

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement described in paragraph (e) of this Section); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of its holding company, if any, as a consequence of this Agreement to a level below

that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration its policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate it or its holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate it or its holding company as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of its right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than ninety days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of its intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the ninety day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) The Borrower shall pay (without duplication as to amounts paid under this Section 2.15) to each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Loan of such Lender, from the date of such Loan until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBO Rate for the Interest Period for such Loan from (ii) the rate obtained by dividing such LIBO Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Loan. Such additional interest determined by such Lender and notified to the Borrower and the Administrative Agent, accompanied by the calculation of the amount thereof, shall be conclusive and binding for all purposes absent manifest error.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.11(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount

reasonably determined by such Lender to be equal to the excess, if any, of (x) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the LIBO Rate for such Interest Period, over (y) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for dollar deposit from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that if any Credit Party shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Credit Party shall make such deductions and (iii) such Credit Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (and for any Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the laws of the jurisdiction in which the Borrower or the Guarantor is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with an additional original or a photocopy, as required under applicable rules and procedures, to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as shall be necessary to permit such payments to be made without withholding or at a reduced rate. Further, in those circumstances as shall be necessary to allow payments hereunder to be made free of (or at a reduced rate of) withholding tax, each other Lender and the Administrative Agent, as applicable, shall deliver to Borrower such documentation as the Borrower may reasonably request in writing.

(f) Except with the prior written consent of the Administrative Agent, all amounts payable by a Credit Party hereunder shall be made by such Credit Party in its own name and for its own account from within the United States by a payor that is a United States person (within the meaning of Section 7701 of the Code).

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-Offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or under Section 2.15, 2.16, 2.17 or 11.03, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 200 Park Avenue, New York, New York, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 11.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal or of interest on any of the Obligations owing to it resulting in such Lender receiving payment of a greater proportion of the

aggregate amount of such Obligations and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of, or other Obligations owing to, other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans or other Obligations, as applicable; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Guarantor, the Borrower or any other Subsidiary or Affiliate of the Guarantor (as to which the provisions of this paragraph shall apply). The Borrower and the Guarantor consent to the foregoing and agree, to the extent they may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower and the Guarantor rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower or the affected Guarantor in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to 2.05(b) or 2.18(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) Any Lender claiming reimbursement or compensation from the Borrower under either of Sections 2.15 and 2.17 for any losses, costs or other liabilities shall use reasonable efforts (including, without limitation, reasonable efforts to designate a different lending office of such Lender for funding or booking its Loans or to assign its rights and obligations hereunder to another of its offices, branches or affiliates) to mitigate the amount of such losses, costs and other liabilities, if such efforts can be made and such mitigation can be accomplished without such Lender suffering (i) any economic disadvantage for which such

Lender does not receive full indemnity from the Borrower under this Agreement or (ii) otherwise be disadvantageous to such Lender.

(b) In determining the amount of any claim for reimbursement or compensation under Sections 2.15 and 2.17, each Lender will use reasonable methods of calculation consistent with such methods customarily employed by such Lender in similar situations.

(c) Each Lender will notify the Borrower either directly or through the Administrative Agent of any event giving rise to a claim under Section 2.15 or Section 2.17 promptly after the occurrence thereof which notice shall be accompanied by a certificate of such Lender setting forth in reasonable detail the circumstances of such claim.

(d) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III CONDITIONS

SECTION 3.01. Conditions Precedent to the Effectiveness of this Agreement. This Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 11.02).

(a) The Administrative Agent (or its counsel) shall have received from each party thereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Lenders, the Administrative Agent, the Sole Lead Arranger and each other Person entitled to the payment of fees or the reimbursement or payment of expenses, pursuant hereto or to that certain fee letter dated August 21, 2008, executed and delivered with respect to the credit facility provided for herein, shall have received all fees required to be paid by the Effective Date, and all expenses for which invoices have been presented on or before the Effective Date.

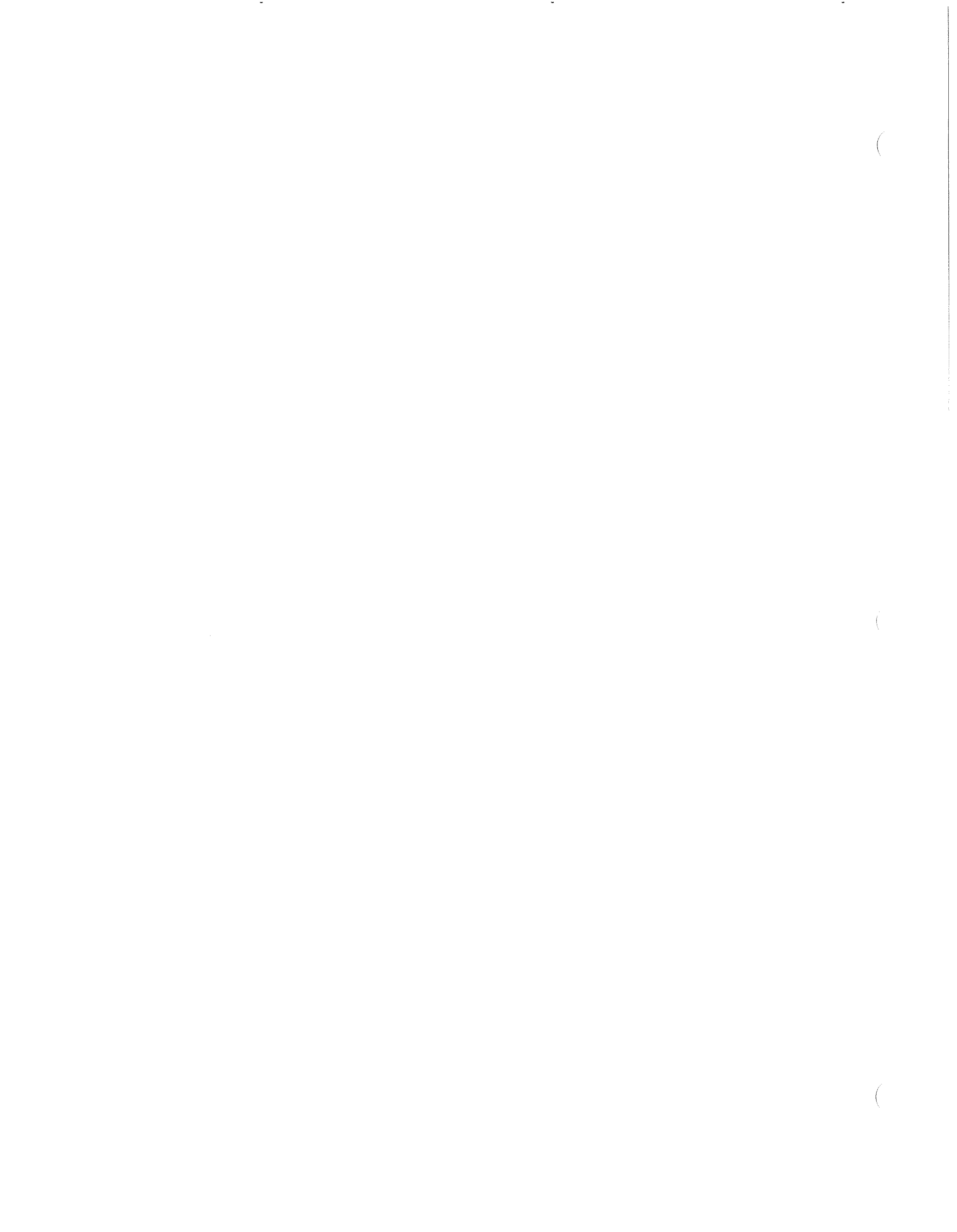
(c) The Administrative Agent shall have received certified copies of the resolutions of the Board of Directors of each of the Guarantor and the Borrower approving this Agreement, and of all documents evidencing other necessary corporate action and governmental and regulatory approvals with respect to this Agreement.

(d) The Administrative Agent shall have received from each of the Borrower and the Guarantor, to the extent generally available in the relevant jurisdiction, a copy of a certificate or certificates of the Secretary of State (or other appropriate public official) of the jurisdiction of its incorporation, dated reasonably near the Effective Date, (i) listing the charters of the Borrower or the Guarantor, as the case may be, and each amendment thereto on file in such office and certifying that such amendments are the only amendments to the Borrower's or the Guarantor's charter, as the case may be, on file in such office, and (ii) stating, in the case of the Borrower, that the Borrower is authorized to transact business under the laws of the jurisdiction of its place of incorporation, and, in the case of the Guarantor, that the Guarantor is duly incorporated and in good standing under the laws of the jurisdiction of its place of incorporation.

(e) (i) The Administrative Agent shall have received a certificate or certificates of each of the Borrower and the Guarantor, signed on behalf of the Borrower and the Guarantor respectively, by a the Secretary, an Assistant Secretary or a Responsible Officer thereof, dated the Effective Date, certifying as to (A) the absence of any amendments to the charter of the Borrower or the Guarantor, as the case may be, since the date of the certificates referred to in paragraph (d) above, (B) a true and correct copy of the bylaws of each of the Borrower or the Guarantor, as the case may be, as in effect on the Effective Date, (C) the absence of any proceeding for the dissolution or liquidation of the Borrower or the Guarantor, as the case may be, (D) the truth, in all material respects, of the representations and warranties contained in the Credit Documents to which the Borrower or the Guarantor is a party, as the case may be, as though made on and as of the Effective Date, and (E) the absence, as of the Effective Date, of any Default or Event of Default; and (ii) each of such certifications shall be true.

(f) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of each of the Guarantor and the Borrower certifying the names and true signatures of the officers of Guarantor or the Borrower, as the case may be, authorized to sign, and signing, this Agreement and the other Credit Documents to be delivered hereunder on or before the Effective Date.

(g) The Administrative Agent shall have received for the account of each Lender an up-front fee, payable in immediately available funds, in an amount equal to (i) 0.10% multiplied by (ii) each such Lender's Commitment as of the Effective Date.



(h) The Administrative Agent shall have received from Schiff Hardin LLP, counsel for the Guarantor and the Borrower, a favorable opinion, substantially in the form of Exhibit B hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

SECTION 3.02. Conditions Precedent to Each Extension of Credit. The obligation of each Lender to make any Extension of Credit (including the initial Extension of Credit but excluding any conversion or continuation of any Loan) shall be subject to the satisfaction (or waiver in accordance with Section 11.02) of each of the following conditions:

(a) The representations and warranties of the Guarantor and the Borrower set forth in this Agreement (other than the representation and warranty set forth in Section 4.01(f)) shall be true and correct in all material respects on and as of the date of such Extension of Credit, except to the extent that such representations and warranties are specifically limited to a prior date, in which case such representations and warranties shall be true and correct in all material respects on and as of such prior date.

(b) After giving effect to (A) such Extension of Credit, together with all other Extensions of Credit to be made contemporaneously therewith, and (B) the repayment of any Loans that are to be contemporaneously repaid at the time such Loan is made, such Extension of Credit will not result in the sum of the then Total Outstanding Principal exceeding the Aggregate Commitments.

(c) Such Extension of Credit will comply with all other applicable requirements of Article II, including, without limitation Sections 2.01 and 2.02, as applicable.

(d) At the time of and immediately after giving effect to such Extension of Credit, no Default or Event of Default shall have occurred and be continuing.

(e) The Administrative Agent shall have timely received a Borrowing Request.

(f) The sum of the "Exposures" of all of the "Lenders" under (and as such terms are defined in) the Existing Credit Agreement is equal to the "Aggregate Commitments" of the "Lenders" under (and as such terms are defined in) the Existing Credit Agreement.

Each Extension of Credit and the acceptance by the Borrower of the benefits thereof shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b), (c) and (d) of this Section.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Credit Parties. Each of the Borrower and the Guarantor represents and warrants as follows:

(a) Each of the Borrower and the Guarantor is a corporation duly organized, validly existing and, in the case of the Borrower, authorized to transact business under the laws of

the State of its incorporation, and, in the case of the Guarantor, in good standing under the laws of the State of its incorporation.

(b) The execution, delivery and performance by each of the Credit Parties of the Credit Documents to which it is a party (i) are within such Credit Party's corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene (A) such Credit Party's charter or by-laws, as the case may be, or (B) any law, rule or regulation, or any material Contractual Obligation or legal restriction, binding on or affecting such Credit Party or any Material Subsidiary, as the case may be, and (iv) do not require the creation of any Lien on the property of such Credit Party or any Material Subsidiary under any Contractual Obligation binding on or affecting such Credit Party or any Material Subsidiary.

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery and performance by any Credit Party of this Agreement or any other Credit Document to which any of them is a party, except for such as (i) have been obtained or made and that are in full force and effect or (ii) are not presently required under applicable law and have not yet been applied for.

(d) Each Credit Document to which any Credit Party is a party is a legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(e) The consolidated balance sheet of the Guarantor and its Subsidiaries as at June 30, 2008, and the related statements of income and retained earnings of the Guarantor and its Subsidiaries for the six months then ended, copies of which have been made available or furnished to each Lender, fairly present (subject to year-end adjustments) the financial condition of the Guarantor and its Subsidiaries as at such date and the results of the operations of the Guarantor and its Subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied.

(f) Since December 31, 2007, there has been no material adverse change in such condition or operations, or in the business, assets, operations, condition (financial or otherwise) or prospects of any of the Credit Parties or of Columbia.

(g) There is no pending or threatened action, proceeding or investigation affecting such Credit Party before any court, governmental agency or other Governmental Authority or arbitrator that (taking into account the exhaustion of appeals) would have a Material Adverse Effect, or that (i) purports to affect the legality, validity or enforceability of this Agreement or any promissory notes executed pursuant hereto, or (ii) seeks to prohibit the ownership or operation, by any Credit Party or any of their respective Material Subsidiaries, of all or a material portion of their respective businesses or assets.

(h) The Guarantor and its Subsidiaries, taken as a whole, do not hold or carry Margin Stock having an aggregate value in excess of 10% of the value of their consolidated assets, and no part of the proceeds of any Loan hereunder will be used to buy or carry any Margin Stock.

(i) No ERISA Event has occurred, or is reasonably expected to occur, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect.

(j) Schedule B (Actuarial Information) to the 2007 Annual report (Form 5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service and made available or furnished to each Lender, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule B there has been no adverse change in such funding status which may reasonably be expected to have a Material Adverse Effect.

(k) Neither the Guarantor nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan which may reasonably be expected to have a Material Adverse Effect.

(l) Neither the Guarantor nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title VI of ERISA, and no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA, in either such case, that could reasonably be expected to have a Material Adverse Effect.

