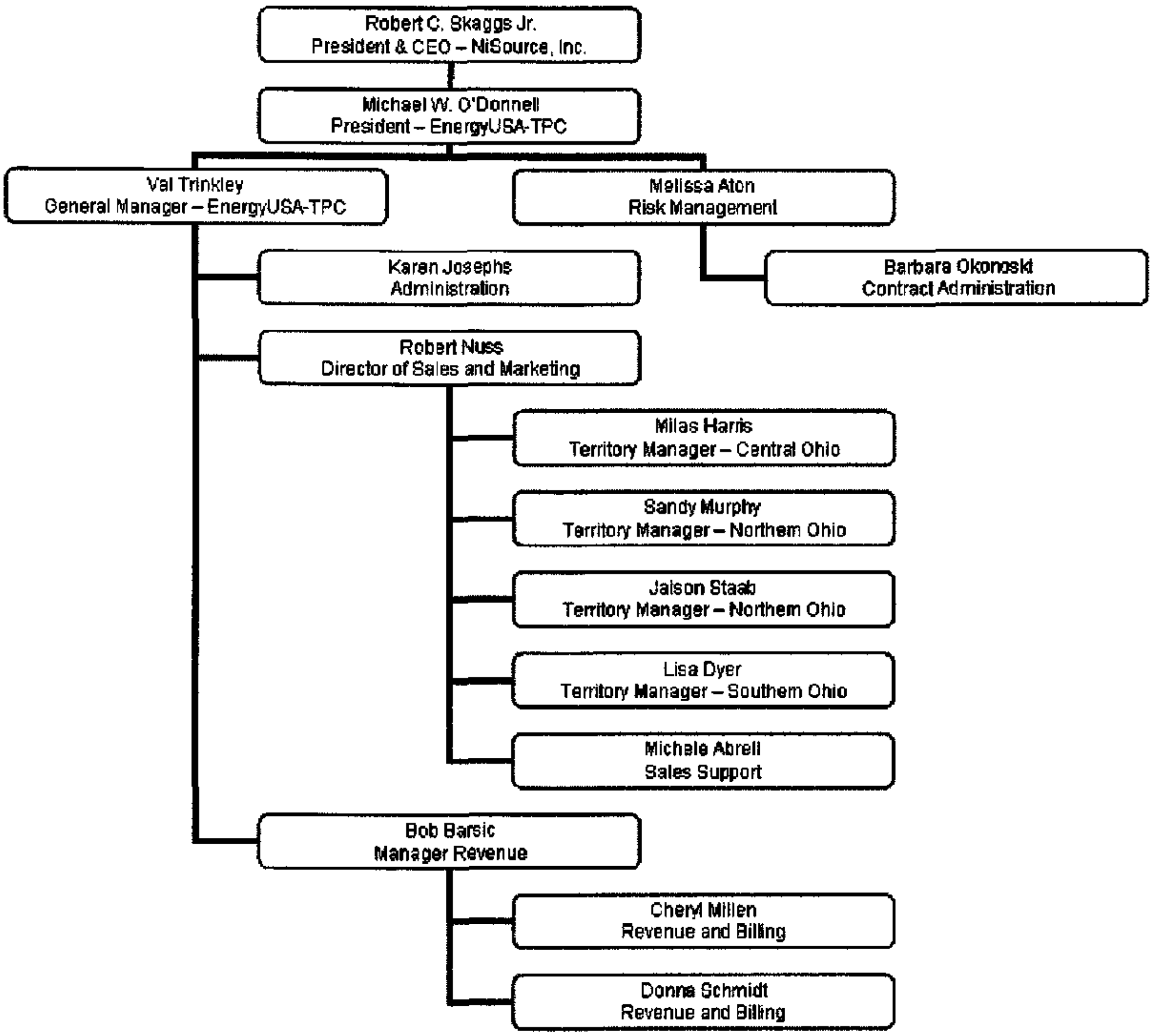


Exhibit A-16 "Company History"

EnergyUSA-TPC is the unregulated natural gas marketing subsidiary of NiSource, Inc. (NI). EnergyUSA-TPC's industrial and commercial gas supply activities are headquartered in Hammond, Indiana. Our wholesale, trading and asset management activities are also headquartered in Hammond. As a full service energy management and marketing company, EnergyUSA-TPC's focus is on providing competitively priced energy and energy management services to meet the exact needs of our customers.

Our experience serving commercial and industrial customers' energy needs extends back to 1984 with offices in northern Indiana - as NESI Energy Marketing from 1995 to 1999 and NETCO from 1984 to 1995. We are the oldest continually operating gas marketing company in the country having recently celebrated our 25th anniversary in the business.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit A-17 "Articles of Incorporation and Bylaws"

EnergyUSA-TPC, as a subsidiary of NiSource, Inc. is subject to the Articles of Incorporation and Bylaws of NiSource. The Articles of Incorporation and Bylaws for NiSource are on file with United States Security and Exchange Commission. These documents are unchanged since the original filing in September, 2005. If a copy of these documents is required, please let us know.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit A-18 "Secretary of State"

EnergyUSA-TPC is registered with the State of Ohio Secretary of State office. Our status is "Active" and our Registration Number is 1501856. The company is also registered with the Ohio Department of Taxation. Our Account Number is 99042251.

STATE OF OHIO
CERTIFICATE
Ohio Secretary of State, J. Kenneth Blackwell

1501856

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

ENERGYUSA-TPC CORP.

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
FOREIGN LICENSE/FOR-PROFIT	**200432703010**

Authorization to transact business in Ohio is hereby given, until surrender, expiration or cancellation of this license.

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 15th day of November, A.D. 2004.

J. Kenneth Blackwell

Ohio Secretary of State

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

BUSINESS FILINGS
PROMOTING BUSINESS GROWTH

Charter/Registration Number **Total Row Count in Report - 1**

Business Name	Charter / Registration Number	Type	Original Filing Date	Status	Expiration Date	Location County State	Agent Contact Info
ENERGYUSA-TPC CORP.	1501856	Foreign Corporation	Nov 15 2004	Active		Indiana	Click for Detai

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-1 "Jurisdictions of Operation"

EnergyUSA-TPC is currently licensed and actively marketing natural gas in the following jurisdictions:

State of Indiana
State of Illinois
State of Michigan
State of Ohio
State of Pennsylvania
State of Kentucky

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-2 "Experience & Plans"

EnergyUSA-TPC maintains a well seasoned staff adept at providing superior customer service. The company has been in the natural gas marketing business for 25 years and values customers above all else. Currently, we offer several types of billing plans for mercantile customers. The standard offer is LDC billing separate from the EnergyUSA-TPC commodity billing. These customers also have the option of selecting a single bill from EnergyUSA-TPC that includes both commodity and LDC fees. In this situation, EnergyUSA-TPC then forwards payment to the LDC for all local delivery charges. For the Residential and Small Commercial, EnergyUSA-TPC intends to allow the individual LDC to perform billing and collection on our behalf. In these cases, the LDC will provide a single invoice with commodity and delivery included. When payment is received, our share is forwarded to us.

Customer inquiries and complaints will be handled by our customer service team comprised of Territory Managers, Account Managers, Sales Support, Accounting and Contracting personnel. All calls are funneled through our 800-531-1193 support hotline number. Electronic mail responses will automatically enter an internal distribution list for quick response.

We believe in providing service and value to our customers that rivals the best that can be received anywhere else in the industry. We make the gas business enjoyable by taking care of customers' needs in a friendly and professional manner. We fully involve the customer in pricing opportunities, purchasing and delivery activity at the level the customer desires.

EnergyUSA-TPC is very proud of its long list of satisfied customers; customers that reward our hard work and performance with their loyalty. We educate them by sharing our competitive intelligence through our semi-annual seminars, communicate with them through our monthly newsletters and inform them through daily market updates and activity reports.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-3 "Summary of Experience"

EnergyUSA-TPC currently supplied in excess of 6,000 mercantile customers in six states with over 104,000,000 dekatherms annually. In addition, we provide wholesale natural gas supply and account management for several Choice marketers currently active in Indiana, Illinois, Michigan and Ohio. Types of customers served include everything from heavy manufacturing facilities to universities to hospitals to commercial. In the education market, we serve over 3,000 primary and secondary accounts in Indiana, Michigan, Pennsylvania, Illinois, Kentucky and Ohio.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-4 "Disclosure of Liabilities and Investigations"

There are no pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations or other matters that could adversely impact EnergyUSA-TPC's financial or operational ability to provide natural gas to targeted customers.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-5 "Disclosure of Consumer Protection Violations"

EnergyUSA-TPC, any officers or any employees have never been convicted or held liable for fraud or violation of any consumer protection or antitrust laws – not in the last five years, not ever.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit B-6 "Certification Denial, Curtailment, Suspension, or Revocation"

EnergyUSA-TPC has never been denied or had any certification curtailed, suspended or revoked by any legal governing authority.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-1 "Annual Reports"

Attached are copies of the 2007 and 2008 NiSource Annual Reports. EnergyUSA-TPC, as a part of NiSource, does not publish annual or financial reports separately.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-2 "SEC Filings"

Attached are copies of the most recent 8-K NiSource SEC filing dated May 1, 2009.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-3 "Financial Statements"

Attached are copies of the NiSource Statistical Summary Book for 2008. This report includes the consolidated balance sheet, income statement and cash flow from the 2008 10-K SEC filing. This report also includes numbers from 2007, 2006, 2005 and 2004 for each of these financial reports.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-4 "Financial Arrangements"

EnergyUSA-TPC operates under the financial auspices of NiSource, Inc. The corporate financial arrangements are discussed in detail in excerpts from the attached 2008 Form 10K on pages 36 – 41.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-5 "Forecast Financial Statements"

EnergyUSA-TPC has a revised business plan for marketing to Residential and Small Commercial customers in Ohio. The financials from this plan are presented below. There are not separate balance sheet, income and cash flow statements available for this business. The projected financials were created by:

Robert Nuss
Director of Sales and Marketing
EnergyUSA-TPC
(219) 647-5899

	2010	2011	2012	2013
Enrollments	500	1,000	5,000	10,000
Revenue	$ 900,000	$ 1,650,000	$ 7,500,000	$ 15,000,000
COGS	$ 816,121	$ 1,492,056	$ 6,759,346	$ 13,518,692
Gross Margin	$ 83,879	$ 157,944	$ 740,654	$ 1,481,308
Customer Service	$ 1,500	$ 2,000	$ 2,500	$ 2,500
Program Management	$ 5,000	$ 6,000	$ 7,500	$ 8,000
Marketing/Sales	$ 10,000	$ 12,000	$ 15,000	$ 15,000
Bad Debt Expense	$ 10,800	$ 19,800	$ 90,000	$ 180,000
Corporate Support	$ 35,000	$ 40,000	$ 60,000	$ 100,000
Total Operating Expenses	$ 60,800	$ 77,800	$ 172,500	$ 303,000
Taxes	$ 58,879	$ 107,944	$ 490,654	$ 981,308
Net Income	$ (35,800)	$ (27,800)	$ 77,500	$ 197,000

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-6 "Credit Rating"

As a division of NiSource, EnergyUSA-TPC does not receive separate credit ratings from rating agencies. NiSource has the following reaffirmed credit ratings as of June, 2009:

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

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-7 "Credit Report"

Attached separately is a Credit Evaluator Report for NiSource Inc. as compiled by Dun & Bradstreet.

EnergyUSA-TPC
233 East 84^{th} Drive Suite 102
Merrillville, IN 46410

Exhibit C-8 "Bankruptcy Information"

EnergyUSA-TPC nor NiSource have ever participated in any type of bankruptcy or reorganization filings.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit C-9 "Merger Information"

EnergyUSA-TPC continues to operate under the same parent as when the company was created 25 years ago. In the previous five years, there have been no material changes to the company.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit D-1 "Operations"

EnergyUSA-TPC routinely provides customers with the following activities:

Strategize – We develop, implement and manage a strategy that reflects the risk profile desired by individual customer groups that provides competitively priced, reliably delivered natural gas. We will constantly monitor current market conditions and keep customers advised of potential impacts upon the implemented strategy. As market conditions warrant, revisions to the strategy will occur as required.

Operate – We manage the planning and delivery of all natural gas supplies to the LDC City Gate on behalf of all customers. EnergyUSA-TPC purchases sufficient quantities of natural gas to provide firm supply of 100% of actual customer needs on any day. Long-term planning, monthly and daily nominations and intra-day nomination changes are all represented in this process. Gas supplied may be full requirements or nominated supply, depending on the supply option selected by the customer. Anytime prices are fixed for gas supply, EnergyUSA-TPC backs 100% of that supply with a purchase of our own. At not point do we utilize customer requirements to "play the market" or try to out-guess future market moves.

Work with Ohio Local Distribution Companies (LDC's) – We will insure that all managed accounts are billed on the correct invoice with correct price figures. Because we are already extremely conversant with LDC gas management personnel, we are confident that we will become a valuable intermediary between the customer and the various LDC's.

Balancing account and storage options are often applied by energy managers without a true understanding of their operation. We have been managing accounts on gas systems all over the U.S. This gives us an exceptional understanding of the nuances of balancing and storage and gives our customers an extra advantage. We are in the perfect position to use these services to their financial benefit.

EnergyUSA-TPC primary focus for the Residential and Small Commercial market is to act as a supplier/manager for aggregated/consolidated accounts that have already been aggregated/consolidated by another company or governmental authority. While we will serve any individual customers that desire to enroll, we will not be conducting any organized customer acquisition campaigns or sales efforts targeted at individual customers.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit D-2 "Operations Expertise"

EnergyUSA-TPC has been supplying customers with natural gas for over 25 years. During that time, we have NEVER failed to delivery even a single therm of natural gas to any customer. Our focus has always been on the Midwest gas markets and we have acquired an expertise in those markets that is hard to match. Our retail mercantile supply business moves over 104,000,000 dekatherms annually, all of which is guaranteed 100% firm delivery to our customers. We are extremely adept at managing through curtailments, OMO's and OFO's. In the days following Hurricane Katrina, in spite of numerous Force Majeures called by various pipelines, we kept gas flowing to our customers and, more importantly, kept every customer whole price-wise.

EnergyUSA-TPC has been active in the Ohio market for several years now and we have proven adept at managing gas supply on the four primary LDC's in the state. We have three Territory Managers and one Account Manager dedicated solely to the Ohio market. In addition, one gas Trader and one basis trader specialize in trading and managing supply on the pipelines serving the state.

NiSource, Incorporated, the holding company for EnergyUSA-TPC, is the 3rd largest natural gas distribution company in the country. NiSource owns and/or controls substantial portions of every segment of the natural gas industry from exploration and production, to inter-state pipelines, to vast storage resources to local utility distribution networks throughout the country. EnergyUSA-TPC is the sole unregulated energy management and marketing company operated by NiSource. As such, we have full access to many company resources and use that access to provide an advantage for our customers. We have the resources, the experience and the corporate support necessary to manage customer accounts to their highest expectations.

EnergyUSA-TPC
233 East 84th Drive Suite 102
Merrillville, IN 46410

Exhibit D-3 "Key Technical Personnel"

EnergyUSA-TPC has a talented team of individuals available to support Residential and Small Commercial accounts. The team is comprised of the following individuals:

Val P. Trinkley
General Manager
EnergyUSA-TPC
219-647-5293
vtrinkley@nisource.com

Val has more than 23 years of experience in sales, customer service and engineering in the natural gas and electric industry. His primary focus has been energy sales and application engineering to the industrial and large commercial segments. He has a Bachelor of Science Degree in Metallurgical Engineering and Material Science from the University of Notre Dame. Additionally, he has received the Certified Energy Manager designation from the AEE. Finally, he has received numerous sales and customer service awards from NIPSCO.

Robert A. Nuss
Director of Sales and Marketing
EnergyUSA-TPC
219-647-5899
rnuss@nisource.com

Bob has more than 24 years of experience in sales & marketing, customer solutions and energy projects in the natural gas and electric industry. He has a Bachelor of Science degree in Building Construction from Purdue University as well as a Master of Business Administration degree from Indiana Wesleyan University.

Milas Harris
Territory Manager – Central Ohio
EnergyUSA-TPC
614-343-0595
mharris@nisource.com

Milas has over 19 years experience in the Natural Gas Industry. Prior to joining EnergyUSA-TPC, he worked 4 years in natural gas procurement for Clinton Energy Management Services Inc. (CEMS). At CEMS, Milas was responsible for purchasing natural gas, transportation and storage for several large industrial accounts across the United States. Prior to joining CEMS, Milas worked 9 years for ANR Pipeline Company in various roles including scheduling system supply, monitoring purchase agreements, rate and tariff analysis, marketing transportation and storage services. Milas has a Bachelor of Science Degree in Mathematics from the University of Detroit.

Lisa Dyer
Territory Manager – Southlern Ohio
EnergyUSA-TPC
812-537-2540
ldyer@nisource.com

Lisa has 22 years of experience in the natural gas industry, in various operations, rates, and gas supply and transportation gas-related (balancing, nominating and scheduling) positions. She has proven, hands-on experience with customers behind the various Ohio LDC's city gates, including Cinergy (formerly Cincinnati Gas & Electric).

Sandy Murphy
Territory Manager – Northern Ohio
EnergyUSA-TPC
440-526-4072
smurphy@nisource.com

Sandy has 15 years of experience in the gas business in a variety of operations and sales roles. She is particularly adept working with customers on the north end of Ohio behind Columbia Gas of Ohio and Dominion East Ohio Gas. With a Bachelor of Arts degree from Ramapo College, Sandy has worked for Columbia Energy Services, First Energy Solutions and Tenneco Gas Marketing prior to joining EnergyUSA-TPC.

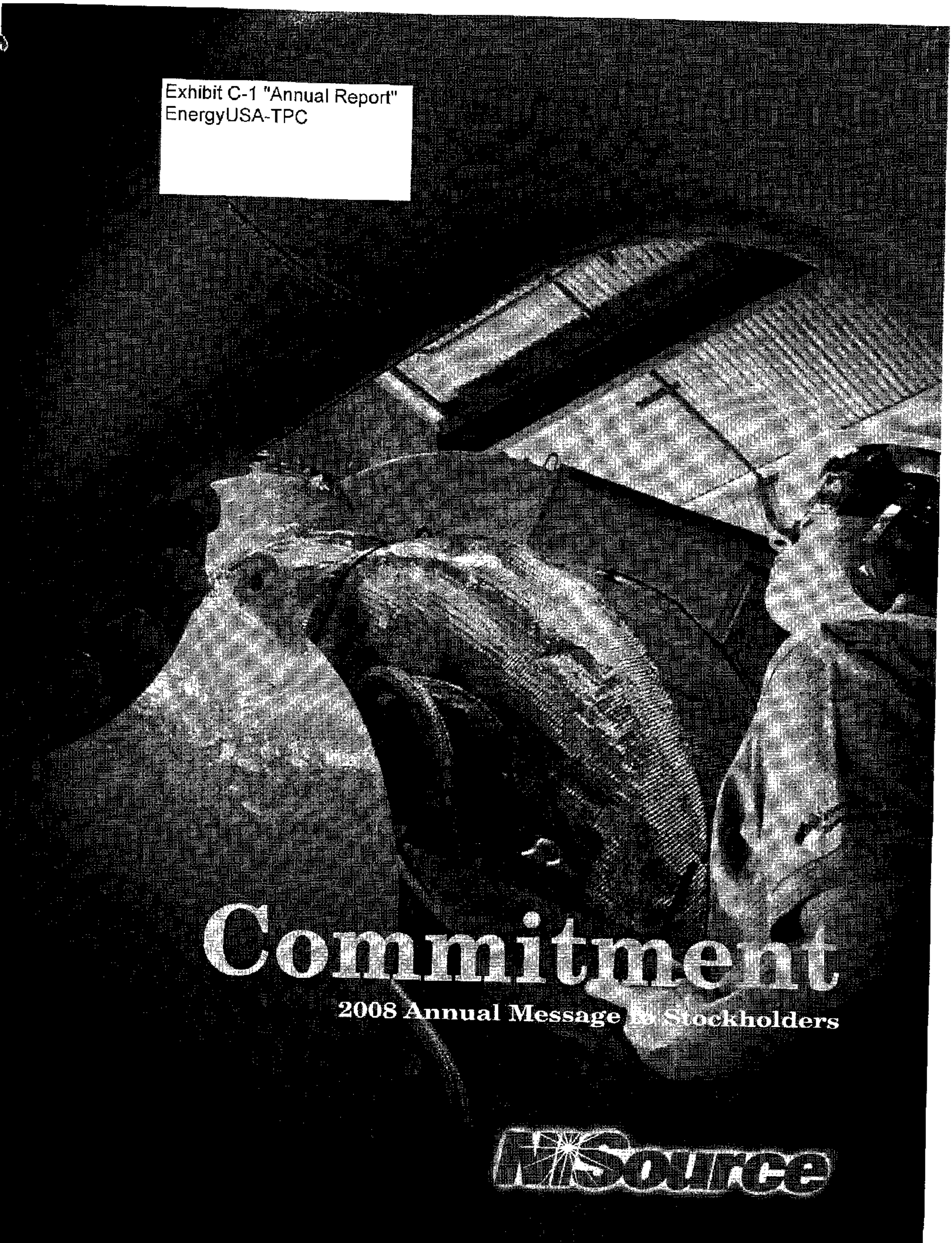
Cheryl Millen
Accounting
EnergyUSA-TPC
219-647-5289
cmillen@nisource.com

Cheryl will be the primary point of contact for account billing and invoicing. Cheryl has coordinated the accounting function for EnergyUSA-TPC for over 12 years and is familiar with the unique billing methods for the Ohio LDC's.

Barb Okonoski
Contracts
EnergyUSA-TPC
219-647-5976
bokonoski@nisource.com

Barb leads the contract efforts for EnergyUSA-TPC. She will provide contract expertise during the supplier selection process and maintain the customer account contact database. She is extremely conversant on the various industry standard contracts generally used.

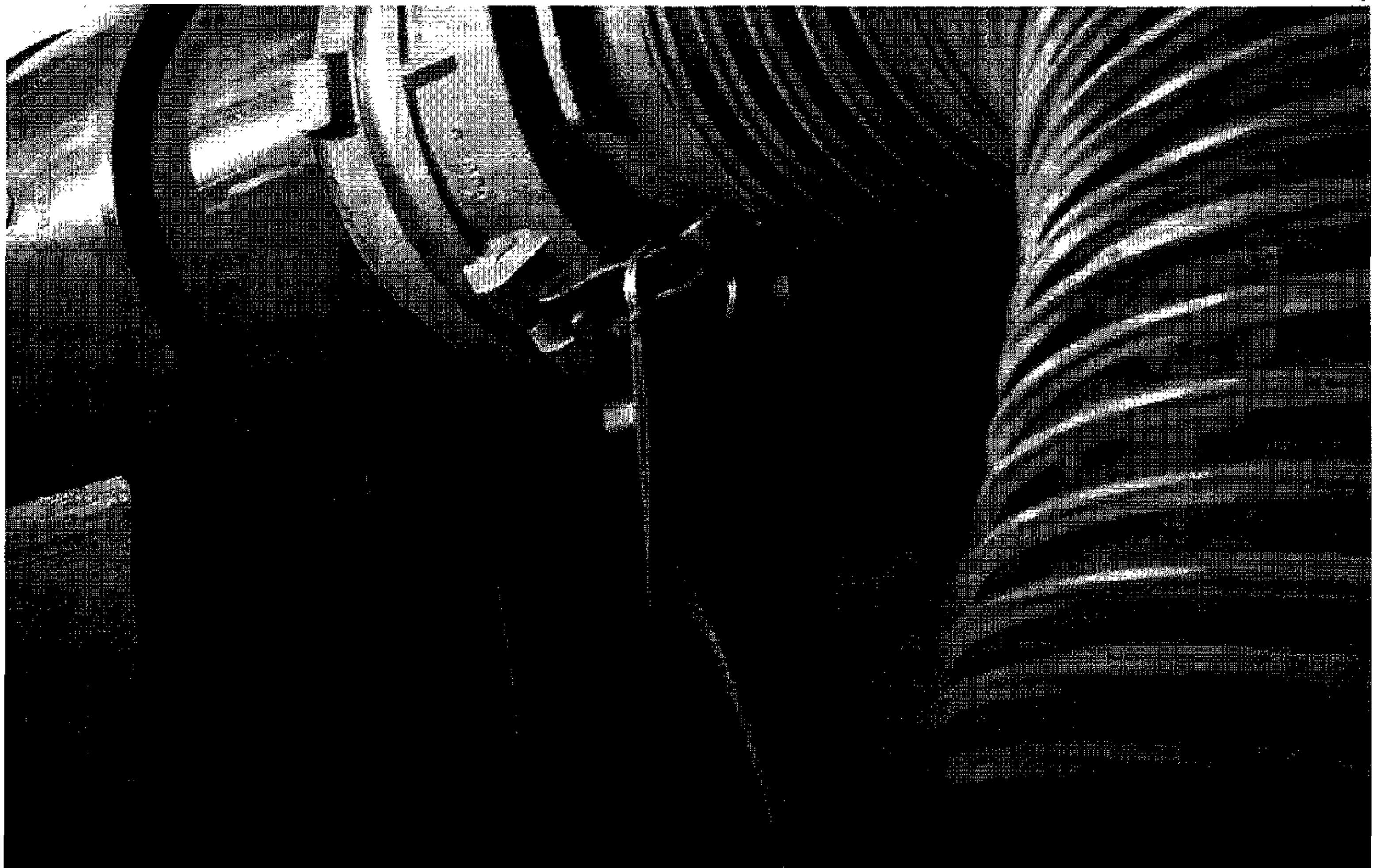
Exhibit C-1 "Annual Report"
EnergyUSA-TPC



Commitment

2008 Annual Message to Stockholders

NiSource



Our Aspiration

Become the premier company in our industry, with a strong financial profile, a wide range of investment-driven growth opportunities, robust and sustainable earnings and cash flow, top-tier safety, service and reliability metrics, and a solid foundation of engaged, aligned and safe employees.

