



SUMMARY PLAN DESCRIPTION FOR THE

NIPSCO Union Pension Plan

**A DESCRIPTION OF YOUR
RETIREMENT PENSION BENEFITS**

For Employees in the AB I Benefit

February 2012

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INTRODUCTION

Retirement can be the most exciting time of your life. Of course, you must work hard and save during your career to achieve the kind of financial security needed to enjoy those years to the fullest. Early on, you will need to ask yourself: “What sources of income will I have for my retirement?” You will likely be relying on (1) your pension benefit from the **NIPSCO Union Pension Plan** (previously known as the NiSource Inc. and Northern Indiana Public Service Company Pension Plan Provisions Pertaining to Bargaining Unit Employees, hereinafter referred to as the “**Plan**”), (2) a retirement benefit from Social Security, (3) your own personal savings, and (4) if applicable, savings under the NiSource Inc. Retirement Savings Plan or any other employer-sponsored retirement plan. Your employer, Northern Indiana Public Service Company, offers the Plan for the benefit of its employees and their beneficiaries in order to help provide for retirement.

Overview of the Plan

An innovative retirement plan that helps you prepare more effectively for your future, the Plan is a defined benefit pension plan funded entirely by contributions from NiSource Inc. or its affiliates. Its purpose is to provide you with retirement income that is in addition to any other retirement income you have or may be eligible to receive.

As an employee of Northern Indiana Public Service Company or any affiliate that adopts the Plan for its employees (collectively, the “**Company**”) satisfying the criteria described in the “Eligibility and Enrollment” section, you are eligible for the **AB I Benefit** of the Plan.

Introduction to the AB I Benefit

You are covered under the **AB I Benefit** of the Plan. The AB I Benefit (formerly the “Account Balance Option Benefit”) is a “cash balance” option that makes it easy to understand your retirement benefit under the Plan. This option is unique because it offers you both a visible and a portable benefit.

Once you become a participant in the Plan, the Company sets up a bookkeeping account in your name. Each year, the Company adds *pay credits* equal to a percentage of your pay to your account. Your account also grows with interest in the form of annual *interest credits* throughout your career. The total of these pay credits and interest credits, plus, if applicable, any “opening balance” reflecting the benefit you earned prior to becoming an AB I Benefit participant make up your account balance. Periodically (in general, annually), you will receive personalized statements showing your current account balance. Because you will always see your account balance, you can easily monitor the growth of your retirement benefit – so your benefit is *visible*. When you retire, you can choose to receive your account balance in one of several payment methods (also explained in more detail later in this Summary). What’s more, you are entitled to receive the “vested” portion of your account balance if you leave the Company prior to retirement, so your benefit is also *portable*.

Again, it costs you nothing to participate because the Company makes all contributions necessary to fund your AB I Benefit under the Plan on your behalf.

About this Plan Summary and Plan Administration

This handbook serves as a Summary Plan Description ("SPD" or "Summary") of the Plan, prepared in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The information enclosed has been prepared to summarize the benefits in an easy to understand format and is not intended to replace or supersede the official Plan document. The official Plan document is the governing document in the event that questions arise or if there is a conflict between the SPD and the official Plan document. Your rights and benefits under the Plan are determined by the actual provisions of the Plan. This SPD does not extend or change the Plan in any way.

The NiSource Benefits Committee (the "Committee") serves as business manager and administrator for the Plan (the "Plan Administrator"). The Plan Administrator utilizes the NiSource Human Resources Department and other specified individuals to carry out a number of administrative tasks for the Plan. See "Administrative Information" found later in this Summary. A trust fund has been established for the purpose of holding funds contributed to the Plan. The trust fund is administered by a trustee (the "Trustee") appointed by the Committee.

While the Committee intends to continue the Plan described in this handbook, the Committee reserves the right to change, modify, or discontinue the Plan and any of its terms at its discretion, subject to any applicable collective bargaining agreement.

HIGHLIGHTS: AB I BENEFIT

<p>ARE THERE EMPLOYEE CONTRIBUTIONS?</p>	<p>No, all contributions are made by the Company</p>
<p>ARE THERE COMPANY CONTRIBUTIONS?</p>	<p>Yes; the Company makes contributions to fund your AB I Benefit, which is based on:</p> <ul style="list-style-type: none"> • Your age • Your years of service • Your Eligible Pay, taking into consideration the Social Security Taxable Wage Base; and • The Plan's interest credit rate (currently the greater of the 30-year Treasury Securities, but no less than 4%)
<p>WHEN AM I VESTED IN MY BENEFIT?</p>	<p>You are fully vested after 3 years of service (if you terminated prior to January 1, 2010, you generally were vested after 5 years of service).</p>
<p>WHAT IS ELIGIBLE PAY FOR PURPOSES OF DETERMINING MY BENEFIT?</p>	<p>In order to calculate your pay credits under the Plan, Eligible Pay includes your base salary and commissions, plus your performance based pay (such as bonuses or annual incentives) paid in or prior to the month of your termination of service, any shift differential pay, any salary reduction contributions made for a Company cafeteria or 401(k) plan, and effective September 1, 2009, any one-time payments in lieu of salary increases for a given year (<i>i.e.</i>, lump-sum merit pay). However, the Plan does <u>not</u> consider certain items to be Eligible Pay. These excluded items include, but are not limited to, overtime, amounts deferred to a nonqualified plan, and other special forms of pay such as call-out, standby, upgrades, temporary reclassifications/promotions, relocation allowances, sign-on bonuses, retention premiums, payments for waiving certain benefits including health care and dental benefits (referred to as "flex credits"), attendance bonuses and awards, and imputed income. In addition, the Plan also excludes from Eligible Pay any unused and accrued vacation paid on or after your termination of service. Note again, Eligible Pay excludes any incentive-based pay (such as payments from the corporate annual incentive plan or any plan created in lieu of the corporate annual incentive plan, commissions, spot awards, discretionary awards, lump-sum merit pay, and performance based pay) when paid in any month following your termination of service.</p>
<p>WHEN IS MY BENEFIT PAID?</p>	<p>Provided you are vested, you can be paid:</p> <ul style="list-style-type: none"> • When you terminate employment; • When you retire; • When you reach age 70½ (provided you have already terminated employment or are considered a 5% owner of the Company); or • In the event of your death
<p>HOW CAN I RECEIVE MY BENEFIT?</p>	<p>You may elect to receive your benefit in the form of:</p> <ul style="list-style-type: none"> • One of several Monthly Annuity Options • A Lump Sum • A Rollover

PARTICIPATING IN THE PLAN

Eligibility and Enrollment

You must be an "Eligible Employee" of the Company to actively participate in the Plan. You are receiving this Summary because you are eligible to participate in the AB I Benefit of the Plan (*i.e.*, you are an "AB I Participant"). Specifically, you participate in the AB I Benefit because you are a "NIPSCO Union Employee" (*i.e.*, an Eligible Employee receiving payment on an hourly basis as a member of the collective bargaining unit represented by the United Steelworkers of America, Local 12775, AFL-CIO-CLC or the United Steelworkers of America, Local 13796, AFL-CIO-CLC) who falls within one of the categories described in the box below and who is not excluded as described in the following paragraph.

You are not an "Eligible Employee" (*i.e.*, you are not eligible to participate in the Plan) if you are a non-union employee, an intern, an independent contractor or a leased employee of the Company, or if you are a union employee whose collective bargaining agreement does not provide for Plan participation. In addition, with respect to certain employees who were previously employed by Kokomo Gas and Fuel Company ("Kokomo") or Northern Indiana Fuel and Light Company, Inc. ("NIFL") on June 30, 2011 and transitioned to employment with the Company as part of the July 1, 2011 merger, these employees are not eligible to participate in the Plan. Instead, these employees remain eligible to participate in either the Kokomo Union Pension Plan or the NiSource Subsidiary Pension Plan (other than former NIFL non-union, non-exempt employees as described in the box below).

An AB I Participant is:

- Any NIPSCO Union Employee newly hired or rehired on or after June 1, 2004.
- Any NIPSCO Union Employee who elected to participate in the AB I Benefit effective January 1, 2005, *i.e.*, the 2005 Choice described below.*
- Any NIPSCO Union Employee classified as a "4/4 Schedule Employee" who elected to participate in the AB I Benefit effective January 1, 2009, *i.e.*, the 2009 Choice described below.*
- Any former NIFL non-union, non-exempt employee who became a NIPSCO Union Employee on July 1, 2011 pursuant to the Plan transfer provisions.
- Any NIPSCO Union Employee on long-term disability who returned to active employment and elected to participate in the AB I Benefit effective upon return to employment, with the election to be made and documented in accordance with the Plan and as further specified by the Plan Administrator.