(m) No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(n) The Guarantor is a "holding company" within the meaning of the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). Pursuant to PUHCA 2005, the Guarantor is subject to the limited jurisdiction of the Federal Energy Regulatory Commission, and any State commission with jurisdiction to regulate a public utility company in the Guarantor's holding company system, with respect to access to the books and records of the Guarantor and its subsidiaries and affiliates.

(o) Each Credit Party has filed all tax returns (Federal, state and local) required to be filed by it and has paid or caused to be paid all taxes due for the periods covered thereby, including interest and penalties, except for any such taxes, interest or penalties which are being contested in good faith and by proper proceedings and in respect of which such Credit Party has set aside adequate reserves for the payment thereof in accordance with GAAP.

(p) Each Credit Party and its Subsidiaries are and have been in compliance with all laws (including, without limitation, all Environmental Laws), except to the extent that any failure to be in compliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(q) No Subsidiary of any Credit Party is party to, or otherwise bound by, any agreement that prohibits such Subsidiary from making any payments, directly or indirectly, to such Credit Party, by way of dividends, advances, repayment of loans or advances, reimbursements of management or other intercompany charges, expenses and accruals or other returns on investment, or any other agreement that restricts the ability of such Subsidiary to make any payment, directly or indirectly, to such Credit Party, other than prohibitions and restrictions permitted to exist under Section 6.01(e).

(r) The information, exhibits and reports furnished by the Guarantor or any of its Subsidiaries to the Administrative Agent or to any Lender in connection with the negotiation of, or compliance with, the Credit Documents, taken as a whole, do not contain any material misstatement of fact and do not omit to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances made.

ARTICLE V AFFIRMATIVE COVENANTS

SECTION 5.01. Affirmative Covenants. So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, each of the Credit Parties will, unless the Required Lenders shall otherwise consent in writing:

(a) **Compliance with Laws, Etc.** Comply, and cause each of its Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations and orders (including, without limitation, any of the foregoing relating to employee health and safety or public utilities and all Environmental Laws), unless the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(b) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Material Subsidiary to maintain and preserve, all of its material properties which are used in the conduct of its business in good working order and condition, ordinary wear and tear excepted, if the failure to do so could reasonably be expected to have a Material Adverse Effect.

(c) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property, and (ii) all legal claims which, if unpaid, might by law become a lien upon its property; *provided, however,* that neither any Credit Party nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim which is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained.

(d) **Maintenance of Insurance .** Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually obtained by companies engaged in similar businesses of comparable size and financial strength and owning similar properties

in the same general areas in which such Credit Party or such Subsidiary operates, or, to the extent such Credit Party or Subsidiary deems it reasonably prudent to do so, through its own program of self-insurance.

(e) **Preservation of Corporate Existence, Etc.** Preserve and maintain, and cause each Material Subsidiary to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises, except as otherwise permitted under this Agreement; *provided that* that no such Person shall be required to preserve any right or franchise with respect to which the Board of Directors of such Person has determined that the preservation thereof is no longer desirable in the conduct of the business of such Person and that the loss thereof is not disadvantageous in any material respect to any Credit Party or the Lenders.

(f) **Visitation Rights** . At any reasonable time and from time to time, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof, on not less than five Business Days' notice (which notice shall be required only so long as no Default shall be occurred and be continuing), to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, such Credit Party or any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Credit Parties and their respective Subsidiaries with any of their respective officers and with their independent certified public accountants; subject, however, in all cases to the imposition of such conditions as the affected Credit Party or Subsidiary shall deem necessary based on reasonable considerations of safety and security and provided that so long as no Default or Event of Default shall have occurred and be continuing, each Lender will be limited to one visit each year.

(g) **Keeping of Books** . (i) Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all material financial transactions and the assets and business of each of the Credit Parties and each of their respective Subsidiaries, and (ii) maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied.

(h) **Reporting Requirements** . Deliver to the Administrative Agent for distribution to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Guarantor (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), balance sheets of the Guarantor and its Consolidated Subsidiaries in comparative form as of the end of such quarter and statements of income and retained earnings of the Guarantor and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year of the Guarantor and ending with the end of such quarter, each prepared in accordance with generally accepted accounting principles consistently applied, subject to normal year-end audit adjustments, certified by the chief financial officer of the Guarantor.

(ii) as soon as available and in any event within 90 days after the end of each fiscal year of the Guarantor (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), a copy of the audit report for such year for the Guarantor and its Consolidated Subsidiaries containing financial statements for such year prepared in accordance with generally accepted accounting principles consistently applied as reported on by independent certified public accountants of recognized national standing acceptable to the Required Lenders, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards;

(iii) concurrently with the delivery of financial statements pursuant to clauses (i) and (ii) above or the notice relating thereto contemplated by the final sentence of this Section 5.01(h), a certificate of a senior financial officer of each of the Guarantor and the Borrower (A) to the effect that no Default or Event of Default has occurred and is continuing (or, if any Default or Event of Default has occurred and is continuing, describing the same in reasonable detail and describing the action that the Guarantor or the Borrower, as the case may be, has taken and proposes to take with respect thereto), and (B) in the case of the certificate relating to the Guarantor, setting forth calculations, in reasonable detail, establishing Borrower's compliance, as at the end of such fiscal quarter, with the financial covenant contained in Article VII;

(iv) as soon as possible and in any event within five days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken and proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of all reports which the Guarantor sends to its stockholders, and copies of all reports and registration statements (other than registration statements filed on Form S-8) that the Guarantor, the Borrower or any Subsidiary of the Guarantor or the Borrower, files with the Securities and Exchange Commission;

(vi) promptly and in any event within 10 days after the Guarantor knows or has reason to know that any material ERISA Event has occurred, a statement of the chief financial officer of the Borrower describing such ERISA Event and the action, if any, which the Guarantor or any affected ERISA Affiliate proposes to take with respect thereto;

(vii) promptly and in any event within two Business Days after receipt thereof by the Guarantor (or knowledge being obtained by the Guarantor of the receipt thereof by any ERISA Affiliate), copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;

(viii) promptly and in any event within five Business Days after receipt thereof by the Guarantor (or knowledge being obtained by the Guarantor of the receipt thereof by any ERISA Affiliate) from the sponsor of a Multiemployer Plan, a copy of each notice

received by the Guarantor or any ERISA Affiliate concerning (A) the imposition of material Withdrawal Liability by a Multiemployer Plan, (B) the reorganization or termination, within the meaning of Title IV of ERISA, of any Multiemployer Plan or (C) the amount of liability incurred, or which may be incurred, by the Guarantor or any ERISA Affiliate in connection with any event described in clause (A) or (B) above;

(ix) promptly after the Guarantor has knowledge of the commencement thereof, notice of any actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Guarantor or any Material Subsidiary of the type described in Section 4.01(g);

(x) promptly after the Guarantor or the Borrower knows of any change in the rating of the Index Debt by S&P or Moody's, a notice of such changed rating; and

(xi) such other information respecting the condition or operations, financial or otherwise, of the Guarantor or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the Credit Parties' obligations to deliver the documents or information required under any of clauses (i), (ii) and (v) above shall be deemed to be satisfied upon (x) the relevant documents or information being publicly available on the Guarantor's website or other publicly available electronic medium (such as EDGAR) within the time period required by such clause, and (y) the delivery by the Guarantor or the Borrower of notice to the Administrative Agent and the Lenders, within the time period required by such clause, that such documents or information are so available.

(i) *Use of Proceeds* . Use the proceeds of the Loans hereunder for working capital and other general corporate purposes, including to provide liquidity support for commercial paper issued by the Borrower.

(j) *Ratings* . At all times maintain ratings by both Moody's and S&P with respect to the Index Debt.

ARTICLE VI NEGATIVE COVENANTS

SECTION 6.01. Negative Covenants. So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, no Credit Party will, without the written consent of the Required Lenders:

(a) *Limitation on Liens* . Create or suffer to exist, or permit any of its Subsidiaries (other than a Utility Subsidiary) to create or suffer to exist, any lien, security interest, or other charge or encumbrance (collectively, "*Liens*") upon or with respect to any of its properties, whether now owned or hereafter acquired, or collaterally assign for security purposes, or permit any of its Subsidiaries (other than a Utility Subsidiary) to so assign any right to receive income in each case to secure or provide for or guarantee the payment of

Debt for Borrowed Money of any Person, without in any such case effectively securing, prior to or concurrently with the creation, issuance, assumption or guaranty of any such Debt for Borrowed Money, the Obligations (together with, if the Guarantor shall so determine, any other Debt for Borrowed Money of or guaranteed by the Guarantor or any of its Subsidiaries ranking equally with the Loans and then existing or thereafter created) equally and ratably with (or prior to) such Debt for Borrowed Money; *provided, however*, that the foregoing restrictions shall not apply to or prevent the creation or existence of:

- (i) (A) Liens on any property acquired, constructed or improved by the Guarantor or any of its Subsidiaries (other than a Utility Subsidiary) after the date of this Agreement that are created or assumed prior to, contemporaneously with, or within 180 days after, such acquisition or completion of such construction or improvement, to secure or provide for the payment of all or any part of the purchase price of such property or the cost of such construction or improvement; or (B) in addition to Liens contemplated by clauses (ii) and (iii) below, Liens on any property existing at the time of acquisition thereof, provided that the Liens shall not apply to any property theretofore owned by the Guarantor or any such Subsidiary other than, in the case of any such construction or improvement, (1) unimproved real property on which the property so constructed or the improvement is located, (2) other property (or improvements thereon) that is an improvement to or is acquired or constructed for specific use with such acquired or constructed property (or improvement thereof), and (3) any rights and interests (A) under any agreements or other documents relating to, or (B) appurtenant to, the property being so constructed or improved or such other property;
 - (ii) existing Liens on any property or indebtedness of a corporation that is merged with or into or consolidated with any Credit Party or any of its Subsidiaries; *provided* that such Lien was not created in contemplation of such merger or consolidation;
 - (iii) Liens on any property or indebtedness of a corporation existing at the time such corporation becomes a Subsidiary of any Credit Party; *provided* that such Lien was not created in contemplation of such occurrence;
 - (iv) Liens to secure Debt for Borrowed Money of a Subsidiary of a Credit Party to a Credit Party or to another Subsidiary of the Guarantor;
 - (v) Liens in favor of the United States of America, any State, any foreign country or any department, agency or instrumentality or political subdivision of any such jurisdiction, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any Debt for Borrowed Money incurred for the purpose of financing all or any part of the purchase price of the cost of constructing or improving the property subject to such Liens, including, without limitation, Liens to secure Debt for Borrowed Money of the pollution control or industrial revenue bond type;
 - (vi) Liens on any property (including any natural gas, oil or other mineral property) to secure all or part of the cost of exploration, drilling or development thereof or to secure Debt for Borrowed Money incurred to provide funds for any such purpose;
-

(vii) Liens existing on the date of this Agreement;

(viii) Liens for the sole purposes of extending, renewing or replacing in whole or in part Debt for Borrowed Money secured by any Lien referred to in the foregoing clauses (i) through (vii), inclusive, or this clause (viii); *provided, however*, that the principal amount of Debt for Borrowed Money secured thereby shall not exceed the principal amount of Debt for Borrowed Money so secured at the time of such extension, renewal or replacement (which, for purposes of this limitation as it applies to a synthetic lease, shall be deemed to be (x) the lessor's original cost of the property subject to such lease at the time of extension, renewal or replacement, *less* (y) the aggregate amount of all prior payments under such lease allocated pursuant to the terms of such lease to reduce the principal amount of the lessor's investment, and borrowings by the lessor, made to fund the original cost of the property), and that such extension, renewal or replacement shall be limited to all or a part of the property or indebtedness which secured the Lien so extended, renewed or replaced (plus improvements on such property);

(ix) Liens on any property or assets of a Project Financing Subsidiary, or on any Capital Stock in a Project Financing Subsidiary, in either such case, that secure only a Project Financing or a Contingent Guaranty that supports a Project Financing; or

(x) Any Lien, other than a Lien described in any of the foregoing clauses (i) through (ix), inclusive, to the extent that it secures Debt for Borrowed Money, or guaranties thereof, the outstanding principal balance of which at the time of creation of such Lien, when added to the aggregate principal balance of all Debt for Borrowed Money secured by Liens incurred under this clause (x) then outstanding, does not exceed \$150,000,000.

If at any time any Credit Party or any of its Subsidiaries shall create, issue, assume or guaranty any Debt for Borrowed Money secured by any Lien and the first paragraph of this Section 6.01(a) requires that the Loans be secured equally and ratably with such Debt for Borrowed Money, the Borrower shall promptly deliver to the Administrative Agent and each Lender:

(1) a certificate of a duly authorized officer of the Borrower stating that the covenant contained in the first paragraph of this Section 6.01(a) has been complied with; and

(2) an opinion of counsel acceptable to the Required Lenders to the effect that such covenant has been complied with and that all documents executed by any Credit Party or any of its Subsidiaries in the performance of such covenant comply with the requirements of such covenant.

(b) *Mergers, Etc.* Merge or consolidate with or into, or, except in a transaction permitted under paragraph (c) of this Section, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or permit any of its Subsidiaries to do so, except that:

(i) any Subsidiary of the Guarantor (other than the Borrower) may merge or consolidate with or transfer assets to or acquire assets from any other Subsidiary of the Guarantor, *provided* that in the case of any such merger, consolidation, or transfer of assets to which NIPSCO or Columbia is a party, the continuing or surviving Person shall be a Wholly-Owned Subsidiary of the Guarantor; and

(ii) the Borrower may merge or consolidate with, or transfer assets to, or acquire assets from, any other Wholly-Owned Subsidiary of the Guarantor, *provided* that in the case of any such merger or consolidation to which the Borrower is not the surviving Person, or transfer of all or substantially all of the assets of the Borrower to any other Wholly-Owned Subsidiary of the Guarantor, immediately after giving effect thereto, (A) no Event of Default shall have occurred and be continuing (determined, for purposes of compliance with Article VII after giving effect to such transaction, on a pro forma basis as if such transaction had occurred on the last day of the Guarantor's fiscal quarter then most recently ended) and (B) such surviving Person or transferee, as applicable, shall have assumed all of the obligations of the Borrower under and in respect of the Credit Documents by written instrument satisfactory to the Administrative Agent and its counsel in their reasonable discretion, accompanied by such opinions of counsel and other supporting documents as they may reasonably require; and

(iii) any Subsidiary of the Guarantor may merge into the Guarantor or the Borrower or transfer assets to the Borrower or the Guarantor, *provided* that in the case of any merger or consolidation of the Borrower into the Guarantor or transfer of all or substantially all of the assets of the Borrower to the Guarantor, immediately after giving effect thereto, (A) no Event of Default shall have occurred and be continuing (determined, for purposes of compliance with Article VII after giving effect to such transaction, on a pro forma basis as if such transaction had occurred on the last day of the Guarantor's fiscal quarter then most recently ended) and (B) the Guarantor shall have assumed all of the obligations of the Borrower under and in respect of the Credit Documents by written instrument satisfactory to the Administrative Agent and its counsel in their reasonable discretion, accompanied by such opinions of counsel and other supporting documents as they may reasonably require; and

(iv) the Guarantor or any Subsidiary of the Guarantor may merge, or consolidate with or transfer all or substantially all of its assets to any other Person; *provided* that in each case under this clause (iii), immediately after giving effect thereto, (A) no Event of Default shall have occurred and be continuing (determined, for purposes of compliance with Article VII after giving effect to such transaction, on a pro forma basis as if such transaction had occurred on the last day of the Guarantor's fiscal quarter then most recently ended); (B) in the case of any such merger, consolidation or transfer of assets to which the Borrower is a party, the Borrower shall be the continuing or surviving corporation; (C) in the case of any such merger, consolidation, or transfer of assets to which NIPSCO or Columbia is a party, NIPSCO or Columbia, as the case may be, shall be the continuing or surviving corporation and shall be a Wholly-Owned Subsidiary of the Guarantor; (D) in the case of any such merger, consolidation or transfer of assets to which the Guarantor is a party, the Guarantor shall be the continuing or surviving

corporation; and (E) the Index Debt shall be rated at least BBB- by S&P and at least Baa3 by Moody's.