Our Strategy

- Execute on regulatory initiatives and infrastructure programs at our utilities
- Expand and grow our natural gas transmission and storage business
- Strengthen our financial foundation
- Enhance processes, performance, safety and reliability across our companies

Our Commitments

- Operate safely
- Deliver reliable service to our customers
- Execute on our balanced business plan
- Maintain our investment-grade credit ratings and dividend
- Generate long-term, investment-driven earnings growth
- Communicate in a transparent and timely manner

Dear Fellow Stockholders:

During 2008, NiSource delivered on its commitments.

Across virtually every key dimension of our business, NiSource teams made excellent progress.

- We hit our key financial and business targets.
- We strengthened our financial foundation.
- We resolved legacy issues.
- We continued building a foundation for sustainable, investment-driven growth.

These achievements are somewhat obscured by the challenging economic and financial conditions we and other companies have faced of late and the extent to which those factors have affected our share price performance. However, as discussed below, I believe that – by almost any measure – the progress our team made in 2008 was truly exceptional.

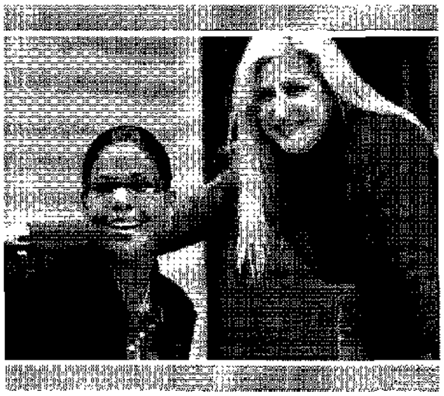
Acknowledging Global Challenges, Preserving Our Plan

Although we made significant strides forward over the course of the last year, we fully appreciate the challenges that lie ahead and the need to continue to effectively navigate the ongoing economic downturn and difficult financial market conditions. To that end, our management team and Board of Directors have taken steps to preserve the core elements of our business strategy while maintaining financial flexibility and adequate liquidity.

As we move forward into 2009, our team is equipped with a balanced, measured long-term business plan and a proactive strategy for addressing the near-term challenges that face our company. It is my privilege to share this update with you and explain why – today more than ever – I am convinced we will deliver on our commitments to enhance shareholder value, deliver long-term earnings growth and become North America's premier regulated energy company.

Delivering Results

As you know from our periodic updates, NiSource's financial performance for 2008 was solid. For the year, we delivered net operating earnings (non-GAAP) of $348.5 million, or $1.27 per share. On a GAAP basis, income from continuing operations was $369.8 million, or $1.35 per share. For the second consecutive year, those results were in line with our earnings targets, and reflected the collective effort and commitment by people across our organization.

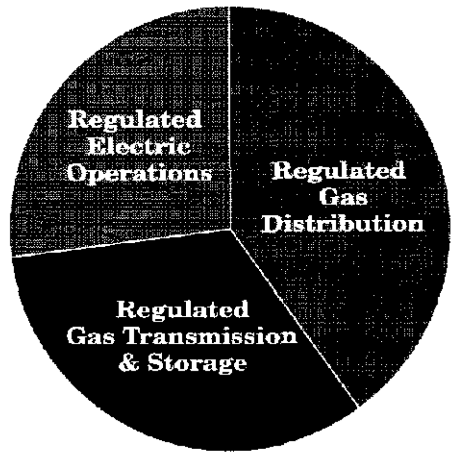


On a business segment basis, we saw high-quality execution on a number of key initiatives that are central to our balanced plan for delivering long-term growth. As you will see in the segment profiles featured in this year's report, there were significant accomplishments across each of our three primary businesses during 2008:

- Our gas distribution team advanced an extensive array of landmark infrastructure enhancement programs and complementary regulatory and commercial initiatives.

- Our Indiana team made significant progress in addressing near-term electric generating capacity needs and advanced an aggressive regulatory agenda, including the important Northern Indiana Public Service Company (NIPSCO) electric rate case.

- Our gas transmission and storage (NGT&S) team continued to deliver on its strategy of maximizing value from existing assets and advancing growth projects that leverage our unparalleled pipeline and storage footprint.



A Balanced, 100% Regulated Portfolio

I would be remiss if I didn't also point out that our NiSource teams delivered these results despite a daunting array of unprecedented and, in some cases unimaginable, challenges. These ranged from devastating storms and hurricanes, to flooding, and – in the case of our NGT&S team – the catastrophic destruction of an entire mainline compressor station by a tornado.

Management Team

Robert C. Skaggs, Jr.
President & Chief Executive Officer

Stephen P. Smith
Executive Vice President & Chief Financial Officer

Carrie J. Hightman
Executive Vice President & Chief Legal Officer

Christopher A. Helms
Executive Vice President & Group CEO, NI Gas Transmission & Storage

Eileen O'Neill Odum
Executive Vice President & Group CEO, NI Indiana Business Unit

Jimmy Staton
Executive Vice President & Group CEO, NI Gas Distribution

Michael W. O'Donnell
Executive Vice President

Robert D. Campbell
Senior Vice President, Human Resources

Glen L. Kettering
Senior Vice President, Corporate Affairs

Kathleen O'Leary
Senior Vice President, Performance Management

Violet G. Sistovaris
Senior Vice President & Chief Information Officer

Larry J. Francisco
Vice President, Audit

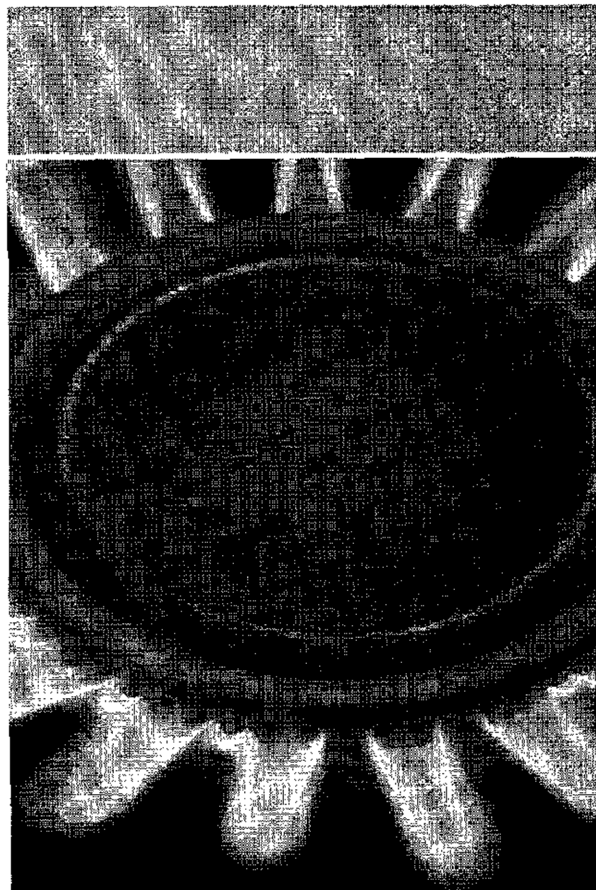
As we have come to expect – and by no means take for granted – the response of NiSource employees to these and other challenges was remarkable. Our teams remained focused, productive and safe. This is a key reason why a solid foundation of engaged, aligned and safe employees remains a key priority for our organization.

Sharpening Our Focus, Strengthening Our Foundation

In addition to our business unit accomplishments, we took several key steps during 2008 to strengthen our balance sheet, sharpen our corporate focus and eliminate distracting legacy issues. In particular, I would highlight:

- The sale of Northern Utilities and Granite State Gas Transmission to Unitil Corp. for about $200 million, including working capital.
- The sale of non-strategic Columbia Gulf Transmission assets in the Gulf of Mexico to Tennessee Gas Pipe Line for $7.5 million.
- The successful completion of the sale of the Whiting Clean Energy facility to BP Alternative Energy North America for approximately $217 million, including working capital.
- Resolution of the Tawney class action litigation, which involved natural gas royalty claims against Columbia Natural Resources, a former NiSource subsidiary.

We also took steps throughout the year to secure financing and strengthen NiSource's liquidity position. During the second quarter, we successfully issued $700 million of senior unsecured debt at favorable rates. We later successfully refinanced about $250 million in NIPSCO Pollution Control Bonds and supplemented our $1.5 billion revolving credit facility that extends to July 2011 with a new, six-month $500 million credit facility. That facility helped ensure ample liquidity to accommodate the company's seasonal cash flow requirements and to provide near-term

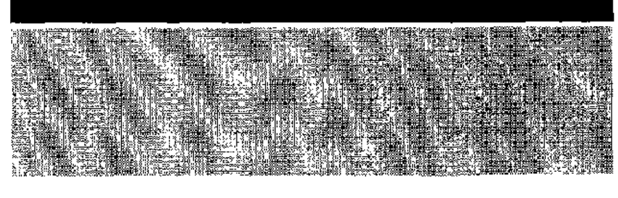


Gas Distribution

Executing on regulatory initiatives & infrastructure enhancement programs

During 2008, NiSource's natural gas distribution businesses advanced an array of infrastructure enhancement programs and complementary regulatory and commercial initiatives:

- **Columbia Gas of Pennsylvania** reached a unanimous $41.5 million rate case settlement with regulatory stakeholders – closely linked to the company's $1.4 billion, 20 year distribution system replacement program.
- **Columbia Gas of Ohio** received approval of a landmark rate case settlement that provides an additional $47.1 million in annual base revenues and establishes an enhanced rate structure and new demand side management and low income customer support programs. The settlement contains a tracking mechanism closely synchronized with the company's $2 billion long-term infrastructure enhancement and replacement program.
- Advanced other regulatory and commercial initiatives, including the filing of a $3.7 million rate case at **Columbia Gas of Maryland**, preparations for rate case filings at **Columbia Gas of Kentucky** and **Bay State Gas**, and securing an agreement for **Columbia Gas of Virginia** to serve the planned 580-megawatt Bear Garden generating station in Buckingham County, Va.



Gas Transmission & Storage

Maximizing growth and value

During 2008, NiSource's Gas Transmission & Storage (NGT&S) business continued its strategy of developing a portfolio of growth projects while maximizing value from its existing asset base.

- Successfully launched the 182-mile **Millennium Pipeline**, jointly owned by units of NiSource, National Grid, and DTE Energy.
- Increased overall revenues and throughput from the first full year of Hardy Storage operations and new system interconnects along the Columbia Gulf Transmission and Columbia Gas Transmission pipeline systems.
- Continued construction on the fully-subscribed **Eastern Market Expansion** to add 97,000 dekatherms (Dth) per day of storage and transportation deliverability this year.
- Received approval to construct the fully subscribed **Appalachian Expansion** project, adding 100,000 Dth per day of transportation capacity by late this year.
- Advanced other near-term growth opportunities, including those linked to the company's unparalleled pipeline and storage footprint in the Appalachian Basin's **Marcellus Shale** development areas.

funding flexibility related to the Tawney settlement. As of the end of 2008, approximately $750 million of aggregate credit capacity was available to NiSource under these facilities.

Given the substantial progress made in advancing our business plan during 2008, under normal circumstances, we would have been delighted with our prospects as we entered 2009. However, for us and countless other businesses across the globe, circumstances are anything but normal.

Taking a Thoughtful, Proactive Approach

From the outset of the global financial and economic crisis, NiSource's executive team and Board of Directors have been actively engaged in assessing potential impacts on our businesses and developing plans to effectively manage through this period.

As you might expect, a focal point of our initial efforts has been to ensure continued access to credit markets on reasonable terms – an essential requirement for a capital intensive business such as ours. We also have concentrated on the potential impacts of the economic decline on the industrial and other markets we serve, as well as on increases in pension expense and funding requirements. While these issues certainly are not unique to NiSource, they represent a set of challenges that we need to – and will – thoughtfully and proactively manage.

With that in mind, we developed a plan to address the issues created by current financial and economic conditions without sacrificing the core elements of our long-term growth strategy. This balanced and measured approach is designed to maintain our business commitments while managing liquidity in a prudent and disciplined fashion. Here are some key elements of our plan, many of which I am pleased to say have already been accomplished or are well under way:

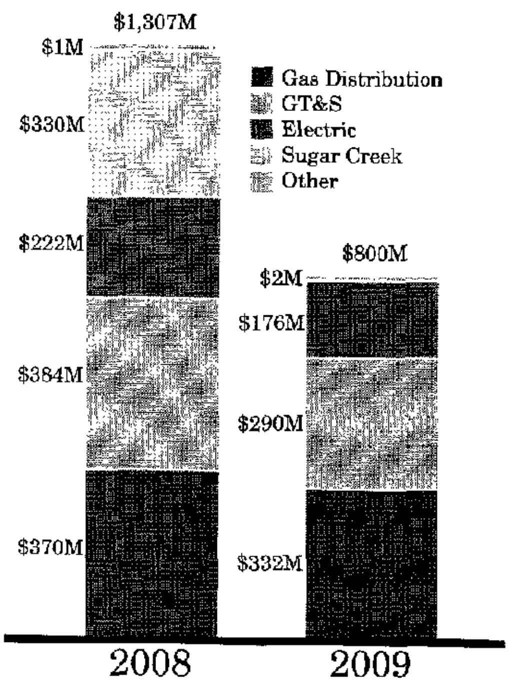
- We reduced planned capital spending for 2009 from slightly more than $1 billion to

$800 million – with 2009 investments split evenly between growth (or revenue generating) and maintenance projects.

- We have reduced working capital requirements to generate at least $250 million in additional liquidity for 2009, a reduction that, if anything, we regard as conservative.

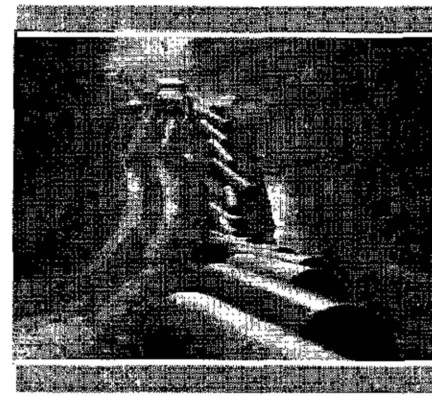
- We repurchased approximately $32 million of the $450 million of debt scheduled to mature in November 2009, as well as $68 million of debt scheduled to mature in November 2010.

- We developed plans to adopt an expanded dividend reinvestment plan, which is expected to reduce cash requirements by $15 to $20 million annually.



I would also note that NiSource's near-term liquidity profile will be enhanced by the "bonus" tax depreciation provisions contained in the American Recovery and Reinvestment Act of 2009, enacted in February of this year. Specifically, we estimate that the measure will effectively generate $100 million in incremental cash for NiSource in 2009.

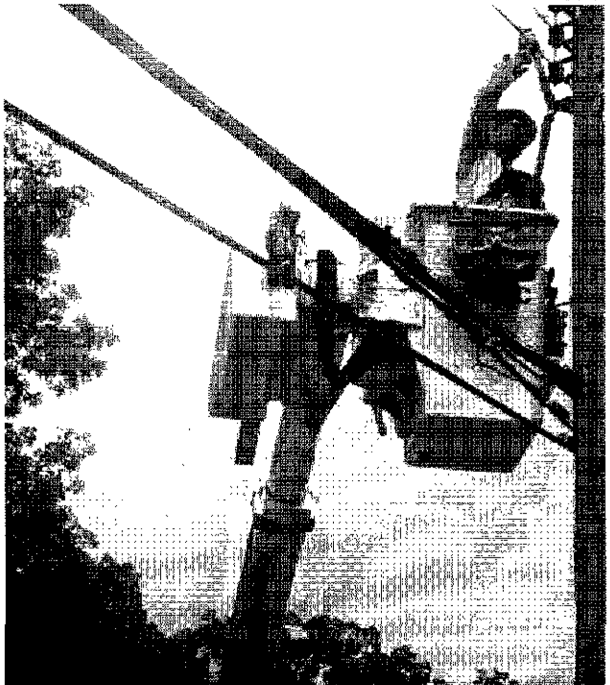
In addition, we have undertaken a number of initiatives that will help us further enhance efficiency and reduce operating and maintenance expenses. These include tightly managing staffing, freezing base compensation for senior executives and postponing most exempt employee pay increases across all of NiSource. Our business units have launched additional efforts to generate cash or better manage costs – with activities tailored to the unique circumstances of our companies. For example, in response to the economic slowdown, our NGT&S unit recently accelerated a planned restructuring of its operations to better focus on core business processes, increasing efficiency and maintaining safe, reliable customer service.



Ensuring Financial Flexibility and Liquidity

The combined effect of these initiatives has been to reduce NiSource's total projected 2009 financing requirements from nearly $1 billion to less than $500 million. I am pleased to say that, as of this writing, we have fully addressed those 2009 financing requirements, and we are well along in meeting our 2010 financing needs.

In February we closed on a $265 million two-year term loan under attractive terms, with the opportunity to expand up to a total of $500 million in April under an accordion feature in the financing agreement. Additionally, in March, we issued $600 million in senior unsecured notes in an underwritten offering. The proceeds from that issuance will allow us to complete the refinancing of outstanding debt scheduled to mature in November 2009 and for general corporate purposes, including refinancing a portion of outstanding debt scheduled to mature in November 2010.



Electric Operations

Addressing capacity needs while pursuing a robust regulatory agenda

NiSource's **Northern Indiana Public Service Company** (NIPSCO) took steps in 2008 to meet customers' long-term electric generation capacity needs, diversify its electric supply portfolio and pursue an aggressive regulatory agenda:

- Acquired the $330 million, 535 megawatt Sugar Creek combined cycle electric generating facility. By December 1, 2008, the plant was successfully dispatched into the Midwest Independent Transmission System Operator (MISO), allowing it to begin directly serving NIPSCO's 455,000 electric customers.
- Added wind-generated power to NIPSCO's portfolio beginning in 2009.
- Filed NIPSCO's electric base rate case – its first in 20 years – seeking a rate adjustment of approximately 9.8 percent, or about $85 million annually. The proceeding is expected to be completed and new rates placed into effect in late 2009 or early 2010.
- Continued a multi-year generation reliability investment program and accelerated distribution system reliability and outage response improvements.
- Proposed expanded energy efficiency programs for electric customers, such as direct load control programs, energy efficiency rebates, and advanced metering.

Suffice it to say, I am confident that our comprehensive and proactive strategy will enable us to successfully maintain NiSource's financial flexibility and solid liquidity going forward.

Navigating Though Earnings Headwinds

It's worth noting that, if not for a few unforeseen items, we would essentially be on track to achieve NiSource's three-year earnings trajectory that we shared with you in late 2007. Unfortunately, those items for 2009 are significant – starting with increased pension expense.

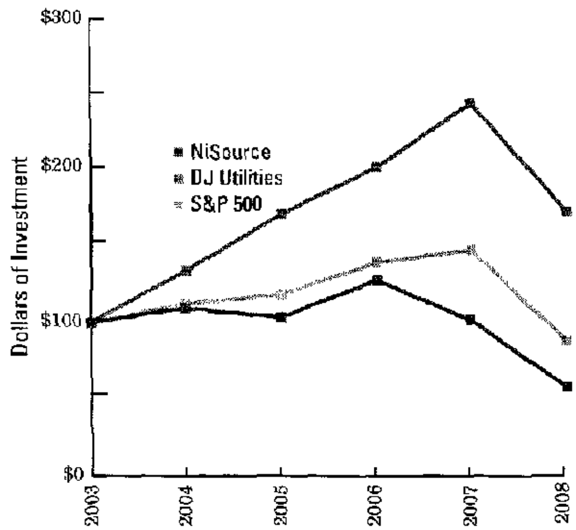
Like many of our peers in the utility industry and, indeed, large employers in general, we are seeing a significant increase in pension expense, due to the recent deterioration in global securities markets. While over time we expect to reflect increased pension expenses in rates, this issue will have a negative impact on earnings in the near term. In that regard, for 2009, NiSource's pension expense will be about $100 million higher than it was in 2008, reducing forecasted earnings by 24 cents per share.

I would emphasize that our pension asset performance historically has been quite strong and that we entered 2008 in a fully funded position. For 2008, our plan assumed asset performance of 9 percent, while actual returns – like those for many companies – were down by approximately 30 percent.

In addition, as a result of the Tawney settlement payments and other factors, we expect a year over year increase in interest expense of approximately 12 cents per share.

Lastly, we expect that the economic downturn will negatively affect 2009 earnings by about 5 cents per share and that increased property taxes and other costs will amount to about 8 cents per share.

On the positive side of the ledger, we expect our 2009 earnings will be positively impacted by a number of items, including increased revenue from customer growth and pipeline projects (totaling 11 cents per share) and favorable regulatory outcomes in Pennsylvania and Ohio (which are expected to contribute about 16 cents per share).



	NiSource	[illegible]	[illegible]
2008	62.49	163.89	89.53
2007	101.75	227.12	142.09
2006	124.47	189.79	134.69
2005	103.29	162.73	116.32
2004	108.49	130.12	110.88
2003	100.0	100.0	100.0

As a result of these factors, we expect NiSource's net operating earnings (non-GAAP) for 2009 to fall within a range of $1.00 to $1.10 per share. On a GAAP basis, the range for basic earnings per share from continuing operations is expected to be the same as net operating earnings.

Although this decline in expected earnings from 2008 to 2009 effectively resets our earnings baseline, we remain firmly committed to achieving long-term, sustainable growth for our many stakeholders. Because our core business remains sound and our progress is real, I have confidence in our ability to deliver on that commitment. If anything, I am even more convinced that NiSource's portfolio of low risk, regulated businesses can consistently deliver 3 to 5 percent earnings growth over the long term.

Delivering on Our Commitments

In closing, I will revisit a point I made at the beginning of this letter: Although somewhat obscured by today's financial and economic conditions – and the headwinds they present for the current year – 2008 was indeed a strong year for NiSource. We executed against an aggressive, highly visible plan, in a tough economic environment.

Going forward, we remain strongly committed to maintaining a solid financial foundation and to delivering on our fundamental promise of growing NiSource by investing in our infrastructure and coupling that investment with effective regulatory and commercial actions.

If we can do that – and I am confident we can – we will generate long-term, sustainable value for NiSource shareholders.

Thank you once again for your investment in NiSource and for your continued interest and support.

Sincerely,

Robert C. Skaggs, Jr.
President and Chief Executive Officer
NiSource Inc.

Dear Fellow Stockholders:

On behalf of the Board of Directors, thank you for your investment in and continued support of NiSource.

As highlighted in President and CEO Bob Skaggs' letter, 2008 was a year of significant progress for our company. In the face of a number of stiff challenges, the NiSource team delivered on its commitments and advanced the company's strategy of delivery long-term sustainable growth.

Without question, the persisting downturn in the economic and financial environment will present NiSource – and virtually all companies – with a continuing wave of challenges as we move forward in 2009. While NiSource's portfolio of low-risk, regulated and resilient businesses may be better positioned than many to weather these turbulent times, the company's management and Board recognize that we too must make adjustments and take the steps necessary to prudently manage through this period. I want to underscore to you that the Board has been actively engaged and is very supportive of management's plan to move the company forward in 2009, and is confident in the ability of the NiSource team to execute on that plan.

As a Board, we take seriously our role as stewards of your investment in NiSource, and we are firmly committed to principles of integrity, transparency and independence.

During 2008, we welcomed two new Board members – Richard A. Abdoo and Michael E. Jesanis – who come to NiSource with a depth of corporate and energy industry experience and valuable financial and operational insight. Their commitment and perspective, and that of the entire Board, are very much appreciated.

As we move forward through 2009, I can assure you that the Board will continue to maintain a high level of engagement with Management and, together with Bob and his team, will test and validate the company's strategies and plans on an ongoing basis. Despite what promises to be a challenging environment, we are confident the company will continue to deliver on its commitments to you and our other key stakeholders.

Once again, thank you for your investment, and for your continuing support of OUR company.

Sincerely,

Ian M. Rolland

Ian M. Rolland
Chairman of the Board
NiSource Inc.

Board of Directors

Ian M. Rolland
Chairman of the Board
NiSource Inc.

Richard A. Abdoo
President
R.A. Abdoo & Co. LLC

Dr. Steven C. Beering
Chairman
National Science Board

Dennis E. Foster
Principal
Foster Thoroughbred Investments

Michael E. Jesanis
Principal
Serrafix

Marty Kittrell
EVP & CFO
Dresser, Inc.

W. Lee Nutter
Retired Chairman
President & CEO, Rayonier, Inc.

Deborah S. Parker
President & CEO
International Business Solutions, Inc.

Robert C. Skaggs, Jr.
President & CEO
NiSource Inc.

Richard L. Thompson
Chairman
Lennox International, Inc.

Dr. Carolyn Y. Woo
Martin J. Gillen Dean & Ray & Milann Siegfried
Prof. of Entrepreneurial Studies
Mendoza College of Business
University of Notre Dame

Stockholder Info

This document contains "forward-looking statements." For a discussion of factors that could cause actual results to differ materially from those contained in such statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the NiSource Inc. annual report on Form 10-K included herein.