***Note:** Each NIPSCO Union Employee who participated in the FAP Benefit of the Plan as of May 31, 2004 and who remained a participant as of May 31, 2005 had the opportunity to make an irrevocable Plan choice by May 31, 2005 to stay in the FAP Benefit or switch to the AB I Benefit effective January 1, 2005 ("2005 Choice"). Further, each NIPSCO Union Employee who was classified as 4/4 Schedule Employee as of May 31, 2005 and who remained a 4/4 Schedule Employee as of March 27, 2009 had the opportunity to make an irrevocable choice by March 27, 2009 to stay in the FAP Benefit or switch to the AB I Benefit effective January 1, 2009 ("2009 Choice "). If no election was made during these Choice periods, the employee remained in his or her FAP Benefit under the Plan. Both the 2005 Choice and the 2009 Choice elections were made and documented in a manner specified by the Plan Administrator.

When Your Participation Begins

If you meet the eligibility requirements, your participation starts on your first day of work with the Company. Note that if you are a full-time employee hired prior to January 1, 2010, your participation in the Plan started upon the completion of your first 12-month period of employment during which you completed at least 1,000 hours of Service or, if earlier, as of January 1, 2010. Notwithstanding the foregoing, for purposes of accruing Pay Credits (described later in this Summary) for Plan Years beginning on or after January 1, 2005, once you became a participant, Pay Credits were calculated from the date you first performed an hour of Service (rather than from the date of Plan participation).

Once you start to participate in the Plan, you will continue to participate as long as you are an Eligible Employee of the Company. If you terminate employment after becoming a Plan participant and later return to employment as an Eligible Employee, you will participate in the Plan under the AB I Benefit provisions of the Plan. Upon rehiring as an Eligible Employee, your participation as an AB I Benefit participant will begin immediately; however, the "Break in Service" rules may impact your service crediting under the Plan. See the "Break in Service" section later in this Summary for an explanation of this rule and how it might affect your participation if you terminate employment and later become reemployed by the Company.

When Your Participation Ends

Your participation in the Plan ends when:

- You are no longer an Eligible Employee (*i.e.*, you terminate employment or your employment status changes to one that is not eligible to participate in the Plan);*
- Your employer terminates its participation in the Plan;
- The Plan ends; or
- You die.

* Note that once you are no longer an Eligible Employee, you will remain an inactive Plan participant (continuing to earn interest credits on your vested account) until you take a full distribution of your vested benefit from the Plan.

Service

Your Service with the Company, and also any breaks in your Service, have an effect on your participation in and benefits under the Plan. As explained in the following paragraphs, your Service with the Company is used as a component to calculate your benefit under the Plan. Also, the Plan uses Service to determine when you are entitled to (or "vested" in) your benefit under the Plan.

Point Service

"Point Service" is the number of your years and partial years (*i.e.*, months) of Service as an employee of the Company (or any affiliate of the Company) from the first day of the month in which your employment began through the last day of the year in which your termination of employment, for any reason, occurs. Notwithstanding the foregoing, if you were a FAP Participant who voluntarily elected to become an AB I Participant, your Point Service for the period prior to your conversion to the AB I Benefit is equal to the amount of credited service you earned prior to your conversion. Point Service is used to determine, in part, the amount of pay credits that are

added to your Account. Please see the “How the Plan Works” section later in this Summary for a complete explanation of how your pay credits are calculated.

Vesting Service

“Vesting Service” is the number of your years of Service as an employee of the Company (or any affiliate) from your date of employment through the date of your termination of employment for any reason. To be “vested” means you have a non-forfeitable right to your Plan benefit. You are fully vested in your pension benefit after completing three years of Vesting Service with the Company and/or an affiliate. Note that if you terminated prior to January 1, 2010, you generally had to complete five years of Vesting Service before becoming fully vested in your benefit (unless you terminated at a time when an even higher vesting requirement applied, in which case the terms of the Plan in effect at your termination will control).

Special rules may apply if you experience a break in service, become disabled or if you were previously a leased employee of the Company or an affiliate.

Break in Service

A break in employment (called a “Break in Service”) may affect how you are credited with Service under the Plan. A Break in Service occurs if you terminate employment with the Company and are not employed for a period of 12 consecutive months. If you incur a Break in Service, the effect on your Vesting Service and Point Service will depend on the following: (1) the length of your Break in Service; (2) whether you were vested in your pension benefit prior to the Break in Service; and (3) whether you received a distribution of your benefit under the Plan. If you experience a transfer of employment within the Company or from/to an affiliate of the Company, see the section entitled “Changes in Employment Status” later in this Summary for an explanation of the impact on your benefit and Service crediting under the Plan.

Break in Service Less Than 1 Year

If you terminate employment and are reemployed by the Company as an Eligible Employee within 12 consecutive months, you are not considered to have a Break in Service. In this case, the Plan will consider your period of absence as part of your Vesting Service and Point Service under the Plan. However, as noted below, if you receive a distribution of your benefit, then your Point Service will start at zero upon your return to employment.

Break in Service of 1 to 5 Years

If you terminate employment and your Break in Service lasts more than 1 year but less than 5 years, then assuming you are rehired as an Eligible Employee, the Service you earned before your termination will be added to the Service you earn after you return to work for all purposes under the Plan. If you are re-employed, the period of your absence will not count as part of your Service for any purpose.

Break in Service More Than 5 Years

If you are not vested in your pension benefit prior to your Break in Service, and your Break in Service lasts for 5 or more years, you will lose credit for all of your prior Service. If you are later re-employed as an Eligible Employee, the Company will treat you as a new participant under the Plan.

If you are vested when you terminate employment and you are later re-employed as an Eligible Employee after a Break in Service of 5 or more years, the Service you earned before your termination will be added to the Service you earn after you return to work for all purposes under the Plan. However, the Company does not count the period of your absence as part of your Service.

If You Received a Distribution

If you experience a Break in Service *and* receive or begin to receive a distribution of your vested benefit under the Plan before your return to work as an Eligible Employee, you will receive credit for your Service prior to the break for purposes of counting Vesting Service only. For purposes of

earning pay credits and interest credits (explained later in the “How the Plan Works” section), you will be treated as a new participant (*i.e.*, your Point Service will start at zero upon your return to employment).

Effect of Leaves on Break in Service

If you are on an “Authorized Leave of Absence” as discussed below, the Break in Service rules do not apply to the extent you continue to earn Service during the authorized leave. If the authorized leave provisions don’t apply and you are absent from work due to pregnancy, birth of a child, placement of an adopted child or caring for a child immediately after such birth or placement, then different rules apply when determining if a Break in Service has occurred. In general, if you are absent from work for one of the foregoing reasons beyond the first anniversary of the first date of your absence, you will not be considered to have a severance from Service until the second anniversary of the first date of your absence. In addition, you will not have a Break in Service if you are on an Authorized Leave of Absence pursuant to the Family and Medical Leave Act, or if you are absent from employment due to service in the “uniformed services” (as that term is defined by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”)) and if you return to work at the end of your Authorized Leave of Absence.

Other Circumstances Impacting Service

Authorized Leaves of Absence—If you are on a leave of absence that is approved by the Company in accordance with its procedures and the Plan (an “Authorized Leave of Absence”), you will continue to earn Vesting Service and Point Service while the authorized leave continues for a period of up to 12 months. Service crediting will cease as of the expiration of the 12 month period or, if earlier, the date the Authorized Leave of Absence ends (unless you return to work at that time).

Disability—Vesting Service and Point Service may also be impacted if you become Disabled (as defined in the Plan). To learn how a Disability affects your benefit and the Service you earn under the Plan, see “If You Become Disabled” found later in this Summary.

Other Periods of Absence—The Plan will credit you with Vesting Service and Point Service for any of the following employment periods (whether or not compensated): vacation periods, holiday periods, limited periods of layoff in accordance with uniform personnel practices, and absence from employment due to injury received on the job.

HOW THE PLAN WORKS

As explained at the beginning of this Summary, the AB I Benefit of the Plan is a “cash balance” pension plan. A cash balance pension plan is just like other pension plans in that it can provide you with a guaranteed monthly pension benefit for life after you retire. A cash balance plan is different from other pension plans in how it defines what your benefit will be. “Traditional” pension plans use a formula, often based on your years of service and average pay leading up to retirement, to define how much your monthly pension will be. Under this kind of plan, it is hard to know the value of what you will ultimately receive when you retire until you near or reach retirement.

A cash balance plan is designed to help you better understand the value of your benefit. Instead of using a formula to define your monthly retirement pension, a cash balance plan provides an accounting of the value of your benefit (the value of your **AB I Benefit**, also known as your “**Account**”). Your benefit is based on the value of the Account kept for you. As you work, credits are made to your Account. When you retire, you will receive the value of your Account in one of the payment forms available under the Plan (these are explained in detail later in this Summary).