(c) *Sales, Etc. of Assets* . Sell, lease, transfer or otherwise dispose of, or permit any of their respective Subsidiaries to sell, lease, transfer or otherwise dispose of (other than in connection with a transaction authorized by paragraph (b) of this Section) any substantial part of its assets; *provided* that the foregoing shall not prohibit any such sale, conveyance, lease, transfer or other disposition that (i) constitutes realization on a Lien permitted to exist under Section 6.01(a); or (ii) (A) (1) is for a price not materially less than the fair market value of such assets, (2) would not materially impair the ability of any Credit Party to perform its obligations under this Agreement and (3) together with all other such sales, conveyances, leases, transfers and other dispositions, would have no Material Adverse Effect, or (B) would not result in the sale, lease, transfer or other disposition, in the aggregate, of more than 10% of the consolidated total assets of the Guarantor and its Subsidiaries, determined in accordance with GAAP, on December 31, 2007.

(d) *Compliance with ERISA* . (i) Terminate, or permit any ERISA Affiliate to terminate, any Plan so as to result in a Material Adverse Effect or (ii) permit to exist any occurrence of any Reportable Event (as defined in Title IV of ERISA), or any other event or condition, that presents a material (in the reasonable opinion of the Required Lenders) risk of such a termination by the PBGC of any Plan, if such termination could reasonably be expected to have a Material Adverse Effect.

(e) *Certain Restrictions* . Permit any of its Subsidiaries (other than, in the case of the Guarantor, the Borrower) to enter into or permit to exist any agreement that by its terms prohibits such Subsidiary from making any payments, directly or indirectly, to such Credit Party by way of dividends, advances, repayment of loans or advances, reimbursements of management or other intercompany charges, expenses and accruals or other returns on investment, or any other agreement that restricts the ability of such Subsidiary to make any payment, directly or indirectly, to such Credit Party; *provided* that the foregoing shall not apply to prohibitions and restrictions (i) imposed by applicable law, (ii) (A) imposed under an agreement in existence on the date of this Agreement, and (B) described on Schedule 6.01(e), (iii) existing with respect to a Subsidiary on the date it becomes a Subsidiary that are not created in contemplation thereof (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such prohibition or restriction), (iv) contained in agreements relating to the sale of a Subsidiary pending such sale, *provided* that such prohibitions or restrictions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (v) imposed on a Project Financing Subsidiary in connection with a Project Financing, or (vi) that could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VII FINANCIAL COVENANT

So long as any Lender shall have any Commitment hereunder or any principal of any Loan, interest or fees payable hereunder shall remain unpaid, the Guarantor shall maintain a Debt to Capitalization Ratio of not more than 0.70 to 1.00.

**ARTICLE VIII
EVENTS OF DEFAULT**

SECTION 8.01. Events of Default. If any of the following events (“*Events of Default*”) shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Loan when the same becomes due and payable or shall fail to pay any interest, fees or other amounts hereunder within three days after when the same becomes due and payable; or

(b) Any representation or warranty made by any Credit Party in any Credit Document or by any Credit Party (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) Any Credit Party shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(e), 5.01(f), 5.01(h), 5.01(i), 6.01 or Article VII; or

(d) Any Credit Party shall fail to perform or observe any term, covenant or agreement contained in any Credit Document on its part to be performed or observed (other than one identified in paragraph (a), (b) or (c) above) if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for thirty days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(e) The Guarantor, the Borrower or any of their respective Subsidiaries shall fail to pay any principal of or premium or interest on any Indebtedness (excluding Non-Recourse Debt) which is outstanding in a principal amount of at least \$50,000,000 in the aggregate (but excluding the Loans) of the Guarantor, the Borrower or such Subsidiary, as the case may be, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the scheduled maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(f) Any Credit Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Credit Party seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the

case of any such proceeding instituted against any Credit Party (but not instituted by any Credit Party), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, any Credit Party or for any substantial part of its property) shall occur; or any Credit Party shall take any corporate action to authorize any of the actions set forth above in this paragraph (f); or

(g) One or more Subsidiaries of the Guarantor (other than the Borrower) in which the aggregate sum of (i) the amounts invested by the Guarantor and its other Subsidiaries in the aggregate, by way of purchases of Capital Stock, Capital Leases, loans or otherwise, and (ii) the amount of recourse, whether contractual or as a matter of law (but excluding Non-Recourse Debt), available to creditors of such Subsidiary or Subsidiaries against the Guarantor or any of its other Subsidiaries, is \$100,000,000 or more (collectively, "**Substantial Subsidiaries**") shall generally not pay their respective debts as such debts become due, or shall admit in writing their respective inability to pay their debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Substantial Subsidiaries seeking to adjudicate them bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of them or their respective debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for them or for any substantial part of their respective property and, in the case of any such proceeding instituted against Substantial Subsidiaries (but not instituted by the Guarantor or any Subsidiary of the Guarantor), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, the Substantial Subsidiaries or for any substantial part of their respective property) shall occur; or Substantial Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this paragraph (g); or

(h) Any judgment or order for the payment of money in excess of \$50,000,000 shall be rendered against the Borrower, the Guarantor or any of its other Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect, except that, with respect to the Tawney Litigation, expiration or any other failure of a stay of judgment to be in place shall have no effect under clause (ii) of this Section 8.01(h), either as a Default or, after lapse of time, as an Event of Default; or

(i) Any ERISA Event shall have occurred with respect to a Plan and, 30 days after notice thereof shall have been given to the Guarantor or the Borrower by the Administrative Agent, (i) such ERISA Event shall still exist and (ii) the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or, in the case of a Plan with respect to which an ERISA Event described in

clauses (c) through (f) of the definition of ERISA Event shall have occurred and then exist, the liability related thereto) is equal to or greater than \$10,000,000 (when aggregated with paragraphs (j), (k) and (l) of this Section), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(j) The Guarantor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Guarantor and its ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds \$10,000,000 or requires payments exceeding \$10,000,000 *per annum* (in either case, when aggregated with paragraphs (i), (k) and (l) of this Section), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(k) The Guarantor or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if as a result of such reorganization or termination the aggregate annual contributions of the Guarantor and its ERISA Affiliates to all Multiemployer Plans which are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the respective plan year of each such Multiemployer Plan immediately preceding the plan year in which the reorganization or termination occurs by an amount exceeding \$10,000,000 (when aggregated with paragraphs (i), (j) and (l) of this Section), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(l) The Guarantor or any ERISA Affiliate shall have committed a failure described in Section 302(f)(1) of ERISA and the amount determined under Section 302(f)(3) of ERISA is equal to or greater than \$10,000,000 (when aggregated with paragraphs (i), (j) and (k) of this Section), and a Material Adverse Effect could reasonably be expected to occur as a result thereof; or

(m) Any provision of the Credit Documents shall be held by a court of competent jurisdiction to be invalid or unenforceable against any Credit Party purported to be bound thereby, or any Credit Party shall so assert in writing; or

(n) Any Change of Control shall occur;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Commitment of each Lender to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request or with the consent of the Required Lenders, by notice to the Borrower, declare all amounts payable under this Agreement to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided* that in the event of an actual or deemed entry of an order for relief with respect to any Credit Party under the Federal Bankruptcy Code, (1) the Commitment of each Lender hereunder shall automatically be terminated and (2) all such amounts shall automatically become and be

due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

**ARTICLE IX
THE ADMINISTRATIVE AGENT**

SECTION 9.01. The Administrative Agent.

(a) Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

(b) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the any Credit Party or any of such Credit Party's Subsidiaries or other Affiliates thereof as if it were not the Administrative Agent hereunder.

(c) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (i) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders, and (iii) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, the Guarantor or any of its other Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or, if applicable, all of the Lenders) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with this Agreement, (2) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (4) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (5) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and the conformity thereof to such express requirement.

(d) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for a Credit Party) independent accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(e) The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

(f) Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Credit Parties. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (which consent shall not unreasonably be withheld), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank, in any event having total assets in excess of \$500,000,000 and who shall serve until such time, if any, as an Agent shall have been appointed as provided above. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 11.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

(g) Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own

decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

(h) No Lender identified on the signature pages of this Agreement as the "Sole Lead Arranger" or that is given any other title hereunder other than "Administrative Agent", shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the generality of the foregoing, no Lender so identified as the "Sole Lead Arranger" or that is given any other title hereunder, shall have, or be deemed to have, any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on the Lenders so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

ARTICLE X GUARANTY

SECTION 10.01. The Guaranty.

(a) The Guarantor, as primary obligor and not merely as a surety, hereby irrevocably, absolutely and unconditionally guarantees to the Administrative Agent and the Lenders and each of their respective successors, endorsees, transferees and assigns (each a "**Beneficiary**" and collectively, the "**Beneficiaries**") the prompt and complete payment by the Borrower, as and when due and payable, of the Obligations, in accordance with the terms of the Credit Documents. The provisions of this Article X are sometimes referred to hereinafter as the "**Guaranty**".

(b) The Guarantor hereby guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Documents, regardless of any law now or hereafter in effect in any jurisdiction affecting any such terms or the rights of the Beneficiaries with respect thereto. The obligations and liabilities of the Guarantor under this Guaranty shall be absolute and unconditional irrespective of: (i) any lack of validity or enforceability of any of the Obligations or any Credit Document, or any delay, failure or omission to enforce or agreement not to enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise of any right with respect to the foregoing (including, in each case, without limitation, as a result of the insolvency, bankruptcy or reorganization of any Beneficiary, the Borrower or any other Person); (ii) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Obligations, or any other amendment or waiver of or consent to any departure from the Credit Documents or any agreement or instrument relating thereto; (iii) any exchange or release of, or non-perfection of any Lien on or in any collateral, or any release, amendment or waiver of, or consent to any departure from, any other guaranty of, or agreement granting security for, all or any of the Obligations; (iv) any claim, set-off, counterclaim, defense or other rights that the Guarantor may have at any time and from time to time against any Beneficiary or any other Person, whether in connection with this Transaction or any unrelated transaction; or (v) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any other guarantor or surety in respect of the Obligations or the Guarantor in respect hereof.

(c) The Guaranty provided for herein (i) is a guaranty of payment and not of collection; (ii) is a continuing guaranty and shall remain in full force and effect until the Commitments have been terminated and the Obligations have been paid in full in cash; and (iii) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be returned by any Beneficiary upon or as a result of the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or otherwise, all as though such payment had not been made.

(d) The obligations and liabilities of the Guarantor hereunder shall not be conditioned or contingent upon the pursuit by any Beneficiary or any other Person at any time of any right or remedy against the Borrower or any other Person that may be or become liable in respect of all or any part of the Obligations or against any collateral security or guaranty therefor or right of setoff with respect thereto.

(e) The Guarantor hereby consents that, without the necessity of any reservation of rights against the Guarantor and without notice to or further assent by the Guarantor, any demand for payment of any of the Obligations made by any Beneficiary may be rescinded by such Beneficiary and any of the Obligations continued after such rescission.

(f) The Guarantor's obligations under this Guaranty shall be unconditional, irrespective of any lack of capacity of the Borrower or any lack of validity or enforceability of any other provision of this Agreement or any other Credit Document, and this Guaranty shall not be affected in any way by any variation, extension, waiver, compromise or release of any or all of the Obligations or of any security or guaranty from time to time therefor.

(g) The obligations of the Guarantor under this Guaranty shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, composition with creditors, readjustment, liquidation or arrangement of the Borrower or any similar proceedings or actions, or by any defense the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantor's liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower, but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

SECTION 10.02. Waivers.

(a) The Guarantor hereby unconditionally waives: (i) promptness and diligence; (ii) notice of or proof of reliance by the Administrative Agent or the Lenders upon this Guaranty or acceptance of this Guaranty; (iii) notice of the incurrence of any Obligation by the Borrower or the renewal, extension or accrual of any Obligation or of any circumstances affecting the Borrower's financial condition or ability to perform the Obligations; (iv) notice of any actions taken by the Beneficiaries or the Borrower or any other Person under any Credit Document or any other agreement or instrument relating thereto; (v) all other notices,

demands and protests, and all other formalities of every kind in connection with the enforcement of the Obligations, of the obligations of the Guarantor hereunder or under any other Credit Document, the omission of or delay in which, but for the provisions of this Section 10 might constitute grounds for relieving the Guarantor of its obligations hereunder; (vi) any requirement that the Beneficiaries protect, secure, perfect or insure any Lien or any property subject thereto, or exhaust any right or take any action against the Borrower or any other Person or any collateral; and (vii) each other circumstance, other than payment of the Obligations in full, that might otherwise result in a discharge or exoneration of, or constitute a defense to, the Guarantor's obligations hereunder.

(b) No failure on the part of any Beneficiary to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder or under any Credit Document or any other agreement or instrument relating thereto shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any Credit Document or any other agreement or instrument relating thereto preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. This Guaranty is in addition to and not in limitation of any other rights, remedies, powers and privileges the Beneficiaries may have by virtue of any other instrument or agreement heretofore, contemporaneously herewith or hereafter executed by the Guarantor or any other Person or by applicable law or otherwise. All rights, remedies, powers and privileges of the Beneficiaries shall be cumulative and may be exercised singly or concurrently. The rights, remedies, powers and privileges of the Beneficiaries under this Guaranty against the Guarantor are not conditional or contingent on any attempt by the Beneficiaries to exercise any of their rights, remedies, powers or privileges against any other guarantor or surety or under the Credit Documents or any other agreement or instrument relating thereto against the Borrower or against any other Person.

