

News Release



FOR IMMEDIATE RELEASE
April 27, 2006

CONTACT: Lisa Smith
Communications Manager
Columbia Gas of Kentucky
(859) 288-0245

Clare Sipple
Preserve Manager
(859) 744-4888

Columbia Gas of Kentucky awards local NiSource Environmental Challenge Fund grant to commemorate Earth Day

Clark County/Winchester Heritage Commission is local grant recipient

LEXINGTON, Ky. – April 27, 2006– To commemorate Earth Day 2006, Columbia Gas of Kentucky, a wholly owned subsidiary of NiSource Inc. (NYSE: NI), awarded a local grant in the amount of \$5,000 through the NiSource Environmental Challenge Fund to the Clark County/Winchester Heritage Commission for its Lower Howard’s Creek Nature and Heritage Preserve project.

The Environmental Challenge Fund, a not-for-profit corporation, offers an annual grant competition that supports local natural resource and wildlife enhancement projects and related educational efforts in communities across NiSource’s market area. This geographic area includes 19 states stretching from the Gulf Coast through the Midwest to New England.

“With grants of this kind, Columbia Gas of Kentucky supports local organizations that are committed to improving the environment and the quality of life in the local communities we serve,” said Joe Kelly, president of Columbia Gas of Kentucky. “We hope other local organizations and individuals will step forward and continue the momentum that has made a real difference in our cities and towns.”

Within Columbia Gas of Kentucky’s communities, a local Environmental Challenge Fund Advisory Board reviewed and selected the winning proposal from grant requests submitted earlier this year.

“The Environmental Challenge Fund is one of many programs in which NiSource demonstrates its environmental commitment – and encourages, recognizes and supports the involvement of others,” added Art Smith, senior vice president, environmental counsel and ECF board member. “NiSource and its subsidiaries help make their local communities stronger by promoting sustainable business practices and supporting initiatives that improve the quality of life.”

In total, NiSource operating companies are awarding about \$136,000 in grants to not-for-profit organizations in conjunction with Earth Day 2006.

(more)

Columbia Gas of Kentucky commemorates Earth Day
Page 2

Lower Howard's Creek Nature & Heritage Preserve: The Lower Howard's Creek Nature and Heritage Preserve is owned by the Clark County Fiscal Court, and was dedicated as a Kentucky State Nature Preserve in 2001. Consisting of 297 acres, the Preserve contains a steep valley (carved by Lower Howard's Creek through Ordovician period limestone) and second growth forest on a site that was Kentucky's first and largest industrial settlement in the 18th century. Subsequent use of the valley for farming and stone quarrying activities ceased in the mid-20th century, and it was largely abandoned until 1999 when a portion of the valley was purchased and later became the Preserve.

About NiSource Environmental Challenge Fund

The NiSource Environmental Challenge Fund was established in 1995 and has contributed nearly \$994,000 to 276 projects since its inception. The Environmental Challenge Fund is funded primarily by a grant from the NiSource Charitable Foundation. For more information about the Fund, visit www.nisource.com/enviro/ecf.asp.

About NiSource Inc.

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.

About Columbia Gas of Kentucky

Columbia Gas of Kentucky, headquartered in Lexington, is one of the 10 energy distribution companies of NiSource Inc. Columbia Gas of Kentucky serves more than 145,000 customers in 31 Kentucky counties. More information about Columbia Gas of Kentucky is available at www.columbiagasky.com.

###