Also, while most traditional pension plans only let you receive your benefit as a monthly payment (*i.e.*, an annuity), the AB I Benefit gives you the option of receiving a single lump sum cash payment. In addition, while many traditional defined benefit plans provide your benefit as a monthly annuity that ends at your death or your surviving spouse’s death, with the AB I Benefit you can name any beneficiary to receive your benefit in the event of your death, such as a child or unrelated beneficiary, provided the consent requirements explained later in this Summary are satisfied.

Your Account

The Company sets up an account in your name (your “Account”) once you become a participant in the Plan. Your Account is a bookkeeping account maintained for plan administration to keep track of your pay credits and interest credits and any distributions made to you from the Plan. *The dollar amount in your Account tells you the current cash value of the benefits payable to you at your retirement (other than any Protected Benefit calculation described later in this Summary).*

Opening Balance

Transition from the FAP Benefit to the AB I Benefit—If you participated in the Final Average Pay Benefit (“FAP Benefit”) under the Plan before becoming an AB I Benefit participant, your accrued FAP Benefit was converted to a lump sum “Opening Balance” and credited to your Account as of the date you converted to the AB I Benefit (your “Conversion Date”). The Opening Balance is calculated by following these steps:

1. The value of your accrued FAP Benefit is determined as of your Conversion Date;
2. If your projected credited service to the first day of the month following the date you would attain age 60 (or actual credited service if over age 60) equals or exceeds 25 years, the Opening Balance reflects an unreduced benefit;
3. If your projected credited service to the first day of the month following the date you would attain age 60 (or actual credited service if over age 60) does not equal or exceed 25 years, the value of the accrued benefit is reduced by an early retirement reduction factor (0.5% per month) for each month between the first day of the month following the date you attain age 65 and the later of (a) the Conversion Date or (b) the first day of the month following the date on which you would attain age 60; and
4. The present value of the lump sum benefit is calculated using standard mortality and interest rate assumptions as provided in the Plan.

Determining Your Eligible Pay

As described below, your Pay Credits are based upon your **Eligible Pay**, which is a technical term under the Plan referring to the compensation on which your Pay Credits are calculated. Your Eligible Pay generally equals:

- Your annual base pay received from the Company, including
- Salary reduction contributions made for you under a cafeteria plan or a 401(k) plan, plus
- Commissions, if you are compensated in whole or in part on a commission basis, plus
- Shift differential pay, plus
- Performance based pay such as bonuses or annual incentive payments (provided such amounts are paid in or prior to the month of your termination of service), plus
- Any one-time payments in lieu of salary increases for a given year (*i.e.*, lump-sum merit pay) (included effective September 1, 2009).

However, Eligible Pay does not include all types of compensation you might receive from the Company. Specifically, items excluded from Eligible Pay include, but are not limited to the following:

- Overtime pay,
- Amounts deferred to a nonqualified plan,
- Any unused and accrued vacation paid on or after termination of service,
- Any portion of performance based pay (such as payments from the corporate annual incentive plan or any plan created in lieu of the corporate annual incentive plan, commissions, spot awards, discretionary awards, lump-sum merit pay, and performance based pay) that is paid in any month following your termination of service, and
- Other special forms of compensation, such as call-out, standby, upgrades, temporary reclassifications/ promotions, relocation allowances, sign-on bonuses, retention premiums, payments for waiving certain benefits including health care and dental benefits (referred to as "flex credits"), attendance bonuses and awards, and imputed income.

In general, Eligible Pay shall be determined on a monthly basis. If you are a full-time employee paid on a monthly, semi-monthly, biweekly, or weekly basis, your monthly Eligible Pay equals one-twelfth of your annual base rate of pay last in effect for the month, plus pay inclusions described above such as actual commissions paid in the month. If you are a part-time employee, your monthly Eligible Pay equals the sum of your actual Eligible Pay, plus pay inclusions described above (such as commissions) paid to you for each pay period during the month. For purposes of determining your Pay-Based Credits (described below), Eligible Pay means the sum of the monthly Eligible Pay for each month during the Plan Year in which you are an AB I Participant, including actual bonuses received by the Employee while actively employed in the month.

The IRS imposes a limit on the amount of Eligible Pay that may be taken into account by the Plan. As a result, Eligible Pay above \$245,000 for 2011 (as adjusted annually by the IRS for cost-of-living increases) does not count for purposes of determining Pay Credits under the Plan.

Impact of Absence for Union Business on Your Eligible Pay—If you are absent for authorized union business on a scheduled work day resulting in a loss of pay, your Eligible Pay will be increased by an amount equal to your base pay for such day.

Impact of Sick Leave on Your Eligible Pay—If you are granted benefits under the sick leave benefit plan of the Company, your Eligible Pay will be calculated by considering an amount equal to your base pay. If your sick leave benefits expire and you are placed on an Authorized Leave of Absence (or other absence status) following the expiration of the sick leave benefits, you will receive no Eligible Pay during such period of absence.

Impact of Disability Leave, an Authorized Leave of Absence, or Other Absence on Your Eligible Pay—Subject to the immediately preceding paragraph above regarding sick leave, or provided you are not eligible for a Grandfathered Disability Benefit (see “If You Become Disabled” found later in this Summary), if you are participating in the Plan, and you are on a leave due to Disability (as defined in the Plan and as further described later in this Summary) or on an Authorized Leave of Absence or other absence approved by the Company, you will be deemed to receive Eligible Pay for purposes of calculating your Plan benefit during your period of leave. However, similar to service crediting described earlier, if on an Authorized Leave of Absence or other approved (non-Disability) leave, you will only receive Eligible Pay crediting for up to 12 months. Your Eligible Pay for each month during the period of pay crediting generally shall equal one-twelfth of your annual base rate of pay last in effect for the month in which the employment absence occurred (irrespective of any special compensation that you received for that month, such as performance-based pay, which you will have credited for that month but not for ongoing pay crediting). For more specific information on how Eligible Pay is calculated during any of the above-described absences from employment, please contact the NiSource Human Resource Department.

Pay Credits

The Plan provides for two types of Pay Credits: Basic Pay Credits and Excess Pay Credits. You are eligible to receive Basic Pay Credits and, if applicable, Excess Pay Credits effective generally as of the date you become an AB I Participant and up until the time you terminate service or otherwise stop accruing a benefit under the AB I Benefit provisions of the Plan.

The Company allocates Basic Pay Credits to your Account as of December 31 of each year. These Basic Pay Credits are equal to a percentage of your annual Eligible Pay. The total age and years of Point Service you accumulate each year, as measured on December 31, determines the annual Basic Pay Credit percentage. If you leave the Company mid-year, you will receive prorated Basic Pay Credits through your termination date.

The Company also allocates Excess Pay Credits as of December 31 of each year to qualifying participants' Accounts. Excess Pay Credits are available if you earn more than one-half of the Social Security Wage Base for that year. If you qualify, the Excess Pay Credit is 2% of your Eligible Pay that exceeds one-half of the Social Security Wage Base.

The table below shows how Basic Pay Credits and Excess Pay Credits are calculated:

AB I PAY CREDITS				
If your age plus years of Point Service at the end of the year total...	Less than 45	45-59	60-74	75+
Your Basic Pay Credit for that year will be equal to this percentage of your Eligible Pay...	5 %	6.5 %	8 %	10 %
Your Excess Pay Credit will be equal to an additional percentage of your Eligible Pay over one-half of the Social Security Wage Base* in effect that year...	2 %			

**The Social Security Wage Base (SSWB) is the maximum amount of eligible pay on which you and the Company pay Social Security (or OASDI) taxes each year. For 2011, the SSWB is \$106,800. Because you do not pay Social Security taxes on eligible pay in excess of the SSWB, you also do not earn Social Security benefits on eligible pay in excess of the SSWB. To help compensate affected employees, the AB I Benefit provides additional credit on pay over one-half the SSWB, which is \$53,400 in 2011 (\$106,800 divided by two).*

Example

Assume that on December 31, 2011, a participant has attained age 40 years and 6 months and has earned Point Service of 8 years and 10 months. Because the participant will have a total age plus Point Service of 49 years and 4 months, he/she will be eligible for a Basic Pay Credit of 6.5%. Let's assume the participant earns \$40,000 for the year. The participant would receive a Basic Pay Credit to his Account of \$2,600 for 2011 (6.5% of \$40,000). The participant would not be eligible for the Excess Pay Credit because his Eligible Pay is not in excess of one-half of the SSWB for the year. However, if the same participant's Eligible Pay were \$60,000 for 2011, he would receive a Basic Pay Credit of \$3,900 (6.5% of \$60,000), plus an Excess Pay Credit of \$132 (2% of \$6,600, which is the excess of Eligible Pay over one-half of the SSWB).