(c) The Guarantor hereby acknowledges and agrees that, until the Commitments have been terminated and all of the Obligations have been paid in full in cash, under no circumstances shall it be entitled to be subrogated to any rights of any Beneficiary in respect of the Obligations performed by it hereunder or otherwise, and the Guarantor hereby expressly and irrevocably waives, until the Commitments have been terminated and all of the Obligations have been paid in full in cash, (i) each and every such right of subrogation and any claims, reimbursements, right or right of action relating thereto (howsoever arising), and (ii) each and every right to contribution, indemnification, set-off or reimbursement, whether from the Borrower or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, and whether arising by contract or operation of law or otherwise by reason of the Guarantor's execution, delivery or performance of this Guaranty.

(d) The Guarantor represents and warrants that it has established adequate means of keeping itself informed of the Borrower's financial condition and of other circumstances affecting the Borrower's ability to perform the Obligations, and agrees that neither the Administrative Agent nor any Lender shall have any obligation to provide to the Guarantor any information it may have, or hereafter receive, in respect of the Borrower.

**ARTICLE XI
MISCELLANEOUS**

SECTION 11.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

- (a) if to any Credit Party, to it at:

801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Treasurer
Telecopier: (219) 647-6060;

with a copy to such Credit Party at:

801 East 86th Avenue
Merrillville, Indiana 46410
Attention: Director Corporate Finance and Treasury
Telecopier: (219) 647-6180;

- (b) if to the Administrative Agent, to Barclays Bank PLC at:

200 Park Avenue
New York, New York 10166
Attn: Nicholas Bell, Director, Bank Debt Management
Telecopier: (212) 412-7600

with a copy to such party at:

200 Cedar Knolls Road
Whippany, New Jersey 07981
Attn: May Wong, Customer Service Unit
Telephone: (973) 576-3251
Telecopier: (973) 576-3014

- (c) if to any Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 11.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, no Extension of Credit shall be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, the Guarantor and the Required Lenders or by the Borrower, the Guarantor and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees or other amounts payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or any interest thereon, or any fees or other amounts payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the *pro rata* sharing of payments required thereby, without the written consent of each Lender, (v) release the Guarantor from its obligations under the Guaranty without the written consent of each Lender, (vi) waive any of the conditions precedent to the effectiveness of this Agreement set forth in Section 3.01 without the written consent of each Lender, or (vii) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; *provided, further*, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

SECTION 11.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the initial syndication of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof

(whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including in connection with any workout, restructuring or negotiations in respect thereof.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “*Indemnitee*”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related reasonable expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transaction contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property now, in the past or hereafter owned or operated by the Borrower, the Guarantor or any of its other Subsidiaries, or any Environmental Liability related in any way to the Borrower, the Guarantor or any of its other Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against each other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions or any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 20 days after written demand therefor.

SECTION 11.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby; provided that, except to the extent permitted pursuant to Section 6.01(b)(iii)(C), no Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Credit Party without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans and other Obligations at the time owing to it); *provided* that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Administrative Agent and, so long as no Event of Default is continuing, the Borrower must give its prior written consent to such assignment (which consent shall not unreasonably be withheld), (ii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default shall be continuing, the Borrower otherwise consent, (iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, (iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 11.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of

the Lenders, and the Commitment of, and principal amount of the Loans and other Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "*Participant*") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Guarantor and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (f) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such

pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(h) Anything herein to the contrary notwithstanding, each Lender (the “ *Granting Lender* ”) shall have the right, without the prior consent of the Borrower, to grant to a special purpose funding vehicle (the “ *SPFV* ”) that is utilized by such Granting Lender, identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make hereunder, *provided* that (i) nothing herein shall constitute a commitment to make any Loan by any SPFV or shall relieve its Granting Lender of any obligation of such Granting Lender hereunder or under any other Credit Document, except to the extent that such SPFV actually funds all or part of any Loan such Granting Lender is obligated to make hereunder, (ii) if an SPFV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, such Granting Lender shall be obligated to make such Loan pursuant to the terms hereof, (iii) the Granting Lender hereby indemnifies and holds the Administrative Agent harmless from and against any liability, loss, cost or expense (including for or in respect of Taxes) arising out of such identification and grant or any transaction contemplated thereby, and (iv) the provisions of this paragraph (h) shall not impose any increased cost or liability on any Credit Party. The making of a Loan by an SPFV hereunder shall utilize the Commitment of its Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto agrees that no SPFV shall be liable for any payment under this Agreement or any other Credit Document for which a Lender would otherwise be liable, for so long as, and to the extent that, its Granting Lender makes such payment. As to any Loans or portions of Loans made by it, each SPFV shall have all the rights that a Lender making such Loans or such portions of Loans would have had under this Agreement and otherwise; *provided* that (1) its voting rights under this Agreement shall be exercised solely by its Granting Lender and (2) its Granting Lender shall remain solely responsible to the other parties hereto for the performance of such SPFV’s obligations under this Agreement, including its obligations in respect of the Loans or portions of Loans made by it. No additional promissory notes, if any, shall be required to evidence the Loans or portions of Loans made by a SPFV; and the Granting Lender shall be deemed to hold its promissory note, if any, as agent for its SPFV to the extent of the Loans or portions of Loans funded by such SPFV. Each Granting Lender shall act as administrative agent for its SPFV and give and receive notices and other communications on its behalf. Any payments for the account of any SPFV shall be paid to its Granting Lender as administrative agent for such SPFV, and neither a Credit Party nor the Administrative Agent shall be responsible for any Granting Lender’s application of such payments. In furtherance of the foregoing, each party hereto hereby agrees that, until the date that is one year and one day after the payment in full of all outstanding senior Debt of any SPFV, it shall not institute against, or join any other Person in instituting against, such SPFV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings (or any similar proceedings) under the laws of the United States of America or any State thereof. In addition, notwithstanding anything to the contrary contained in this paragraph (h), an SPFV may (1) (A) with notice to, but without the prior written consent of, the Administrative Agent or the Borrower and without paying any processing fee therefor, assign all or any portion of its interest in any Loan to its Granting Lender or (B) with the consent (which consent shall not be unreasonably withheld)

of the Administrative Agent and (if no Event of Default has occurred and is continuing) the Borrower, but without paying any processing fee therefor, assign all or any portion of its interest in any Loan to any financial institution providing liquidity or credit facilities to or for the account of such SPFV to fund the Loans funded by such SPFV or to support any securities issued by such SPFV to fund such Loans, and (2) disclose, on a confidential basis, any non-public information relating to Loans funded by it to any rating agency, commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to such SPFV. The Borrower shall not be required to pay, or to reimburse any Granting Lender for, its expenses relating to any SPFV identified by such Granting Lender pursuant to this paragraph (h).

SECTION 11.05. Survival. All covenants, agreements, representations and warranties made by the Borrower and the Guarantor herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans. The provisions of Sections 2.15, 2.16, 2.17, 10.01(c)(iii) and 11.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the commitment letter relating to the credit facility provided hereby (to the extent provided therein) and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender or any Affiliate thereof is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of any Credit Party against any of

and all the Obligations now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such Obligations may be unmaturred. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 11.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

(b) Each Credit Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Credit Party or its properties in the courts of any jurisdiction.

(c) Each Credit Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 11.10. WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND

(B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than a Credit Party or any Subsidiary of a Credit Party. For the purposes of this Section, "**Information**" means all information received from any Credit Party or any Subsidiary of a Credit Party relating to a Credit Party or any Subsidiary of a Credit Party or its respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Credit Party or any Subsidiary of a Credit Party; *provided* that, in the case of information received from any Credit Party or any Subsidiary of a Credit Party after the Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13. USA PATRIOT Act.

Each Lender hereby notifies the Credit Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of the Credit Parties and other information that will allow such Lender to identify the Credit Parties in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NISOURCE FINANCE CORP., as Borrower

By: /s/ David J. Vajda
Name: David J. Vajda
Title: Vice President and Treasurer

Federal Tax Identification Number: 35-2105468

NISOURCE INC., as Guarantor

By: /s/ David J. Vajda
Name: David J. Vajda
Title: Vice President and Treasurer

Federal Tax Identification Number: 35-2108964

Signature Page to
Revolving Credit Agreement

BARCLAYS BANK PLC, as Sole Lead Arranger and
Lender and as Administrative Agent

By: /s/ Sydney G. Dennis

Name: Sydney G. Dennis

Title: Director

Signature Page to
Revolving Credit Agreement

BANK OF AMERICA, N.A., as a Lender

By: /s/ Patrick Martin

Name: Patrick Martin

Title: Vice President

Signature Page to
Revolving Credit Agreement

CITICORP USA, INC., as a Lender

By: /s/ Amit Vasani

Name: Amit Vasani

Title: Vice President

Signature Page to
Revolving Credit Agreement

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Nancy R. Barwig
Name: Nancy R. Barwig
Title: Vice President

Signature Page to
Revolving Credit Agreement

MIZUHO CORPORATE BANK, LTD.,
NEW YORK BRANCH, as a Lender

By: /s/ Raymond Ventura

Name: Raymond Ventura

Title: Deputy General Manager

Signature Page to
Revolving Credit Agreement

THE ROYAL BANK OF SCOTLAND PLC,
as a Lender

By: /s/ Belinda Tucker
Name: Belinda Tucker
Title: Senior Vice President

Signature Page to
Revolving Credit Agreement



WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Shawn Young

Name: Shawn Young

Title: Director

Signature Page to
Revolving Credit Agreement

FACILITY FEE PRICING GRID

The "Applicable Rate" for any day with respect to the Facility Fee is the percentage set forth below in the row under the column corresponding to the Status that exists on such day:

<u>Status</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Level IV</u>	<u>Level V</u>
Facility Fee (basis points)	10.0	12.5	15.0	17.5	25.0

For purposes of this Facility Fee Pricing Grid, the following terms have the following meanings (as modified by the provisos below):

" *Level I Status* " exists at any date if, at such date, the Index Debt is rated either A- or higher by S&P or A3 or higher by Moody's.

" *Level II Status* " exists at any date if, at such date, the Index Debt is rated either BBB+ by S&P or Baa1 by Moody's.

" *Level III Status* " exists at any date if, at such date, the Index Debt is rated either BBB by S&P or Baa2 by Moody's.

" *Level IV Status* " exists at any date if, at such date, the Index Debt is rated either BBB- by S&P or Baa3 by Moody's.

" *Level V Status* " exists at any date if, at such date, no other Status exists.

" *Status* " refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status exists at any date.

The credit ratings to be utilized for purposes of this Facility Fee Pricing Grid are those assigned to the Index Debt, and any rating assigned to any other debt security of the Borrower shall be disregarded. The rating in effect at any date is that in effect at the close of business on such date.

Provided, that the applicable Status shall change as and when the applicable Index Debt ratings change.

Provided further, that if the Index Debt is split-rated, the applicable Status shall be determined on the basis of the higher of the two ratings then applicable; *provided further, that*, if the Index Debt is split-rated by two or more levels, the applicable Status shall instead be determined on the basis of the rating that is one level above the lower of the two ratings then applicable.

Provided further, that if both Moody's and S&P, or their successors as applicable, shall have ceased to issue or maintain such ratings, then the applicable Status shall be Level V.

EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Revolving Credit Agreement dated as of September 23, 2008, among NiSource Finance Corp., a Delaware corporation, as Borrower (the "**Borrower**"), NiSource Inc., a Delaware corporation ("**NiSource**"), as Guarantor (the "**Guarantor**"), the Sole Lead Arranger and other Lenders from time to time party thereto, and Barclays Bank PLC, as Administrative Agent thereunder. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor named on Schedule 1 hereto (the "**Assignor**") and the Assignee named on Schedule 1 hereto (the "**Assignee**") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), an interest as specified in Schedule 1 hereto (the "**Assigned Interest**") in and to the Assignor's rights and obligations under the Credit Agreement as described on Schedule 1 hereto (individually, an "**Assigned Facility**"; collectively, the "**Assigned Facilities**"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the Assigned Interest, that it has not created any adverse claim upon the Assigned Interest and that the Assigned Interest is free and clear of any such adverse claim; and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, the Guarantor or any of their respective Subsidiaries or the performance or observance by the Borrower or the Guarantor of any of their respective obligations under the Credit Agreement or any other Credit Document.

3. The Assignee (a) represents and warrants that it is legally authorized to enter into the Assignment and Acceptance; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and the most recent financial statements referred to in Section 5.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent, or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other Credit Document; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement and any other Credit Document as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the

Exhibit A-1

provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. The effective date of this Assignment and Acceptance shall be as specified on Schedule 1 hereto (the “*Effective Date*”). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to Section 11.04 of the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the execution hereof).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments with respect to the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have (in addition to any rights and obligations theretofore held by it) the rights and obligations of a Lender thereunder and shall be bound by the provisions thereof, and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement (other than any such rights which expressly survive the termination thereof).

7. This Agreement may be executed in as many counterparts as may be deemed necessary or convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

8. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE INTERNAL LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT IS SUBJECT TO SECTION 11.09 (CHOICE OF FORUM AND SERVICE OF PROCESS) AND SECTION 11.10 (WAIVER OF TRIAL BY JURY) OF THE CREDIT AGREEMENT. THE PROVISIONS OF SUCH SECTIONS 11.09 AND 11.10 OF THE CREDIT AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE IN FULL.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Exhibit A-2

**SCHEDULE 1
TO
ASSIGNMENT AND ACCEPTANCE**

Name of Assignor:

Name of Assignee:

Effective Date of Assignment:

Facility Assigned _____ Principal Amount Assigned _____ Applicable Percentage Assigned * _____

The terms set forth above and in the Assignment and Acceptance to which this Schedule 1 is attached are hereby agreed to:

[Consented to and] # / Accepted for the
Recordation in the Register:

_____, as Assignor

By: _____
Name:
Title:

BARCLAYS BANK PLC,
As Administrative Agent

By: _____
Name:
Title:

_____, as Assignee

By: _____
Name:
Title:

- _____
- If applicable.
 - # To be completed only if consents are required under Section 11.04(b).