NiSource Inc. common stock is listed and traded on the New York Stock Exchange under the symbol NI. The shares are listed in financial stock quotations as NISOURCE. As of Dec. 31, 2008, NiSource Inc. had 36,194 registered common stockholders.

Anticipated Dividend Record and Payment Dates

NiSource Common Stock

Record Date	Payment Date
04-30-09	05-20-09
07-31-09	08-20-09
10-30-09	11-20-09
01-29-10	02-19-10

Common Stock Dividend Declared
The Board of Directors, effective January 9, 2009, has declared a quarterly dividend of $0.23 per share, equivalent to $0.92 per share on an annual basis.

Investor and Financial Information
Financial analysts and investment professionals should direct written and telephone inquiries to NiSource Investor Relations at 801 E. 86th Ave., Merrillville, IN 46410 or (219) 647-6209.

Copies of NiSource's financial reports are available by writing or calling the Investor Relations department at the address or phone number listed above. The materials are also available at www.nisource.com.

Stockholder Services
Questions about stockholder accounts, stock certificates, transfer of shares, dividend payments, automatic dividend reinvestment and stock purchase plan, and electronic deposit may be directed to Mellon Investor Services at the following:

BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252-8015

or

480 Washington Boulevard
Jersey City, NJ 07310-1900

(888) 884-7790

TDD for Hearing Impaired
(800) 231-5469

Foreign Stockholders
(201) 680-6578

TDD Foreign Stockholders
(201) 680-6610

www.bnymellon.com/shareowner/isd

On June 9, 2008, NiSource's Chief Executive Officer submitted to the New York Stock Exchange ("NYSE") an annual certification stating that as of that date he was not aware of any violation by the company of the New York Stock Exchange's corporate governance listing standards, as required by Section 303A.12(a) of the NYSE's Listed Company Manual. NiSource's Chief Executive Officer and Chief Financial Officer have provided certifications to the U.S. Securities and Exchange Commission as required by Section 302 of the Sarbanes-Oxley Act of 2002. These certifications are included as Exhibits 31.1 and 31.2 to the company's 10-K for the year ended December 31, 2008.

Stockholder Inquiries
BNY Mellon
Shareowner Services

(888) 884-7790

Analyst Inquiries
Investor Relations

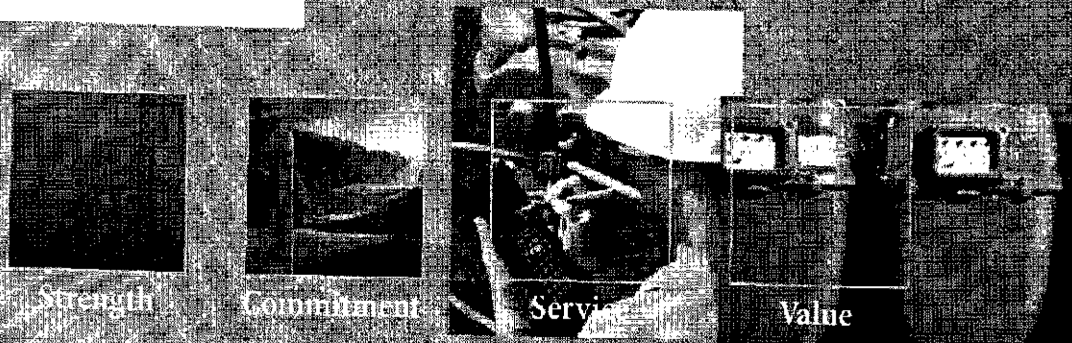
(219) 647-6209

Media Inquiries
Communications

(219) 647-5581

NiSource Inc.
801 East 86th Avenue
Merrillville, IN 46410
www.nisource.com

Exhibit C-1 "Annual Report"
EnergyUSA-TPC



ASPIRATION

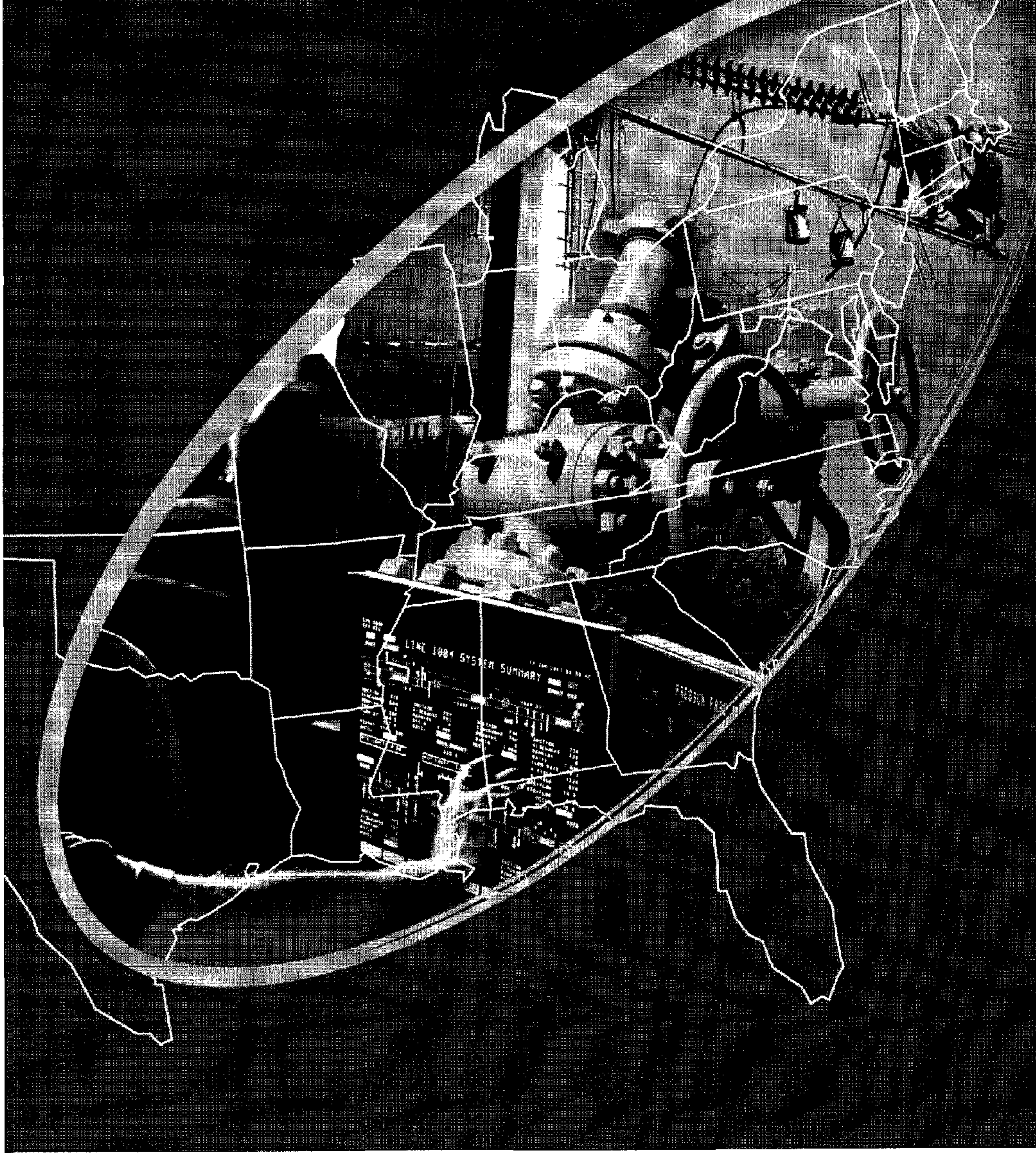
The Premier Regulated Energy Company in North America

Exhibit C-1 "Annual Report"
EnergyUSA-TPC

NiSource

2007 Annual Message to Stockholders

CONTENT



PREMIER

Dear Fellow Stockholders:

At NiSource, our aspiration is to be the **premier** company in our industry, with a strong financial profile; a wide range of investment-driven growth opportunities; robust and sustainable earnings and cash flow; top-tier safety, service and reliability metrics; and a solid foundation of engaged, aligned and safe employees.

I am pleased to report that 2007 was a year of significant progress that brought us closer to achieving that aspiration. Across virtually every dimension of our business, our team made extraordinary progress in "fixing," "building" and "repositioning" NiSource in 2007. Certainly, advancing the implementation of NiSource's Path Forward business strategy, which is premised on long-term infrastructure investments, is at the forefront of these accomplishments. Key components of that implementation effort included bold steps to resolve an array of legacy operating, regulatory and commercial issues—setting the stage for what promises to be a pivotal year for our company in 2008.

From an earnings standpoint, NiSource's core regulated natural gas and electric operations continued to deliver solid performance, with results for 2007 that exceeded our outlook. Meanwhile, our teams made significant progress during the year to reposition the company to deliver long-term growth. With this important foundational work largely completed, each of our business segments is now poised to do what they do best—execute the key investment, regulatory and commercial elements of our business plan, deliver on our commitments, and **Achieve Our Aspiration of becoming The Premier Regulated Energy Company in North America.**

Throughout this report and NiSource's accompanying 2007 Form 10-K, you will see evidence of progress made during the year. For now, I would like to highlight just a few examples.

Robert C. Skaggs, Jr.
President & Chief Executive Officer

Michael W. O'Donnell
Executive Vice President & Chief Financial Officer

Carrie J. Hightman
Executive Vice President & Chief Legal Officer

Christopher A. Helms
Executive Vice President & Group CEO, NI Gas Transmission & Storage

Recommitting to our Core Regulated Assets and our Strategic Plan

Central to our long-term growth strategy is the underlying strength of NiSource's core regulated assets—our local natural gas distribution companies, our Indiana electric business and our extensive natural gas transmission and storage operations.

During 2007, we confirmed the value of those assets through our deliberate and disciplined strategic and financial review process. The review considered a broad range of options, financial techniques and structures within the context of our commitment to sustain NiSource's dividend and maintain our investment grade credit ratings.

As we reported in May, the review concluded that NiSource's existing set of core assets are fundamentally strong, with an array of long-term organic growth prospects. We are convinced we can maximize the value of those assets through our investment-driven strategic plan and deliver long-term, sustainable earnings and cash flow growth for our shareholders. And we are backing that strategic plan with an unprecedented $1 billion plus annual investment program that will be tightly integrated with our regulatory and commercial activities.

Executing on our Four-Part Plan

Even as our strategic and financial review process was concluding, NiSource teams were actively advancing a wide array of initiatives as part of the company's four-part business plan. That plan centers on: 1) Expansion of and commercial growth of the gas transmission and storage business; 2) Regulatory and commercial initiatives at our utilities; 3) Financial management; and 4) Process and expense management.

At the forefront of those initiatives in 2007 was the progress we made on our development of a **master limited partnership** (MLP) as a strong complement to our NiSource Gas Transmission and Storage (NGT&S) growth strategy. That work led to our December announcement that our new, wholly-owned subsidiary, NiSource Energy Partners, L.P., had filed a registration statement with the Securities and Exchange Commission (SEC). The filing, subject to SEC review, proposed an initial public offering, with the partnership's initial asset being the Columbia Gulf Transmission Company system stretching from Louisiana to Kentucky.

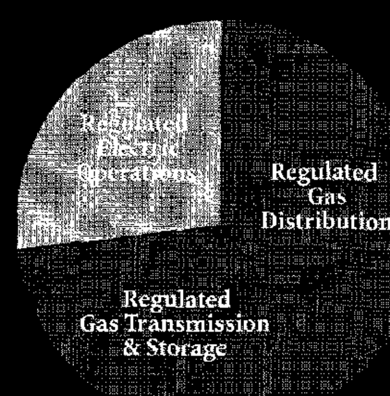
Beyond the MLP initiative, our NGT&S group also continued to develop and execute on a steady stream of pipeline and storage growth projects—an important plank in our long-term growth platform. NGT&S projects advanced during 2007 included:

- The initiation of service under the Hardy Storage project,
- The Eastern Market Expansion, which received FERC approval in January of 2008 and is targeted for completion in early 2009,
- A major expansion of capacity into the Florida Gas Transmission system,
- Several new low-cost, high-return connections to the Columbia Gulf system,
- The June launch of construction on the Millennium Pipeline in New York—slated for completion in late 2008.

Our Balanced Approach

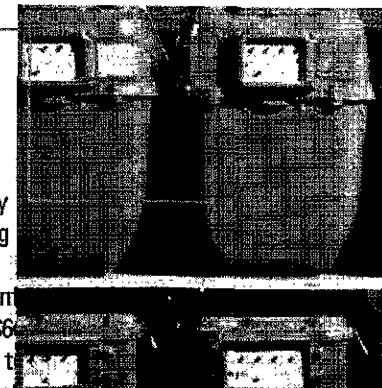
The NiSource portfolio of low-risk, regulated assets generates about $3 billion in annual net revenues, ranking among the nation's largest integrated energy firms and squarely among the Fortune 400 list of top U.S. companies. Our operating income is balanced between each of our three business segments. NiSource stock trades on the New York Stock Exchange under the symbol NI.

VALUE



It is also important to note that the NGT&S team delivered improved operating income during 2007, despite tempered opportunities for optimization-related services due to less volatility in the natural gas market. Driving this improvement was the near-full subscription of the Columbia Gulf system and higher throughput as a result of increased storage injections, gas-fired electric generation demands, and marketing activities. NGT&S also delivered increased earnings in 2007 from our Hardy Storage partnership with Piedmont Natural Gas, which began operations in April.

Synchronizing Infrastructure-Driven Investments and Regulatory Activity



Another central feature of NiSource's long-term strategy is synchronizing our unprecedented infrastructure replacement and enhancement projects with thoughtful, collaborative regulatory initiatives in our **Gas Distribution Segment.** And here again, we made significant strides during

At **Columbia Gas of Pennsylvania** (CPA), our team launched a 20-year, $1.4 billion natural gas in
That initiative set the stage for CPA's January 2008 filing of a base rate case seeking a nearly $6
in the company's rates, with an expected effective date of October 28, 2008. Our Pennsylvania t
leadership role in building support for legislation that would facilitate the timely recovery of costs associated with natural gas infrastructure improvements.

Meanwhile, in neighboring Ohio, **Columbia Gas of Ohio** (COH) and other stakeholders reached a landmark agreement in December that provides COH and its key stakeholders with critically important certainty for the future. The agreement establishes the framework for operations under the company's Customer CHOICE℠ program for the next several years and provides for a wholesale gas supply auction by early 2010. With this agreement in place, the stage has been set for COH to proceed with its own infrastructure-driven base rate case proceeding during the first quarter of 2008. COH has requested an increase of approximately $80 million per year, and new base rates are expected to become effective in the fourth quarter of this year.

Also during 2007:

- **Columbia Gas of Virginia** received approval to implement an off-system sales and capacity release incentive mechanism, effective in January 2008.
- **Bay State Gas** received approval for a $5.9 million increase in base rates, effective last November 1, under its performance-based rate program.
- **Northern Indiana Public Service Company** (NIPSCO) received approval in May for a natural gas rate simplification program that benefits both the company and customers, including the creation of a new energy conservation program.
- And **Columbia Gas of Kentucky** received approval of a rate case settlement that increases annual revenues by $7.25 million.

The accomplishments in our Gas Distribution segment speak to our continued commitment to take constructive, collaborative approaches to address business and regulatory issues affecting our company and our customers.

Eileen O'Neill Odum
Executive Vice President & Group CEO, Northern Indiana Business Segment

Jimmy Staton
Executive Vice President & Group CEO, NiGas Distribution

Robert D. Campbell
Senior Vice President, Human Resources

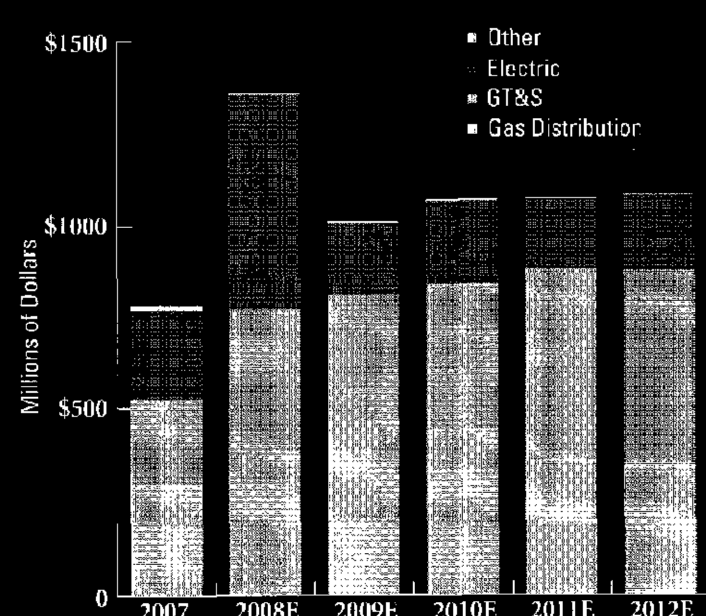
Glen L. Kettering
Senior Vice President, Corporate Affairs

Maximizing Value:
NiSource's Investment-Driven Strategy

As part of NiSource's strategy to maximize the value of its core regulated assets, the company has embarked on a $1 billion-plus annual capital investment program. These investments span each of NiSource's business segments, including promising new organic growth prospects in natural gas transmission and storage, new generation capacity to meet electric customers' needs, and significant infrastructure replacement and enhancement programs in natural gas distribution. Our approach to these programs is straightforward—the investments will be disciplined, aggressively managed and synchronized with corresponding commercial and regulatory strategies in order to deliver long-term, sustainable earnings and cash flow growth for NiSource shareholders.

INVESTING

5-Year Capital Program



That same approach holds true in our **Electric Business**, where our NIPSCO team took several important steps during 2007 to set the stage for a robust 2008 regulatory agenda.

First, NIPSCO reached a settlement with regulatory stakeholders and large customers resolving matters related to the cost of purchasing electric power to meet growing demand. NIPSCO then filed an Integrated Resource Plan (IRP) with the Indiana Utility Regulatory Commission outlining its approach to meeting the company's need to add approximately 1,000 megawatts of new capacity by 2014. The IRP concluded that the best alternative for meeting that need would be for NIPSCO to invest in additional gas-fired combined cycle generating capacity. As of this writing, NIPSCO is actively pursuing several potential options for acquiring additional generating facilities.

The NIPSCO team, under the leadership of Eileen O'Neill Odum—Group CEO of our Indiana businesses—is now well positioned to file a base rate case on July 1 of this year. We are excited about the addition of Eileen to our senior leadership team and convinced that the business segment operating model being developed across NiSource will provide the necessary focus and accountability for NiSource to deliver on its financial commitments in the years to come. That model is already in place in our NGT&S segment under the leadership of Group CEO Chris Helms, and has been very recently established in our Gas Distribution segment, with the announcement of Jimmy Staton as Group CEO.

Resolving Legacy Issues

As indicated above, 2007 marked the successful resolution of a number of "legacy" issues that had caused distractions or financial pressures in the past. One of the notable accomplishments in this regard was the significantly improved results from our Whiting Clean Energy unit, under its redefined operating agreement with BP. During the year, our **Other Operations** segment delivered operating income of $8.1 million, as compared to a loss of $40.2 million in 2006. The $48.3 million improvement was almost exclusively driven by improved results from the Whiting unit.

Also notable was the restructuring of NiSource's business services agreement with IBM. Under the restructured agreement, IBM will primarily provide information technology services, with a number of other business service functions transitioned back to the NiSource organization. Going forward, NiSource will be in a position to more effectively manage its employee and administrative expenses, while ensuring delivery of services to meet the company's needs. This situation has been a distraction over the last several years, and I am pleased we have made the necessary changes to stabilize these services and move forward on a solid footing.

Maintaining Investment Grade Credit Ratings

We met with credit rating agencies in late 2007 and reviewed our long-term business plans, including our $1 billion plus annual infrastructure investment program. Both Moody's and Standard & Poor's (S&P) confirmed **NiSource's investment grade credit ratings.** The company received a Baa3 rating from Moody's and a BBB– rating from S&P. S&P's outlook is stable, while Moody's is negative. Despite being at the lower end of the investment grade rating category, we nonetheless were encouraged by the favorable view of NiSource's business profile expressed by each of the rating agencies, as well as their indication that the company's successful execution of its business plan should sustain our investment grade ratings.

[illegible]
Senior Vice President, [illegible]

Kathleen O'Leary
Senior Vice President, Performance Management

Violet G. Sistovaris
Senior Vice President, Administrative Services

Larry J. Francisco
Vice President, Audit

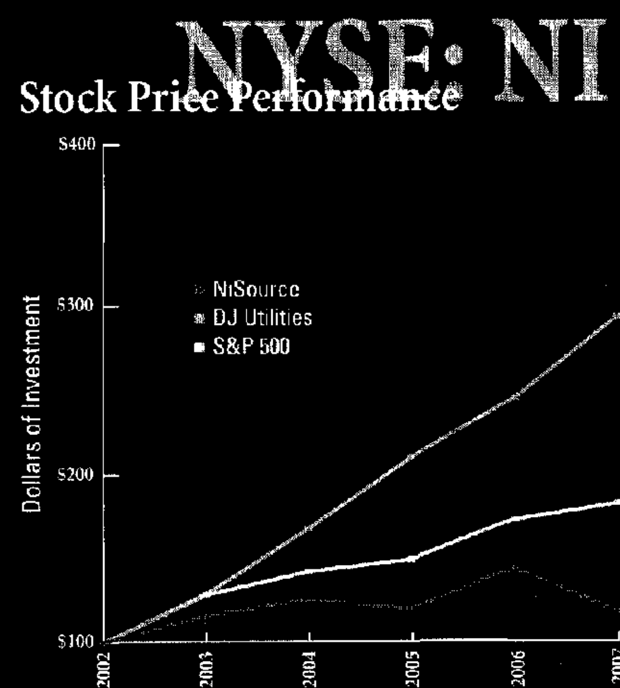
This impressive list of 2007 key accomplishments is proof positive of our team's ability to execute our game plan to position the company to deliver on our four-part business plan for long-term, sustainable growth. We continue to move aggressively, and thoughtfully, to engage our stakeholders, make disciplined investments, and position our teams to execute on NiSource's growth strategy.

Charging into a Pivotal Year

With significant groundwork having been laid in 2007, we view 2008 as a pivotal year in our long-term growth strategy. In fact, we are charging into 2008 with three critical areas of focus:

- **Executing on Major Infrastructure Enhancement Projects,** which will constitute a significant portion of NiSource's more than $1 billion annual ongoing capital investment program.
- **Achieving our Key Regulatory Initiatives,** including gas base rate cases in Pennsylvania and Ohio, as well as NIPSCO's electric rate case scheduled for filing on July 1, 2008.
- **Advancing our NGT&S Growth Strategy,** including securing approvals and timely construction of announced projects, developing an array of potential new growth opportunities, and continuing with the formation of NiSource Energy Partners, L.P.

As we aggressively pursue these priorities, we are keenly aware and appreciative of your continued support. Our investment-driven utility and pipeline growth strategies clearly require time and considerable effort to bear fruit. Nevertheless, we are convinced that the foundation we have built, and will continue to build over the next several years, will position NiSource to generate meaningful and sustainable future earnings and cash flow growth.



	2002	2003	2004	2005	2006	2007
NiSource	100.0	116.18	126.04	120.01	144.61	118.22
DJ Utilities	100.0	129.26	168.19	210.34	245.32	293.58
S&P 500	100.0	128.67	142.67	149.67	173.31	182.82

Doing What We Do Best

With our strategy clearly set, employees all across NiSource are hard at work today—committed to achieving our long-term aspiration, step-by-step, brick-by-brick. And the capstone is that our entire team is energized, and intently focused on executing this plan. Quite frankly, as a regulated energy company, we welcome these priorities. This is what we do best. As always, we remain committed to communicating with our investors and all other stakeholders in a transparent and timely manner regarding these and all of our efforts. Ongoing updates will be provided on www.nisource.com.

Thank you once again for your continued interest in and support of NiSource.

Sincerely,

Robert C. Skaggs, Jr.
President and Chief Executive Officer

Dear Fellow Stockholders:

On behalf of the Board of Directors, I want to take this opportunity to thank you for your investment in and continued support of NiSource.

As Bob Skaggs' letter in this report shows, 2007 was, indeed, a year of significant progress for NiSource, one that sets the stage for continued progress in 2008 as the company aggressively pursues its aspiration of becoming North America's premier regulated energy company. I can't emphasize enough the level of this Board's engagement, alignment and support of management's investment-driven business strategy and its detailed plans for executing on that strategy and delivering long-term, sustainable growth for our shareholders.

I would be remiss if I did not mention that many of our successes during this and previous years were made possible in part through the efforts of Peter Fazio and Roger Young. Peter retired in December 2007 as Executive Vice President and General Counsel after 15 years of service. Roger has elected to retire from the Board of Directors at the end of his current term in May of this year after nine years of service. Prior to that time, Roger served as Chairman of Bay State Gas. Peter and Roger each brought tremendous expertise and wise counsel to NiSource, and we wish them well in retirement.

Sadly, early this year, we said goodbye to another valued board member and friend, as Steve McCracken lost a long battle with cancer. Steve was a widely respected business leader, a member of our Board since 2005, and a committed husband and father. He is greatly missed.

Board of Directors

Ian M. Rolland
Chairman of the Board, NiSource Inc.

Dr. Steven C. Beering
Chairman, National Science Board

Deborah S. Coleman
EVP & COO, National Urban League

Dennis E. Foster
Principal, Foster Thoroughbred Investments

Marty Kittrell
EVP & CFO, Dresser, Inc.