Interest Credits

Interest is credited to your Account each Plan Year effective as of December 31 up until the time you commence retirement benefits. Interest Credits are based on the 30-year Treasury Securities Rate for September of the preceding year (but not less than 4%) and are applied to your Account based on the value of your Account as of the last day of the prior Plan Year.

Your Account will continue to receive Interest Credits until you commence your retirement benefit payments under the Plan, regardless of whether you have stopped working for the Company as an Eligible Employee. However, if you terminate employment with the Company before you are vested in your benefit, you will not receive Interest Credits after your termination. If you are subsequently reemployed, you will receive Interest Credits effective as of the date of your reemployment. In the year you begin receiving benefits, you will receive prorated Interest Credits for the portion of the year before the benefit starts. If you become a participant in the Plan mid-year, you will receive prorated Interest Credits from the date your participation began.

Example

Assume that on January 1, 2011, your Account is \$50,000, and that the Interest Credit rate for the Plan Year is 4% (i.e., the greater of the 30-year Treasury Securities rate for September 2010 or 4%). On December 31, 2011, your Account would receive an Interest Credit of \$2,000 (or \$50,000 × 4%).

Summing it Up: How Your Account Grows

Altogether, taking into account the Pay Credit (both Basic and Excess) and Interest Credit components, your Account is thus the sum of:

- **Your Opening Balance**, if any, under the Plan as of the beginning of the year; plus
- **Pay Credits** allocated to your Account as an annual percentage of eligible pay based on age plus Point Service as outlined in the table above; plus
- **Interest Credits** allocated to your Account based on the annual interest rate on 30-year Treasury Securities for the September immediately preceding the first day of the Plan Year (but no less than 4%).

Example

With the addition of both Interest and Pay Credits each year, you can see your Account balance grow. Here is an example of how your Account can grow in one year, using the assumptions set forth below.

First, calculate the Basic and Excess Pay Credit:

If you are 49 years old, have eligible earnings of \$60,000 and have completed 17 years of Point Service at the end of 2011, your 2011 Pay Credit would be calculated as follows:

Basic Pay Credit

Your 2011 Eligible Pay	\$60,000
Your Basic Pay Credit % (49 + 17 = 66 points = 8%)	x 8%
Your Basic Pay Credit amount on December 31, 2011	\$4,800

Excess Pay Credit

Your 2011 Eligible Pay over ½ SSWB (\$60,000 – \$53,400)	\$6,600
Your Excess Pay Credit %	x 2%
Your Excess Pay Credit amount on December 31, 2011	\$132

Your total Pay Credit on December 31, 2011 is the sum of \$4,800 + \$132 or a total of \$4,932 for the year.

Second, add the Interest Credit:

If the interest rate is at 4% for the Plan Year, your Interest Credit would be 4% of your Account balance as of the beginning of the Plan Year. Assuming your Account balance as of January 1, 2011 was \$50,000, then you received an Interest Credit effective as of December 31, 2011 equal to \$2,000.

Finally, total the Pay Credits and Interest Credit, and add to the Account balance at the beginning of the year:

January 1 Account Balance (includes your "Opening Balance," if any)	\$50,000
	+
December 31 Interest Credit (4%)	\$2,000
	+
December 31 Basic Pay Credit (8%)	\$4,800
	+
December 31 Excess Pay Credit (2%)	<u>\$132</u>
December 31 Account Balance	\$56,932

Remember, how your Account grows over time depends on the actual Eligible Pay you receive and the Interest Credits allocated to your Account. In other words, items impacting Eligible Pay, such as base pay increases and performance-based pay (e.g., bonuses or annual incentive payments paid before employment termination) will impact how your Account will grow.

Monitoring the Growth of Your Account

To help you track the growth of your Account, you will receive personalized statements (generally on an annual basis) that will keep you up-to-date on your Account activity. These statements show your:

- Account;
- Pay Credits since the last statement;
- Any applicable Interest Credits since the last statement.

You can also obtain information on the value of your Account any time by contacting MySource for Human Resources at **1-888-640-3320** or by visiting the Web site **www.mysourceforhr.com**.

Benefits From Your Account

Although your Account is communicated to you as a lump-sum amount, when you leave the Company and commence benefits, as previously mentioned, your Account can provide a monthly annuity based on prevailing interest rates at the time you commence benefits. See the "Payment Options Under the Plan" section later in this Summary for details on how you may receive your benefit, and see the "Designation of Beneficiary" section for details on how you may designate your spouse or another individual to receive your benefit in the event of your death.

For example, if your Account balance on the date you commence benefits is \$200,000 and the annuity factor (to convert your Account to an annual benefit) at that time is 11, you would receive either a lump sum of \$200,000 (minus applicable withholding taxes) or a monthly benefit for life of approximately \$1,515, as follows:

CALCULATING ANNUITY EXAMPLE	
Account Balance:	\$200,000
Annuity Factor:	$\div 11$
Annual Benefit:	\$ 18,182
	$\div 12$
Monthly Benefit:	\$ 1,515

Protected Benefit

In addition to your Account, the Plan may also consider a "Protected Benefit" in calculating your retirement benefit. Specifically, your Plan benefit under the AB I Benefit is guaranteed to be no less than your Protected Benefit, calculated as described below, as applicable.

If you previously participated in the FAP Benefit of the Plan (and you are not subject to the next paragraph), your "**Protected Benefit**" is the lump sum actuarial equivalent of your accrued benefit under the FAP Benefit using eligible pay and Service through your Conversion Date. The FAP Benefit calculation (for purposes of determining any Protected Benefit) does not include any supplemental benefit; however, the calculation does consider certain minimum benefit calculations, such as a minimum benefit of \$350 per month (\$250 per month if terminating prior to June 1, 1990) if the participant terminates at or after Normal Retirement Date (described below).

If you previously participated in the FAP Benefit of the Plan and (1) transitioned to the AB I Benefit pursuant to the Plan's reemployment or transfer provisions or (2) elected to convert from the FAP Benefit to the AB I Benefit during the 2009 Choice Period (referenced earlier in this Summary), your **"Protected Benefit"** is the sum of:

1. The lump sum actuarial equivalent of your accrued benefit under the FAP Benefit (which does not include any supplemental benefit) using eligible pay and Service through your Conversion Date,
PLUS
2. Your Pay Credits (and Interest Credits earned on those Pay Credits) under the AB I Benefit from your Conversion Date (*i.e.*, the date of conversion to your AB I Benefit) through your termination of employment (with Interest Credits continuing until your benefits commence).

If you are eligible for this Protected Benefit, the Protected Benefit component of your benefit generally will be reduced if you elect to receive it prior to your "Normal Retirement Date" to reflect early commencement of payment. Because your Protected Benefit is derived from a traditional pension plan formula, you would generally not be able to receive your benefit until you retired. As noted earlier though, one benefit of the Plan's cash balance status is that you may receive your benefits anytime after your termination of employment. However, for purposes of valuing *only* the Protected Benefit portion of your Plan benefit, the Plan will consider whether you begin to receive benefits before your "Normal Retirement Date." The following subsections describe how the calculation of your Protected Benefit may be affected by when you choose to receive your benefit.

As a reminder, your AB I Benefit is calculated as described in the preceding portions of the "How the Plan Works" section. The following subsections apply only for any Protected Benefit portion of your Plan benefit and do not apply to the calculation of your AB I Benefit.

Normal Retirement

If you retire on or after your "Normal Retirement Date," your Protected Benefit will be not be impacted. Your **"Normal Retirement Date"** is the first day of the month following the later of (1) the date you reach age 65 (your **"Normal Retirement Age"**); or (2) the fifth anniversary of the date you began participation in the Plan. If you retire on or after your Normal Retirement Date, the amount of your Protected Benefit will be based on the full amount of your Protected Benefit up to your Conversion Date (provided that your Protected Benefit will be no less than \$350 per month). That is, your benefit will not be reduced for early commencement of payment.

Early Retirement

If you retire on or after reaching your "Early Retirement Age" (*i.e.*, on your "Early Retirement Date") but before your Normal Retirement Date and elect to receive your Plan benefit, the Protected Benefit portion will be reduced to reflect the early commencement of your benefit. Your **"Early Retirement Date"** is the first day of the month following your employment termination on or after the date that you have both attained age 55 (or older) and completed 10 years of Service. If you reach your Early Retirement Date, you may elect to receive your benefits immediately or defer the commencement of your benefits until you reach your Normal Retirement Date.

Less than 25 Years of Service—If you retire with less than 25 years of Service for benefit accrual purposes under the Plan and elect to receive benefits at or after your Early Retirement Date, the amount of your Protected Benefit would be reduced by 6% for each of the first 5 years and 4% for each of the next five years that your benefit commencement precedes your Normal Retirement Date (provided that your Protected Benefit will not be reduced below \$350 per month if you have 20 or more years of Service for benefit accrual purposes or below \$250 per month if you have less than 20 years).