[Consented to] :

NISOURCE FINANCE CORP.,
As Borrower

By: _____
Name:
Title:

Exhibit A-4

EXHIBIT B

FORM OF OPINION OF SCHIFF HARDIN LLP

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Schedule 2.01
(Credit Agreement)

Names, Addresses, Allocation of Aggregate Commitment, and Applicable Percentages of Banks

<u>Bank Name</u>	<u>Domestic Lending Office</u>	<u>Eurodollar Lending Office</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
Barclays Bank PLC	Barclays Bank PLC 200 Park Avenue New York, NY 10166	Barclays Bank PLC, Nassau Branch c/o Barclays Bank PLC 200 Park Avenue New York, NY 10166	\$94,736,845.00	18.95%
Bank of America, N.A. Citicorp USA, Inc.	100 North Tryon Street Charlotte, NC 28255 399 Park Avenue, 16 th Floor New York, NY 10043	Same Same	\$71,052,631.00 \$ 71,052,631.00	14.21% % 14.21
JPMorgan Chase Bank, N.A. The Royal Bank of Scotland plc	10 S. Dearborn Chicago, IL 60603 101 Park Avenue 6 th Floor New York, NY 10178	Same Same	\$71,052,631.00 \$ 71,052,631.00	14.21% % 14.21
Wachovia Bank, National Association	201 South College Street, C89 Charlotte, NC 28288	Same	\$71,052,631.00	14.21%
Mizuho Corporate Bank, Ltd., New York Branch	1251 Avenue of the Americas New York, NY 10020	Same	\$50,000,000.00	10.00%
TOTAL			\$ 500,000,000	100%

SCHEDULE 6.01(e)

EXISTING AGREEMENTS

1. Receivables Purchase Agreements and Receivables Sale Agreements of Columbia of Ohio Receivables Corporation and NIPSCO Receivables Corporation.

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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): August 4, 2008

NiSource Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-16189

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 4, 2008, NiSource Inc. (the "Company") reported its financial results for the quarter ended June 30, 2008. The Company's press release, dated August 4, 2008, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated August 4, 2008, issued by NiSource Inc.

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: August 5, 2008

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated August 4, 2008, issued by NiSource Inc.



NEWS

NiSource[®]
801 E. 86th Avenue
Merrillville, IN 46410

FOR IMMEDIATE RELEASE

August 4, 2008

FOR ADDITIONAL INFORMATION

Media

Tom Cuddy
Director, Communications
(219) 647-5581
tcuddy@nisource.com

Investors

Randy Hulen
Director, Investor Relations
(219) 647-5688
rghulen@nisource.com

NiSource Reports Second Quarter Earnings
Reaffirms earnings guidance, highlights continued progress on business plan

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced net operating earnings from continuing operations (non-GAAP) of \$24.3 million, or 9 cents per share, for the three months ended June 30, 2008, a decrease from \$28.3 million, or 10 cents per share, for the second quarter of 2007. Operating earnings (non-GAAP) were \$121.9 million, compared to \$143.5 million for the same period in 2007.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended June 30, 2008, of \$21 million, or 8 cents per share, compared with \$28.9 million, or 11 cents per share, in the same period a year ago. Operating income was \$116.6 million for the second quarter of 2008, compared with \$143.9 million in the year-ago period.

Second quarter net operating earnings, compared with the year ago period, were affected by anticipated higher employee and administrative costs, as well as a one-time adjustment to electric operations depreciation expense in the amount of \$8.3 million, or approximately 2 cents per share. These impacts were mostly offset by higher total net revenues and lower taxes and interest expense.

“I am pleased to report that NiSource remains on track to achieve 2008 financial results which are in line with our business plan,” NiSource President and Chief Executive Officer Robert C. Skaggs, Jr., said. “In particular, I have been encouraged by our team’s ability to overcome challenges and remain focused on executing a broad array of important initiatives across each of our business units. These accomplishments, delivered during a pivotal year for our company, are key elements of our Path Forward strategy for achieving long-term, sustainable earnings growth.”

Skaggs noted that the company is maintaining its net operating earnings (non-GAAP) outlook of \$1.25 to \$1.35 per share for the 2008-2010 time period. On a GAAP basis, for 2008, the lower end of the range for basic earnings from continuing operations is \$1.23 per share primarily due to transition costs associated with NiSource's amended business services agreement with IBM. For 2009 and 2010, the company has reflected no differences between GAAP and non-GAAP measures.

Skaggs highlighted a number of recent accomplishments in each of NiSource's business units that support key elements of the company's Path Forward business strategy:

Gas Distribution: Synchronizing infrastructure-driven investments and regulatory activity

NiSource's Gas Distribution business unit continued to make significant progress on its strategy of synchronizing unprecedented infrastructure replacement and enhancement projects with thoughtful, collaborative regulatory initiatives.

On July 2, **Columbia Gas of Pennsylvania** filed a unanimous, \$41.5 million rate case settlement with an Administrative Law Judge at the Pennsylvania Public Utility Commission (PUC). The settlement details an agreement reached with regulatory stakeholders on an adjustment to Columbia of Pennsylvania's base distribution rates. Subject to approval by the PUC, new rates under the settlement are expected to become effective October 28, 2008.

"The Pennsylvania settlement is a prime example of NiSource's commitment to invest in system service and reliability combined with our broader regulatory philosophy of working collaboratively with stakeholders to achieve mutually beneficial results," Skaggs said. "This outcome also is in sync with Columbia of Pennsylvania's ongoing 20-year, \$1.4 billion infrastructure investment program."

Meanwhile, **Columbia Gas of Ohio** continued to advance its base rate case, filed in March of this year with the Public Utilities Commission of Ohio (PUCO). The Columbia of Ohio case seeks an annual revenue increase of approximately 6 percent, or nearly \$80 million, with new base rates expected to become effective in the fourth quarter. The Ohio filing also is closely integrated with long-term system investment strategies, including Columbia of Ohio's 25-year, \$2 billion-plus infrastructure replacement program.

With natural gas commodity prices reaching record levels, NiSource's gas distribution companies have taken a number of proactive steps to help customers manage their energy costs. In July, Columbia Gas of Ohio filed an application with the PUCO for permission to create a new comprehensive energy conservation program. This Demand Side Management (DSM) program, which was approved by the PUCO in an order issued on July 23, is designed to offer a wide range of services to residential and small commercial customers. The company proposes to recover the three-year, \$24.9 million cost of the DSM conservation program through a rider that would be added to residential and small commercial customer bills beginning in May 2010.

Electric Operations: Addressing capacity needs while pursuing a robust regulatory agenda

During the second quarter, **Northern Indiana Public Service Company** (NIPSCO) took a major step forward in meeting its customers' long-term electric generation capacity needs when it acquired the \$330 million Sugar Creek Power Plant, a 535-megawatt combined cycle gas turbine, located in West Terre Haute, Ind. The Indiana Utility Regulatory Commission (IURC) approved NIPSCO's acquisition of the plant in an order issued May 28. The order denied certain cost deferral and rate treatment proposed by NIPSCO, and indicated that the company could seek such treatment by means of an Alternative Regulatory Plan (ARP) filing. On June 6, NIPSCO filed an ARP proposal with the IURC seeking approval for the deferral of certain costs associated with the Sugar Creek plant. NIPSCO's ARP proposal is pending.

NIPSCO also took steps during to quarter to diversify its electric supply portfolio with the addition of renewable energy options. On July 24, the IURC issued an order approving NIPSCO's proposed purchase power agreement with Iberdrola Renewables, one of the world's leading producers of power from wind and other renewable sources. The agreement provides NIPSCO the opportunity to purchase 100 megawatts of wind power commencing in early 2009.

NIPSCO also continued to advance its regulatory agenda with the June 27 filing of a petition with the IURC to modify its rates and charges for electric utility service. The rate case filing is part of a commitment NIPSCO made in an earlier agreement with regulatory stakeholders. A formal filing will be made with the IURC later this month.

"NIPSCO's landmark electric rate case marks the first time in more than 20 years that the company has sought a comprehensive review of its electric services, cost levels and rates," Skaggs noted. "Our team looks forward to exploring those changes – in a collaborative fashion – with all of NIPSCO's stakeholders."

Gas Transmission & Storage: Advancing growth projects

NiSource Gas Transmission & Storage (NGT&S) continued to advance a steady stream of growth projects with its June 25 filing of an application with the Federal Energy Regulatory Commission (FERC) for approval of the \$65 million Ohio Storage Expansion project, an expansion of **Columbia Gas Transmission Corp.**'s Ohio natural gas storage facilities to meet growing demand in the company's mid-Atlantic markets. If approved by the FERC, the project will increase Columbia Transmission's storage capacity by 6.7 billion cubic feet and enhance its daily storage deliverability by 100,000 dekatherms per day. Pending FERC approval, the company anticipates placing the project in-service in November 2009.

Also pending regulatory approval is the \$40 million Appalachian Expansion Project, which would provide increased market access for natural gas produced from the Appalachian Supply Basin in southern West Virginia and eastern Kentucky. The project is comprised of a 9,470-horsepower compressor station along Columbia Gas Transmission's existing pipeline system in Lincoln County, W.Va., enabling the company to transport an incremental 100,000 dekatherms of natural gas per day. The project is underpinned by 15-year contracts with CNX Gas Co. LLC, Equitable Production Co., and Chesapeake Appalachian LLC. Subject to approval by the FERC, the project is expected to be in service during the fourth quarter of 2009.

Construction also is continuing on several other NGT&S expansion projects, including the Eastern Market Expansion project – a nearly 100,000 dekatherm-per-day expansion of pipeline, compression and storage facilities, scheduled to be in-service the second quarter of 2009 – and the Millennium Pipeline, which is targeted to begin operations during the fourth quarter of this year.

On July 1, **Columbia Gulf Transmission** received permission from the U.S. Department of Transportation to restore normal operating pressure on the company's Line 100 pipeline, which was damaged during an incident near Delhi, La. in December 2007. With the restoration of Line 100 and the temporary restoration of service at its Hartsville, Tenn. Compressor Station – which was destroyed by a tornado in February – the Columbia Gulf system is now capable of meeting its contractual transportation capacity level of 2.156 billion cubic feet per day.

Skaggs also noted that, due to the ongoing recovery work at Columbia Gulf's Hartsville Compressor Station, as well as overall financial market conditions, NiSource now anticipates that an initial public offering of units in NiSource Energy Partners, LLP, a new Master Limited Partnership, is not likely to occur during 2008.

"Despite obvious and unforeseen challenges, our NGT&S team continues to make significant progress in executing on a steady stream of growth projects to meet the increasing needs of customers and suppliers alike," Skaggs said. "In addition to the projects announced to date, the team has developed an extensive inventory of additional opportunities which will play a key role in growing NGT&S business in the years to come."

In summary, Skaggs noted that the progress taking place across all of the NiSource business units in 2008 will establish the necessary foundation for long-term, sustainable earnings growth. "As the above discussion illustrates, we are advancing on all fronts with a broad array of regulatory, commercial and investment initiatives. And we are making solid, brick-by-brick, progress in delivering on our plan," Skaggs said.

Focusing on Core Assets: Whiting, offshore sales completed; Northern Utilities sale on track

As part of its efforts to focus on its core regulated assets, NiSource has continued to take steps to divest certain non-strategic assets. On June 30, NiSource closed on the sale of its **Whiting Clean Energy** (WCE) unit to BP Alternative Energy North America (BPAE). BPAE purchased the Whiting facility for approximately \$217 million, including working capital.

Also in June, **Columbia Gulf Transmission** and Tennessee Gas Pipeline Co. closed on the sale of Columbia Gulf's offshore Louisiana assets and operations in the Gulf of Mexico. These assets, which do not comprise a significant portion of Columbia Gulf's assets or earnings base, are not considered strategic to Columbia Gulf, which is focusing on growing its onshore transportation business.

Also during the second quarter, NiSource and Unitil Corporation continued to move closer to a late 2008 closing on the sale of **Northern Utilities and Granite State Gas Transmission** to Unitil for \$160 million, plus an estimated \$25 million in natural gas inventory and other working capital items.

Tawney Litigation Update

In other discontinued operations matters, the company noted a number of developments related to the Tawney class-action litigation in West Virginia, which involves natural gas royalty claims asserted against Columbia Natural Resources, a former NiSource subsidiary, for which NiSource retained primary financial responsibility. As previously reported, on May 22, the West Virginia Supreme Court of Appeals declined to review the trial court judgment in the case, which included compensatory damages of approximately \$134 million and punitive damages of approximately \$270 million. The West Virginia Supreme Court subsequently granted NiSource's request for a stay of the judgment, pending action by the U.S. Supreme Court on a petition for a writ of certiorari, which NiSource plans to file in late August. The company anticipates the U.S. Supreme Court will decide whether to accept the appeal later this year or early in 2009.

While NiSource believes it has meritorious arguments, particularly with respect to the punitive damages award, it cannot predict the outcome of the appellate process. Consequently, in the second quarter, the company increased its reserve related to the Tawney litigation to reflect the portion of the trial court judgment for which NiSource would be responsible, inclusive of interest. This adjustment is reflected, along with other reserve adjustments, in the company's quarterly GAAP financial reports.

Second Quarter 2008 Operating Earnings – Segment Results (non-GAAP)

NiSource's consolidated second-quarter 2008 operating earnings (non-GAAP) were \$121.9 million, compared to \$143.5 million for the same period in 2007. Refer to Schedule 2 for the items included in 2008 and 2007 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the quarter ended June 30, 2008, are discussed below.

Gas Distribution Operations reported an operating earnings loss of \$3.9 million versus operating earnings of \$8.9 million in the second quarter of 2007. The decrease resulted primarily from increased operating expenses which were \$9.6 million higher than the prior year. The increase was mainly due to higher employee and administrative expenses, uncollectible accounts and higher depreciation costs. Net revenues were \$3.2 million lower than the same period in 2007, as increases from rate proceedings and other service programs were more than offset by reduced revenues due to a Stipulation entered into among Columbia of Ohio and its regulatory stakeholders in late 2007.

Gas Transmission and Storage Operations reported operating earnings of \$75.5 million versus operating earnings of \$74.6 million in the second quarter of 2007. Increased net revenues were mostly offset by higher operating expenses and lower equity earnings. Increases in net revenues of \$6.4 million were primarily due to increased subscriptions for firm transportation services related to new interconnects along the Columbia Gulf pipeline system, deliveries from the Hardy Storage field and incremental demand revenues on the Columbia Gas Transmission pipeline system.

Operating expenses increased by \$3.4 million for the quarter mainly due to higher employee and administrative expenses and the impact from an adjustment to a reserve balance that favorably impacted last year's second quarter results by \$2.8 million, partially offset by lower outside services and uncollectible accounts. Equity earnings decreased by \$2.1 million due primarily to lower AFUDC and lower operating earnings from Hardy Storage.

Electric Operations reported operating earnings of \$52.1 million versus operating earnings of \$61.8 million from the same quarter last year. Operating expenses increased by \$10.7 million due primarily to higher employee and administrative costs and higher depreciation costs. The higher depreciation costs included an \$8.3 million adjustment recorded by NIPSCO during the second quarter. This non-cash adjustment will not have a material impact on depreciation charges in future periods. Net revenues increased by \$1 million as a result of higher industrial volumes, timing of revenue credits and incremental revenues from the new Sugar Creek plant, partially offset by non-recoverable purchased power costs.