W. Lee Nutter
Retired Chairman, President & CEO, Rayonier, Inc.

Robert C. Skaggs, Jr.
President & CEO, NiSource Inc.

Richard L. Thompson
Chairman, Lennox International, Inc.

Dr. Carolyn Y. Woo
Martin J. Gillen Dean & Ray & Milann Siegfried
Prof. of Entrepreneurial Studies
Mendoza College of Business
University of Notre Dame

Roger A. Young
Retired Chairman, Bay State Gas Co.

Also during 2007, we welcomed to the NiSource Board the new perspectives and business and operational insights of Deborah S. Coleman, who joined our ranks in July 2007. Deborah brings extensive background in process improvement and operational effectiveness. We also expect two new additions to the Board during 2008.

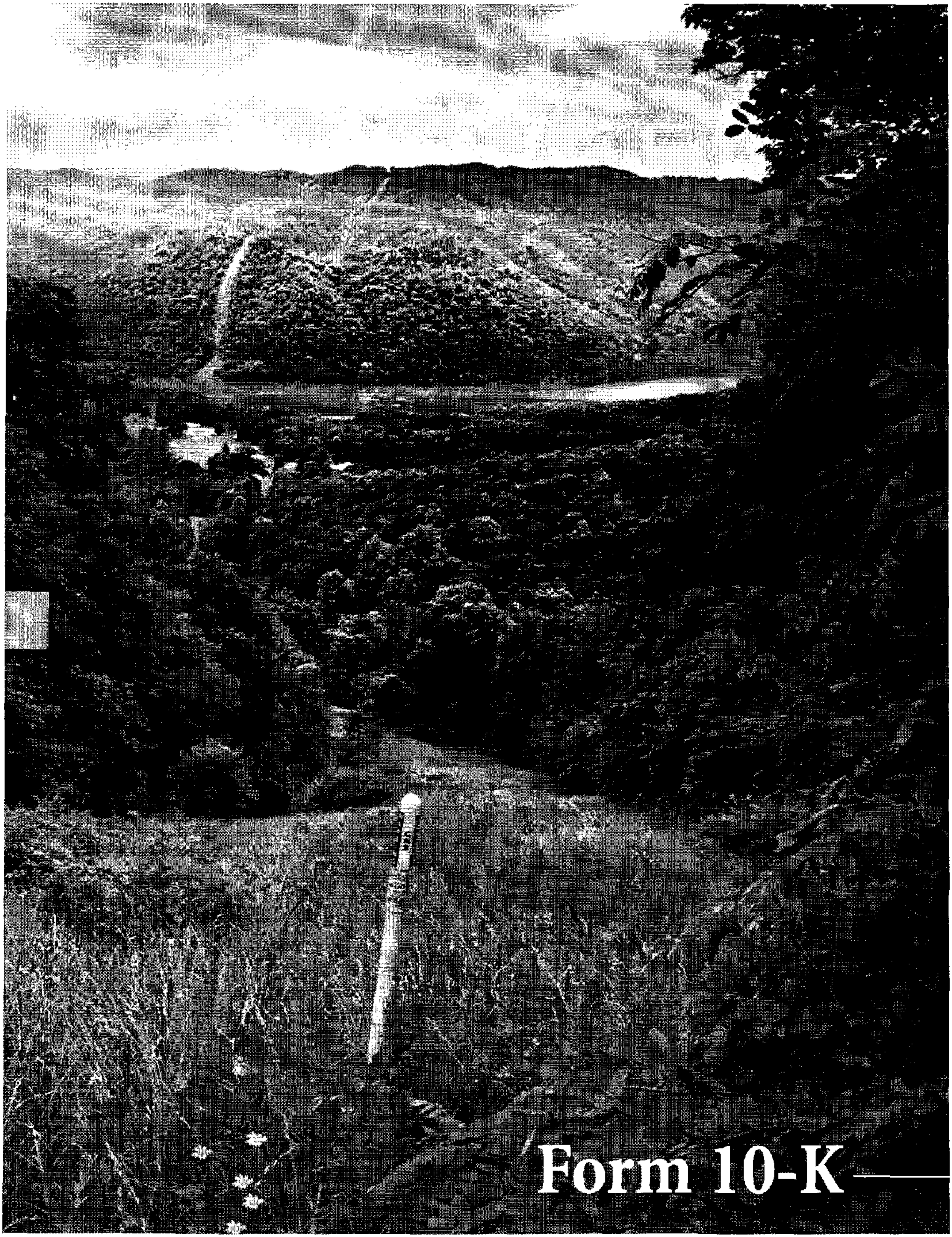
As we move into 2008, the NiSource Board will continue to test and validate key components of the company's Path Forward strategy. We take seriously our role as stewards of your investment, and are committed to building a long-term, sustainable enterprise predicated on sound business strategy, exemplary customer service, and strong financial metrics.

As a Board, we remain firmly committed to the principles of transparency, integrity and responsiveness, as well as to governance standards and practices that reflect those principles. We took a number of actions during 2007 that attest to that commitment, including the adoption of revised director election processes and new committee structures. You have my commitment that the Board will assess its governance practices on an ongoing basis and make any adjustments necessary to continue to fulfill our fiduciary responsibilities to our shareholders.

Sincerely,

Ian M. Rolland

Ian M. Rolland
Chairman of the Board


Form 10-K

STOCKHOLDER INFO

This document contains "forward-looking statements." For a discussion of factors that could cause actual results to differ materially from those contained in such statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the NiSource Inc. annual report on Form 10-K included herein.

NiSource Inc. common stock is listed and traded on the New York Stock Exchange under the symbol NI. The shares are listed in financial stock quotations as NISOURCE. As of Dec. 31, 2007, NiSource Inc. had 38,091 registered common stockholders.

Anticipated Dividend Record and Payment Dates

NiSource Common Stock

Record Date	Payment Date
04-30-08	05-20-08
07-31-08	08-20-08
10-31-08	11-20-08
01-30-09	02-20-09

Common Stock Dividend Declared
The Board of Directors, effective January 4, 2008, has declared a quarterly dividend of $0.23 per share, equivalent to $0.92 per share on an annual basis.

Investor and Financial Information
Financial analysts and investment professionals should direct written and telephone inquiries to NiSource Investor Relations at 801 E. 86th Ave., Merrillville, IN 46410 or (219) 647-6209.

Copies of NiSource's financial reports are available by writing or calling the Investor Relations department at the address or phone number listed above. The materials are also available at www.nisource.com.

Stockholder Services
Questions about stockholder accounts, stock certificates, transfer of shares, dividend payments, *automatic dividend reinvestment* and stock purchase plan, and electronic deposit may be directed to Mellon Investor Services at the following:

BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252-8015

or

480 Washington Boulevard
Jersey City, NJ 07310 1900

(888) 884-7790

TDD for Hearing Impaired
(800) 231-5469

Foreign Stockholders
(201) 680-6578

TDD Foreign Stockholders
(201) 680-6610

www.bnymellon.com/shareowner/isd

On June 6, 2007, NiSource's Chief Executive Officer submitted to the New York Stock Exchange ("NYSE") an annual certification stating that as of that date he was not aware of any violation by the company of the New York Stock Exchange's corporate governance listing standards, as required by Section 303A.12(a) of the NYSE's Listed Company Manual. NiSource's Chief Executive Officer and Chief Financial Officer have provided certifications to the U.S. Securities and Exchange Commission as required by Section 302 of the Sarbanes-Oxley Act of 2002. These certifications are included as Exhibits 31.1 and 31.2 to the company's 10-K for the year ended December 31, 2007.

Stockholder Inquiries
BNY Mellon Shareowner Services

(888) 884-7790

Analyst Inquiries
Investor Relations

(219) 647-6209

Media Inquiries
Communications

(219) 647-5581

NiSource Inc. • 801 East 86th Avenue • Merrillville, IN 46410 • www.nisource.com

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 1, 2009

NiSource Inc.
(Exact name of registrant as specified in its charter)

Commission file number 001-16189

Delaware	35-2108964
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, Indiana	46410
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 1, 2009, NiSource Inc. (the "Company") reported its financial results for the quarter ended March 31, 2009. The Company's press release, dated May 1, 2009, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit Number	Description
99.1	Press Release, dated May 1, 2009, issued by NiSource Inc.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NiSource Inc.
(Registrant)

Date: May 1, 2009

By: /s/ Jeffrey W. Grossman
Jeffrey W. Grossman
Vice President and Controller

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release, dated May 1, 2009, issued by NiSource Inc.

Exhibit 99.1

NEWS

NiSource

801 E. 86th Avenue
Merrillville, IN 46410

FOR IMMEDIATE RELEASE
May 1, 2009

FOR ADDITIONAL INFORMATION

Media	Investors
Tom Cuddy	Randy Hulen
Director, Communications	Director, Investor Relations
(219) 647-5581	(219) 647-5688
tcuddy@nisource.com	rghulen@nisource.com

NiSource Reports First Quarter 2009 Results
Reaffirms Annual Earnings Outlook

- **Results In-Line with Business Plan**
- **Solid Liquidity Position Enhanced**
- **Business Initiatives Continue to Progress**

MERRILLVILLE, Ind . — NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of $170.2 million, or 62 cents per share, for the three months ended March 31, 2009, compared to $189.4 million, or 69 cents per share, for the first quarter of 2008. Operating earnings (non-GAAP) were $369.4 million, compared to $394.8 million for the same period in 2008.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended March 31, 2009, of $159.3 million, or 58 cents per share, compared with $189.5 million, or 69 cents per share, in the same period a year ago. Operating income was $348.3 million for the first quarter of 2009, compared with $394.9 million in the year-ago period.

NiSource President and Chief Executive Officer Robert C. Skaggs, Jr. noted that, as anticipated, the most significant impact on NiSource's first quarter earnings results was an increased pension expense of $25 million (or approximately 6 cents per share) related to the deterioration in global securities markets in 2008.

"Despite challenging economic conditions, NiSource produced another solid quarter of core earnings, while continuing to execute key financial, regulatory and infrastructure enhancement initiatives," Skaggs said. "Our first quarter earnings are consistent with the company's previously announced net operating earnings (non-GAAP) outlook of $1.00 to $1.10 per share for 2009, and our year-to-date accomplishments serve to underscore our continued commitment to preserving — and executing on — the core elements of our business strategy."

Skaggs highlighted several of NiSource's important recent accomplishments:

-more-

Enhancing a Solid Liquidity Position

During the past several months, NiSource has successfully executed against its previously announced financing and liquidity plan:

- On April 9, NiSource's finance subsidiary, NiSource Finance Corp., closed on a senior unsecured term loan under attractive terms with a syndicate of lenders. The initial February closing of the term loan was at $265 million, and the company was successful in expanding the loan to $385 million at final closing in April under an accordion feature in the financing agreement.
- On March 9, NiSource Finance Corp. issued $600 million of senior unsecured notes in an underwritten offering. NiSource will use the proceeds from the issuance to complete the refinancing of outstanding debt scheduled to mature in November 2009 and for general corporate purposes, including refinancing a portion of outstanding debt scheduled to mature in November 2010.
- On April 28, NiSource Finance Corp. announced results of a tender offer for up to $300 million aggregate principal amount of its outstanding notes due in 2010. The aggregate principal amount of notes tendered was approximately $250 million, which will reduce NiSource's interest expense through November 2010 by approximately $30 million.
- On March 30, **Northern Indiana Public Service Company** (NIPSCO) filed an amended petition with the Indiana Utility Regulatory Commission (IURC) seeking permission to issue $120 million of long-term debt to finance the Sugar Creek electric generating facility, which was acquired last year. A hearing before the IURC is scheduled for June 30. NiSource is continuing to evaluate financing opportunities at other operating subsidiaries.
- Also during the quarter, NiSource business units undertook a number of efforts to manage spending and optimize funds from operations. In connection with these efforts, NiSource Gas Transmission & Storage, on Feb. 27, announced a restructuring plan to better focus on core business activities and increase efficiency, while maintaining safe and reliable service to its customers.

"NiSource's overall liquidity strategy, including our recent financial and optimization initiatives, not only fully addresses the company's 2009 debt refinancing requirements but also places us well on our way toward meeting our remaining 2010 refinancing needs of approximately $690 million," Skaggs said. "In light of the steps we have taken and are continuing to take, I am confident NiSource will maintain a solid liquidity position going forward."

Skaggs also noted that, on March 5, credit rating agency Standard & Poor's announced that it had affirmed NiSource's "BBB-" investment grade corporate credit rating and, notably, revised its outlook to stable from negative. "We appreciate this recognition that NiSource is executing on its comprehensive strategy to maintain financial flexibility and delivering on our core business commitments," Skaggs said.

Growth, Infrastructure Investments and Regulatory Initiatives Continue to Progress

NiSource's business units also continued to advance key growth and infrastructure enhancement programs, synchronized with complementary regulatory and commercial initiatives:

- **NIPSCO** received a favorable regulatory order on Feb. 18 related to its actions to increase its electric generating capacity and advance its electric rate case. Acting on a settlement reached among NIPSCO and its regulatory stakeholders, the IURC ruled that NIPSCO's Sugar Creek electric generating plant was "in service" for ratemaking purposes as of Dec. 1, 2008. The IURC also approved the deferral of depreciation expenses and carrying costs associated with the $330 million Sugar Creek investment until such time as the IURC recognizes the plant in the company's rate base through revised rates.
- Progress also continued on NIPSCO's electric base rate case — the company's first in 20 years. Initial hearings were held in the proceeding in January 2009, and a public hearing on the case was conducted in March. Intervening parties have until May 8 to file testimony. A final round of evidentiary hearings is scheduled for this summer, with the case expected to be resolved, and new electric rates effective, by late 2009 or during the first quarter of 2010.

"Successful resolution of the NIPSCO rate case remains a very high priority for NIPSCO CEO Eileen O'Neill Odum and the entire NIPSCO team this year," Skaggs said. "While much work remains ahead of us, I am pleased with the progress we are making to establish a solid foundation for NIPSCO and position it to contribute to NiSource's growth going forward."

At NiSource's Gas Transmission & Storage (NGT&S) unit, work also continued on the development of new growth projects and the maximization of value from NiSource's existing asset base.

- In southwestern Pennsylvania, NGT&S unit **Columbia Gas Transmission** began increasing its transportation capabilities to provide market access for an additional 150,000 dekatherms per day (Dth/d) of gas from the Marcellus Shale production area. Specifically, Columbia Gas Transmission is modifying its Waynesburg Compressor Station and parts of its Line 1570 in Allegheny and Washington counties to enable it to transport additional natural gas supplies to market. The initial phase of firm transportation service commenced in the third quarter of 2008, with additional increments scheduled to be placed in service through mid-2010.
- In conjunction with a March open season, NGT&S unit **Columbia Gulf Transmission** completed the addition of 95,000 Dth/d of contracted capacity for delivery to the Florida Gas Transmission system near Lafayette, La. The new capacity is in addition to 145,000 Dth/d of capacity already subscribed for delivery to Florida Gas Transmission.
- On March 25, the Federal Energy Regulatory Commission (FERC) issued a certificate authorizing Columbia Gas Transmission to expand its Ohio storage facilities to meet growing demand for natural gas storage and transportation services in the company's Mid-Atlantic markets. The **Ohio Storage Expansion Project** will increase Columbia Gas Transmission's storage capacity by 6.7 billion cubic feet and enhance daily deliverability from the Weaver and Crawford Storage fields by 100,000 Dth/d. Storage deliveries are scheduled to commence in November of this year. Notably, the FERC authorized market-based rates for the project — the first time that Columbia Gas Transmission has been granted such authority in connection with the expansion of an existing, traditionally cost-based, storage facility.

- On March 30, Columbia Gas Transmission announced a binding open season for capacity into premium East Coast markets resulting from modifications made to the company's **Easton Compressor Station** . The modifications will increase delivery capacity from the Wagoner interconnection point between the Columbia Gas Transmission and Millennium pipeline systems. Through the open season, which closed on April 3, the company received 30,000 Dth/d of binding bids.
- Construction also continued on two additional NGT&S expansion projects. The **Appalachian Expansion Project** continues to progress, with service targeted to begin later this year, providing approximately 100,000 Dth/d of new transportation capacity to three key Appalachian Basin producers. Meanwhile, the **Eastern Market Expansion** — a project that expands Columbia Gas Transmission's facilities to provide 97,000 Dth/d of additional storage and related transportation services under fully subscribed, 15-year firm contracts — was placed into service April 1.

"The NGT&S team continues to make significant progress in developing and delivering new energy infrastructure projects that will provide enhanced supply access to Eastern and Southeastern market areas," Skaggs said. "These ongoing infrastructure projects are — and will continue to be — a key contributor to our long-term growth plan."

Regulatory and commercial initiatives also progressed at NiSource's gas distribution companies.

- On March 27, the Maryland Public Service Commission approved a unanimous settlement of **Columbia Gas of Maryland's** base distribution rate case filed last year. The rate change, which went into effect on March 31, 2009, will increase annual revenues by approximately $1.2 million.
- Also in March, the Virginia State Corporation Commission approved Dominion Virginia Power Company's planned 580-megawatt Bear Garden power station in Buckingham County, Va. **Columbia Gas of Virginia** will supply natural gas transportation service to the facility following an approximately $50 million expansion of its distribution system. The service is scheduled to begin by the fall of 2010.
- On April 30, **Columbia Gas of Ohio** filed an application with the Public Utilities Commission of Ohio (PUCO) to defer pension and other post employment benefit (OPEB) expenses above those currently subject to collection in rates. A similar filing was made by **Columbia Gas of Kentucky** with the Kentucky Public Service Commission on April 23.
- Progress also continued on new rate proceedings at two of NiSource's gas distribution companies. **Bay State Gas Co.** filed a petition with the Massachusetts Department of Public Utilities on April 16 seeking to increase total annual revenues by $34.6 million, or 6.4 percent, while Columbia Gas of Kentucky is on track to file for a base rate increase later today with the Kentucky Public Service Commission . These proceedings will continue NiSource's collaborative regulatory approach toward engaging stakeholders in addressing issues related to energy conservation, customer assistance and timely recovery of pension expenses, as well as ongoing infrastructure enhancement investments.

"Synchronization of our significant infrastructure replacement programs and enhancement projects with thoughtful, collaborative regulatory initiatives such as those being undertaken in Massachusetts and Kentucky is a central feature to NiSource's long-term gas distribution business strategy," Skaggs said. "Building on last year's successes in Ohio and Pennsylvania, our gas distribution team continues to make excellent progress in executing on that strategy."

First Quarter 2009 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the quarter ended March 31, 2009, were $369.4 million, compared to $394.8 million for the same period in 2008. Refer to Schedule 2 for the items included in 2009 and 2008 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the three months ended March 31, 2009 are discussed below.

Gas Distribution Operations reported operating earnings for the current quarter of $237.3 million compared to $255.6 million in the first quarter of 2008. Net revenues, excluding the impact of regulatory trackers, increased $5.1 million, primarily attributable to regulatory and service programs including impacts from rate cases at various utilities, partially offset by decreased customer usage and lower off-system sales revenues. Operating expenses, excluding trackers, were $23.4 million higher than the comparable period, reflecting increases in employee and administrative costs, uncollectible accounts, depreciation costs, and outside services. The increase in employee and administrative expenses for all operating segments was driven primarily by increased pension costs that were discussed in NiSource's 2008 SEC Form 10-K and Feb. 4, 2009 earnings release.

Gas Transmission and Storage Operations reported operating earnings for the current quarter of $111.1 million versus operating earnings of $104.4 million in the first quarter of 2008. The increase resulted primarily from increased net revenues of $11.0 million, primarily attributable to increases in firm capacity reservation fees and the impact of regulatory trackers. The increase in firm capacity reservation fees was the result of higher Columbia Gas Transmission revenue for storage services, new Appalachian Supply interconnects, and incremental revenue from transportation agreements on both Columbia Gulf Transmission and Columbia Gas Transmission. Equity earnings increased by $4.4 million resulting from Millennium Pipeline being in service.

Operating expenses increased by $8.7 million due to higher employee and administrative expenses, environmental costs, and regulatory trackers, partially offset by lower outside services fees and materials and supplies.

Electric Operations reported operating earnings for the current quarter of $26.1 million, compared with $38.0 million in the first quarter of 2008. The decrease resulted from higher operating expenses, partially offset by higher net revenues. Operating expenses increased by $16.2 million due to higher employee and administrative costs, electric generation and maintenance expenses, including expenses associated with the Sugar Creek facility, storm damage repairs, higher depreciation costs and other taxes. These increases were partially offset by lower environmental expenses resulting from an insurance settlement.

Net revenues increased by $4.3 million due to increased residential and commercial margins partially offset by lower industrial and wholesale volumes and margins.

Other Operations reported an operating loss for the current quarter of $1.4 million, compared with a loss of $0.5 million for the first quarter of 2008. The decrease was due to lower net revenues from commercial and industrial gas marketing activities.

Other Items

Interest expense decreased by $1.3 million due to lower short-term interest rates and savings from the $100 million of open market debt repurchases in January 2009, partially offset by incremental interest expense associated with $700 million of debt issued in May 2008 and a partial month of interest expense associated with the $600 million of debt issued in March 2009. Other-net was a loss of $4.2 million compared to a loss of $1.5 million for the first quarter of 2008 as a result of lower interest income. The effective tax rate of net operating earnings for the first quarter 2009 was 38.0% compared to the tax rate of 37.2% for the first quarter of 2008. The increase in the effective tax rate is primarily due to a reduction in estimated Section 199 deductions as a result of lower projected taxable income for 2009, and an increase in tax expense related to AFUDC-Equity and certain depreciation differences.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the three months ended March 31, 2009, of $159.3 million or 58 cents per share, compared with $189.5 million, or 69 cents per share for the three months ended March 31, 2008. Operating income was $348.3 million for the first three months of 2009 versus $394.9 million in the year-ago period. In addition to the impacts discussed above, the first quarter 2009 GAAP results include a restructuring charge of $19.8 million related to the restructuring of Gas Transmission and Storage Operations. As previously announced, the majority of these charges include costs related to severance and other employee related costs.

Refer to Schedule 1 for a complete list of the items included in 2009 and 2008 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 contains "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. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements include, but are not limited to, statements concerning NiSource's plans, objectives, expected performance, expenditures and recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. From time to time, NiSource may publish or otherwise make available forward-looking statements of this nature. All such subsequent forward-looking statements, whether written or oral and whether made by or on behalf of NiSource, are also expressly qualified by these cautionary statements. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially. Realization of NiSource's objectives and expected performance is subject to a wide range of risks and can be adversely affected by, 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's assets, the regulatory process, regulatory and legislative changes, changes in general economic, capital and commodity market conditions, and counter- party credit risk, many of which risks are 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 claims a duty to update any of the foward-looking statements contained in this release.

