
NEWS



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FOR ADDITIONAL INFORMATION

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KOKOMO GAS HEATING BILLS PROJECTED TO DROP THIS WINTER

KOKOMO, Ind. – Kokomo Gas & Fuel announced today that, assuming normal winter temperatures, customers should experience a decrease of more than 20 percent in their overall home heating bills this upcoming heating season.

Over the course of the winter heating season – Nov. 1 to March 31 – Kokomo Gas' average residential customer using 648 therms could expect to pay approximately \$574. This compares to \$742 for a customer using the same amount of gas during the last winter heating season.

The cost of natural gas represents the largest portion of customer bills, typically making up three-fourths of an overall bill. Kokomo Gas has no mark-up and makes no profit on the cost of natural gas billed to its customers. Before being billed to customers, natural gas commodity costs are filed with the Indiana Utility Regulatory Commission for review on a monthly basis.

Commodity prices in the market are mainly determined by such factors as supply and demand, weather and storage levels, but lower gas costs this year can also be attributed to the cooler-than-normal temperatures we experienced during the summer, the decline in industrial demand for energy as a result of the recession, gas production levels across the country and record-high inventories of natural gas.

In a commitment to secure the most reliable supply of natural gas at the lowest cost for customers, Kokomo Gas' purchasing strategy consists of buying gas in the market from a variety of sources at different times throughout the year, combined with contracting future purchases and utilizing gas storage to offset market price volatility.

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WINTER GAS BILLS TO DROP PAGE 2 OF 2

“As we’ve seen since the end of last year, natural gas prices on the wholesale market have dropped considerably and we’re looking at a much different picture heading into this winter heating season compared to what we faced last year at this time,” said Eileen O’Neill Odum, CEO of Kokomo Gas. “This is welcome news to our customers planning their household budgets. However, we’re anticipating a great need for energy assistance for many of our customers, some of which for the first time, as a direct result of the current economic conditions across the state.”

Earlier this summer, Kokomo Gas filed for the introduction of new energy efficiency programs aimed at providing customers with incentives to purchase energy-efficient natural gas appliances. The programs are currently being reviewed by the IURC. Upon approval, Kokomo Gas will immediately implement the programs, and it is anticipated that they would become available by early 2010.

Kokomo Gas offers a number of solutions to help customers use energy wisely, make smart energy decisions and manage their monthly bill, including:

- **Energy Assistance Program:** Customers falling within 150 percent of federal poverty guidelines may be eligible to receive state and federal utility assistance dollars by visiting their local community action agency.
- **BudgetPlan:** Free service to all Kokomo Gas customers to help manage their monthly energy bills by spreading out gas costs over an entire year.
- **Energy Tips:** Additional low-cost tips and improvements to help use energy more efficiently may be found by visiting www.kokomogas.com.

The winter bill figures provided by Kokomo Gas are only projections. If temperatures are colder-than-normal this winter, the cost to heat a home will likely be higher as customers will be using more gas and wholesale natural gas prices could rise in response to the increased demand.

As always, customers experiencing bill-payment trouble, regardless of income, are reminded to call Kokomo Gas at 1-888-4KOKGAS (1-888-456-5427) in order to provide an opportunity to work together to get customers available assistance.

Kokomo Gas & Fuel, with headquarters in Kokomo, Ind., serves 36,000 natural gas customers in a six-county area and is one of the 10 energy distribution companies of NiSource, Inc. (NYSE: NI). NiSource distribution companies serve 3.8 million natural gas and electric customers primarily in nine states. More information about Kokomo Gas & Fuel is available at www.kokomogas.com.

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