More than 25 Years of Service—If you retire with 25 or more years of Service for benefit accrual purposes and elect to receive your benefits at or after your Early Retirement Date, the amount of your Protected Benefit would be reduced as follows (provided that your Protected Benefit will not be reduced below \$350 per month):

AGE AT RETIREMENT	PERCENT OF REDUCTION	AGE AT RETIREMENT	PERCENT OF REDUCTION
64 to 65	0	59 to 60	6
63 to 64	0	58 to 59	10
62 to 63	0	57 to 58	14
61 to 62	0	56 to 57	18
60 to 61	0	55 to 56	22

"Rule of 85" Retirement—No reduction shall apply to your Protected Benefit (if applicable) if you retire on or after January 1, 1992 after reaching age 55 and the sum of your age plus years of Service equals or exceeds 85 (90 for those retiring between January 1, 1991 and December 31, 1991).

Distribution Prior to Early Retirement

If you terminate employment with the Company prior to your Early Retirement Date and elect to receive your Plan benefit, the Protected Benefit portion will be reduced actuarially to reflect the early commencement of your benefit (provided that your Protected Benefit will not be less than \$25 times your years of Service up to 10 years). This actuarial reduction will be calculated using the interest rate and mortality factors specified in the Plan.

Calculating Your Benefit

The calculation of your benefit under the Plan depends on how and when you wish to receive your benefit. Of course, if you terminate employment and elect to begin receiving your Plan benefit right away, your Account will have a smaller balance than if you had worked longer or waited to receive your benefits until a later date. Remember, you stop accruing Pay Credits when you terminate employment, and you no longer earn Interest Credits once you begin receiving your benefit. In addition, if you begin payment of your benefits prior to your Normal Retirement Age, your Protected Benefit (if applicable) would be reduced as explained above.

Your total benefit under the Plan is your Accrued Benefit. Your **"Accrued Benefit"** is the value of your benefit under the Plan as of any date before you reach your Normal Retirement Date. Your Accrued Benefit is generally the current value of your entire Account. However, if you have a Protected Benefit as described above, your Accrued Benefit is generally equal to the greater of:

1. Your entire Account (reflecting all Pay Credits, Interest Credits, and any Opening Balance);
or
2. Your Protected Benefit, reduced by the appropriate early commencement factor (if necessary).

In other words, if your Protected Benefit is greater than your Account, you will receive your Protected Benefit. Thus, for a period of time after you become an AB I Participant, even though your Account reflects an Opening Balance and earns Pay Credits and Interest Credits, your Accrued Benefit may not appear to grow to the extent that your Protected Benefit exceeds the value of your

Account. If you are interested in finding out your benefit under the Plan, you may have your benefit calculated by visiting the Web site www.mysourceforhr.com.

Funding: Who Pays For Your Benefit

The Plan is funded with contributions made by the Company. On an annual basis, the Plan Administrator actuarially determines the amount that the Company must contribute in order to fund the pension benefits for you and your fellow co-workers that participate in the Plan.

Vesting: When Do You Own Your Benefit

As discussed earlier in this Summary, to be vested means you have a permanent right to your Plan benefit and are entitled to receive that benefit whenever you stop working for the Company. You become fully vested in your Plan benefit once you have completed 3 years of Vesting Service (5 years of Vesting Service for employees terminating prior to January 1, 2010) (see "Service" section described earlier in this Summary). There is no partial vesting in your Plan benefit. You are not vested until you reach 3 years of Vesting Service, and you become fully vested once you reach 3 years of Vesting Service (5 years for employees terminating prior to January 1, 2010).

Thus, for example, if you terminate employment with only 2 years of Vesting Service, then you will receive no benefit under the Plan. That is, you are not vested in your benefit because you have less than 3 years of Vesting Service. If you terminate employment with 3 or more years of Vesting Service, you are fully vested in your benefit.

RECEIVING YOUR BENEFIT

When Is Your Benefit Paid?

Provided you are vested in your benefit as described above, you (or your beneficiary) may receive or begin to receive your benefit under the Plan as soon as possible following: (1) your termination of Service with the Company or an affiliate; or (2) your death (see "Death Benefits" found later in this Summary).

If you are vested in your benefit and terminate employment with the Company, you may receive your benefit at any time after your termination. If your benefit is \$5,000 or less, you will automatically be paid a single lump sum as soon as practicable after your termination. Alternatively, if your vested benefit amount is more than \$5,000, you may defer receipt of your benefit until a later time, such as the date you would have reached Early Retirement or Normal Retirement. By law, you must begin to receive payment of your Plan benefit by April 1 of the calendar year following the later of either (1) the year you turn age 70½, or (2) the year in which you retire.

The amount you would be eligible to receive would be the amount of your Account (subject also to any Protected Benefit provisions). Remember, if you leave the Company before you are vested in your benefit, you are not entitled to a benefit under the Plan.

How Is Your Account Paid?

Regardless of *when* you receive your benefits, generally you will need to elect the *form* of your benefit. You can elect to receive your Plan benefit in an immediate single lump-sum payment or in an annuity form. Once you terminate employment, you can request a distribution of your benefit at any time in any of the forms available under the Plan (described below).

A Note on "Actuarially Equivalent" Benefits

The various benefit form options are considered to be "*actuarially equivalent*" meaning that, statistically, they should produce the same total benefit amount even though they provide very different monthly benefit payments or the benefit may be paid in a lump sum. To calculate actuarial equivalence, the Plan uses specified interest rate and mortality factors or other stated factors as set forth in the Plan. For instance, to calculate the lump sum present value for your Protected Benefit (if applicable), the Plan uses as its interest rate the rate for 30-year Treasury Securities for September of the prior year (or a minimum interest rate prescribed by the IRS if it produces a larger benefit).

Note that to receive the current year's interest rate for certain calculations, such as calculating the Protected Benefit, the last day worked must be November 30 (*i.e.*, a December 1 benefits commencement date). A December 1 benefits commencement date requires a retirement date of December 1 and filing proper paperwork (described below) with MySource for Human Resources on or before November 30 requesting commencement of pension distribution.

Applying for Benefits

If you are retiring, you must call MySource for Human Resources at **1-888-640-3320** or visit the Web site **www.mysourceforhr.com** to request a pension benefit commencement kit. If you contact by phone, please ask to speak with a Retirement Specialist.

You should request the kit 30 to 90 days before you want your pension benefit to begin. In the kit, you will find further information regarding your pension benefit and payment options. In addition, all the appropriate forms are included along with instructions on what you need to do to

commence your pension benefit. You may change your payment option at any time before your first payment is processed. However, once your payments begin, you may not change the form of payment you have elected. Generally, all forms must be returned by the 10th of the month preceding the date your benefits are calculated to commence (your "**Benefit Commencement Date**"). The actual payment(s) will be made as soon as practicable following your Benefit Commencement Date.

If you leave the Company before retirement age and have a vested benefit, a notice will automatically be sent to you as soon as administratively practicable after your termination. The notice will provide information regarding your pension benefit and the payment options available to you.

Payment Options Under the Plan

When you retire or leave the Company, you may elect to receive your vested benefit under the Plan in any of the payment forms outlined below. As previously stated, various benefit forms are "actuarially equivalent."

Automatic Form of Payment

If you do not make a payment election, your benefit will be paid in the form of a "Single Life Annuity" if you are not married, or as a "50% Pop-Up Annuity" if you are married. If you are married, you may elect a different form of payment only with your spouse's notarized consent.

Lump-Sum Payment

You may receive your Account balance in a single lump-sum payment. If you select this distribution option, no further benefits would be payable from the Plan. If you are married at the time you want your pension benefit to be paid, your spouse must consent in writing to the lump-sum form of payment, unless the benefit is \$5,000 or less. Again, if your vested Plan benefit is \$5,000 or less, the Plan automatically pays this amount as a lump sum distribution (*i.e.*, annuity payments are not available).

Rollovers—If you receive your Account balance under the Plan in the form of a single lump sum, you may elect to roll over all or a portion of the distribution into an individual retirement account annuity ("IRA") or to another eligible retirement plan that accepts rollovers. Note that if you do not make a payment election (direct payment vs. rollover) and your benefit is greater than \$1,000 but less than or equal to \$5,000, then the Plan Administrator will roll over your benefit to an IRA designated by the Plan Administrator. If your benefit is \$1,000 or less when you leave the Company, and you do not elect whether to receive this benefit directly or to roll it over, then the Plan automatically pays this single lump-sum amount directly to you.