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

Three Months Ended March 31, (*in millions* , except per share amounts)	2009	2008
Net Revenues		
Gas Distribution	**$1,710.4**	$2,230.6
Gas Transportation and Storage	**396.2**	357.2
Electric	**305.4**	331.1
Other	**310.3**	370.0
Gross Revenues	**2,722.3**	3,288.9
Cost of Sales (excluding depreciation and amortization)	**1,654.8**	2,248.0
Total Net Revenues	**1,067.5**	1,040.9
Operating Expenses		
Operation and maintenance	**350.3**	318.3
Operation and maintenance — trackers	**107.0**	90.6
Depreciation and amortization	**143.8**	135.6
Other taxes	**63.1**	59.0
Other taxes — trackers	**40.3**	44.6
Total Operating Expenses	**704.5**	648.1
Equity Earnings in Unconsolidated Affiliates	**6.4**	2.0
Operating Earnings	**369.4**	394.8
Other Income (Deductions)		
Interest expense, net	**(90.5)**	(91.8)
Other, net	**(4.2)**	(1.5)
Total Other Income (Deductions)	**(94.7)**	(93.3)
Operating Earnings From Continuing Operations Before Income Taxes	**274.7**	301.5
Income Taxes	**104.5**	112.1
Net Operating Earnings from Continuing Operations	**170.2**	189.4
GAAP Adjustment	**(10.9)**	0.1
GAAP Income from Continuing Operations	**$ 159.3**	$ 189.5
Basic Net Operating Earnings Per Share from Continuing Operations	**0.62**	0.69
GAAP Basic Earnings Per Share from Continuing Operations	**0.58**	0.69
Basic Average Common Shares Outstanding	**274.2**	273.9

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Gas Distribution Operations Three Months Ended March 31, (*in millions*)	2009	2008
Net Revenues		
Sales Revenues	$1,946.8	$2,447.1
Less: Cost of gas sold	1,314.2	1,828.2
Net Revenues	632.6	618.9
Operating Expenses		
Operation and maintenance	176.3	158.9
Operation and maintenance — trackers	91.0	78.1
Depreciation and amortization	60.4	56.7
Other taxes	27.3	25.0
Other taxes — trackers	40.3	44.6
Total Operating Expenses	395.3	363.3
Operating Earnings	$ 237.3	$ 255.6
GAAP Adjustment	5.9	(0.6)
GAAP Operating Income	$ 243.2	$ 255.0

Gas Transmission and Storage Operations Three Months Ended March 31, (*in millions*)	2009	2008
Net Revenues		
Transportation revenues	$194.5	$184.8
Storage revenues	45.2	45.6
Other revenues	2.6	0.9
Net Operating Revenues	242.3	231.3
Operating Expenses		
Operation and maintenance	77.2	73.2
Operation and maintenance — trackers	15.1	11.0
Depreciation and amortization	29.4	29.3
Other taxes	15.9	15.4
Total Operating Expenses	137.6	128.9
Equity Earnings in Unconsolidated Affiliates	6.4	2.0
Operating Earnings	$111.1	$104.4
GAAP Adjustment	(18.2)	0.4
GAAP Operating Income	$ 92.9	$104.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Electric Operations Three Months Ended March 31, (*in millions*)	2009	2008
Net Revenues		
Sales revenues	**$307.0**	$332.3
Less: Cost of sales	**120.0**	149.6
Net Revenues	**187.0**	182.7
Operating Expenses		
Operation and maintenance	**93.7**	81.2
Operation and maintenance — trackers	**0.9**	1.5
Depreciation and amortization	**50.4**	47.4
Other taxes	**15.9**	14.6
Total Operating Expenses	**160.9**	144.7
Operating Earnings	**$ 26.1**	$ 38.0
GAAP Adjustment	**(8.8)**	0.4
GAAP Operating Income	**$ 17.3**	$ 38.4

Other Operations Three Months Ended March 31, (*in millions*)	2009	2008
Net Revenues		
Products and services revenue	**$299.3**	$359.3
Less: Cost of products purchased	**293.6**	352.1
Net Revenues	**5.7**	7.2
Operating Expenses		
Operation and maintenance	**4.9**	5.4
Depreciation and amortization	**0.6**	0.7
Other taxes	**1.6**	1.6
Total Operating Expenses	**7.1**	7.7
Operating Earnings (Loss)	**$ (1.4)**	$ (0.5)
GAAP Adjustment	**—**	—
GAAP Operating Earnings (Loss)	**$ (1.4)**	$ (0.5)

Corporate Three Months Ended March 31, (*in millions*)	2009	2008
Operating Earnings (Loss)	**$ (3.7)**	$ (2.7)
GAAP Adjustment	**—**	(0.1)
GAAP Operating Earnings (Loss)	**$ (3.7)**	$ (2.8)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations Three Months Ended March 31,	2009	2008
Sales and Transportation (MMDth)		
Residential	**132.6**	137.4
Commercial	**78.0**	78.0
Industrial	**96.6**	103.2
Off System	**16.2**	37.4
Other	**0.3**	0.5
Total	**323.7**	356.5
Weather Adjustment	**(3.6)**	(0.6)
Sales and Transportation Volumes — Excluding Weather	**320.1**	355.9
Heating Degree Days	**2,683**	2,676
Normal Heating Degree Days	**2,633**	2,661
% Colder (Warmer) than Normal	**2%**	1%
Customers		
Residential	**3,041,969**	3,047,385
Commercial	**280,595**	280,729
Industrial	**7,964**	8,039
Other	**80**	77
Total	**3,330,608**	3,336,230

Gas Transmission and Storage Operations Three Months Ended March 31,	2009	2008
Throughput (MMDth)		
Columbia Transmission	**408.4**	386.4
Columbia Gulf	**263.2**	234.7
Columbia Pipeline Deep Water	**—**	0.2
Crossroads Gas Pipeline	**8.6**	10.1
Intrasegment eliminations	**(170.5)**	(132.0)
Total	**509.7**	499.4

NiSource Inc.
Segment Volumes and Statistical Data (continued)

Electric Operations Three Months Ended March 31,	2009	2008
Sales (Gigawatt Hours)		
Residential	**842.8**	806.8
Commercial	**968.6**	944.0
Industrial	**1,989.0**	2,514.0
Wholesale	**57.6**	144.7
Other	**35.1**	34.8
Total	**3,893.1**	4,444.3
Weather Adjustment	**(6.0)**	(9.5)
Sales Volumes — Excluding Weather impacts	**3,887.1**	4,434.8
Electric Customers		
Residential	**399,334**	400,452
Commercial	**53,349**	52,920
Industrial	**2,471**	2,499
Wholesale	**8**	4
Other	**752**	756
Total	**455,914**	456,631

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

Three Months March 31, (*in millions* , except per share amounts)	2009	2008
Net Operating Earnings from Continuing Operations (Non-GAAP)	**$170.2**	$189.4
Items excluded from operating earnings:		
Net Revenues:		
Weather — compared to normal	**6.9**	(0.2)
Revenue adjustment	**(9.0)**	—
Operating Expenses:		
Restructuring	**(19.8)**	—
Transition charges (IBM Agreement)	**(1.2)**	(1.2)
Gain/Loss on sale of assets and asset impairments	**2.0**	1.5
Total items excluded from operating earnings	**(21.1)**	0.1
Gain on early extinguishment of debt	**3.2**	—
Tax effect of above items and other income tax adjustments	**7.0**	—
Total items excluded from net operating earnings	**(10.9)**	0.1
Reported Income from Continuing Operations — GAAP	**$159.3**	$189.5
Basic Average Common Shares Outstanding	**274.2**	273.9
Basic Net Operating Earnings Per Share from Continuing Operations ($)	**0.62**	0.69
Items excluded from net operating earnings (after-tax)	**(0.04)**	—
GAAP Basic Earnings Per Share from Continuing Operations	**0.58**	0.69

NiSource Inc.
Schedule 2 — Quarterly Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended March 31,

2009 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	237.3	111.1	26.1	(1.4)	(3.7)	$369.4
Net Revenues:						
Weather (compared to normal)	6.5		0.4			$ 6.9
Revenue adjustment			(9.0)			(9.0)
Total Impact — Net Revenues	6.5	—	(8.6)	—	—	(2.1)
Operating Expenses						
Restructuring		(19.8)				(19.8)
Transition charges (IBM Agreement)	(0.6)	(0.4)	(0.2)			(1.2)
Gain/Loss on sale of assets and asset impairments		2.0				2.0
Total Impact — Operating Expenses	(0.6)	(18.2)	(0.2)	—	—	(19.0)
Total Impact — Operating Income (Loss)	$ 5.9	$ (18.2)	$ (8.8)	$ —	$ —	$ (21.1)
Operating Income (Loss) — GAAP	$243.2	$ 92.9	$17.3	$(1.4)	$(3.7)	$348.3

2008 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	255.6	104.4	38.0	(0.5)	(2.7)	$394.8
Net Revenues:						
Weather (compared to normal)	(0.9)		0.7			$ (0.2)
Total Impact — Net Revenues	(0.9)	—	0.7	—	—	(0.2)
Operating Expenses						
Transition charges (IBM Agreement)	(0.8)	(0.2)	(0.2)			(1.2)
Gain/Loss on sale of assets and asset impairments	1.1	0.6	(0.1)		(0.1)	1.5
Total Impact — O & M Expenses	0.3	0.4	(0.3)	—	(0.1)	0.3
Total Impact — Operating Income	$ (0.6)	$ 0.4	$ 0.4	$ —	$ (0.1)	$ 0.1
Operating Income (Loss) — GAAP	$ 255.0	$ 104.8	$ 38.4	$ (0.5)	$ (2.8)	$394.9

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

Three Months Ended March 31, *(in millions, except per share amounts)*	2009	2008
Net Revenues		
Gas Distribution	$1,716.9	$2,229.7
Gas Transportation and Storage	396.2	357.2
Electric	296.8	331.8
Other	310.3	370.0
Gross Revenues	2,720.2	3,288.7
Cost of Sales (excluding depreciation and amortization)	1,654.8	2,248.0
Total Net Revenues	1,065.4	1,040.7
Operating Expenses		
Operation and maintenance	478.3	410.1
Depreciation and amortization	143.8	135.6
Impairment and (gain)/loss on sale of assets	(2.0)	(1.5)
Other taxes	103.4	103.6
Total Operating Expenses	723.5	647.8
Equity Earnings in Unconsolidated Affiliates	6.4	2.0
Operating Income	348.3	394.9
Other Income (Deductions)		
Interest expense, net	(90.5)	(91.8)
Gain on early extinguishment of long-term debt	3.2	—
Other, net	(4.2)	(1.5)
Total Other Income (Deductions)	(91.5)	(93.3)
Income From Continuing Operations Before Income Taxes	256.8	301.6
Income Taxes	97.5	112.1
Income From Continuing Operations	159.3	189.5
Income (Loss) from Discontinued Operations — net of taxes	(10.7)	6.0
Loss on Disposition of Discontinued Operations — net of taxes	(0.2)	(96.2)
Net Income	$ 148.4	$ 99.3
Basic Earnings (Loss) Per Share		
Continuing operations	$ 0.58	$ 0.69
Discontinued operations	(0.04)	(0.33)
Basic Earnings Per Share	$ 0.54	$ 0.36
Diluted Earnings (Loss) Per Share		
Continuing operations	$ 0.58	$ 0.69
Discontinued operations	(0.04)	(0.33)
Diluted Earnings Per Share	$ 0.54	$ 0.36
Dividends Declared Per Common Share	$ 0.46	$ 0.46
Basic Average Common Shares Outstanding	274.2	273.9
Diluted Average Common Shares	276.7	275.4

NiSource Inc.
Consolidated Balance Sheets
(*unaudited*)

(in millions)	March 31, 2009	December 31, 2008
ASSETS		
Property, Plant and Equipment		
Utility Plant	$18,498.2	$18,356.8
Accumulated depreciation and amortization	(8,134.1)	(8,080.8)
Net utility plant	10,364.1	10,276.0
Other property, at cost, less accumulated depreciation	112.6	112.1
Net Property, Plant and Equipment	10,476.7	10,388.1
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	46.6	45.8
Unconsolidated affiliates	114.1	86.8
Other investments	115.7	117.9
Total Investments and Other Assets	276.4	250.5
Current Assets		
Cash and cash equivalents	135.2	20.6
Restricted cash	316.8	286.6
Accounts receivable (less reserve of $69.8 and $45.3, respectively)	910.7	1,142.5
Gas inventory	87.0	511.8
Underrecovered gas and fuel costs	0.5	180.2
Materials and supplies, at average cost	96.3	95.1
Electric production fuel, at average cost	76.0	63.8
Price risk management assets	173.5	150.4
Exchange gas receivable	257.4	393.8
Regulatory assets	285.8	314.9
Assets of discontinued operations and assets held for sale	2.2	2.0
Prepayments and other	291.0	249.1
Total Current Assets	2,632.4	3,410.8
Other Assets		
Price risk management assets	204.2	200.7
Regulatory assets	1,628.2	1,640.4
Goodwill	3,677.3	3,677.3
Intangible assets	327.8	330.6
Postretirement and postemployment benefits assets	9.6	10.3
Deferred charges and other	117.4	123.5
Total Other Assets	5,964.5	5,982.8
Total Assets	$19,350.0	$20,032.2

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

(in millions except share amounts)	March 31, 2009	December 31, 2008
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock — $0.01 par value, 400,000,000 shares authorized; 274,500,339 and 274,261,799 shares issued and outstanding, respectively	$ 2.7	$ 2.7
Additional paid-in capital	4,023.0	4,020.3
Retained earnings	923.3	901.1
Accumulated other comprehensive loss	(187.2)	(172.0)
Treasury stock	(24.1)	(23.3)
Total Common Stockholders' Equity	4,737.7	4,728.8
Long-term debt, excluding amounts due within one year	6,451.9	5,943.9
Total Capitalization	11,189.6	10,672.7
Current Liabilities		
Current portion of long-term debt	436.0	469.3
Short-term borrowings	—	1,163.5
Accounts payable	531.6	693.3
Dividends declared	63.2	—
Customer deposits	130.7	127.3
Taxes accrued	259.4	206.5
Interest accrued	96.7	120.1
Overrecovered gas and fuel costs	302.5	35.9
Price risk management liabilities	336.0	286.5
Exchange gas payable	339.0	555.5
Deferred revenue	11.0	14.7
Regulatory liabilities	40.2	40.4
Accrued liability for postretirement and postemployment benefits	6.4	6.4
Liabilities of discontinued operations and liabilities held for sale	2.3	1.5
Temporary LIFO liquidation credit	111.3	—
Legal and environmental reserves	322.4	375.1
Other accruals	289.3	487.4
Total Current Liabilities	3,278.0	4,583.4
Other Liabilities and Deferred Credits		
Price risk management liabilities	195.4	188.5
Deferred income taxes	1,606.2	1,549.8
Deferred investment tax credits	44.5	46.1
Deferred credits	76.1	76.7
Deferred revenue	6.8	6.2
Accrued liability for postretirement and postemployment benefits	1,248.5	1,238.5
Liabilities of discontinued operations and liabilities held for sale	4.2	4.4
Regulatory liabilities and other removal costs	1,411.2	1,386.1
Asset retirement obligations	125.7	126.0
Other noncurrent liabilities	163.8	153.8
Total Other Liabilities and Deferred Credits	4,882.4	4,776.1
Commitments and Contingencies	—	—
Total Capitalization and Liabilities	$19,350.0	$20,032.2

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

Three Months Ended March 31, *(in millions)*	2009	2008
Operating Activities		
Net Income	$ 148.4	$ 99.3
Adjustments to Reconcile Net Income to Net Cash from Continuing Operations:		
Gain on Early Extinguishment of Debt	(3.2)	—
Depreciation and Amortization	143.8	135.6
Net Changes in Price Risk Management Assets and Liabilities	(1.7)	(9.6)
Deferred Income Taxes and Investment Tax Credits	23.1	16.7
Deferred Revenue	(3.7)	(16.3)
Stock Compensation Expense	1.6	1.4
Gain on Sale of Assets	(2.0)	(3.2)
Loss on Impairment of Assets	—	1.6
Income from Unconsolidated Affiliates	(6.4)	(1.7)
Loss on Disposition of Discontinued Operations — Net of Taxes	0.2	96.1
Loss (Income) from Discontinued Operations — Net of Taxes	10.7	(6.0)
Amortization of Discount/Premium on Debt	2.1	1.8
AFUDC Equity	0.9	(1.1)
Changes in Assets and Liabilities:		
Accounts Receivable	172.1	(152.9)
Inventories	487.7	847.3
Accounts Payable	(161.1)	32.1
Customer Deposits	3.4	1.6
Taxes Accrued	82.0	128.4
Interest Accrued	(23.4)	(9.0)
(Under) Overrecovered Gas and Fuel Costs	446.3	(93.1)
Exchange Gas Receivable/Payable	(80.1)	(44.0)
Other Accruals	(187.4)	(120.9)
Prepayments and Other Current Assets	8.8	3.7
Regulatory Assets/Liabilities	32.3	(36.4)
Postretirement and Postemployment Benefits	11.3	18.8
Deferred Credits	(3.4)	(5.6)
Deferred Charges and Other NonCurrent Assets	11.8	(7.5)
Other Non Current Liabilities	5.7	(29.0)
Net Operating Activities from Continuing Operations	1,119.8	848.1
Net Operating Activities used for Discontinued Operations	(61.9)	(2.1)
Net Cash Flows from Operating Activities	1,057.9	846.0
Investing Activities		
Capital Expenditures	(206.9)	(196.9)
Insurance Recoveries	52.0	6.2
Proceeds from Disposition of Assets	2.1	12.5
Restricted Cash	(30.2)	72.1
Other Investing Activities	(20.9)	(1.4)
Net Investing Activities used for Continuing Operations	(203.9)	(107.5)
Net Investing Activities from Discontinued Operations	7.5	2.9
Net Cash Flows used for Investing Activities	(196.4)	(104.6)
Financing Activities		
Issuance of Long-Term Debt	581.7	0.9
Retirement of Long-Term Debt	(101.4)	(1.0)
Repurchase of Long-Term Debt	—	(199.0)
Change in Short-Term Debt — Net	(1,163.5)	(436.3)
Issuance of Common Stock	0.2	0.6
Acquisition of Treasury Stock	(0.8)	—

Dividends Paid — Common Stock	**(63.1)**	(63.1)
Net Cash Flows used for Financing Activities	**(746.9)**	(697.9)
Increase in cash and cash equivalents from continuing operations	**169.0**	43.5
Cash contributions to discontinued operations	**(54.4)**	(0.7)
Cash and cash equivalents at beginning of period	**20.6**	34.6
Cash and Cash Equivalents at End of Period	**$ 135.2**	$ 77.4

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

Long-term Debt. NiSource's 2009 financing requirement of approximately $500 million includes the refinancing of outstanding debt scheduled to mature in November 2009, as well as payments associated with the Tawney settlement. NiSource plans to meet this requirement through a combination of measures. First, the company plans to issue unsecured corporate debt up to $500 million. During February 2009, NiSource negotiated a two-year term loan facility with a syndicate of banks maturing in February 2011. Borrowings under the facility will have an effective cost of LIBOR plus 538 basis points. The initial closing of the facility occurred on February 13, 2009, with a subsequent closing expected to take place in early April under an "accordion" feature under which the facility can be expanded to $500 million prior to the final closing. NiSource has received bank commitments totaling $265 million, with the ultimate level of the facility expected to be up to $350 million. NiSource is also working towards (i) issuing additional unsecured corporate debt and (ii) issuing up to an aggregate of $350 million of secured or unsecured debt at several of its subsidiary companies during 2009.

During January 2009, NiSource repurchased $32.4 million of the $450.0 million floating rate notes scheduled to mature in November 2009 and $67.6 million of the $1.0 billion 7.88% unsecured notes scheduled to mature in November 2010.

During July 2008, Northern Indiana redeemed $24.0 million of its medium-term notes, with an average interest rate of 6.80%.

On May 15, 2008, NiSource Finance issued $500.0 million of 6.80% unsecured notes that mature January 15, 2019 and $200.0 million of 6.15% unsecured notes that mature on March 1, 2013. The notes due in 2013 constitute a further issuance of the $345.0 million 6.15% notes issued February 19, 2003, and will form a single series having an aggregate principal amount outstanding of $545.0 million.

On December 31, 2007, Whiting Clean Energy redeemed $292.1 of its notes due June 20, 2011, having an average interest rate of 8.30%. The associated redemption premium of $40.6 million was charged to loss on early extinguishment of long-term debt. The redemption was financed with NiSource borrowings.

On December 3, 2007, Capital Markets redeemed $72.0 million of its $75.0 million of 6.78% senior notes due December 1, 2027. The notes contained a provision entitling holders to require Capital Markets to purchase the notes at 100% of the principal amount plus accrued interest on December 1, 2007.

On October 31, 2007, Northern Indiana redeemed $24.0 million of its Variable Rate Demand Pollution Control Refunding Bonds, Series 1988D, issued by Jasper County, Indiana on behalf of Northern Indiana with a floating interest rate of 3.645% at time of redemption.

On August 31, 2007, NiSource Finance issued $800.0 million of 6.40%, 10.5-year senior unsecured notes that mature March 15, 2018.

During August 2007, Northern Indiana redeemed $20.0 million of its medium-term notes with an average interest rate of 6.77%.

During June 2007, Northern Indiana redeemed $12.0 million of its medium-term notes with an interest rate of 7.25%.

During April 2007, NiSource redeemed $27.0 million of Capital Markets medium-term notes, with an average interest rate of 7.49%.

Jasper County Pollution Control Bonds. Northern Indiana has seven series of Jasper County Pollution Control Bonds with a total principal value of $254 million currently outstanding. Prior to March 25, 2008, each of the series bore interest at rates established through auctions that took place at either 7, 28, or 35 day intervals. Between February 13, 2008 and March 5, 2008, Northern Indiana received notice that six separate market auctions of four series of the Jasper County Pollution Control Bonds had failed. As a result, those series representing an aggregate principal amount of $112 million of the Jasper County Pollution Control Bonds bore interest at default rates equal to 15% or 18% per annum. Subsequent auctions were successful, but resulted in interest rates between 5.13% and 11.0%, which were in excess of historical market rates. These auction failures were attributable to the lack of

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

liquidity in the auction rate securities market, largely driven by the turmoil in the bond insurance market. The Jasper County Pollution Control Bonds are insured by either Ambac Assurance Corporation or MBIA Insurance Corporation.

Northern Indiana converted all seven series of Jasper County Pollution Control Bonds from the auction rate mode to a variable rate demand bond mode between March 25, 2008 and April 11, 2008 and repurchased the bonds as part of the conversion process. Between April 11, 2008 and August 24, 2008, all of the Jasper County Pollution Control Bonds were held in Northern Indiana's treasury. On August 25, 2008, Northern Indiana converted all of the Jasper County Pollution Control Bonds from a variable rate demand mode to a fixed rate mode, and reoffered the bonds to external investors. As a result of the fixed rate conversion and reoffering process, the weighted average interest rate is now fixed at 5.58%.

Northern Indiana reflected the Jasper County Pollution Control Bonds as an offset to long-term debt within the Condensed Consolidated Balance Sheet (unaudited) as of March 31 and June 30, 2008 upon repurchase and the debt was considered extinguished per SFAS No. 140. As such, unamortized debt expense of $4.6 million previously recorded under deferred charges and other was reclassified to a regulatory asset. The Consolidated Balance Sheet as of December 31, 2008 reflects the reissuance of the long term debt. The repurchase and the subsequent re-issuance of these bonds are included under, "Financing Activities," in the Statement of Consolidated Cash Flow.

Credit Facilities. During September 2008, NiSource Finance entered into a new $500 million six-month revolving credit agreement with a syndicate of banks led by Barclays Capital that expires March 23, 2009. During July 2006, NiSource Finance amended its $1.25 billion five-year revolving credit facility increasing the aggregate commitment level to $1.5 billion, extending the termination date by one year to July 7, 2011, and reduced the cost of borrowing. These facilities are designed to provide a reasonable cushion of short-term liquidity for general corporate purposes and in anticipation of continuing volatile natural gas prices, as well as to provide for short-term payment requirements related to the Tawney settlement. On February 13, 2009, the six-month credit facility was terminated in conjunction with the closing of a new two-year bank term loan facility.

NiSource Finance had outstanding credit facility borrowings of $1,163.5 million at December 31, 2008, at a weighted average interest rate of 1.09%, and borrowings of $1,061.0 million at December 31, 2007, at a weighted average interest rate of 5.43%.

As of December 31, 2008 and December 31, 2007, NiSource Finance had $87.3 million and $110.4 million of stand-by letters of credit outstanding, respectively. At December 31, 2008, $1.0 million of the $87.3 million total outstanding letters of credit resided within a separate bi-lateral letter of credit arrangement with Barclays Bank that NiSource Finance obtained during February 2004. Of the remaining $86.3 million of stand-by letters of credit outstanding at December 31, 2008, $83.5 million resided under NiSource Finance's five-year credit facility and $2.8 million resided under an uncommitted arrangement with another financial institution. An additional letter of credit of $254 million was issued on January 13, 2009 to cover the remaining payments related to the Tawney settlement.

As of December 31, 2008, an aggregate of $753.0 million of credit was available under both credit facilities.

Debt Covenants. NiSource is subject to one financial covenant under its five-year revolving credit facility and the two-year term loan facility. This covenant requires NiSource to maintain a debt to capitalization ratio that does not exceed 70%. A similar covenant in the 2005 private placement requires NiSource to maintain a debt to capitalization ratio that does not exceed 75%. As of December 31, 2008, the ratio was 61.6%.

NiSource is also subject to certain other non-financial covenants under the revolving credit facilities. Such covenants include a limitation on the creation or existence of new liens on NiSource's assets, generally exempting liens on utility assets, purchase money security interests, preexisting security interests and an additional subset of assets equal to $150 million. An asset sale covenant generally restricts the sale, lease and/or transfer of NiSource's assets to no more than 10% of its consolidated total assets. The revolving credit facilities also include a cross-default provision, which triggers an event of default under the credit facility in the event of an uncured payment default relating to any indebtedness of NiSource or any of its subsidiaries in a principal amount of $50 million or more.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

NiSource's bond indentures generally do not contain any financial maintenance covenants. However, NiSource's bond indentures are generally subject to cross default provisions ranging from uncured payment defaults of $5 million to $50 million, and limitations on the incurrence of liens on NiSource's assets, generally exempting liens on utility assets, purchase money security interests, preexisting security interests and an additional subset of assets capped at 10% of NiSource's consolidated net tangible assets.

Sale of Trade Accounts Receivables. On May 14, 2004, Columbia of Ohio entered into an agreement to sell, without recourse, substantially all of its trade receivables, as they originate, to CORC, a wholly-owned subsidiary of Columbia of Ohio. CORC, in turn, is party to an agreement with Dresdner Bank AG, also dated May 14, 2004, under the terms of which it sells an undivided percentage ownership interest in the accounts receivable to a commercial paper conduit. On July 1, 2006, the agreement was amended to increase the program limit from $300 million to $350 million. The agreement currently expires on June 26, 2009. As of December 31, 2008, $236.5 million of accounts receivable had been sold by CORC compared to $202.4 million as of December 31, 2007.

Under the agreement, Columbia of Ohio acts as administrative agent, by performing record keeping and cash collection functions for the accounts receivable sold by CORC. Columbia of Ohio receives a fee, which provides adequate compensation, for such services.

On December 30, 2003, Northern Indiana entered into an agreement to sell, without recourse, all of its trade receivables, as they originate, to NRC, a wholly-owned subsidiary of Northern Indiana. NRC, in turn, is party to an agreement with Citibank, N.A. under the terms of which it sells an undivided percentage ownership interest in the accounts receivable to a commercial paper conduit. The conduit can purchase up to $200 million of accounts receivable under the agreement. NRC's agreement with the commercial paper conduit has a scheduled expiration date of December 18, 2009, and can be renewed if mutually agreed to by both parties. As of December 31, 2008, NRC had sold $119.0 million of accounts receivable compared to $200.0 million as of December 31, 2007. Under the arrangement, Northern Indiana may not sell any new receivables if Northern Indiana's debt rating falls below BBB- or Baa3 by Standard and Poor's or Moody's, respectively.