Other Operations reported operating earnings of \$0.8 million in the second quarter of 2008, compared with an operating earnings loss of \$0.3 million in the prior year period. The improvement resulted from higher net revenues from commercial and industrial gas marketing activities. These operating earnings results no longer include earnings associated with the WCE facility which, as noted above, was sold to BPAE on June 30. Earnings associated with WCE's operations have been reclassified to discontinued operations for the current and comparable periods. Other Operations primarily include commercial and industrial gas marketing activities.

Other Items

Interest expense decreased by \$11.0 million due to lower short-term interest rates and credit facility fees and the retirement late in 2007 of high-cost debt associated with the WCE facility.

Six Month Period 2008 Operating Earnings – Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the six months ended June 30, 2008, were \$516.6 million, compared to \$572.0 million for the same period in 2007. Refer to Schedule 2 for the items included in 2008 and 2007 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the six months ended June 30, 2008 are discussed below.

Gas Distribution Operations reported operating earnings of \$251.6 million compared to \$259.8 million reported for the first six months of 2007. Net revenues increased \$15.0 million, primarily attributable to increased residential volumes and regulatory initiatives and other service programs, partially offset by reduced revenues as a result of the Stipulation entered into among Columbia of Ohio and its regulatory stakeholders in late 2007, discussed above. Operating expenses were \$23.2 million higher than the comparable period due primarily to increases in employee and administrative costs, depreciation costs and other taxes.

Gas Transmission and Storage Operations reported operating earnings of \$179.9 million versus operating earnings of \$181.9 million in the first six months of 2007. The decrease resulted primarily from higher operating expenses partially offset by increased net revenues. Operating expenses increased by \$8.8 million due primarily to higher employee and administrative costs and a reduction of a reserve balance that favorably impacted last year's second quarter results by \$2.8 million, partially offset by lower uncollectible accounts and insurance costs. Partially offsetting these impacts were higher net revenues of \$8.4 million from firm capacity reservation fees. These increases in net revenues from firm capacity reservation fees were the result of higher Columbia Gas Transmission transportation deliveries from the Hardy Storage field and incremental demand revenues from new interconnects along the Columbia Gulf and Columbia Gas Transmission pipeline systems. Equity earnings decreased by \$1.6 million due to higher interest expense associated with Millennium Pipeline.

Electric Operations reported operating earnings of \$90.1 million for the first six months of 2008, compared with \$135.1 million for the prior year period. Lower net revenues and higher operating expenses both contributed to the lower operating earnings. Net revenue decreased by \$14.7 million due primarily to lower residential and commercial margins and non-recoverable purchased power and fuel costs, partially offset by higher industrial usage and margins and the timing of revenue credits. Operating expenses increased by \$30.3 million due primarily to higher employee and administrative costs, electric generation and maintenance expenses and depreciation costs.

A portion of the increase in employee and administrative costs was due to a \$5.7 million reduction in benefit expenses during 2007. The higher depreciation costs included an \$8.3 million adjustment recorded by NIPSCO during the same quarter. This non-cash adjustment will not have a material impact on depreciation charges in future periods.

Other Operations reported operating earnings of \$0.3 million in the first six months of 2008, versus zero operating earnings or loss in the first six months of 2007. The improvement resulted from higher net revenues from commercial and industrial gas marketing activities.

Other Items

Interest expense decreased by \$18.3 million due to lower short-term interest rates and credit facility fees and the retirement late in 2007 of high-cost debt associated with the WCE facility. The effective tax rate of net operating earnings for 2007 is 36.7% compared to last year's rate of 37.2%.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the three months ended June 30, 2008, of \$21.0 million, or 8 cents per share, compared with \$28.9 million, or 11 cents per share, in the same period a year ago. Operating income was \$116.6 million for the second quarter of 2008, compared with \$143.9 million in the year-ago period. In addition to the impacts already discussed above in the segment discussions, the decrease in earnings was primarily due to unfavorable weather in NiSource's gas distribution and electric markets during the quarter compared to the same period a year ago.

On a GAAP basis, NiSource reported income from continuing operations for the six months ended June 30, 2008, of \$210.4 million, or 77 cents per share, compared with \$235.4 million, or 86 cents per share last year. Operating income was \$511.4 million for the first six months of 2008 versus

\$574.3 million in the year-ago period. In addition to the impacts already discussed above in the segment discussions, the decrease in earnings for the first half of 2007 was due to unfavorable weather in NiSource's gas distribution and electric markets compared to 2007.

Refer to Schedule 1 for a complete list of the items included in 2008 and 2007 GAAP income from Continuing Operations but excluded from net operating earnings.

Discontinued Operations

As noted above, in the second quarter of 2008, NiSource recorded an additional accrual related to the Tawney lawsuit in West Virginia. This adjustment to the reserve was based on the May 22 denial of a petition by the defendants (including NiSource) for review of the case by the West Virginia Supreme Court of Appeals. The defendants are preparing a petition to the U.S. Supreme Court for a writ of certiorari, which is expected to be filed in late August 2008.

In the first quarter of 2008, NiSource began accounting for the operations of Northern Utilities, Granite State Gas and Whiting Clean Energy as discontinued operations. In the first quarter of 2008, NiSource recorded an estimated after-tax loss of \$96.1 million (35 cents per share) for the disposition of these operations. In the second quarter of 2008, NiSource recorded an additional after tax loss of \$2.8 million (1 cent per share) for the closing of the WCE disposition and adjustments for the estimated disposition of Northern Utilities and Granite State Gas expected to close later this year. All results of operations for these businesses in all periods presented are classified as net income from discontinued operations.

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 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. 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 presentation 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. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: 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 restructuring of its outsourcing agreement; actual operating experience of NiSource assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk.

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

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30.		Six Months Ended June 30.	
	2008	2007	2008	2007
Net Revenues				
Gas Distribution	\$ 926.2	\$ 746.9	\$3,156.8	\$2,586.5
Gas Transportation and Storage	235.6	228.5	592.8	572.8
Electric	340.8	330.2	671.9	656.2
Other	292.9	252.4	663.9	582.5
Gross Revenues	1,795.5	1,558.0	5,085.4	4,398.0
Cost of Sales (excluding depreciation and amortization)	1,121.8	889.2	3,370.3	2,691.3
Total Net Revenues	673.7	668.8	1,715.1	1,706.7
Operating Expenses				
Operation and maintenance	305.8	294.1	624.6	582.4
Operation and maintenance — trackers	36.6	37.6	127.3	125.5
Depreciation and amortization	147.7	133.5	283.3	267.8
Other taxes	48.8	48.8	105.5	104.4
Other taxes — trackers	14.5	15.0	61.4	59.8
Total Operating Expenses	553.4	529.0	1,202.1	1,139.9
Equity Earnings in Unconsolidated Affiliates	1.6	3.7	3.6	5.2
Operating Earnings	121.9	143.5	516.6	572.0
Other Income (Deductions)				
Interest expense, net	(87.4)	(98.4)	(179.2)	(197.5)
Other, net	1.3	(0.1)	(0.2)	(3.0)
Total Other Income (Deductions)	(86.1)	(98.5)	(179.4)	(200.5)
Operating Earnings From Continuing Operations Before Income Taxes	35.8	45.0	337.2	371.5
Income Taxes	11.5	16.7	123.6	138.2
Net Operating Earnings from Continuing Operations	24.3	28.3	213.6	233.3
GAAP Adjustment	(3.3)	0.6	(3.2)	2.1
GAAP Income from Continuing Operations	\$ 21.0	\$ 28.9	\$ 210.4	\$ 235.4
Basic Net Operating Earnings Per Share from Continuing Operations	0.09	0.10	0.78	0.85
GAAP Basic Earnings Per Share from Continuing Operations	0.08	0.11	0.77	0.86
Basic Average Common Shares Outstanding (millions)	274.0	273.8	273.9	273.7

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Gas Distribution Operations <i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net Revenues				
Sales Revenues	\$1,031.8	\$853.2	\$3,480.2	\$2,903.6
Less: Cost of gas sold	765.3	583.5	2,593.9	2,032.3
Net Revenues	266.5	269.7	886.3	871.3
Operating Expenses				
Operation and maintenance	156.7	147.3	316.5	300.1
Operation and maintenance — trackers	24.4	26.4	102.6	102.2
Depreciation and amortization	57.6	55.5	114.3	111.5
Other taxes	17.2	16.6	39.9	37.9
Other taxes — trackers	14.5	15.0	61.4	59.8
Total Operating Expenses	270.4	260.8	634.7	611.5
Operating Earnings (Loss)	\$ (3.9)	\$ 8.9	\$ 251.6	\$ 259.8
GAAP Adjustment	(6.1)	4.4	(6.7)	7.6
GAAP Operating Income (Loss)	\$ (10.0)	\$ 13.3	\$ 244.9	\$ 267.4

Gas Transmission and Storage Operations <i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net Revenues				
Transportation revenues	\$150.8	\$144.1	\$335.6	\$326.2
Storage revenues	44.5	44.5	90.1	90.4
Other revenues	0.7	1.3	1.6	2.3
Total Revenues	196.0	189.9	427.3	418.9
Less: Cost of gas sold	—	0.3	—	—
Net Revenues	196.0	189.6	427.3	418.9
Operating Expenses				
Operation and maintenance	67.5	65.9	140.7	135.5
Operation and maintenance — trackers	10.7	9.5	21.7	19.6
Depreciation and amortization	29.4	29.2	58.7	58.0
Other taxes	14.5	14.1	29.9	29.1
Total Operating Expenses	122.1	118.7	251.0	242.2
Equity Earnings in Unconsolidated Affiliates	1.6	3.7	3.6	5.2
Operating Earnings	\$ 75.5	\$ 74.6	\$179.9	\$181.9
GAAP Adjustment	2.4	(6.8)	2.8	(7.5)
GAAP Operating Income	\$ 77.9	\$ 67.8	\$182.7	\$174.4

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NiSource Inc.
Segment Operating Earnings (Non-GAAP) (continued)

Electric Operations (in millions)	Three Months Ended June 30.		Six Months Ended June 30.	
	2008	2007	2008	2007
Net Revenues				
Sales Revenues	\$342.3	\$331.2	\$674.6	\$658.3
Less: Cost of sales	139.9	129.8	289.5	258.5
Net Revenues	202.4	201.4	385.1	399.8
Operating Expenses				
Operation and maintenance	76.2	75.9	157.4	135.4
Operation and maintenance — trackers	1.5	1.7	3.0	3.7
Depreciation and amortization	58.4	46.6	105.8	94.6
Other taxes	14.2	15.4	28.8	31.0
Total Operating Expenses	150.3	139.6	295.0	264.7
Operating Earnings	\$ 52.1	\$ 61.8	\$ 90.1	\$135.1
GAAP Adjustment	(1.4)	3.0	(1.0)	2.7
GAAP Operating Income	\$ 50.7	\$ 64.8	\$ 89.1	\$137.8
Other Operations (in millions)				
Net Revenues				
Products and services revenue	\$285.3	\$242.7	\$644.6	\$564.4
Less: Cost of products sold	277.2	235.9	629.3	549.4
Net Revenues	8.1	6.8	15.3	15.0
Operating Expenses				
Operation and maintenance	5.3	5.6	10.7	11.4
Depreciation and amortization	0.7	0.6	1.4	1.2
Other taxes	1.3	0.9	2.9	2.4
Total Operating Expenses	7.3	7.1	15.0	15.0
Operating Earnings (Loss)	\$ 0.8	\$ (0.3)	\$ 0.3	\$ —
GAAP Adjustment	(0.1)	(0.1)	(0.1)	(0.2)
GAAP Operating Income (Loss)	\$ 0.7	\$ (0.4)	\$ 0.2	\$ (0.2)
Corporate (in millions)				
Operating Earnings (Loss)	\$(2.6)	\$(1.5)	\$(5.3)	\$(4.8)
GAAP Adjustment	(0.1)	(0.1)	(0.2)	(0.3)
GAAP Operating Income (Loss)	\$(2.7)	\$(1.6)	\$(5.5)	\$(5.1)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended June 30.		Six Months Ended June 30.	
	2008	2007	2008	2007
Sales and Transportation (MMDth)				
Residential	33.7	39.4	171.1	173.6
Commercial	26.5	29.2	104.5	103.6
Industrial	89.3	82.1	192.5	187.3
Off System	23.0	22.5	60.4	41.1
Other	0.2	0.2	0.7	0.5
Total	172.7	173.4	529.2	506.1
Weather Adjustment	1.8	(3.5)	1.4	(5.9)
Sales and Transportation Volumes — Excluding Weather	174.5	169.9	530.6	500.2
Heating Degree Days	451	501	3,130	3,124
Normal Heating Degree Days	475	475	3,140	3,111
% Colder (Warmer) than Normal	(5%)	5%	0%	0%
Customers				
Residential			2,990,223	2,999,874
Commercial			275,937	275,484
Industrial			8,019	8,047
Other			72	73
Total			3,274,251	3,283,478
Gas Transmission and Storage Operations				
Throughput (MMDth)				
Columbia Transmission				
Market Area	166.8	186.8	553.2	572.0
Columbia Gulf				
Mainline	166.4	178.9	326.1	326.0
Short-haul	70.1	50.7	145.1	91.2
Columbia Pipeline Deep Water	0.7	0.7	0.9	1.5
Crossroads Gas Pipeline	9.0	9.2	19.1	19.4
Intrasegment eliminations	(137.3)	(161.8)	(269.3)	(290.0)
Total	275.7	264.5	775.1	720.1

NiSource Inc.
Segment Volumes and Statistical Data (continued)

Electric Operations	Three Months Ended June 30.		Six Months Ended June 30.	
	2008	2007	2008	2007
Sales (Gigawatt Hours)				
Residential	745.8	793.8	1,552.6	1,639.0
Commercial	952.5	1,005.7	1,896.5	1,933.7
Industrial	2,376.2	2,331.6	4,890.2	4,673.4
Wholesale	185.2	207.8	329.9	345.1
Other	29.8	32.3	64.6	59.0
Total	4,289.5	4,371.2	8,733.8	8,650.2
Weather Adjustment	17.6	(55.9)	8.1	(55.5)
Sales Volumes — Excluding Weather impacts	4,307.1	4,315.3	8,741.9	8,594.7
Cooling Degree Days	201	313	201	313
Normal Cooling Degree Days	230	232	230	232
% Warmer (Colder) than Normal	(13%)	35%	(13%)	35%
Electric Customers				
Residential			399,276	398,073
Commercial			53,095	52,299
Industrial			2,498	2,516
Wholesale			6	4
Other			754	757
Total			455,629	453,649