Annuity Payment Forms

If the value of your Account is over \$5,000, you may choose to receive a monthly benefit for your lifetime (also called an annuity) from the Plan. If you elect this option, the value of your Account is converted to an annuity. To determine your monthly benefit, your Account balance is divided by an actuarial factor based on your age when benefits start. In calculating your benefit amount, the Plan considers the type of annuity you elect and, if applicable, your beneficiary's age. The following annuity options are available to you:

- **Single Life Annuity**—As stated above, if you are single, the single life annuity option is the automatic form of payment. This means that, unless you elect to receive your benefit in a different form of payment, you will receive it as a single life annuity. With a single life annuity, you receive monthly payments for your lifetime. When you die, payments end. If you are married, you may not elect this form of payment without your spouse's notarized consent.
- **50% Pop-Up Annuity**—As stated above, if you are married, the 50% Pop-Up Annuity (with no reduction for the value of the pop-up feature), with your spouse as the contingent

annuitant, is the automatic form of payment under the Plan. This means that you will receive your benefit in this form of payment unless you elect a different form.

If you are married, you may choose the 50% Pop-Up Annuity distribution option, naming a beneficiary other than your spouse (and with a reduction for the value of the pop-up feature), provided your spouse consents to the alternate beneficiary. Your spouse's consent must be notarized.

If you are single, you may choose the 50% Pop-Up Annuity distribution option (also reduced for the value of the pop-up feature).

Under the 50% Pop-Up Annuity distribution option, you receive reduced benefits monthly for your lifetime. If you die before your beneficiary, he or she receives monthly payments equal to 50% of your benefit for his or her lifetime.

If your beneficiary dies within 60 months after your Benefit Commencement Date and before you die, your monthly payment is increased to the amount you would have received under the single life annuity option. In that case, all benefits would stop at your death.

If your beneficiary dies more than 60 months after your Benefit Commencement Date and before you die, your monthly payment will remain the same as when your beneficiary was living and all payments will stop at your death.

- **33-1/3% Annuity**—Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your beneficiary lives longer than you do, he or she receives monthly payments equal to 33-1/3% of your benefit for his or her lifetime. If you are married, you may not elect this form of payment without your spouse's notarized consent.
- **66-2/3% Annuity**—Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your beneficiary lives longer than you do, he or she receives monthly payments equal to 66-2/3% of your benefit for his or her lifetime. If you are married, you may not name a non-spouse beneficiary to receive this form of payment without your spouse's notarized consent.
- **75% Annuity** — Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your beneficiary lives longer than you do, he or she receives monthly payments equal to 75% of your benefits for his or her lifetime. This option is available effective January 1, 2008. If you are married, you may not name a non-spouse beneficiary to receive this form of payment without your spouse's notarized consent.
- **100% Annuity**—Under this option, you receive reduced benefits monthly for your lifetime. After your death, if your beneficiary lives longer than you do, he or she receives monthly payments equal to the benefit you were receiving for his or her lifetime. If you are married, you may not name a non-spouse beneficiary to receive this form of payment without your spouse's notarized consent.

Payments under any of these options will be based on your Account (as well as any Protected Benefit, if applicable). Subject to the spousal consent requirements noted above, you may choose any form of distribution as well as choose any beneficiary as your joint annuitant. If you die before an elected form of distribution begins, your (or your beneficiary's) benefit will be determined as provided in the "Death Benefits" section of this Summary.

A Comparison of Payment Options

If you choose to receive your benefit as a lump sum, you will receive the total vested value of your Account (or, if greater, the benefit calculated under the Protected Benefit provisions described previously). If you choose to receive your benefit as an annuity, the total vested value of your benefit will be converted into an annuity form of payment. To determine how much any annuity option would pay, your benefit is first defined as a single life annuity. If you choose a different annuity payment option providing benefits for a beneficiary after your death, your actual payment

will be reduced to reflect the cost or value of guaranteeing payments over the lives of two people. For example, assume you are married and retiring when both you and your spouse are age 55. Assume also that your Account is valued at \$200,000 and the applicable interest rate is 3.77% at the time you retire (note that the applicable interest rate fluctuates from year to year). See below for examples of estimated monthly amounts under some of the payment options that you could choose, and the amounts your surviving spouse could receive if you die after payments begin. Note that these examples do not incorporate any Protected Benefit you may have.

PAYMENT OPTIONS	YOUR MONTHLY BENEFIT FOR LIFE	YOUR SPOUSE'S MONTHLY BENEFIT FOR LIFE AFTER YOUR DEATH
Lump Sum Payment (<i>\$200,000</i>)	None	None
Single life annuity	\$996.36	\$0.00
50% Pop-Up Annuity (unreduced for pop-up feature with spouse as beneficiary)	\$952.52	\$476.26
33-1/3 % Annuity	\$967.47	\$322.49
66-2/3% Annuity	\$939.57	\$626.38
75% Annuity	\$932.59	\$699.44
100% Annuity	\$912.67	\$912.67

Situations Affecting Your Plan Benefit

The Plan is designed to provide you with income during your retirement years, but some situations could affect Plan benefits.

Several situations are summarized here:

- If your employment terminates before you have completed three years of vesting service (five years of vesting service if you terminated prior to January 1, 2010) you will not be entitled to a pension benefit and your pension benefit is forfeited.
- If you do not make the proper application for benefits, do not provide necessary information or do not provide your current address, your pension benefits could be delayed.
- If you die before your pension benefits begin and are unmarried, your pension benefit is payable to your beneficiary, estate, or trust. See "Death Benefits" below.
- If required by a qualified domestic relations order, all or a portion of your pension benefit may be assigned to someone other than you or your designated beneficiary to meet payments for child support, alimony or marital property rights. See "In the Event of Divorce or Dissolution" below.
- If there is a mistake or misstatement about eligibility, participation or service, or if the amount of payment made to you or your beneficiary is incorrect, the Plan Administrator has the authority to correct the situation. This may be done by withholding, accelerating or adjusting payments as necessary to ensure the proper payment from the Plan is made. In addition, in the event that an overpayment is made from the Plan and no additional

payments are due to be paid, the Plan Administrator has the authority to seek reimbursement of such overpaid amounts from the Participant (plus interest calculated in accordance with IRS guidance).

- If you are a highly paid employee, the law limits the annual benefit from the retirement and tax-deferred investment plans that can be distributed to you. The amount of annual compensation, which may be considered in determining pension benefits from the Plan, is also limited by law. You will be notified if this affects you.

A Note on Social Security Benefits

In addition to your benefits from the Plan, you can receive benefits from Social Security. Currently, if you were born before 1938, your full Social Security retirement benefits are payable at age 65. If you were born after 1937, your full Social Security benefits will be payable between ages 65 and 67, depending on your year of birth. You may elect to receive Social Security benefits as early as age 62, but the monthly amount will be reduced because you will be expected to receive it over a longer period of time.

Social Security benefits are not paid automatically. You should apply at the Social Security office nearest your home approximately three months before you want your benefits to begin. The Social Security office can advise you on the documents you will need in order to apply for this benefit.

DEATH BENEFITS

Death After Pension Payments Begin

If you die after you have begun receiving your pension benefit, additional payments to a named beneficiary will depend on the form of benefit payment you selected (see “Payment Options Under the Plan” above).

Death Before Pension Payments Begin

If you die before you begin receiving your pension benefit and you were vested under the Plan at the time of your death (see “Vesting: When Do You Own Your Benefit” above), the Plan will provide pre-retirement death benefits to your spouse or other beneficiary.

The death benefit payable will equal the full value of your vested Account. If you were married on the date of your death, your surviving spouse will be entitled to a Pre-retirement Survivor Annuity equal to the value of your vested Account (or if greater, equal to the survivor annuity portion of a joint and 50% survivor annuity calculated as if you terminated employment on the date of your death and considering any Protected Benefit calculation). Generally, a “**Pre-retirement Survivor Annuity**” provides your surviving spouse with a single life annuity benefit for his or her remaining lifetime. If you do not wish for your surviving spouse to receive a Pre-retirement Survivor Annuity in the event of your death, or if you wish to name a beneficiary other than your surviving spouse to receive benefits at your death, you may, with your spouse’s written consent, waive the Pre-retirement Survivor Annuity and/or elect another beneficiary.

Even if you do not elect a different form of payment, your surviving spouse may elect to receive the death benefit as follows:

- **Single Life Annuity**—A monthly benefit payable for the life of your spouse, commencing as of the first day of the month following your death. Alternatively, your spouse can elect to delay beginning payment of this annuity up to the date you would have attained age 65, but no later.
- **Single Lump Sum**—Payment in the form of a single lump sum payable as soon as practicable after your death.

If your beneficiary is someone other than your spouse, your Account will be paid out as a lump sum. Note that if the present value of the death benefit payable to your spouse or other beneficiary is \$5,000 or less, the Trustee will automatically distribute your death benefit to your surviving spouse or other beneficiary in a single lump sum payment.

