



News Release

FOR IMMEDIATE RELEASE
January 10, 2007

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Columbia Gas of Kentucky now accepting grant applications for the NiSource Environmental Challenge Fund

LEXINGTON, Ky. – January 10, 2007 – Community and environmental organizations located in areas served by Columbia Gas of Kentucky are encouraged to apply for grants of between \$500 and \$5,000 (with special grants occasionally awarded up to \$10,000) from the NiSource Environmental Challenge Fund (ECF).

Grant guidelines and applications are available on the NiSource web site at <http://www.nisource.com/enviro/ecf.asp>. Grant applications will be accepted through February 28, 2007.

NiSource Inc., the parent company of Columbia Gas of Kentucky, established the ECF in 1995 as a not-for-profit corporation to support local natural resource and wildlife improvement projects and related educational and recreational efforts.

Local Advisory Committees, comprised of Columbia Gas employees and regional environmental and community leaders, will review the proposals and award grants to those projects that best serve the environmental needs of the communities. Grant awards will be announced in conjunction with Earth Day -- April 22, 2007.

"The Environmental Challenge Fund is one of many ways NiSource and its operating companies support local organizations that make a difference in the communities we serve," said Herbert A. Miller, Jr., president of Columbia Gas of Kentucky. "Our customers, our employees and our company benefit by having a cleaner environment and healthier communities."

The Environmental Challenge Fund has awarded over \$300,000 to 81 projects throughout the NiSource market area within the past two years. It has been awarding grants since 1995, and is supported by the NiSource Charitable Foundation. Kentucky recipients have included the Clark County/Winchester Heritage Commission, the UK/LFUCG Arboretum, Georgetown College, McConnell Springs, and Midway Renaissance, Inc.

About Columbia Gas of Kentucky

Columbia Gas of Kentucky, headquartered in Lexington, is one of the 10 energy distribution companies of NiSource Inc. (NYSE: NI), a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. Columbia Gas of Kentucky serves approximately 140,000 customers in 30 Kentucky counties. NiSource operating companies serve more than 3.7 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. More information about Columbia Gas of Kentucky is available at www.columbiagasky.com. More information about NiSource and its other subsidiaries is available at www.nisource.com.

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