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

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net Operating Earnings from Continuing Operations	\$ 24.3	\$ 28.3	\$213.6	\$233.3
Items excluded from operating earnings:				
Net Revenues:				
Weather — compared to normal	(3.4)	8.9	(3.6)	13.6
Operating Expenses:				
Transition charges (IBM Agreement)	(2.7)	(2.2)	(3.9)	(2.2)
Gain/loss on sale of assets and asset impairments	0.8	(6.3)	2.3	(9.1)
Total items excluded from operating earnings	(5.3)	0.4	(5.2)	2.3
Tax effect of above items and other income tax adjustments	2.0	0.2	2.0	(0.2)
Reported Income from Continuing Operations — GAAP	\$ 21.0	\$ 28.9	\$210.4	\$235.4
Basic Average Common Shares Outstanding (millions)	274.0	273.8	273.9	273.7
Basic Net Operating Earnings Per Share from Continuing Operation	0.09	0.10	0.78	0.85
Items excluded from net operating earnings (after-tax)	(0.01)	0.01	(0.01)	0.01
GAAP Basic Earnings Per Share from Continuing Operations	0.08	0.11	0.77	0.86

NiSource Inc.
Schedule 2 — Quarterly Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended June 30,

2008 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$ (3.9)	\$75.5	\$52.1	\$ 0.8	\$(2.6)	\$121.9
Net Revenues:						
Weather (compared to normal)	(2.4)	—	(1.0)	—	—	(3.4)
Total Impact — Net Revenues	(2.4)	—	(1.0)	—	—	(3.4)
Operating Expenses:						
Transition charges (IBM Agreement)	(1.6)	(0.5)	(0.4)	(0.1)	(0.1)	(2.7)
Gain/loss on sale of assets and asset impairments	(2.1)	2.9	—	—	—	0.8
Total Impact — Operating Expenses	(3.7)	2.4	(0.4)	(0.1)	(0.1)	(1.9)
Total Impact — Operating Income (Loss)	(6.1)	2.4	(1.4)	(0.1)	(0.1)	(5.3)
Operating Income (Loss) — GAAP	\$(10.0)	\$77.9	\$50.7	\$ 0.7	\$(2.7)	\$116.6

2007 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$ 8.9	\$74.6	\$61.8	\$(0.3)	\$(1.5)	\$143.5
Net Revenues:						
Weather (compared to normal)	5.6	—	3.3	—	—	8.9
Total Impact — Net Revenues	5.6	—	3.3	—	—	8.9
Operating Expenses:						
Transition charges (IBM Agreement)	(1.3)	(0.4)	(0.3)	(0.1)	(0.1)	(2.2)
Gain/loss on sale of assets and asset impairments	0.1	(6.4)	—	—	—	(6.3)
Total Impact — Operating Expenses	(1.2)	(6.8)	(0.3)	(0.1)	(0.1)	(8.5)
Total Impact — Operating Income (Loss)	4.4	(6.8)	3.0	(0.1)	(0.1)	0.4
Operating Income (Loss) — GAAP	\$13.3	\$67.8	\$64.8	\$(0.4)	\$(1.6)	\$143.9

NiSource Inc.
Schedule 2 — Year to Date Adjustments by Segment from Operating Earnings to GAAP
For Six Months ended June 30,

2008 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$251.6	\$179.9	\$90.1	\$ 0.3	\$(5.3)	\$516.6
Net Revenues:						
Weather (compared to normal)	(3.3)	—	(0.3)	—	—	(3.6)
Total Impact — Net Revenues	(3.3)	—	(0.3)	—	—	(3.6)
Operating Expenses:						
Transition charges (IBM Agreement)	(2.4)	(0.7)	(0.6)	(0.1)	(0.1)	(3.9)
Gain/loss on sale of assets and asset impairments	(1.0)	3.5	(0.1)	—	(0.1)	2.3
Total Impact — Operating Expenses	(3.4)	2.8	(0.7)	(0.1)	(0.2)	(1.6)
Total Impact — Operating Income (Loss)	(6.7)	2.8	(1.0)	(0.1)	(0.2)	(5.2)
Operating Income (Loss) — GAAP	\$244.9	\$182.7	\$89.1	\$ 0.2	\$(5.5)	\$511.4

2007 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$259.8	\$181.9	\$135.1	\$ —	\$(4.8)	\$572.0
Net Revenues:						
Weather (compared to normal)	10.3	—	3.3	—	—	13.6
Total Impact — Net Revenues	10.3	—	3.3	—	—	13.6
Operating Expenses:						
Transition charges (IBM Agreement)	(1.3)	(0.4)	(0.3)	(0.1)	(0.1)	(2.2)
Gain/loss on sale of assets and asset impairments	(1.4)	(7.1)	(0.3)	(0.1)	(0.2)	(9.1)
Total Impact — Operating Expenses	(2.7)	(7.5)	(0.6)	(0.2)	(0.3)	(11.3)
Total Impact — Operating Income (Loss)	7.6	(7.5)	2.7	(0.2)	(0.3)	2.3
Operating Income (Loss) — GAAP	\$267.4	\$174.4	\$137.8	\$(0.2)	\$(5.1)	\$574.3

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

<i>(in millions, except per share amounts)</i>	Three Months Ended June 30.		Six Months Ended June 30.	
	2008	2007	2008	2007
Net Revenues				
Gas Distribution	\$ 923.8	\$ 752.5	\$3,153.5	\$2,596.8
Gas Transportation and Storage	235.6	228.5	592.8	572.8
Electric	339.8	333.5	671.6	659.5
Other	292.9	252.4	663.9	582.5
Gross Revenues	1,792.1	1,566.9	5,081.8	4,411.6
Cost of Sales (excluding depreciation and amortization)	1,121.8	889.2	3,370.3	2,691.3
Total Net Revenues	670.3	677.7	1,711.5	1,720.3
Operating Expenses				
Operation and maintenance	345.2	333.9	755.9	710.0
Depreciation and amortization	147.7	133.5	283.3	267.8
Impairment and (gain) loss on sale of assets	(0.9)	6.3	(2.4)	9.2
Other taxes	63.3	63.8	166.9	164.2
Total Operating Expenses	555.3	537.5	1,203.7	1,151.2
Equity Earnings in Unconsolidated Affiliates	1.6	3.7	3.6	5.2
Operating Income	116.6	143.9	511.4	574.3
Other Income (Deductions)				
Interest expense, net	(87.4)	(98.4)	(179.2)	(197.5)
Other, net	1.3	(0.1)	(0.2)	(3.0)
Total Other Income (Deductions)	(86.1)	(98.5)	(179.4)	(200.5)
Income From Continuing Operations Before Income Taxes	30.5	45.4	332.0	373.8
Income Taxes	9.5	16.5	121.6	138.4
Income From Continuing Operations	21.0	28.9	210.4	235.4
Income (Loss) from Discontinued Operations — net of taxes	(220.5)	(1.4)	(214.5)	2.2
Gain (Loss) on Disposition of Discontinued Operations — net of taxes	(2.8)	(0.8)	(98.9)	5.8
Net Income (Loss)	\$ (202.3)	\$ 26.7	\$ (103.0)	\$ 243.4
Basic Earnings Per Share (\$)				
Continuing operations	\$ 0.08	\$ 0.11	\$ 0.77	\$ 0.86
Discontinued operations	(0.82)	(0.01)	(1.15)	0.03
Basic Earnings Per Share	\$ (0.74)	\$ 0.10	\$ (0.38)	\$ 0.89
Diluted Earnings Per Share (\$)				
Continuing operations	\$ 0.08	\$ 0.11	\$ 0.77	\$ 0.86
Discontinued operations	(0.81)	(0.01)	(1.14)	0.03
Diluted Earnings Per Share	\$ (0.73)	\$ 0.10	\$ (0.37)	\$ 0.89
Dividends Declared Per Common Share (\$)	\$ 0.23	\$ 0.23	\$ 0.69	\$ 0.69
Basic Average Common Shares Outstanding (millions)	274.0	273.8	273.9	273.7
Diluted Average Common Shares (millions)	275.4	274.9	275.4	274.8

NiSource Inc.
Consolidated Balance Sheets
(unaudited)

<i>(in millions)</i>	June 30, 2008	December 31, 2007
ASSETS		
Property, Plant and Equipment		
Utility Plant	\$18,040.9	\$ 17,295.6
Accumulated depreciation and amortization	(7,982.5)	(7,787.0)
Net utility plant	10,058.4	9,508.6
Other property, at cost, less accumulated depreciation	67.7	67.3
Net Property, Plant and Equipment	10,126.1	9,575.9
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	299.2	593.2
Unconsolidated affiliates	76.0	72.7
Other investments	110.8	117.2
Total Investments and Other Assets	486.0	783.1
Current Assets		
Cash and cash equivalents	45.9	34.6
Restricted cash	1.3	57.7
Accounts receivable (less reserve of \$43.2 and \$37.0, respectively)	737.0	900.6
Gas inventory	270.1	452.2
Underrecovered gas and fuel costs	344.5	158.3
Materials and supplies, at average cost	82.1	78.1
Electric production fuel, at average cost	48.3	58.1
Price risk management assets	248.4	102.2
Exchange gas receivable	464.2	210.5
Regulatory assets	200.3	215.4
Assets of discontinued operations and assets held for sale	64.4	85.0
Prepayments and other	173.9	107.3
Total Current Assets	2,680.4	2,460.0
Other Assets		
Price risk management assets	131.8	25.2
Regulatory assets	885.5	867.5
Goodwill	3,677.3	3,677.3
Intangible assets	336.1	341.6
Postretirement and postemployment benefits assets	178.8	157.8
Deferred charges and other	114.2	121.5
Total Other Assets	5,323.7	5,190.9
Total Assets	\$18,616.2	\$ 18,009.9

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

<i>(in millions, except share amounts)</i>	June 30, 2008	December 31, 2007
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock — \$0.01 par value, 400,000,000 shares authorized; 274,216,784 and 274,176,752 shares issued and outstanding, respectively	\$ 2.7	\$ 2.7
Additional paid-in capital	4,015.4	4,011.0
Retained earnings	782.2	1,074.5
Accumulated other comprehensive income	34.0	11.7
Treasury stock	(23.4)	(23.3)
Total Common Stockholders' Equity	4,810.9	5,076.6
Long-term debt, excluding amounts due within one year	6,059.9	5,594.4
Total Capitalization	10,870.8	10,671.0
Current Liabilities		
Current portion of long-term debt	43.1	33.9
Short-term borrowings	506.0	1,061.0
Accounts payable	665.2	713.0
Dividends declared	63.1	—
Customer deposits	112.4	112.8
Taxes accrued	223.7	188.4
Interest accrued	99.9	99.3
Overrecovered gas and fuel costs	0.7	10.4
Price risk management liabilities	117.4	79.9
Exchange gas payable	687.0	441.6
Deferred revenue	14.1	38.7
Regulatory liabilities	113.1	87.8
Accrued liability for postretirement and postemployment benefits	4.9	4.8
Liabilities of discontinued operations and liabilities held for sale	57.2	20.1
Temporary LIFO liquidation credit	174.8	—
Legal and environmental reserves	452.2	112.3
Other accruals	314.0	393.6
Total Current Liabilities	3,648.8	3,397.6
Other Liabilities and Deferred Credits		
Price risk management liabilities	55.6	1.7
Deferred income taxes	1,522.2	1,466.2
Deferred investment tax credits	49.8	53.4
Deferred credits	85.5	81.3
Deferred revenue	0.2	0.2
Accrued liability for postretirement and postemployment benefits	553.1	547.8
Liabilities of discontinued operations and liabilities held for sale	86.9	141.3
Regulatory liabilities and other removal costs	1,427.3	1,337.7
Asset retirement obligations	128.2	128.2
Other noncurrent liabilities	187.8	183.5
Total Other Liabilities and Deferred Credits	4,096.6	3,941.3
Commitments and Contingencies	—	—
Total Capitalization and Liabilities	\$18,616.2	\$ 18,009.9

NiSource Inc.
Other Information
(*unaudited*)

<i>(in millions, except share amounts)</i>	June 30, 2008	December 31, 2007
Total Common Stockholders' Equity	\$ 4,810.9	\$ 5,076.6
Shares Outstanding (thousands)	274,217	274,177
Book Value of Common Shares	\$ 17.54	\$ 18.52

NiSource Inc.
Statements of Consolidated Cash Flow
(unaudited)

Six Months Ended June 30. <i>(in millions)</i>	2008	2007
Operating Activities		
Net income (loss)	\$ (103.0)	\$ 243.4
Adjustments to reconcile net income to net cash from continuing operations:		
Depreciation and amortization	283.3	267.8
Net changes in price risk management assets and liabilities	19.1	(1.3)
Deferred income taxes and investment tax credits	52.1	(17.7)
Deferred revenue	(24.6)	(22.4)
Stock compensation expense	4.5	1.3
Gain on sale of assets	(4.0)	(0.5)
Loss on impairment of assets	1.6	9.7
Income from unconsolidated affiliates	(1.1)	(7.7)
(Gain) loss on disposition of discontinued operations — net of taxes	98.9	(5.8)
(Income) loss from discontinued operations — net of taxes	214.5	(2.2)
Amortization of discount/premium on debt	3.7	3.6
AFUDC Equity	(4.1)	(1.9)
Changes in assets and liabilities:		
Accounts receivable	223.9	168.7
Inventories	361.9	286.4
Accounts payable	(73.7)	(138.9)
Customer deposits	(0.5)	—
Taxes accrued	12.9	33.8
Interest accrued	0.6	(5.1)
(Under) Overrecovered gas and fuel costs	(195.9)	(59.0)
Exchange gas receivable/payable	7.6	(45.1)
Other accruals	(149.4)	(140.4)
Prepayments and other current assets	2.8	50.9
Regulatory assets/liabilities	(53.7)	14.5
Postretirement and postemployment benefits	5.0	(51.7)
Deferred credits	1.7	(3.6)
Deferred charges and other noncurrent assets	(13.2)	5.0
Other noncurrent liabilities	(30.6)	—
Net Operating Activities from Continuing Operations	640.3	581.8
Net Operating Activities from or (used for) Discontinued Operations	(1.9)	6.1
Net Cash Flows from Operating Activities	638.4	587.9
Investing Activities		
Capital expenditures	(422.8)	(323.9)
Sugar Creek purchase	(329.7)	—
Proceeds from disposition of assets	229.6	2.3
Restricted cash	136.5	73.5
Other investing activities	(2.1)	(9.0)
Net Investing Activities used for Continuing Operations	(388.5)	(257.1)
Net Investing Activities from or (used for) Discontinued Operations	0.9	(5.7)
Net Cash Flows used for Investing Activities	(387.6)	(262.8)
Financing Activities		
Issuance of long-term debt	706.0	2.3
Retirement of long-term debt	(12.0)	(45.6)
Repurchase of long-term debt	(254.0)	—
Change in short-term debt	(555.0)	(171.5)
Issuance of common stock	0.8	7.7
Acquisition of treasury stock	(0.2)	(2.1)
Dividends paid — common stock	(126.1)	(126.0)
Net Cash Flows used for Financing Activities	(240.5)	(335.2)
Increase (decrease) in cash and cash equivalents	10.3	(10.1)
Cash inflows from discontinued operations	1.0	0.1
Cash and cash equivalents at beginning of year	34.6	32.8
Cash and cash equivalents at end of period	\$ 45.9	\$ 22.8
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 188.0	\$ 219.1

Interest capitalized	12.4	7.7
Cash paid for income taxes	38.3	86.8





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 30, 2008

NiSource Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-16189

<u>Delaware</u> (State or other jurisdiction of incorporation or organization)	<u>35-2108964</u> (I.R.S. Employer Identification No.)
<u>801 East 86th Avenue</u> <u>Merrillville, Indiana</u> (Address of principal executive offices)	<u>46410</u> (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 7.01 Regulation FD Disclosure.