Death Benefit Rollovers

Your beneficiary (whether spouse or non-spouse) may elect to rollover a lump sum death benefit to an individual retirement account/annuity (IRA) or, for a spouse beneficiary, to some other qualifying retirement plan. Note that non-spouse beneficiaries must request that the Plan make a “direct rollover” to the applicable IRA (*i.e.*, the Plan pays the lump sum death benefit directly to the IRA). A non-spouse beneficiary may not receive a distribution and then try to deposit it into an IRA as a rollover. For further information, see “Rollovers” below.

Designation of Beneficiary

In anticipation of receiving your AB I Benefit, if you have not already done so, you will need to name a beneficiary of your AB I Benefit. On your beneficiary designation form, you indicate the person(s) who will receive the remaining payments of your Plan benefit, if any, in the event of your death. You may change your beneficiary at any time prior to commencing benefit payment(s) by completing and returning a new form. Contact MySource for Human Resources at **1-888-640-3320** or **www.mysourceforhr.com** to change your beneficiary.

If you are married—By law, you must name your spouse as your beneficiary. If you wish to designate someone other than your spouse to be the beneficiary, your spouse must consent to your election in writing. The consent must be witnessed by a Notary Public and returned to MySource for Human Resources.

If you are single—You may name anyone as your beneficiary.

Some points on naming a beneficiary:

- If you marry, **your spouse automatically becomes your beneficiary** regardless of your previous designation, unless your new spouse consents in writing to another designation. You should notify MySource for Human Resources of any changes in your marital status. See “In the Event of Divorce or Dissolution” (the following section) for an explanation of how a divorce may affect your beneficiary designation under the Plan.
- If you designate more than one beneficiary, payment of your Plan benefit will be divided evenly among your beneficiaries unless you designate otherwise.

Failure of Beneficiary Designation

If you do not designate a beneficiary, or if your beneficiary designation is for any reason illegal or ineffective, or if none of the beneficiaries that you have designated survives you, your Plan benefit will be paid in the following order of priority:

- your surviving spouse;
- your descendants, per stirpes; or
- to the legal representative of your estate.

Duty to Report Participant's Death

If you die while receiving pension payments, the Plan Administrator must be notified of your death so that appropriate action may be taken concerning your benefits (e.g., beginning payments to a designated beneficiary; stopping payments; etc.). It is illegal for any person or entity to continue to receive after your death benefit payments that are supposed to be made only for the duration of your life. Accordingly, please advise those persons who may ultimately represent your estate, or who may be in a position to receive your benefit payments, of this legal duty to contact the Plan Administrator upon your death.

IN THE EVENT OF DIVORCE OR DISSOLUTION

If you are married and you go through a divorce or dissolution, such proceedings may affect your Plan benefit or your beneficiary designation under the Plan, as explained below. You must inform the Plan Administrator if you are divorced by contacting MySource for Human Resource at **1-888-640-3320**.

Beneficiary Designations After Divorce/Dissolution

If you are married and your marriage terminates by reason of divorce, dissolution or other similar operation of domestic relations law, any beneficiary designation you have previously made will remain unchanged. Note that while some state laws may invalidate a spousal beneficiary designation upon divorce, that is not the case under the Plan. Upon divorce, if you had named your former spouse as your beneficiary under the Plan, your beneficiary designation will not change unless you make a new beneficiary designation that revokes your prior beneficiary designation, or you remarry.

If you subsequently re-marry a different spouse, your previous beneficiary designation is *automatically* revoked and your new spouse becomes your beneficiary, unless a valid “qualified domestic relations order” provides otherwise. As explained below, a qualified domestic relations order may limit your ability to name another beneficiary in the event of a divorce or dissolution.

Qualified Domestic Relations Order (QDRO)

If you become divorced or legally separated, a specific type of court order could require that part of your benefit be paid to someone else – your former spouse, for example. This is known as a “qualified domestic relations order” (“QDRO”). By federal law, the Plan must comply with a valid QDRO. A QDRO is a legal judgment or decree that recognizes the rights of or support obligation toward a spouse, former spouse, child or other dependent. A domestic relations order must satisfy specific requirements to be “qualified,” and it must be recognized by the Plan Administrator.

If required by a QDRO, all or a portion of your benefit may be assigned to your former spouse or a dependent rather than you or your designated beneficiary to meet payments for child support, alimony or marital property rights. A QDRO may require that your former spouse be treated as your surviving spouse for all or any part of the survivor benefits payable after your death. In other words, if you re-marry, your subsequent spouse may not be treated as your surviving spouse for the portion of your benefit assigned to your former spouse if a valid QDRO so provides.

You and your beneficiaries may obtain, free of charge, a copy of the procedures used to determine the “qualified” status of a domestic relations order from MySource for Human Resources at **1-888-640-3320** or **www.mysourceforhr.com**. You or your spouse should submit a draft version of a domestic relations order to the Plan Administrator for review and approval before such order is finalized under domestic relations law.

*As soon as you are aware of any court proceedings that may affect your Account, contact MySource for Human Resources at **1-888-640-3320**. When the Plan Administrator receives notice of a pending QDRO, a hold will be placed on your Account that will prevent you from making any withdrawals until the QDRO is processed.*

CHANGES IN EMPLOYMENT STATUS*

Rehired Employees

If you terminate employment after becoming a Plan participant and later return to employment as an Eligible Employee, you will generally begin participation in the Plan under the AB I Benefit provisions. As an Eligible Employee, you will begin participation immediately once you are rehired; however, the Break in Service rules (described earlier in this Summary) may impact your Service crediting under the Plan.

If you are participating under the AB I Benefit and you terminate employment but do not receive a distribution, then when you are reemployed, the value of your vested AB I Benefit Account will equal the balance as of your termination of service, increased with Interest Credits for the period of absence. If you terminate employment and receive a lump sum distribution of your AB I Benefit, then when you are reemployed, you will begin participating in the Plan as a new AB I Benefit employee (*i.e.*, with a \$0 Opening Balance and 0 years of Point Service, though your prior Service will count for vesting purposes).

If you are receiving your benefits in the form of an annuity at the time of your return to employment, your annuity payments will be suspended and the unpaid portion of your prior benefit will be converted to an AB I Benefit Opening Balance as of the date of your reemployment. On your subsequent Benefit Commencement Date, your Protected Benefit (if any) will be reduced by the amount of annuity benefits you received. For purposes of calculating your Pay Credits (described earlier), you will be credited with Point Service both before and after your absence from employment. Further, your prior Service (as well as your Service earned after your reemployment) will count for vesting purposes. Note that the suspension of benefits and conversion to an Opening Balance may be impacted if you return to work after your Normal Retirement Age. In such instances, contact the Plan Administrator for additional details regarding the effect of reemployment on your retirement benefit.

Transfers to/from the NiSource Salaried Pension Plan

From the NiSource Salaried Pension Plan

If you were a participant in the NiSource Salaried Pension Plan (the "Salaried Plan") and you transferred to an "Eligible Employee" position providing coverage under the Plan, your benefit will be determined under the AB I Benefit. Your benefit under the Salaried Plan will be converted to an AB I Benefit Opening Balance in the Plan as of the date of your transfer. You will receive credit for Vesting Service and Point Service for your Service both before and after the transfer. With respect to your benefit under the Salaried Plan (including for calculating the Protected Benefit from the Salaried Plan), you will cease to earn service for benefit accrual as of the date of transfer, except that service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under such plan.

To the NiSource Salaried Pension Plan

If you transfer from a position providing coverage under the AB I Benefit of the Plan to employment in a position providing coverage under the Salaried Plan, your benefit will be determined under the AB II Benefit option of the Salaried Plan. In order to allow you flexibility

* Note the rehire provisions of this section are applicable to any participant rehired on or after January 1, 2008. Note the transfer provisions of this section are applicable to transfers occurring on or after January 1, 2009.

when considering a transfer, the Plan applies a one-year waiting period if you transfer from a union position under the Plan to a non-union position eligible for participation under the Salaried Plan. Specifically, if you transfer to a non-union position covered under the Salaried Plan, after a period of one year from the date of your transfer (or if earlier, upon your retirement), you will be subject to the terms of the Salaried Plan retroactive to your date of transfer (*i.e.*, you will have an AB II Benefit opening balance in the Salaried Plan, retroactive to your transfer date). Provided you are an "Eligible Employee" under the Salaried Plan (*e.g.*, if you transfer to an exempt position you were hired or rehired prior to January 1, 2010), you will receive credit for vesting service and point service under the Salaried Plan for your service both before and after the transfer. However, if you transfer back to employment providing coverage under the Plan within the 1-year period, you will be treated as never having left participation in the Plan.