Under the agreement, Northern Indiana acts as administrative agent, performing record keeping and cash collection functions for the accounts receivable sold. Northern Indiana receives a fee, which provides adequate compensation, for such services.

Credit Ratings. On December 16, 2008, Standard and Poor's affirmed its senior unsecured ratings for NiSource and its subsidiaries at BBB-; however, it changed the ratings outlook for NiSource and all of its subsidiaries to negative from stable. On February 4, 2009, Moody's Investors Services affirmed the senior unsecured ratings for NiSource at Baa3, and the existing ratings of all other subsidiaries. Moody's outlook for NiSource and its subsidiaries is negative. On February 4, 2009, Fitch lowered its senior unsecured ratings for NiSource to BBB- and for Northern Indiana to BBB. Fitch's outlook for NiSource and all of its subsidiaries is stable. Although all ratings continue to be investment grade, an additional downgrade by Standard and Poor's, Moody's or Fitch would result in a rating that is below investment grade.

Certain NiSource affiliates have agreements that contain "ratings triggers" that require increased collateral if the credit ratings of NiSource or certain of its subsidiaries are rated below BBB- by Standard and Poor's or Baa3 by Moody's. The collateral requirement from a downgrade below the ratings trigger levels would amount to approximately $30 million. In addition to agreements with ratings triggers, there are other agreements that contain "adequate assurance" or "material adverse change" provisions that could result in additional credit support such as letters of credit and cash collateral to transact business. In addition, under Northern Indiana's trade receivables sales program, Northern Indiana may not sell any new receivables if Northern Indiana's debt rating falls below BBB- or Baa3 by Standard and Poor's or Moody's, respectively.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

Contractual Obligations. NiSource has certain contractual obligations requiring payments at specified periods. The obligations include long-term debt, lease obligations, energy commodity contracts and purchase obligations for various services including pipeline capacity and IBM outsourcing. The table below excludes all amounts classified as current liabilities on the Consolidated Balance Sheets, other than current maturities of long-term debt and current interest payments on long-term debt. The total contractual obligations in existence at December 31, 2008 and their maturities were:

(in millions)	Total	2009	2010	2011	2012	2013	After
Long-term debt	$ 6,381.1	$ 461.0	$1,010.0	$ 27.2	$ 315.0	$ 613.0	$3,954.9
Capital leases	45.7	8.0	4.6	4.0	4.1	4.4	20.6
Interest payments on long-term debt	2,672.5	377.0	355.8	287.7	284.8	239.6	1,127.6
Operating leases	241.6	45.3	42.6	37.3	31.5	24.4	60.5
Energy commodity contracts	1,249.9	699.9	220.0	66.0	66.0	66.0	132.0
Service obligations:							
Pipeline service obligations	1,885.2	247.5	242.6	222.2	214.4	154.5	804.0
IBM service obligations	613.7	101.9	103.9	96.8	92.8	91.1	127.2
Vertex Outsourcing LLC service obligations	76.0	11.9	11.8	11.8	11.7	11.5	17.3
Other service obligations	368.2	129.7	104.0	104.5	23.2	6.8	—
Other long-term liabilities	157.1	157.1	—	—	—	—	—
Total contractual obligations	$13,691.0	$2,239.3	$2,095.3	$857.5	$1,043.5	$1,211.3	$6,244.1

NiSource calculated estimated interest payments for long-term debt as follows: for the fixed-rate debt, interest is calculated based on the applicable rates and payment dates; for variable-rate debt, interest rates are used that are in place as of December 31, 2008. For 2009, NiSource projects that it will be required to make interest payments of approximately $460 million, which includes $377.0 million of interest payments related to its long-term debt outstanding as of December 31, 2008. At December 31, 2008, NiSource also had $1,163.5 million in short-term borrowings outstanding.

NiSource Corporate Services has a license agreement with Rational Systems, LLC for pipeline business software requiring equal annual payments of $5.8 million over 10 years beginning in January 2008. This agreement is recorded as a capital lease. Final acceptance of the software installation was made on January 2, 2008 and the software was placed in service in September 2008.

NiSource's subsidiaries have entered into various energy commodity contracts to purchase physical quantities of natural gas, electricity and coal. These amounts represent minimum quantities of these commodities NiSource is obligated to purchase at both fixed and variable prices.

In July 2008, the IURC issued an order approving Northern Indiana's purchase power agreements with subsidiaries of Iberdola Renewables, Buffalo Ridge I LLC and Barton Windpower LLC. These agreements provide Northern Indiana the opportunity and obligation to purchase up to 100 mw of wind power commencing in early 2009. The contracts extend 15 and 20 years, representing 50 mw of wind power each. No minimum quantities are specified within these agreements due to the variability of electricity production from wind, so no amounts related to these contracts are included in the table above. Upon any termination of the agreements by Northern Indiana for any reason (other than material breach by Buffalo Ridge I LLC or Barton Windpower LLC), Northern Indiana may be required to pay a termination charge that could be material depending on the events giving rise to termination and the timing of the termination.

NiSource has pipeline service agreements that provide for pipeline capacity, transportation and storage services. These agreements, which have expiration dates ranging from 2009 to 2045, require NiSource to pay fixed monthly charges.

On December 12, 2007, NiSource Corporate Services amended its agreement with IBM to provide business process and support functions to NiSource. During 2008, NiSource reassumed responsibility for certain support functions including human resource administration, payroll, supply chain (procurement), sales centers, and the majority of meter to cash operations (billing and collections) while customer contact center operations and accounts payable

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

functions were transitioned to different service providers. IBM has retained responsibility for information technology operations. NiSource Corporate Services will continue to pay IBM for the amended services under a combination of fixed or variable charges, with the variable charges fluctuating based on actual need for such services. Based on the currently projected usage of these services, NiSource Corporate Services expects to pay approximately $618 million to IBM in service fees and project costs over the remaining 6.5 year term, of which $3.7 million is reflected as capital lease payments. Upon any termination of the agreement by NiSource for any reason (other than material breach by IBM), NiSource may be required to pay IBM a termination charge that could include a breakage fee, repayment of IBM's un-recovered capital investments, and IBM wind-down expense. This termination fee could be a material amount depending on the events giving rise to termination and the timing of the termination.

NiSource Corporate Services signed a service agreement with Vertex Outsourcing LLC, a business process outsourcing company, to provide customer contact center services for NiSource subsidiaries through June 2015. Services under this contract commenced on July 1, 2008, and NiSource Corporate Services pays for the services under a combination of fixed and variable charges, with the variable charges fluctuating based on actual need for such services. Based on the currently projected usage of these services, NiSource Corporate Services expects to pay approximately $76.0 million to Vertex Outsourcing LLC in service fees over the remaining 6.5 year term. Upon termination of the agreement by NiSource for any reason (other than material breach by Vertex Outsourcing LLC), NiSource may be required to pay a termination charge not to exceed $15.0 million.

Northern Indiana has contracts with four major rail operators providing for coal transportation services for which there are certain minimum payments. These service contracts extend for various periods through 2013 and are included within, "Other service obligations," in the table of contractual commitments.

Northern Indiana has a service agreement with Pure Air, a general partnership between Air Products and Chemicals, Inc. and First Air Partners LP, under which Pure Air provides scrubber services to reduce sulfur dioxide emissions for Units 7 and 8 at the Bailly Generating Station. Services under this contract commenced on June 15, 1992, and Northern Indiana pays for the services under a combination of fixed and variable charges. The agreement provides that, assuming various performance standards are met by Pure Air, a termination payment would be due if Northern Indiana terminated the agreement prior to the end of the twenty-year contract period. Estimated minimum payments for this agreement are included within, "Other service obligations," in the table of contractual commitments.

NiSource's expected payments related to other long-term liabilities includes employer contributions to pension and other postretirement benefits plans expected to be made in 2009. Plan contributions beyond 2009 are dependant upon a number of factors, including actual returns on plan assets, which cannot be reliably estimated. In 2009, NiSource expects to make contributions of approximately $104 million to its pension plans and approximately $53 million to its postretirement medical and life plans. Refer to Note 12, "Pension and Other Postretirement Benefits," in the Notes to Consolidated Financial Statements for more information.

Not included in the table above are $4.1 million of estimated federal and state income tax liabilities, including interest, recorded in accordance with FIN 48. If or when such amounts may be settled is uncertain and cannot be estimated at this time. Refer to Note 11, "Income Taxes," in the Notes to Consolidated Financial Statements for more information.

In the fourth quarter of 2008, NiSource received final approval by the West Virginia Circuit Court for Roane County regarding a settlement agreement regarding the Tawney proceeding. NiSource's share of the settlement liability is up to $338.8 million. NiSource has complied with its obligations under the settlement agreement to fund $85.5 million to the qualified settlement fund by January 13, 2009. NiSource has also complied with its obligation to provide a letter of credit on January 15, 2009, securing the unpaid portion of the settlement and has submitted an agreed order discharging the judgment to the trial court. Final cash payments will be made based upon actual claims received, so no amounts have been included in the table above at this time.

NiSource cannot reasonably estimate the settlement amounts or timing of cash flows related to long-term obligations classified as, "Other Liabilities and Deferred Credits," on the Consolidated Balance Sheets, other than those described above.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

NiSource also has obligations associated with income, property, gross receipts, franchise, payroll, sales and use, and various other taxes and expects to make tax payments of approximately $350 million in 2009. Under the provisions of the American Recovery and Reinvestment Act of 2009, NiSource is entitled to claim additional first year depreciation ("bonus" depreciation) equal to 50% of certain eligible 2009 capital expenditures. Tax deductions associated with the bonus depreciation, along with income tax deductions related to settlement of the Tawney litigation, is expected to reduce NiSource's 2009 taxable income to near zero. As a result, no federal income tax payments are included in the 2009 expected tax payments disclosed above.

NiSource, like many of its peers in the electric and gas utility industries, has filed with the IRS for permission to deduct, for tax purposes, certain repair costs that have historically been capitalized for book purposes under utility ratemaking practices and followed for tax purposes. If granted, such method change would provide significant additional liquidity in the form of income tax refunds for taxes paid in prior years and reductions in future year income tax payments.

Off Balance Sheet Items

As a part of normal business, NiSource and certain subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit.

NiSource has issued guarantees that support up to approximately $497.4 million of commodity-related payments for its current subsidiaries involved in energy commodity contracts and to satisfy requirements under forward gas sales agreements of current and former subsidiaries. These guarantees were provided to counterparties in order to facilitate physical and financial transactions involving natural gas and electricity. To the extent liabilities exist under the commodity-related contracts subject to these guarantees, such liabilities are included in the Consolidated Balance Sheets.

NiSource has purchase and sales agreement guarantees totaling $297.5 million, which guarantee performance of the seller's covenants, agreements, obligations, liabilities, representations and warranties under the agreements. No amounts related to the purchase and sales agreement guarantees are reflected in the Consolidated Balance Sheets. Management believes that the likelihood NiSource would be required to perform or otherwise incur any significant losses associated with any of the aforementioned guarantees is remote.

NiSource has other guarantees outstanding. Refer to Note 19-A, "Guarantees and Indemnities," in the Notes to Consolidated Financial Statements for additional information about NiSource's off balance sheet arrangements.

Market Risk Disclosures

Risk is an inherent part of NiSource's energy businesses. The extent to which NiSource properly and effectively identifies, assesses, monitors and manages each of the various types of risk involved in its businesses is critical to its profitability. NiSource seeks to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal risks that are involved in NiSource's energy businesses: commodity market risk, interest rate risk and credit risk. Risk management at NiSource is a multi-faceted process with oversight by the Risk Management Committee that requires constant communication, judgment and knowledge of specialized products and markets. NiSource's senior management takes an active role in the risk management process and has developed policies and procedures that require specific administrative and business functions to assist in the identification, assessment and control of various risks. In recognition of the increasingly varied and complex nature of the energy business, NiSource's risk management policies and procedures continue to evolve and are subject to ongoing review and modification.

Various analytical techniques are employed to measure and monitor NiSource's market and credit risks, including VaR. VaR represents the potential loss or gain for an instrument or portfolio from changes in market factors, for a specified time period and at a specified confidence level.

Exhibit C-4 "Financial Statements"
EnergyUSA-TPC

Commitment

2008 Statistical Summary

NiSource

Unaudited Supplemental Financial Information

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

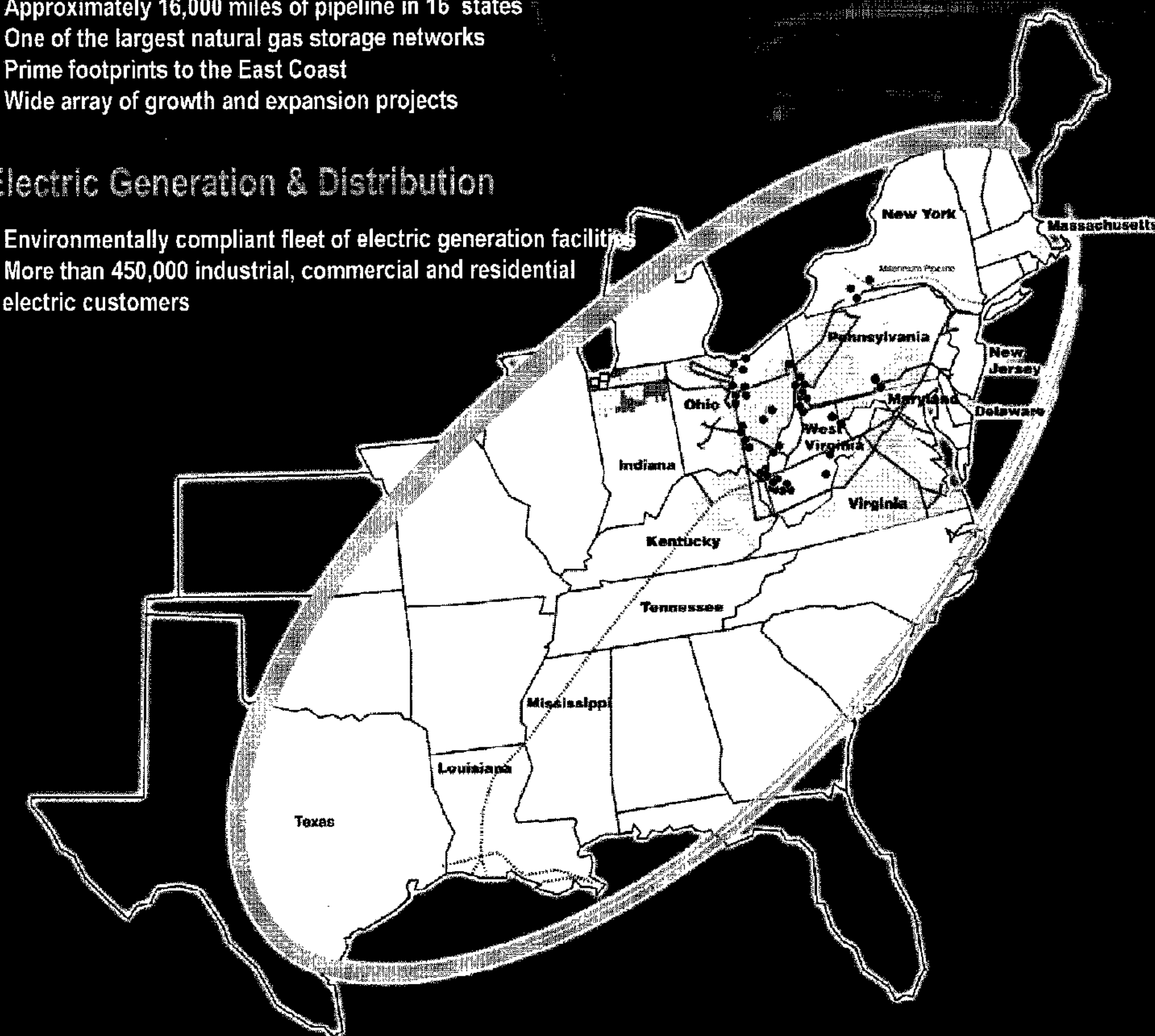
- 3rd largest natural gas distribution company in the United States
- 3.3 million customers in 7 states
- Approximately 57,000 miles of distribution pipeline
- Strong focus on infrastructure

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 footprints 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



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FINANCIAL

BUSINESS SEGMENTS

STOCKHOLDERS

OTHER INFORMATION

NiSource Inc.

NiSource is an energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England. NiSource is a holding company under the Public Utility Holding Company Act of 2005.

NiSource is the largest natural gas distribution company operating east of the Rocky Mountains, as measured by number of customers. NiSource's principal subsidiaries include Columbia Energy Group (Columbia), a vertically-integrated natural gas distribution, transmission and storage holding company whose subsidiaries provide service to customers in the Midwest, the Mid-Atlantic and the Northeast; Northern Indiana Public Service Company (NIPSCO), a vertically-integrated gas and electric company providing service to customers in northern Indiana; and Bay State Gas Company, a natural gas distribution company serving customers in Massachusetts. NiSource derives substantially all of its revenues and earnings from the operating results of its fifteen direct subsidiaries.

NiSource's business segments are: Gas Distribution Operations; Gas Transmission and Storage Operations; Electric Operations; and Other Operations. Following is a summary of the business for each reporting segment.

Business Segments

Gas Distribution Operations

NiSource's natural gas distribution operations serve more than 3.3 million customers in seven states and operate approximately 57 thousand miles of pipeline. Through its wholly-owned subsidiary, Columbia, NiSource owns five distribution subsidiaries that provide natural gas to approximately 2.2 million residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky and Maryland. NiSource also distributes natural gas to approximately 800 thousand customers in northern Indiana through three subsidiaries: NIPSCO, Kokomo Gas and Northern Indiana Fuel and Light. Additionally, NiSource's subsidiary Bay State distributes natural gas to approximately 300 thousand customers in Massachusetts.

Gas Transmission and Storage Operations

NiSource's Gas Transmission and Storage Operations subsidiaries own and operate approximately 16 thousand miles of interstate pipelines and operate one of the nation's largest underground natural gas storage systems capable of storing approximately 629 Bcf of natural gas. Through its subsidiaries, Columbia Transmission, Columbia Gulf and Crossroads Pipeline, NiSource owns and operates an interstate pipeline network extending from offshore in the Gulf of Mexico to Lake Erie, New York and the eastern seaboard. Together, these companies serve customers in 16 northeastern, mid-Atlantic, midwestern and southern states and the District of Columbia.

The Gas Transmission and Storage Operations subsidiaries have recently completed milestone projects with the Millennium Pipeline and Hardy Storage Facility and are engaged in other projects that would expand their facilities and throughput. Substantially all of the facilities related to the Millennium project were completed in the fourth quarter of 2008 and the pipeline commenced service on December 22, 2008. Millennium has the capacity to transport up to 525,400 Dth per day of natural gas to markets along its 182 mile route, as well as to the New York City markets through its pipeline interconnections. Millennium is jointly owned by affiliates of NiSource, DTE Energy and National Grid. Hardy Storage commenced operations in April of 2007, receiving customer injections and withdrawing natural gas from its new underground natural gas storage facility in West Virginia. Injections in 2008 allowed the field to deliver up to 150,000 Dth of natural gas per day during the 2008-2009 winter heating season. When fully operational in 2009, the field will have a working storage capacity of 12 Bcf, delivering up to 176,000 Dth of natural gas per day. Hardy Storage is a joint venture of subsidiaries of Columbia Transmission and Piedmont Natural Gas Company. Projects in the construction stage include the Eastern Market Expansion which is projected to add 97,000 Dth per day of storage and transportation deliverability, and the Appalachian Expansion which is projected to add 100,000 Dth per day of transportation capacity.

Electric Operations

NiSource generates, transmits and distributes electricity through its subsidiary NIPSCO to approximately 450 thousand customers in 20 counties in the northern part of Indiana and engages in wholesale and transmission transactions. NIPSCO has three operational coal-fired electric generating stations. The three operable facilities have a net capability of 2,574 mw. NIPSCO also operates Sugar Creek, a combined cycle gas turbine (CCGT) plant with a 535 mw capacity rating; four gas-fired generating units located at Northern Indiana's coal-fired electric generating stations with a net capability of 203 mw; and two hydroelectric generating plants with a net capability of 10 mw. These facilities provide for a total system operating net capability of 3,322 mw. Sugar Creek was purchased in May, 2008 and dispatched into MISO on December 1, 2008. NIPSCO's transmission system, with voltages from 69,000 to 345,000 volts, consists of 2,782 circuit miles. NIPSCO is interconnected with five neighboring electric utilities.

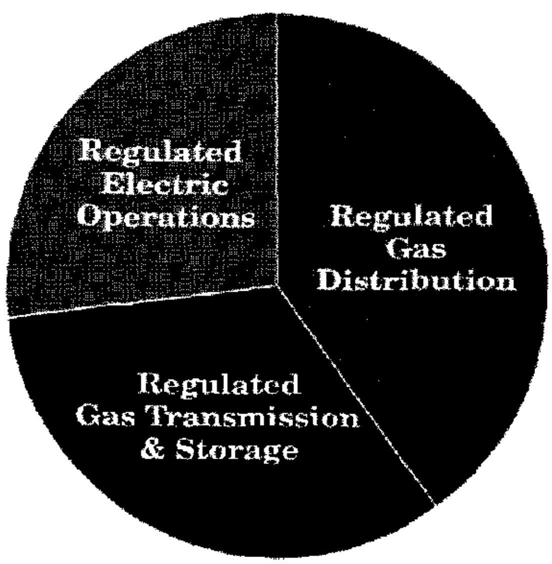
During the year ended December 31, 2008, NIPSCO generated 81.6% and purchased 18.4% of its electric requirements. NIPSCO's Mitchell Station, indefinitely shut down in 2002, is not included in the net capacity of the three coal-fired generation stations. NIPSCO intends to retire the Mitchell station, demolish it, and remediate the site to industrial condition, subject to regulatory authorization, including the ability to recover these costs.

NIPSCO participates in the MISO transmission service and wholesale energy market. The MISO is a nonprofit organization created in compliance with the FERC, to improve the flow of electricity in the regional marketplace and to enhance electric reliability. Additionally, MISO is responsible for managing the energy markets, managing transmission constraints, managing the day-ahead, real-time and FTRs markets and managing the ancillary market. NIPSCO transferred functional control of its electric transmission assets to MISO and transmission service for Northern Indiana occurs under the MISO Open Access Transmission Tariff.

Other Operations

The Other Operations segment represents a relatively small portion of NiSource's total operations. It participates in energy-related services including gas marketing, power and gas risk management and ventures focused on distributed power generation technologies and fuel cells and storage systems. Additionally, the Other Operations segment is involved in real estate and other businesses.

A Balanced 100% Regulated Portfolio



Primary Subsidiaries

- Bay State Gas Company
- Columbia Gas of Kentucky
- Columbia Gas of Maryland
- Columbia Gas of Ohio
- Columbia Gas of Pennsylvania
- Columbia Gas of Virginia
- Columbia Gas Transmission
- Columbia Gulf Transmission
- Crossroads Pipeline
- Kokomo Gas and Fuel Company
- Northern Indiana Fuel and Light Company
- Northern Indiana Public Service Company

Business Strategy

NiSource focuses its business strategy on its core, rate-regulated asset-based businesses with virtually 100% of its operating income generated from these businesses. With the nation's fourth largest natural gas pipeline, the largest natural gas distribution network east of the Rocky Mountains and one of the nation's largest natural gas storage networks, NiSource operates throughout the energy-intensive corridor that extends from the supply areas in the Gulf Coast through the consumption centers in the Midwest, Mid-Atlantic, New England and Northeast. This corridor includes over 40% of the nation's population and close to 50% of its natural gas consumption. NiSource continues to position its assets to meet the corridor's growing energy needs.