NiSource Inc. (the "Company"), announced that on May 30, 2008 its subsidiary, Northern Indiana Public Service Company, purchased Sugar Creek Power Company, LLC, an Indiana limited liability company ("Sugar Creek"), from Broadway Gen Funding LLC, a Delaware limited liability company, for approximately \$330 million. Sugar Creek owns a 535 megawatt combined cycle gas turbine electric generating plant located in West Terre Haute, Indiana.

A copy of the Company's press release is attached to this Report as Exhibit 99.1 and is incorporated by reference to this Item 7.01.

ITEM 9.01 Financial Statement and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated June 2, 2008

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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: June 3, 2008

By: /s/ Jeffrey W. Grossman

Jeffrey W. Grossman
Vice President and Controller

NEWS



801 E. 86th Avenue
Merrillville, IN 46410

FOR IMMEDIATE RELEASE

June 2, 2008

FOR ADDITIONAL INFORMATION

Media

Tom Cuddy
Director, Communications
(219) 647-5581
tcuddy@nisource.com

Investors

Randy Hulén
Director, Investor Relations
(219) 647-5688
rghulen@nisource.com

NiSource Unit Announces Purchase of Sugar Creek Generating Facility

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced that, on Friday May 30, 2008, its Northern Indiana Public Service Company (NIPSCO) subsidiary completed the purchase of the 535-megawatt Sugar Creek combined cycle gas turbine (CCGT) electric generating plant from Broadway Gen Funding LLC. The purchase price for the facility, which is located in West Terre Haute, Ind., was approximately \$330 million.

The Indiana Utility Regulatory Commission (IURC) issued an order on May 28, 2008 granting NIPSCO a Certificate of Public Convenience and Necessity to acquire the Sugar Creek facility. NiSource President and Chief Executive Officer Robert C. Skaggs, Jr. said NiSource is pleased the IURC acted in a timely manner to authorize NIPSCO's acquisition of the Sugar Creek facility. "The addition of this plant to NIPSCO's generating portfolio represents a significant step forward in positioning the company to meet the increasing electricity demands of its customers in a safe, reliable and cost-effective manner for years to come," Skaggs said.

The IURC's May 28 order also addressed NIPSCO's requests to defer certain costs associated with the purchase of the Sugar Creek facility and to implement a *rate adjustment mechanism for purchased power costs*. Although the order denied those requests, the Commission stated that the proposed rate treatment could be pursued within the context of an alternative regulatory plan (ARP), provided NIPSCO indicates its intent to do so within 10 days of the date of the IURC's order.

"While clearly we would have preferred that the IURC had approved the rate treatment proposed by NIPSCO, we are encouraged by the Commission's reference to the ARP process, and fully intend to avail ourselves of that opportunity," Skaggs said.

Skaggs noted that the May 28 order's ruling on the rate treatment proposed by the company will place near-term pressure on NIPSCO's earnings and its ability to fully recover its purchased power costs under the so-called benchmark test established by a 2007 regulatory settlement. "In addition to pursuing the ARP regulatory process in a timely and responsible manner, our team will continue to proactively manage our Indiana operations so as to serve the interests of customers and shareholders alike. We expect to be successful in these efforts, and those underway all across NiSource, as we continue to execute on our Path Forward strategy," Skaggs said.

Skaggs added that NiSource is maintaining its net operating earnings (non-GAAP) outlook of \$1.25 to \$1.35 per share for the 2008-2010 period. On a GAAP basis, for 2008, the lower end of the range for basic earnings from continuing operations is \$1.23 per share due to transition costs associated with the amended IBM agreement. NiSource will provide a full business update when it reports second quarter results in early August of this year.

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NiSource Unit to Purchase Sugar Creek Generating Facility for \$330 Million

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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 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. 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 presentation 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. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: 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 restructuring of its outsourcing agreement; actual operating experience of NiSource assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk.

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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 29, 2008

NiSource Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-16189

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

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 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
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Officers; Compensatory Arrangements of Certain Officers

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ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 2, 2008, NiSource Inc. (the "Company") announced that Stephen P. Smith, age 47, will join the company as its new Executive Vice President on June 1, 2008 and will assume the role of Chief Financial Officer, effective as of August 4, 2008. Mr. Smith's responsibilities will include all NiSource Corporate Finance, Treasury, Accounting, Corporate Tax, Financial Planning and Corporate Planning functions. Mr. Smith will succeed the Company's current Executive Vice President and Chief Financial Officer, Michael W. O'Donnell, who announced in May his plan to retire from the Company as Chief Financial Officer before the end of 2008.

Since 2007, Mr. Smith has served as Senior Vice President of Shared Services for American Electric Power Co. ("AEP"), where he had responsibilities for Human Resources, Information Technology/Telecommunications and Business Logistics. From 2003 to 2007, Mr. Smith served as Senior Vice President and Treasurer for AEP, overseeing Accounting, Budgeting, Planning, Risk Management, Strategy, Tax and Treasury functions. Before joining AEP, Smith served in a number of finance and executive leadership roles at the Company and Columbia Energy Group ("Columbia"), culminating in the role of President and Chief Operating Officer of NiSource Corporate Services Company. Prior to the Company's merger with Columbia, Mr. Smith served as Senior Vice President and Deputy Chief Financial Officer for Columbia, where he had responsibility for Accounting, Planning, Risk Management, Tax and Treasury functions. Prior to that role, Mr. Smith served as Senior Vice President and Chief Financial Officer for Columbia Gas Transmission Corporation, a subsidiary of Columbia.

The Company has agreed to pay Mr. Smith a base salary of \$500,000 per year and a signing bonus of \$150,000. Mr. Smith will participate in the Company's annual incentive plan, with a target bonus opportunity for 2008 of \$325,000 (or 65% of annual base salary), which amount will be prorated based on the number of months in the performance period after June 1, 2008. In 2009 and 2010, Mr. Smith will be guaranteed an annual incentive opportunity equal to not less than the target amount. For the first five months of 2011, Mr. Smith is guaranteed a bonus opportunity equal to not less than 5/12 of the target amount under the annual incentive plan. As additional compensation for the loss of a portion of Mr. Smith's long term incentive award from his prior employer, Mr. Smith is guaranteed a payment each year equal to \$135,000 to be paid on December 31st of 2008, 2009 and 2010. Under his severance arrangement with the Company, these amounts will become payable within 30 days of Mr. Smith being terminated by the Company without cause or Mr. Smith terminating his employment for good reason.

Subject to approval by the Officer Nomination and Compensation Committee of the Board of Directors and the Company's Board of Directors, the Company has agreed to grant to Mr. Smith, (i) each fiscal year beginning after June 1, 2008, to the extent the Company grants awards to other executives under the Company's Long-Term Incentive Plan (the "LTIP"), an LTIP award with a value equal to \$600,000, and (ii) a contingent stock award under the LTIP (the "Initial Contingent Stock Award") determined by dividing \$600,000 by the fair market value of the Company's common stock on the date of the grant which will vest, solely on the passage of time, in one-third increments on December 31, 2008, 2009 and 2010.

In the event the Company terminates Mr. Smith's employment for any reason other than "cause" or if Mr. Smith terminates his employment for "good reason," Mr. Smith will be entitled to (i) a lump-sum payment equal to his annual salary as then in effect, (ii) a lump-sum payment equal to his prorated annual incentive opportunity at the "target" level, (iii) a lump-sum payment equal to 130% of the costs of continuation coverage premiums under the Company's health and welfare plans, (iv) a payment equal to the amount of any of the Initial Contingent Stock Award that has not yet vested, and (v) reasonable outplacement services. Mr. Smith will be eligible to participate in all of the Company's benefit plans, including any health, life and disability insurance plans, qualified and nonqualified retirement and pensions plans, or any other plan or benefit generally afforded to similarly situated executives of the Company. General descriptions of these plans can be found in the Company's definitive proxy statement filed with the Securities and Exchange Commission on April 3, 2008.

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A copy of the Company's press release is attached to this Report as Exhibit 99.1 and is incorporated by reference to this Item 5.02.

ITEM 9.01 Financial Statement and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated June 2, 2008

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SIGNATURES

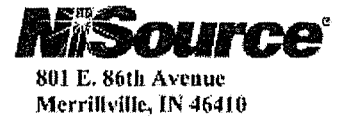
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 4, 2008

NiSource Inc.
(Registrant)

By: _____
/s/ Carrie J. Hightman
Carrie J. Hightman
Executive Vice President and Chief Legal Officer

NEWS



FOR IMMEDIATE RELEASE
June 2, 2008

FOR ADDITIONAL INFORMATION

Media

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Investors

Randy Hulen
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rghulen@nisource.com

Stephen P. Smith to become NiSource Chief Financial Officer
Energy industry financial and business leader to rejoin company

MERRILLVILLE, Ind. – NiSource Inc. (NYSE: NI) today announced that **Stephen P. Smith** joined the company as its new Executive Vice President on June 1 and will assume the role of Chief Financial Officer in early August, 2008. Smith's responsibilities will include all NiSource Corporate Finance, Treasury, Accounting, Corporate Tax, Financial Planning and Corporate Planning functions.

"We are very pleased that Steve Smith will be rejoining NiSource in the role of Chief Financial Officer," said **Ian Rolland**, Chairman of the Board of Directors of NiSource. "Steve not only is a senior financial executive with extensive energy industry experience, but he also has a proven leadership track record across a broad range of business functions. Steve will be a fine addition to the strong management team Bob Skaggs has assembled at NiSource."

NiSource President and CEO **Robert C. Skaggs, Jr.** added, "Steve is joining NiSource at a pivotal point in our company's history. Clearly, our ability to execute on our ambitious investment driven growth plan is premised on maintaining a strong financial footing and having continued access to competitively priced capital. Working with our business unit leaders and the other members of the NiSource senior executive team, Steve will play a key leadership role as we execute our Path Forward strategy."

On May 13, 2008, NiSource Executive Vice President and Chief Financial Officer **Michael W. O'Donnell** announced his plan to retire from the company in 2009 and to step down from his CFO role later this year. Effective with Steve Smith assuming the CFO position in August, O'Donnell will serve in an executive vice president role reporting to Skaggs, focusing on a number of ongoing projects and business activities for NiSource.

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Smith most recently served as senior vice president of Shared Services for American Electric Power Co., one of the nation's largest electric utilities, where he had responsibility for Business Logistics, Human Resources, Information Technology and Telecommunications. From 2003 to 2007, he was senior vice president and treasurer for AEP, overseeing Accounting, Budgeting, Planning, Risk Management, Strategy, Tax and Treasury functions.

Before joining AEP, Smith served in a progression of finance and executive leadership roles at Columbia Energy Group and NiSource, culminating in the role of president and chief operating officer of NiSource Corporate Services Co. In that role, he managed NiSource's shared services functions and oversaw the integration of corporate functions following the NiSource-Columbia Energy Group merger. Prior to the merger, Smith was senior vice president and deputy chief financial officer for Columbia Energy Group, where he had responsibility for Accounting, Planning, Risk Management, Tax and Treasury functions. Prior to that role, Smith served as senior vice president and chief financial officer for Columbia Gas Transmission Corp.

Smith earned a Master of Business Administration degree from the University Of Chicago Graduate School Of Business and a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines. He also serves as a Director and Audit Committee member of *Natural Resource Partners, L. P.* a publicly traded master limited partnership engaged in owning and managing coal properties in Appalachia, the Illinois Basin and the Powder River Basin regions of the United States.

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 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. 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 presentation 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. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: 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 restructuring of its outsourcing agreement; actual operating experience of NiSource assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk.

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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 22, 2008

NiSource Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-16189

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

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

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 - 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 8.01 Other Events.

On May 22, 2008, NiSource Inc. (the "Company") was advised that its petition for appeal to the West Virginia Supreme Court in the case of Tawney, et al. v. Columbia Natural Resources, Inc. was refused. The Company's press release dated May 23, 2008 is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit	Description
99.1	Press Release dated May 23, 2008

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 23, 2008

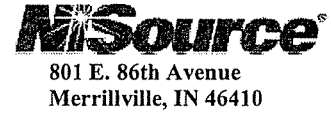
By: /s/ Michael W. O'Donnell

Michael W. O'Donnell
Executive Vice President and
Chief Financial Officer, NiSource Inc.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 23, 2008

NEWS



FOR IMMEDIATE RELEASE

May 23, 2008

FOR ADDITIONAL INFORMATION

Media

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Director, Communications
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tcuddy@nisource.com

Investors

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NiSource to Appeal W. Va. Case to U. S. Supreme Court

MERRILLVILLE, Ind. – NiSource Inc. today announced that, on Thursday, May 22, the Supreme Court of Appeals of West Virginia voted to refuse to hear the company’s appeal of a \$404 million verdict rendered in a state court class action lawsuit in 2007.

NiSource will seek a continuation of the stay of the judgment in the case pending a petition for writ of certiorari to the Supreme Court of the United States. The company said its petition will be filed with the U.S. Supreme Court within 90-120 days and that it expects the court to decide whether to hear the appeal in early 2009.

NiSource President and CEO Robert C. Skaggs, Jr. said the company is surprised and disappointed with the West Virginia Court’s decision not to hear its appeal. “The Court’s decision to not even address the substance of an appeal in a case of this significance, particularly in light of the \$270 million in punitive damages awarded at the trial court level, is unprecedented and contrary to the most basic principles of fairness. We firmly believe in the merits of our position and will continue to vigorously pursue our arguments before the U.S. Supreme Court.” Skaggs added, “While yesterday’s decision is certainly a setback, as a company we remain focused on our investment- driven business strategy and are confident in our ability to deliver on our commitments to all our stakeholders.”

NiSource said it will assert in its certiorari petition that its constitutional rights were violated by the manner in which the trial was conducted, particularly with respect to the punitive damages award. NiSource will also assert that its due process rights were violated by a lack of meaningful state appellate review of the trial court verdict. The company said it strongly believes that the case will warrant favorable review by the U.S. Supreme Court.

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