

NEWS



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FOR IMMEDIATE RELEASE

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FOR ADDITIONAL INFORMATION

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NISOURCE FILES REGISTRATION STATEMENT TO FORM MASTER LIMITED PARTNERSHIP

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced that its wholly owned subsidiary, NiSource Energy Partners, L.P., has filed a Registration Statement with the Securities and Exchange Commission relating to its proposed initial public offering of common units. Application will be made to list the common units, which represent limited partnership interests in NiSource Energy Partners L.P., on the New York Stock Exchange under the symbol “NIA”.

NiSource Energy Partners, L.P. is a Delaware limited partnership recently formed by NiSource Inc. to own and operate natural gas transportation pipelines and related energy infrastructure assets. The partnership’s initial asset will be the Columbia Gulf Transmission Company pipeline system, a FERC-regulated interstate natural gas transportation pipeline system. The Columbia Gulf system consists of approximately 3,400 miles of pipeline and 11 compressor stations with approximately 445,450 horsepower located primarily in Louisiana, Mississippi, Tennessee and Kentucky.

NiSource Energy Partners anticipates offering 12,500,000 common units in the initial public offering, representing a 39.1% limited partner interest. Following this offering, NiSource Inc. and its subsidiaries will own the 2% general partner interest, all of the incentive distribution rights, and a 58.9% limited partner interest in NiSource Energy Partners. The underwriters will be granted a 30-day option to purchase up to 1,875,000 additional common units if more than 12,500,000 common units are sold in the offering. NiSource Inc.’s limited partner interest would be reduced to 53% if the underwriters exercise their option to purchase additional common units in full.

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Lehman Brothers Inc. and Citigroup Global Markets Inc. will act as lead book-running managers for the offering. NiSource Energy Partners, L.P.'s proposed offering of common units will be made only by means of a prospectus. A copy of the preliminary prospectus relating to this offering may be obtained, when available, from the offices of Lehman Brothers Inc., c/o Broadridge Integrated Distribution Services, 1155 Long Island Avenue, Edgewood, NY 11717; by email at qiana.smith@broadridge.com or by fax at 631-254-7140 or from the offices of Citigroup Global Markets, Inc., Brooklyn Army Terminal, 140 58th St., Brooklyn, New York 11220
Att: Prospectus Department or 1-800-831-9146 (toll free).

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the security laws of any such state.

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.

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management, including statements regarding the anticipated proposed initial public offering and any of the terms thereof. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this news release are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Additional information about issues that could lead to material changes in performance is contained in NiSource's annual reports filed with the Securities and Exchange Commission. The company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the company, whether as a result of new information, future events, or otherwise.

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