Select Financial Data

Year Ended December 31, (in millions, except per share amounts)	**2008**	2007	2006	2005	2004
Operating Earnings (Non-GAAP)					
Gas Distribution Operations	**326.9**	345.2	373.8	394.2	428.8
Gas Transmission and Storage Operations	**376.7**	371.8	357.6	349.6	366.5
Electric Operations	**220.2**	283.1	314.1	292.1	300.4
Other Operations	**1.8**	1.8	(24.3)	(13.3)	(39.4)
Corporate	**(8.1)**	(22.2)	(19.2)	(19.3)	(22.5)
Consolidated	**917.5**	979.7	1,002.0	1,003.3	1,033.8
Assets					
Gas Distribution Operations	**7,434.5**	6,946.9	6,933.9	6,917.5	6,332.2
Gas Transmission and Storage Operations	**4,033.3**	3,491.6	3,414.4	3,082.3	3,053.3
Electric Operations	**4,198.3**	3,382.6	3,429.5	3,189.0	3,114.2
Other Operations	**1,494.0**	1,361.7	1,606.5	1,683.5	1,467.7
Corporate	**2,872.1**	2,827.5	2,772.2	3,086.2	3,020.4
Consolidated	**20,032.2**	18,010.3	18,156.5	17,958.5	16,987.8
Capital Expenditures					
Gas Distribution Operations	**369.7**	286.3	283.4	278.5	225.2
System Growth	**75.8**	80.0	n/a	n/a	n/a
Betterment	**23.4**	42.6	n/a	n/a	n/a
Replacement	**197.5**	104.3	n/a	n/a	n/a
Maintenance & Other	**73.0**	59.4	n/a	n/a	n/a
Gas Transmission and Storage Operations	**383.8**	225.7	200.1	167.9	133.3
Growth Capital	**253.4**	89.5	n/a	n/a	n/a
Maintenance & Other	**130.4**	136.2	n/a	n/a	n/a
Electric Operations	**552.4**	241.5	151.2	135.6	154.0
System Growth	**376.1**	49.2	n/a	n/a	n/a
Betterment	**6.3**	7.1	n/a	n/a	n/a
Replacement	**25.9**	22.8	n/a	n/a	n/a
Maintenance & Other	**144.1**	162.4	n/a	n/a	n/a
Other Operations	**0.7**	10.4	5.7	17.0	10.9
Consolidated	**1,306.6**	763.9	648.4	599.0	523.4
Common Stock Trading					
High	**$ 19.82**	$ 25.43	$ 24.80	$ 25.50	$ 22.82
Low	**$ 10.35**	$ 17.49	$ 19.51	$ 20.44	$ 19.65
Close	**$ 10.97**	$ 18.89	$ 24.10	$ 20.86	$ 22.78
Average Daily Trading Volume (millions)	**2.67**	1.91	1.23	1.02	1.06
Other Data					
Dividends Paid per Common Share	**$ 0.92**	$ 0.92	$ 0.92	$ 0.92	$ 0.92
Dividend Yield on Common Stock (at December 31)	**8.4%**	4.9%	3.8%	4.4%	4.0%
Book Value of Common Stock	**$ 17.24**	$ 18.52	$ 18.32	$ 18.09	$ 17.69
Shares Outstanding (in thousands)	**274,262**	274,177	273,654	272,623	270,626
Number of Common Shareholders	**36,194**	38,091	40,401	46,451	50,020
Total Number of Employees	**7,981**	7,607	7,439	7,822	8,628

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Statements of Consolidated Income (Non-GAAP)

Year Ended December 31, (in millions, except per share amounts)	**2008**	2007	2006	2005	2004
Net Revenues					
Gas Distribution	**$ 5,163.2**	$ 4,347.6	$ 4,262.3	$ 4,569.9	$ 3,792.4
Gas Transportation and Storage	**1,132.4**	1,102.8	1,033.2	991.1	1,014.5
Electric	**1,362.3**	1,380.5	1,301.0	1,238.8	1,136.4
Other	**1,213.5**	1,080.2	968.3	1,046.8	719.2
Gross Revenues	**8,871.4**	7,911.1	7,564.8	7,846.6	6,662.5
Cost of Sales (excluding depreciation and amortization)	**5,631.6**	4,687.8	4,365.4	4,749.2	3,609.7
Total Net Revenues	**3,239.8**	3,223.3	3,199.4	3,097.4	3,052.8
Operating Expenses					
Operation and maintenance	**1,271.9**	1,237.4	1,359.4	1,240.7	1,213.9
Operation and maintenance - trackers	**188.0**	177.1			
Depreciation and amortization	**567.2**	540.2	549.2	544.2	508.6
Other taxes	**205.0**	202.4	289.5	309.4	296.5
Other taxes - trackers	**102.5**	95.9			
Total Operating Expenses	**2,334.6**	2,253.0	2,198.1	2,094.3	2,019.0
Equity Earnings in Unconsolidated Affiliates	**12.3**	9.4	0.7	0.2	-
Operating Earnings	**917.5**	979.7	1,002.0	1,003.3	1,033.8
Other Income (Deductions)					
Interest expense, net	**(375.3)**	(402.3)	(387.4)	(420.1)	(403.9)
Other, net	**0.9**	(6.4)	(7.6)	9.8	2.9
Operating Earnings From Continuing Operations Before Income Taxes	**543.1**	571.0	607.0	593.0	632.8
Income Taxes	**194.6**	207.5	218.5	217.1	227.0
Net Operating Earnings from Continuing Operations	**348.5**	363.5	388.5	375.9	405.8
GAAP Adjustment (Items excluded from operating and net operating earnings)					
Net Revenues:					
Weather - compared to normal	**2.8**	6.5	(83.1)	27.0	(23.9)
Gas costs and other changes				13.3	15.9
Legal settlement					5.1
Purchased power settlement		(17.3)			
Unbilled revenue and other changes		(25.5)	8.3		
3rd Party Bankruptcy Claim				8.9	1.9
Operating Expenses:					
Transition charges (IBM Agreement)	**(7.7)**	(14.2)	(12.3)	(82.8)	
Medical expense adjustment out of period	**12.7**				
BP contract revision			(17.0)		
Gain/loss on sale of assets and asset impairments	**(7.6)**	(12.5)	(4.9)	(22.2)	3.1
Property and sales tax adjustments				8.1	31.3
Insurance recoveries, legal and reserve changes				(3.0)	10.3
Loss on Equity Earnings			(13.0)		
Total items excluded from operating earnings	**0.2**	(63.0)	(122.0)	(50.7)	43.7
Other income - Gain on sale of JOF	**16.7**				
Interest Expense - Reserve for Interest Rate Swaps	**(4.8)**				
Income Taxes - Massachusetts Tax Law Change	**14.9**				
Loss on early extinguishment of debt		(40.6)		(108.6)	(4.1)
Loss on early redemption of preferred stock			(0.7)		
Tax effect of above items and other income tax adjustments	**(5.7)**	43.0	47.7	67.5	(14.4)
Total items excluded from net operating earnings	**21.3**	(60.6)	(75.0)	(91.8)	25.2
GAAP Income from Continuing Operations	**$ 369.8**	$ 302.9	$ 313.5	$ 284.1	$ 431.0
Basic Net Operating Earnings Per Share from Continuing Operations	**1.27**	1.33	1.43	1.38	1.54
GAAP Basic Earnings Per Share from Continuing Operations	**1.35**	1.10	1.15	1.05	1.63
Basic Average Common Shares Outstanding (millions)	**274.0**	273.8	272.6	271.3	263.7

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Consolidated Balance Sheets

As of December 31, (in millions)	2008	2007	2006	2005	2004
ASSETS					
Property, Plant and Equipment					
Utility Plant	**$ 18,356.8**	$ 17,295.6	$ 17,194.9	$ 16,684.4	$ 16,194.1
Accumulated depreciation and amortization	**(8,080.8)**	(7,787.0)	(7,850.0)	(7,556.8)	(7,247.7)
Net utility plant	**10,276.0**	9,508.6	9,344.9	9,127.6	8,946.4
Other property, at cost, less accumulated depreciation	**112.1**	67.0	349.6	426.7	427.5
Net Property, Plant and Equipment	**10,388.1**	9,575.6	9,694.5	9,554.3	9,373.9
Investments and Other Assets					
Assets of discontinued operations and assets held for sale	**45.8**	593.5	43.0	34.6	38.6
Unconsolidated affiliates	**86.8**	72.7	59.6	75.0	64.2
Other investments	**117.9**	117.2	116.1	114.2	113.0
Total Investments and Other Assets	**250.5**	783.4	218.7	223.8	215.8
Current Assets					
Cash and cash equivalents	**20.6**	34.6	33.1	69.4	29.5
Restricted cash	**286.6**	57.7	142.5	33.9	56.3
Accounts receivable	**1,142.5**	900.3	866.3	1,254.6	889.1
Gas inventory	**511.8**	452.2	550.5	526.9	452.9
Underrecovered gas and fuel costs	**180.2**	158.3	163.2	421.8	293.8
Materials and supplies, at average cost	**95.1**	78.1	89.0	72.0	70.6
Electric production fuel, at average cost	**63.8**	58.1	63.9	24.9	29.2
Price risk management assets	**150.4**	102.2	237.7	183.1	81.1
Exchange gas receivable	**393.8**	210.5	252.3	169.8	169.6
Regulatory assets	**314.9**	215.4	272.7	195.0	136.2
Assets of discontinued operations and assets held for sale	**2.0**	85.9			
Prepayments and other	**249.1**	107.1	111.7	109.3	96.1
Total Current Assets	**3,410.8**	2,460.4	2,782.9	3,060.7	2,284.4
Other Assets					
Price risk management assets	**200.7**	25.2	49.9	192.9	148.3
Regulatory assets	**1,640.4**	867.5	1,127.3	586.3	568.4
Goodwill	**3,677.3**	3,677.3	3,677.3	3,677.3	3,687.2
Intangible assets	**330.6**	341.6	435.7	495.8	520.3
Postretirement and postemployment benefits assets	**10.3**	157.8	32.8	-	-
Deferred charges and other	**123.5**	121.5	137.4	167.4	189.5
Total Other Assets	**5,982.8**	5,190.9	5,460.4	5,119.7	5,113.7
Total Assets	**$ 20,032.2**	$ 18,010.3	$ 18,156.5	$ 17,958.5	$ 16,987.8

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Consolidated Balance Sheets - Continued

As of December 31, (in millions)	**2008**	2007	2006	2005	2004
CAPITALIZATION AND LIABILITIES					
Capitalization					
Common Stockholders' Equity					
Common stock - $0.01 par value, 400,000,000 shares authorized	**$ 2.7**	$ 2.7	$ 2.7	$ 2.7	$ 2.7
Additional paid-in capital	**4,020.3**	4,011.0	3,998.3	3,969.4	3,924.0
Retained earnings	**901.1**	1,074.5	1,012.9	981.6	925.4
Accumulated other comprehensive income (loss)	**(172.0)**	11.7	20.9	(5.6)	(51.5)
Treasury stock	**(23.3)**	(23.3)	(21.2)	(15.1)	(13.5)
Total Common Stockholders' Equity	**4,728.8**	5,076.6	5,013.6	4,933.0	4,787.1
Preferred Stock - series without manatory redemption provisions	**-**	-	-	81.1	81.1
Long-term debt, excluding amounts due within one year	**5,943.9**	5,594.4	5,146.2	5,271.2	4,835.9
Total Capitalization	**10,672.7**	10,671.0	10,159.8	10,285.3	9,704.1
Current Liabilities					
Current portion of long-term debt	**469.3**	33.9	93.3	440.7	1,299.9
Short-term borrowings	**1,163.5**	1,061.0	1,193.0	898.0	307.6
Accounts payable	**693.3**	713.0	713.1	866.7	648.4
Dividends declared	**-**	-			
Dividends declared on preferred stock	**-**	-	-	1.1	1.1
Customer deposits	**127.3**	112.8	108.4	101.9	92.2
Taxes accrued	**206.5**	188.4	196.0	217.5	160.9
Interest accrued	**120.1**	99.3	107.1	86.2	84.1
Overrecovered gas and fuel costs	**35.9**	10.4	126.7	25.8	15.5
Price risk management liabilities	**286.5**	79.9	259.4	72.3	46.9
Exchange gas payable	**555.5**	441.6	396.6	425.2	325.1
Deferred revenue	**14.7**	38.7	55.9	51.3	31.5
Regulatory liabilities	**40.4**	87.8	40.7	46.3	30.2
Accrued liability for postretirement and postemployment benefits	**6.4**	4.8	4.7	61.1	57.7
Liabilities of discontinued operations and liabilities held for sale	**1.5**	20.6			
Temporary LIFO liquidation credit		-			
Legal and environmental reserves	**375.1**	112.3			
Other accruals	**487.4**	393.6	526.3	549.1	478.3
Total Current Liabilities	**4,583.4**	3,398.1	3,821.2	3,843.2	3,579.4
Other Liabilities and Deferred Credits					
Price risk management liabilities	**188.5**	1.7	38.2	22.2	5.5
Deferred income taxes	**1,549.8**	1,466.2	1,553.7	1,591.9	1,665.9
Deferred investment tax credits	**46.1**	53.4	61.5	69.9	78.4
Deferred credits	**76.7**	81.3	119.3	81.1	74.0
Deferred revenue	**6.2**	0.2	21.9	60.4	86.9
Accrued liability for postretirement and postemployment benefits	**1,238.5**	547.8	799.5	511.0	440.7
Liabilities of discontinued operations and liabilities held for sale	**4.4**	141.3	11.9	-	0.6
Regulatory liabilities and other removal costs	**1,386.1**	1,337.7	1,253.8	1,196.2	1,168.6
Asset retirement obligations	**126.0**	128.2	131.6	119.8	9.3
Other noncurrent liabilities	**153.8**	183.4	184.1	177.5	174.4
Total Other Liabilities and Deferred Credits	**4,776.1**	3,941.2	4,175.5	3,830.0	3,704.3
Commitments and Contingencies	**-**	-	-	-	-
Total Capitalization and Liabilities	**$ 20,032.2**	$ 18,010.3	$ 18,156.5	$ 17,958.5	$ 16,987.8

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Statements of Consolidated Cash Flow

Twelve Months Ended December 31, (in millions)	2008	2007	2006	2005	2004
Operating Activities					
Net income	$ **79.0**	$ 321.4	$ 282.2	$ 306.5	$ 436.3
Adjustments to reconcile net income to net cash from continuing operations:					
Loss on early extinguishment of long-term debt	-	40.6	-	108.6	4.1
Loss on early extinguishment of long-term debt	-	-			
Loss on early redemption of preferred stock	-	-	0.7	-	-
Depreciation and amortization	**567.2**	540.2	549.2	544.2	506.9
Net changes in price risk management assets and liabilities	**25.7**	0.8	(10.9)	(41.0)	16.3
Deferred income taxes and investment tax credits	**137.8**	5.4	(113.4)	(16.7)	97.5
Deferred revenue	**(24.0)**	(38.8)	(34.0)	(6.6)	(22.3)
Stock compensation expense	**9.5**	4.4	6.9	6.8	8.0
Loss (gain) on sale of assets	**4.3**	(0.3)	(1.1)	0.4	(3.1)
Loss on impairment of assets	**3.3**	11.1	5.2	21.8	-
Cumulative effect of change in accounting principle, net of taxes	-	-			
Cumulative effect of change in accounting principle, net of taxes	-	-	(0.4)	0.3	-
Income from unconsolidated affiliates	**(25.3)**	(14.1)	8.4	(4.7)	(0.9)
Loss (gain) on disposition of discontinued operations	**108.2**	(8.3)	-	(43.5)	-
Loss (income) from discontinued operations	**182.6**	(10.2)	31.7	20.9	(3.3)
Amortization of discount/premium on debt	**7.7**	7.3	7.7	17.5	21.6
AFUDC Equity	**(5.4)**	(3.6)	(2.0)	(3.2)	(2.3)
Changes in assets and liabilities:					
Accounts receivable	**(201.7)**	17.9	407.7	(358.9)	(92.0)
Inventories	**(82.4)**	98.1	(71.7)	(71.1)	(23.1)
Accounts payable	**(30.3)**	(60.2)	(176.4)	205.7	153.3
Customer deposits	**14.5**	5.8	6.4	9.7	6.7
Taxes accrued	**(89.7)**	(11.3)	53.4	21.5	(57.8)
Interest accrued	**20.8**	(2.6)	20.9	6.3	1.7
(Under) Overrecovered gas and fuel costs	**3.6**	(118.1)	359.5	(117.6)	(104.3)
Exchange gas receivable/payable	**(71.9)**	31.2	(111.2)	88.0	93.3
Other accruals	**45.7**	(14.6)	9.3	19.6	11.1
Prepayments and other current assets	**(27.6)**	5.9	(2.8)	(13.2)	4.2
Regulatory assets/liabilities	**(91.8)**	60.2	(36.4)	(45.7)	18.6
Postretirement and postemployment benefits	**(10.8)**	(97.7)	(45.4)	50.1	35.4
Deferred credits	**36.3**	(0.7)	8.7	6.7	(14.3)
Deferred charges and other noncurrent assets	**38.7**	(22.3)	(6.4)	(2.8)	(36.3)
Other noncurrent liabilities	**(36.5)**	(8.5)	5.6	20.1	(1.5)
Net Operating Activities from Continuing Operations	**587.5**	739.0	1,151.4	729.7	1,053.8
Net Operating Activities from or (used for) Discontinued Operations	**(2.2)**	18.2	4.8	(17.4)	2.1
Net Cash Flows from Operating Activities	**585.3**	757.2	1,156.2	712.3	1,055.9
Investing Activities					
Capital expenditures	**(969.9)**	(786.4)	(637.4)	(590.4)	(517.0)
Sugar Creek purchase	**(329.7)**	-	-	-	-
Insurance recoveries	**46.7**	17.4			
Proceeds from disposition of assets	**47.8**	4.2	21.6	7.5	7.1
Restricted cash	**(228.8)**	80.6	(114.3)	28.1	(33.5)
Other investing activities	**(77.3)**	19.6	(2.4)	(17.2)	(9.2)
Net Investing Activities used for Continuing Operations	**(1,511.2)**	(664.6)	(732.5)	(572.0)	(552.6)
Net Investing Activities from or (used for) Discontinued Operations	**396.9**	(16.8)	-	(0.1)	-
Net Cash Flows used for Investing Activities	**(1,114.3)**	(681.4)	(732.5)	(572.1)	(552.6)
Financing Activities					
Issuance of long-term debt	**959.3**	803.6	-	1,907.9	450.0
Retirement of long-term debt	**(40.8)**	(457.9)	(438.7)	(2,372.5)	(486.6)
Repurchase of long-term debt	**(254.0)**	-	-	-	-
Premiums and other costs to retire debt	-	(40.6)	-	(14.2)	-
Change in short-term debt	**102.5**	(132.0)	296.4	590.4	(377.9)
Retirement of preferred stock	-	-	(81.6)	-	-
Issuance of common stock	**1.3**	8.2	21.9	40.0	160.8
Acquisition of treasury stock	-	(2.1)	(6.1)	(1.6)	(4.1)
Dividends paid - common stock	**(252.4)**	(252.1)	(251.9)	(250.3)	(243.1)
Net Cash Flows from (used for) Financing Activities	**516.1**	(72.9)	(460.0)	(100.3)	(500.9)
(Decrease) increase in cash and cash equivalents from continuing operatio	**(407.6)**	2.9	(36.3)	39.9	2.4
Cash inflows from or (contributions to) discontinued operations	**393.6**	(1.1)	-	-	-
Cash and cash equivalents at beginning of year	**34.6**	32.8	69.4	29.5	27.1
Cash and cash equivalents at end of period	$ **20.6**	$ 34.6	$ 33.1	$ 69.4	$ 29.5
Supplemental Disclosures of Cash Flow Information					
Cash paid for interest	$ **375.8**	$ 414.6	$ 370.0	$ 403.6	$ 383.0
Interest capitalized	**23.5**	17.0	11.1	3.2	2.3
Cash paid for income taxes	**60.6**	185.2	288.2	101.4	184.6

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Statements of Consolidated Long-Term Debt

As of December 31, (in millions)		2008		2007
NiSource Finance:				
Long-Term Notes -				
7-7/8% - due November 15, 2010	$	**1,000.0**	$	1,000.0
6.15% - due March 1, 2013		**545.0**		345.0
Floating Rate Notes - 5.855% at December 31, 2007, due November 23, 2009		**-**		450.0
5.21% - due November 28, 2012		**315.0**		315.0
5.40% - due July 15, 2014		**500.0**		500.0
5.36% - due November 28, 2015		**230.0**		230.0
5.41% - due November 28, 2016		**90.0**		90.0
5.25% - due September 15, 2017		**450.0**		450.0
6.40% - due March 15, 2018		**800.0**		800.0
5.45% - due September 15, 2020		**550.0**		550.0
5.89% - due November 28, 2025		**265.0**		265.0
6.80% - due January 15, 2019		**500.0**		-
Fair value adjustment of notes for interest rate swap agreements		**99.3**		18.8
Unamortized premium and discount on long-term debt		**(25.8)**		(25.1)
Total Long-Term debt at NiSource Finance	$	**5,318.5**	$	4,988.7
Northern Indiana:				
Pollution Control Bonds -				
Weighted average interest rate of 5.58% and various maturities between 8/1/2010 and 4/1/2019	$	**254.0**	$	254.0
Medium-Term Notes -				
Weighted average interest rate of 7.44% and various maturities between 7/8/2011 and 8/4/2027		**164.2**		165.2
Unamortized premium and discount on long-term debt		**(0.9)**		(1.0)
Total Long-Term debt at Northern Indiana	$	**417.3**	$	418.2
Bay State:				
Medium-Term Notes -				
Weighted average interest rate of 6.81% and maturities between 6/6/2011 and 2/15/2028	$	**48.5**	$	48.5
Northern Utilites:				
Medium-term note – Interest rate of 6.93% and maturity of September 1, 2010		**-**		1.7
Total Long-Term debt at Bay State	$	**48.5**	$	50.2
Columbia:				
Subsidiary debt - Capital lease obligations		**1.0**		1.1
Total Long-Term debt at Columbia		**1.0**		1.1
NiSource Capital Markets:				
Senior Notes - 6.78%, due December 1, 2027	$	**3.0**	$	3.0
Medium-term notes -				
Weighted average interest rate of 7.92% and various maturities between 3/27/2017 and 5/5/2027		**106.0**		116.0
Total Long-Term debt at NiSource Capital Markets	$	**109.0**	$	119.0
NiSource Corporate Services:				
Capital Lease Obligations:				
Interest rate of 5.586% and various maturities between April 30, 2010 and August 31, 2011	$	**0.6**	$	3.5
Interest rate of 5.940% due December 31, 2010		**0.6**		0.7
Interest rate of 6.709% due between January 1, 2017 and January 1, 2018		**35.6**		-
Total Long-Term debt at NiSource Corporate Services	$	**36.8**	$	4.2
NiSource Development Company:				
NDC Douglas Properties - Notes Payable -				
Weighted average interest rate of 6.82% and various maturities between 5/1/2013 and 7/1/2041	$	**12.8**	$	13.0
Total Long-Term debt at Bay State	$	**12.8**	$	13.0
Total Long-Term Debt, excluding amount due within one year	**$**	**5,943.9**	**$**	**5,594.4**

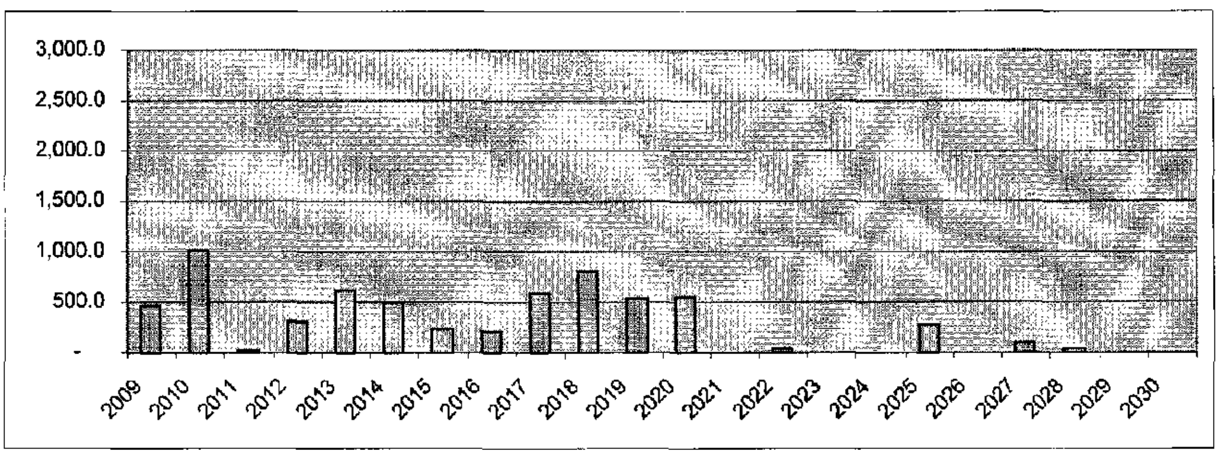
NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Schedule of Capitalization

As of December 31, (in millions)	**2008**	2007	2006	2005	2004
CAPITALIZATION					
Preferred Stock - series without manatory redemption provisions	**-**	-	-	81.1	81.1
Current portion of long-term debt	**469.3**	33.9	93.3	440.7	1,299.9
Long-term debt, excluding amounts due within one year	**5,943.9**	5,594.4	5,146.2	5,271.2	4,835.9
Total Debt	**6,413.2**	5,628.3	5,239.5	5,793.0	6,216.9
	57.6%	*52.6%*	*51.1%*	*54.0%*	*56.5%*
Common Stockholders' Equity					
Common stock - $0.01 par value, 400,000,000 shares authorized	**$ 2.7**	$ 2.7	$ 2.7	$ 2.7	$ 2.7
Additional paid-in capital	**4,020.3**	4,011.0	3,998.3	3,969.4	3,924.0
Retained earnings	**901.1**	1,074.5	1,012.9	981.6	925.4
Accumulated other comprehensive income (loss)	**(172.0)**	11.7	20.9	(5.6)	(51.5)
Treasury stock	**(23.3)**	(23.3)	(21.2)	(15.1)	(13.5)
Total Common Shareholders' Equity	**4,728.8**	5,076.6	5,013.6	4,933.0	4,787.1
	42.4%	*47.4%*	*48.9%*	*46.0%*	*43.5%*
Total Capitalization	**$ 11,142.0**	$ 10,704.9	$ 10,253.1	$ 10,726.0	$ 11,004.0

Profile of Long-Term Debt Maturities

As of December 31, 2008 (in millions)



Current Security and Bond Ratings

NiSource Inc. - Senior Unsecured Ratings:

	Rating	Outlook
Moody's	Baa3	Negative
S & P	BBB-	Stable
Fitch	BBB-	Stable

Statements of Consolidated Common Shareholders' Equity and Comprehensive Income (Loss)

(in millions)	Comprehensive Income	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance January 1, 2004		$ 2.6	$ (9.4)	$ 3,752.4	$ 731.3	$ (61.0)	$ 4,415.9
Comprehensive Income:							
Net Income	$ 436.3				436.3		436.3
Other comprehensive income, net of tax:							
Gain on available for sale securities - Unrealized	2.2					2.2	2.2
Gain on foreign currency translation: - Unrealized	0.7					0.7	0.7
Net unrealized gains on derivatives qualifying as cash flow hedges	1.5					1.5	1.5
Unrecognized Pension Benefit and OPEB Costs	5.2					5.2	5.2
Total Comprehensive Income	$ 445.9						
Dividends:							
Common stock					(242.3)		(242.3)
Treasury stock acquired			(4.1)				(4.1)
Issued:							
Common stock issuance		0.1		144.3			144.4
Employee stock purchase plan				0.7			0.7
Long-term incentive plan				20.0			20.0
Tax benefits of options, PIES and other				5.2	0.1		5.3
Amortization of unearned compensation				1.3			1.3
Balance January 1, 2005		$ 2.7	$ (13.6)	$ 3,923.9	$ 925.4	$ (51.4)	$ 4,787.1
Comprehensive Income:							
Net Income	$ 306.5				306.5		306.5
Other comprehensive income, net of tax							
Gain on available for sale securities - Unrealized	0.1					0.1	0.1
Net unrealized gains on derivatives qualifying as cash flow hedges	57.0					57.0	57.0
Unrecognized Pension Benefit and OPEB Costs	(11.3)					(11.3)	(11.3)
Total Comprehensive Income	$ 352.3						
Dividends:							
Common stock					(250.3)		(250.3)
Treasury stock acquired			(1.6)				(1.6)
Issued:							
Common stock issuance				0.3			0.3
Employee stock purchase plan				0.9			0.9
Long-term incentive plan				41.8			41.8
Tax benefits of options, PIES and other				(0.3)			(0.3)
Amortization of unearned compensation				2.8			2.8
Balance January 1, 2006		$ 2.7	$ (15.1)	$ 3,969.4	$ 981.6	$ (5.6)	$ 4,933.0
Comprehensive Income:							
Net Income	$ 282.2				282.2		282.2
Other comprehensive income, net of tax:							
Gain on available for sale securities - Unrealized	2.1					2.1	2.1
Net unrealized losses on derivatives qualifying as cash flow hedges	(119.3)					(119.3)	(119.3)
Unrecognized Pension Benefit and OPEB Costs	4.4					143.7	143.7
Total Comprehensive Income	$ 169.4						
Dividends:							
Common stock					(250.9)		(250.9)
Treasury stock acquired			(6.1)				(6.1)
Issued:							
Employee stock purchase plan				0.8			0.8
Long-term incentive plan				23.5			23.5
Tax benefits of options and other				3.6			3.6
Amortization of unearned compensation				1.0			1.0
Balance December 31, 2006		$ 2.7	$ (21.2)	$ 3,998.3	$ 1,012.9	$ 20.9	$ 5,013.6
Adjustment to initially apply new measurement date pursuant to SFAS No. 158, net of tax					(6.9)		(6.9)
Adjustment to initially apply FIN 48, net of tax					(0.8)		(0.8)
Beginning balance, as adjusted		$ 2.7	$ (21.2)	$ 3,998.3	$ 1,005.2	$ 20.9	$ 5,005.9
Comprehensive Income:							
Net Income	$ 321.4			-	321.4		321.4
Other comprehensive income, net of tax:							
Gain on available for sale securities - Unrealized	2.2					2.2	2.2
Net unrealized losses on derivatives qualifying as cash flow hedges	(23.8)					(23.8)	(23.8)
Unrecognized Pension Benefit and OPEB Costs	12.4					12.4	12.4
Total Comprehensive Income	$ 312.2						
Dividends:							
Common stock					(252.1)		(252.1)
Treasury stock acquired			(2.1)				(2.1)
Issued:							
Employee stock purchase plan				0.8			0.8
Long-term incentive plan				10.5			10.5
Tax benefits of options and other				0.4			0.4
Amortization of unearned compensation				1.0			1.0
Balance December 31, 2007		$ 2.7	$ (23.3)	$ 4,011.0	$ 1,074.5	$ 11.7	$ 5,076.6
Comprehensive Income:							
Net Income	$ 79.0				79.0		79.0
Other comprehensive income, net of tax:							-
Loss on available for sale securities - Unrealized	(4.0)					(4.0)	(4.0)
Net unrealized losses on derivatives qualifying as cash flow hedges	(147.4)					(147.4)	(147.4)
Unrecognized Pension Benefit and OPEB Costs	(32.3)					(32.3)	(32.3)
Total Comprehensive Income	$ (104.7)						
Dividends:							
Common stock					(252.4)		(252.4)
Treasury stock acquired							-
Issued:							
Employee stock purchase plan				0.9			0.9
Long-term incentive plan				7.4			7.4
Amortization of unearned compensation				1.0			1.0
Balance December 31, 2008		$ 2.7	$ (23.3)	$ 4,020.3	$ 901.1	$ (172.0)	$ 4,728.8

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Gas Distribution Operations (Non-GAAP)

Year Ended December 31, (in millions, except per share amounts)	**2008**	2007	2006	2005	2004
Net Revenues					
Sales Revenues	**$ 5,725.6**	$ 4,880.9	$ 4,771.6	$ 5,091.5	$ 4,282.0
Less: Cost of gas sold	**4,196.1**	3,390.2	3,277.0	3,617.1	2,850.8
Total Net Revenues	**1,529.5**	1,490.7	1,494.6	1,474.4	1,431.2
Operating Expenses					
Operation and maintenance	**656.3**	620.8	580.7	671.6	639.4
Operation and maintenance - trackers	**135.8**	129.3	140.1		
Depreciation and amortization	**228.7**	224.2	231.4	224.6	194.6
Other taxes	**79.3**	75.3	74.3	184.0	168.4
Other taxes - trackers	**102.5**	95.9	94.3		
Total Operating Expenses	**1,202.6**	1,145.5	1,120.8	1,080.2	1,002.4
Operating Earnings	**$ 326.9**	$ 345.2	$ 373.8	$ 394.2	$ 428.8
GAAP Adjustment (Items excluded from operating earnings)					
Net Revenues:					
Weather - compared to normal	**8.1**	(0.5)	(73.0)	15.9	(8.2)
Gas costs and other changes				14.6	17.6
Unbilled revenue and other changes		(14.6)			
Operating Expenses:					
Transition charges (IBM Agreement)	**(4.7)**	(2.2)	(8.5)	(49.4)	
Medical expense adjustment out of period	**4.4**				
Gain/loss on sale of assets, asset impairments, other	**0.2**	(2.9)	(2.3)	(12.5)	
Property and sales tax adjustments				5.8	3.1
Insurance recoveries, legal and reserve changes				(0.4)	(0.1)
Total items excluded from operating earnings	**8.0**	(20.2)	(83.8)	(26.0)	12.4
GAAP Operating Income	**$ 334.9**	$ 325.0	$ 290.0	$ 368.2	$ 441.2

Sales and Transportation (MMDth)	**2008**	2007	2006	2005	2004
Residential	**278.0**	272.0	241.8	289.1	288.2
Commercial	**174.2**	169.4	163.9	176.0	175.7
Industrial	**373.2**	376.4	365.4	375.8	399.1
Off System	**96.8**	88.1	54.9	22.6	34.9
Other	**1.0**	1.4	0.9	0.9	1.2
Total	**923.2**	907.3	826.9	864.4	899.1
Weather Adjustment	**(7.6)**	2.5	50.9	(8.9)	4.2
Sales and Transportation Volumes - Excluding Weather	**915.6**	909.8	877.8	855.5	903.3

Heating Degree Days	**5,071**	4,811	4,347	5,035	4,887
Normal Heating Degree Days	**4,976**	4,948	4,933	4,939	4,967
% Colder (Warmer) than Normal	**2%**	(3%)	(12%)	2%	(2%)

Customers	**2008**	2007	2006	2005	2004
Residential	**3,037,504**	3,041,634	3,074,115	3,059,783	3,033,390
Commercial	**280,195**	279,468	292,566	292,232	290,702
Industrial	**8,003**	8,061	8,268	8,445	8,758
Other	**76**	71	73	59	61
Total	**3,325,778**	3,329,234	3,375,022	3,360,519	3,332,911

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Gas Transmission and Storage Operations (Non-GAAP)

Year Ended December 31, (in millions, except per share amounts)	**2008**	2007	2006	2005	2004
Net Revenues					
Transportation revenues	**$ 682.4**	$ 683.9	$ 681.6	$ 637.7	$ 668.0
Storage revenues	**178.9**	179.4	176.8	177.9	178.2
Other revenues	**3.9**	4.4	6.1	10.6	10.1
Total Operating Revenues	**865.2**	867.7	864.5	826.2	856.3
Less: Cost of gas sold	**(0.1)**	0.3	14.0	24.6	22.6
Total Net Revenues	**865.3**	867.4	850.5	801.6	833.7
Operating Expenses					
Operation and maintenance	**280.3**	291.3	288.6	283.0	298.6
Operation and maintenance - trackers	**46.5**	42.1	35.5		
Depreciation and amortization	**117.6**	116.3	114.9	114.1	114.2
Other taxes	**56.5**	55.3	54.6	55.1	54.4
Total Operating Expenses	**500.9**	505.0	493.6	452.2	467.2
Equity Earnings in Unconsolidated Affiliates	**12.3**	9.4	0.7	0.2	-
Operating Earnings	**$ 376.7**	$ 371.8	$ 357.6	$ 349.6	$ 366.5
GAAP Adjustment (Items excluded from operating earnings)					
Net Revenues:					
Gas costs and other changes					(3.0)
3rd Party Bankruptcy Claim				8.9	1.9
Operating Expenses:					
Transition charges (IBM Agreement)	**(1.5)**	(1.2)	(1.4)	(12.8)	
Medical expense adjustment out of period	**2.5**				
Gain/loss on sale of assets, asset impairments, other	**(8.0)**	(8.6)	(2.4)	0.2	(1.2)
Property and sales tax adjustments					2.1
Insurance recoveries, legal and reserve changes				(1.5)	(3.2)
Loss on Equity Earnings			(13.0)		
Total items excluded from operating earnings	**(7.0)**	(9.8)	(16.8)	(5.2)	(3.4)
GAAP Operating Income	**$ 369.7**	$ 362.0	$ 340.8	$ 344.4	$ 363.1

Throughput (MMDth)					
Columbia Transmission					
Market Area	**1,096.4**	1,030.0	932.1	983.9	978.3
Columbia Gulf					
Mainline	**655.3**	651.3	533.5	521.6	539.1
Short-haul	**270.9**	229.4	129.9	86.3	102.5
Columbia Pipeline Deep Water	**0.9**	2.6	8.3	11.5	16.7
Crossroads Gas Pipeline	**36.3**	36.9	38.5	41.8	40.5
Granite State Pipeline			26.9	31.8	32.7
Intrasegment eliminations	**(538.0)**	(559.7)	(491.2)	(504.8)	(537.1)
Total	**1,521.8**	1,390.5	1,178.0	1,172.1	1,172.7

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Electric Operations (Non-GAAP)

Year Ended December 31, (in millions, except per share amounts)	**2008**	2007	2006	2005	2004
Net Revenues					
Sales Revenues	**$ 1,368.0**	$ 1,384.3	$ 1,305.6	$ 1,237.8	$ 1,126.6
Less: Cost of sales	**556.8**	551.5	481.4	452.5	351.0
Total Net Revenues	**811.2**	832.8	824.2	785.3	775.6
Operating Expenses					
Operation and maintenance	**319.0**	291.4	258.0	251.8	237.8
Operation and maintenance - trackers	**5.7**	5.7	6.8		
Depreciation and amortization	**209.6**	191.9	187.3	185.9	178.1
Other taxes	**56.7**	60.7	58.0	55.5	59.3
Total Operating Expenses	**591.0**	549.7	510.1	493.2	475.2
Operating Earnings	**$ 220.2**	$ 283.1	$ 314.1	$ 292.1	$ 300.4
GAAP Adjustment (Items excluded from operating earnings)					
Net Revenues:					
Weather - compared to normal	**(5.3)**	7.0	(10.1)	11.1	(15.7)
Gas costs and other changes				(1.3)	0.3
Purchased power settlement		(17.3)			
Unbilled revenue and other changes		(10.9)	8.3		
Operating Expenses:					
Transition charges (IBM Agreement)	**(1.2)**	(0.8)	(1.5)	(8.4)	
Medical expense adjustment out of period	**5.5**				
Gain/loss on sale of assets, asset impairments, other		0.4	(0.4)	0.4	1.6
Property and sales tax adjustments				2.3	25.1
Insurance recoveries, legal and reserve changes				(2.9)	(2.2)
Total items excluded from operating earnings	**(1.0)**	(21.6)	(3.7)	1.2	9.1
GAAP Operating Income	**$ 219.2**	$ 261.5	$ 310.4	$ 293.3	$ 309.5

Sales (Gigawatt Hours)					
Residential	**3,345.9**	3,543.6	3,293.9	3,516.1	3,104.3
Commercial	**3,915.8**	3,775.0	3,855.7	3,893.0	3,635.0
Industrial	**9,305.4**	9,443.7	9,503.2	9,131.6	9,309.4
Wholesale	**737.2**	909.1	661.4	831.3	1,176.2
Other	**138.2**	141.7	114.1	115.0	142.6
Total	**17,442.5**	17,813.1	17,428.3	17,487.0	17,367.5
Weather Adjustment	**81.8**	(111.2)	148.3	(160.8)	242.6
Sales Volumes - Excluding Weather impacts	**17,524.3**	17,701.9	17,576.6	17,326.2	17,610.1

Cooling Degree Days	**705**	919	714	935	582
Normal Cooling Degree Days	**808**	812	803	803	803
% Warmer (Colder) than Normal	**(13%)**	13%	(11%)	16%	(28%)

Customers					
Residential	**400,640**	400,991	398,349	395,849	392,342
Commercial	**53,438**	52,815	52,106	51,261	50,332
Industrial	**2,484**	2,509	2,509	2,515	2,528
Wholesale	**9**	6	5	7	22
Other	**754**	755	759	765	770
Total	**457,325**	457,076	453,728	450,397	445,994

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Other Operations/Corporate (Non-GAAP)

Other Operations

Year Ended December 31, (in millions, except per share amounts)	2008	2007	2006	2005	2004
Net Revenues					
Products and services revenue	$ **1,173.9**	$ 1,050.3	$ 929.9	$ 1,031.8	$ 683.5
Less: Cost of products sold	**1,144.3**	1,020.9	893.7	989.7	666.6
Total Net Revenues	**29.6**	29.4	36.2	42.1	16.9
Operating Expenses					
Operation and maintenance	**19.9**	20.4	46.4	37.9	38.7
Depreciation and amortization	**2.6**	2.7	9.8	10.5	12.1
Other taxes	**5.3**	4.5	4.3	7.0	5.5
Total Operating Expenses	**27.8**	27.6	60.5	55.4	56.3
Operating Earnings	$ **1.8**	$ 1.8	$ (24.3)	$ (13.3)	$ (39.4)
GAAP Adjustment (Items excluded from operating earnings)					
Net Revenues:					
Gas costs and other changes					1.0
Legal settlement					5.1
Operating Expenses:					
Transition charges (IBM Agreement)	**(0.1)**	(0.1)	(0.1)	(1.4)	
Medical expense adjustment out of period	**0.1**				
BP contract revision			(17.0)		
Gain/loss on sale of assets, asset impairments, other	**0.4**	(1.0)	1.2	0.6	2.7
Property and sales tax adjustments					1.0
Insurance recoveries, legal and reserve changes				1.8	(1.3)
Total Items excluded from operating earnings	**0.4**	(1.1)	(15.9)	1.0	8.5
GAAP Operating Income	$ **2.2**	$ 0.7	$ (40.2)	$ (12.3)	$ (30.9)

Corporate

Year Ended December 31, (in millions, except per share amounts)	2008	2007	2006	2005	2004
Operating Loss	$ **(8.1)**	$ (22.2)	$ (19.2)	$ (19.3)	$ (22.5)
GAAP Adjustment (Items excluded from operating earnings)					
Operating Expenses:					
Transition charges (IBM Agreement)	**(0.2)**	(9.9)	(0.8)	(10.8)	
Medical expense adjustment out of period	**0.2**				
Gain/loss on sale of assets, asset impairments, other	**(0.2)**	(0.4)	(1.0)	(10.9)	
Insurance recoveries, legal and reserve changes					17.1
Total Items excluded from operating earnings	**(0.2)**	(10.3)	(1.8)	(21.7)	17.1
GAAP Operating Income	$ **(8.3)**	$ (32.5)	$ (21.0)	$ (41.0)	$ (5.4)

NOTE: Due to asset sales 2007 and 2008 exclude the results of Northern Utilities, Granite State Pipeline, Whiting Clean Energy and NI Retail Services

Common Stockholders – As of December 31, 2008

Geographical Breakdown of Shareholders

State	Holders	Percent of Total Holders	Shares	Percent of Total Shares
Alabama	152	0.42%	54,263	0.02%
Alaska	26	0.07%	7,743	0.00%
Arizona	441	1.22%	183,600	0.07%
Arkansas	95	0.26%	31,739	0.01%
California	1,663	4.59%	739,077	0.27%
Colorado	336	0.93%	156,225	0.06%
Connecticut	672	1.86%	272,143	0.10%
Delaware	113	0.31%	25,023	0.01%
Dist Col.	77	0.21%	98,351	0.04%
Florida	1,868	5.16%	798,055	0.29%
Georgia	360	0.99%	180,652	0.07%
Hawaii	60	0.17%	20,688	0.01%
Idaho	47	0.13%	16,682	0.01%
Illinois	2,736	7.56%	1,518,885	0.55%
Indiana	8,318	22.98%	6,882,813	2.50%
Iowa	195	0.54%	106,498	0.04%
Kansas	143	0.40%	35,984	0.01%
Kentucky	468	1.29%	184,840	0.07%
Louisiana	238	0.66%	54,344	0.02%
Maine	194	0.54%	71,297	0.03%
Maryland	729	2.01%	251,017	0.09%
Massachusetts	1,616	4.46%	952,287	0.35%
Michigan	1,137	3.14%	519,516	0.19%
Minnesota	389	1.07%	190,327	0.07%
Mississippi	96	0.27%	31,469	0.01%
Missouri	324	0.90%	139,554	0.05%
Montana	57	0.16%	18,875	0.01%
Nebraska	80	0.22%	42,043	0.02%
Nevada	114	0.31%	85,804	0.03%
New Hampshire	221	0.61%	81,740	0.03%
New Jersey	1,215	3.36%	659,678	0.24%
New Mexico	83	0.23%	44,353	0.02%
New York	2,417	6.68%	249,814,376	90.72%
North Carolina	411	1.14%	125,519	0.05%
North Dakota	31	0.09%	19,340	0.01%
Ohio	2,452	6.77%	759,804	0.28%
Oklahoma	118	0.33%	35,340	0.01%
Oregon	165	0.46%	60,993	0.02%
Pennsylvania	1,647	4.55%	8,444,721	3.07%
Rhode Island	106	0.29%	42,025	0.02%
South Carolina	200	0.55%	66,600	0.02%
South Dakota	50	0.14%	27,027	0.01%
Tennessee	246	0.68%	92,880	0.03%
Texas	950	2.62%	342,179	0.12%
Utah	69	0.19%	22,860	0.01%
Vermont	67	0.19%	24,272	0.01%
Virginia	1,049	2.90%	343,783	0.12%
Washington	285	0.79%	111,985	0.04%
West Virginia	778	2.15%	181,344	0.07%
Wisconsin	741	2.05%	359,946	0.13%
Wyoming	33	0.09%	13,772	0.01%
Canada	33	0.09%	8,150	0.00%
Other Foreign	83	0.23%	26,471	0.01%
Totals	**36,194**	**100%**	**275,378,952**	**100%**
Less Treasury Shares			(1,117,153)	
Total Shares Outstanding			**274,261,799**	

Common Shareholders - Share Size

	Holders	Percent of Total Holders	Shares	Percent of Total Shares
1 to 33.9	10,574	29.21%	107,608	0.04%
34 to 49.9	1,566	4.33%	63,421	0.02%
50 to 99.9	3,171	8.76%	228,547	0.08%
100 to 300.9	9,044	24.99%	1,665,718	0.60%
301 to 500.9	3,807	10.52%	1,496,544	0.54%
501 to 1000.9	4,045	11.18%	2,915,887	1.06%
1001 and over	3,987	11.02%	268,901,227	97.65%
Totals	**36,194**	**100%**	**275,378,952**	**100%**
Less Treasury Shares			(1,117,153)	
Total Shares Outstanding			**274,261,799**	

Common Shareholders - Category

Holder Category	Holders	Percent of Total Holders	Shares	Percent of Total Shares
Joint Tenants - Survivorship Rights	8,542	23.60%	4,888,650	1.78%
Individual - Femal	9,877	27.29%	3,352,106	1.22%
Individual - Male	11,428	31.57%	5,072,810	1.84%
Corporations	586	1.62%	1,714,026	0.62%
Depositories	3	0.01%	249,087,000	90.45%
Nominee	11	0.03%	7,882,637	2.86%
Trusts	5,592	15.45%	3,279,457	1.19%
Miscellaneous	155	0.43%	102,266	0.04%
	36,194	**100%**	**275,378,952**	**100%**
Less Treasury Shares			(1,117,153)	
Total Shares Outstanding			**274,261,799**	

NiSource Board of Directors

- Ian Rolland, Chairman of the Board, NiSource Inc.
- Richard A. Abdoo, President, R.A. Abdoo & Co. LLC
- Dr. Steven C. Beering, Chairman, National Science Board
- Dennis E. Foster, Principal, Foster Thoroughbred Investments
- Michael E. Jesanis, Principal, Serrafix
- Marty Kittrell, EVP and CFO, Dresser, Inc.
- W. Lee Nutter, Retired Chairman, President and CEO, Rayonier, Inc.
- Deborah S. Parker, President and CEO, International Business Solutions, Inc.
- Robert C. Skaggs, Jr., President and CEO, NiSource Inc.
- Richard L. Thompson, Chairman, Lennox International, Inc.
- Dr. Carolyn Y. Woo, Martin J. Gillen Dean & Ray & Milann Siegfried Professor of Entrepreneurial Studies, Mendoza College of Business, University of Notre Dame

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NiSource Executive Team

- Robert C. Skaggs, Jr., President and Chief Executive Officer
- Stephen P. Smith, Executive Vice President and Chief Financial Officer
- Carrie J. Hightman, Executive Vice President and Chief Legal Officer
- Christopher A. Helms, Executive Vice President and Group CEO, Gas Transmission and Storage
- Eileen O'Neill Odum, Executive Vice President and Group CEO, Indiana Business Unit
- Jimmy Staton, Executive Vice President and Group CEO, Gas Distribution
- Michael W. O'Donnell, Executive Vice President
- Robert D. Campbell, Senior Vice President, Human Resources
- Glen L. Kettering, Senior Vice President, Corporate Affairs
- Kathleen O'Leary, Senior Vice President, Performance Management
- Violet G. Sistovaris, Senior Vice President and Chief Information Officer
- Larry J. Francisco, Vice President, Audit

Contact NiSource Investor Relations

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Jennifer Moench – *Manager, Corporate Affairs*
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plkljajic@nisource.com or 219.647.6132

Stockholder Account Maintenance

BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252-8015
or
480 Washington Boulevard
Jersey City, NJ 07310-1900

888.884.7790

TDD for Hearing Impared
800.231.5469

Foreign Stockholders
201.680.6610

TDD Foreign Stockholders
201.680.6610

www.bnymellon.com/shareowner.isd

NiSource Inc.
801 East 86th Avenue
Merrillville, IN 46410
www.nisource.com

Exhibit C-7 "Credit Report"
EnergyUSA-TPC

Credit eValuator Report

NiSource Inc.

801 E 86th Ave
Merrillville, IN 46410
Phone: 877 647-5990
D-U-N-S Number: 18-565-4076

Report as of : July 8, 2009 **

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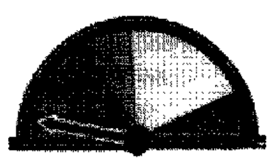
**Included with this Credit eValuator Report are continuous tracking of key business changes and free Alert messages in the View My Reports/Alerts page. You can also choose to receive e-mail notifications of the important changes. IMPORTANT NOTE: You will not receive e-mail alerts if you have opted out of receiving communications from D&B.

Risk Summary



Lower Risk Higher Risk

Risk of Late Payment

Risk of late payment is based on the following prioritized factors in addition to other information in D&B's files:

- No factors available

Indications of slowness can be the result of disputes over merchandise, skipped invoices, etc.

Unchanged

Payment Performance Trend

The payment performance trend for this company is Unchanged. The most recent payment information in D&B's files is:

- Payments currently: 14 days beyond terms.
- Payments 3 months ago: 12 days beyond terms.
- Industry average: 6 days beyond terms.

*Note: Payments to suppliers are averaged weighted by dollar amounts.

Company Profile

Chief Executive:	Robert C Skaggs Jr, Ceo-Pres	**Line of business:**
Type of business:	Corporation	Electric Services
Years in business:	22	Gas Transmission And Distribution
Annual Sales:	$8,874,200,000	
Employees total:	7,607	

Legal Filings and Other Important Information

Bankruptcies:	None
Judgments:	None
Liens:	1 Open / 0 Closed
Liens Amounts:	$380 Open / $0 Closed
Suits:	2 Open / 0 Closed
Suits Amounts:	None
Negative Payment Experiences:	None
Payments Placed for Collection:	None

The public record items reported may have been paid, terminated, vacated or released prior to the date this data is transmitted.

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