Transfers to/from Affiliates

From An Affiliate

The following chart generally describes the impact on your pension benefit if you transfer *from* a particular employment position providing coverage under an affiliate's pension plan *to* an employment position with the Company otherwise providing coverage under the Plan. Unless specific provisions in the Plan or an affiliate's plan provides otherwise, your benefit will be determined as set forth below. See the NiSource Human Resources Department for further information.

IF YOU TRANSFER FROM AN AFFILIATE IN THE FOLLOWING POSITION:	TO THE COMPANY IN THE FOLLOWING POSITION:	THE IMPACT ON PLAN BENEFITS WILL BE AS FOLLOWS:
Non-union (exempt or non-exempt)	Union	Your benefit under the affiliate's plan will be frozen as of your transfer date and you will begin to participate in the AB I Benefit of the Plan. Your prior benefit will remain in the affiliate's plan and you will begin participation in the Plan with a \$0 Opening Balance. You will receive credit for Vesting Service and Point Service for your Service both before and after the transfer. With respect to your benefit under the affiliate's plan, you will cease to earn service for benefit accrual as of the date of transfer, except that service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under such plan.
Union	Union	

To An Affiliate

The following chart generally describes the impact on your pension benefit if you transfer *from* a particular employment position providing coverage under the Plan to an employment position with an affiliate that does not sponsor the Plan (because the affiliate offers a different plan or no plan). Unless specific provisions in the Plan or an affiliate's plan provide otherwise, your benefit will be determined as set forth below. See the NiSource Human Resources Department for further information.

IF YOU TRANSFER FROM THE COMPANY IN THE FOLLOWING POSITION:	TO AN AFFILIATE IN THE FOLLOWING POSITION:	THE IMPACT ON PLAN BENEFITS WILL BE AS FOLLOWS:
Union	Non-union (exempt or non-exempt)	Your AB I Benefit Account in the Plan will be frozen as of the date of your transfer, but will continue to earn Interest Credits until you commence distribution of your benefit. With respect to your benefit under the Plan, you will cease to earn service for benefit accrual as of the date of transfer, except that service following transfer shall be counted solely for purposes of determining eligibility for an early retirement benefit under the Plan (<i>i.e.</i> , for your Protected Benefit, if applicable). You will begin participating in the affiliate's plan as a new participant (assuming you are an "Eligible Employee"). If the affiliate's plan provides for your participation in an account balance option, you shall begin participation in such option with a \$0 opening balance, though you will receive credit for vesting service and point service both before and after the transfer. If the affiliate's plan provides for your participation in a FAP Benefit option, you shall begin participation in such option with zero credited service.
Union	Union	

If You Continue to Work After Normal Retirement Age

If you choose to work beyond your Normal Retirement Age, you will continue to earn Pay Credits and Interest Credits until you retire. If you work eight or more days during any calendar month following Normal Retirement Age or receive payment for vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence for at least eight days in any calendar month following Normal Retirement Age, you may not begin receiving your pension benefit from the Plan. If you receive remuneration for less than eight days in any calendar month after reaching Normal Retirement Age, you may begin receiving your pension benefit from the Plan.

If You Become Disabled

If you become Disabled while working for the Company, the calculation of your Plan benefit will be impacted as described in this section. In general, "**Disability**" or "**Disabled**" under the Plan means that you are either (1) eligible for disability benefits under the Social Security Act, or (2) you are totally and permanently disabled by bodily injury or disease so as to be prevented from engaging in any employment of the type covered by the relevant collective bargaining agreement, the disability has continued for six consecutive months and in the opinion of a qualified physician the disability

will be permanent. Note that prior June 1, 2004, eligibility for disability benefits under the Social Security Act was not a part of the Plan's definition of Disability.

If you are considered Disabled under the Plan and later return to active employment as an Eligible Employee you will continue to be covered under the AB I Benefit provisions. Notwithstanding the foregoing, if you were covered under the FAP Benefit provisions at the time your Disability commenced and later return to active employment as an Eligible Employee, you will be entitled to elect to have your future benefit accruals determined under the AB I Benefit provisions. You must make this election within 90 days after you return to work as an Eligible Employee. The election will be made and documented in a manner specified by the Plan Administrator. Any election will become irrevocable as of the end of the election period and will be effective as of the date you returned to work. If you fail to make a timely election, your benefits will be covered under the FAP Benefit once you return to active employment.

In General

Unless you qualify for the Grandfathered Disability Benefit described below, if you become Disabled, you will be subject to the Service Crediting, accrual and payment timing provisions described below.

Service Crediting—If you are considered Disabled under the Plan, you will continue to earn Point Service while the Disability continues without regard to whether the Disability lasts beyond one year and could thus constitute a "Severance from Service" (as defined in the Plan). Point Service under the Disability provision shall cease to be credited as of the earliest of (1) the date on which your Disability ends (which shall be deemed your "Termination of Service" (as defined in the Plan) unless you return to employment with the Company or unless the Company determines a different "Termination of Service" date), (2) the date on which you return to employment, or (3) the date your benefit under the Plan commences.

Continued Accrual and Compensation Crediting—You will continue to receive Pay Credits and Interest Credits to your Account while you are Disabled. For these purposes, you will be deemed to receive Eligible Pay at the same level of Eligible Pay in effect for the month when you became Disabled (but excluding any performance-based components of Eligible Pay). See the "How the Plan Works" section earlier in this summary for an explanation of what compensation counts as Eligible Pay.

Payment Timing—You may elect to start your Plan benefit payments at any time once you are considered to have terminated employment by the Company. You may receive your benefit under any of the payment options described in "Payment Options Under the Plan" above. Note that if you elect to begin benefit payments, you will stop earning Pay Credits and Interest Credits. In addition, commencing your Plan benefit might mean that any long term disability (LTD) benefits would no longer be payable. For more information about electing payment of your Plan benefit and whether such an election would impact your LTD payments, contact MySource for Human Resources and consult your LTD Plan.

Grandfathered Disability Retirement Benefit

You are entitled to a Grandfathered Disability Retirement Benefit from the Plan if you are an AB I Participant who was hired prior to June 1, 2004 (and thus not eligible for benefits under the Company LTD plan) and you become Disabled while employed by the Company. If you do not meet these requirements, you are not eligible for a Grandfathered Disability Retirement Benefit under the Plan. If eligible, you may elect to begin receiving the Grandfathered Disability Benefit as soon as administratively practicable (generally the first of the month) following the date that you notify the Company (in accordance with uniform procedures established by the Company) of the determination of your Disability. You may receive your benefit under any of the payment options described in "Payment Options Under the Plan" above.

The amount of the Grandfathered Disability Retirement Benefit equals your Accrued Benefit (as described earlier in this Summary) considering Point Service and Pay Based Credits earned as of the date your Disability and calculated as of the date your benefit commences. Thus, you will receive the greater of (1) your entire Account (reflecting your Opening Balance, Pay Credits earned through the date of you became Disabled, and Interest Credits earned through the date you begin benefit payment(s)), or (2) your Protected Benefit, reduced by the appropriate early commencement factor (as described earlier in this Summary).

If you retire on account of a Disability and elect to receive annuity payments of your Grandfathered Disability Retirement Benefit, and then you are rehired by the Company (i.e., you recover from your Disability) prior to age 65, your Grandfathered Disability Retirement Benefit will be suspended. Specifically, you will be treated as a rehired employee, and your benefit will be suspended and recalculated accordingly. See "Rehired Employees" found earlier in this Summary.

CLAIMS FOR BENEFITS

Applying for Your Plan Benefit

As stated above, to request your Plan benefits you must obtain a pension benefit commencement kit from MySource for Human Resources (1-888-640-3320; www.mysourceforhr.com).

Claim Denial and Appeal Process

In General

If you disagree with any decision the Plan Administrator may make regarding your interest in the Plan, the Plan contains the administrative review procedure you must follow. If you think benefits owed to you are not paid, or are too low, or are paid at a time other than when you think they should be, you can make a "claim" for benefits to the Plan Administrator.

If your claim for a pension benefit is denied in whole or in part, you have the right to request a review of the denial. You (or your beneficiary) will be notified of a denial of your claim in writing by the Plan Administrator within 90 days of the receipt of your claim (180 days if special circumstances apply). This written notice of the denial will include:

- The specific reason(s) for the denial;
- References to the Plan provision(s) on which the denial is based;
- A description of any additional material or information that is necessary to complete the claim; and
- The procedures for appealing the decision.

You or your authorized representative may review all documents related to any denial of a pension benefit. If you disagree with the Plan Administrator's decision, you have 60 days from the receipt of the original denial to request a review. This request should be in writing and sent to the NiSource Benefits Committee at the following address:

NiSource Inc.
Attn: NiSource Benefits Committee
801 East 86th Avenue
Merrillville, IN 46410

Your appeal will be reviewed and you will receive written notification of a decision within 60 days. If special circumstances require more time for this process, you will be notified in writing no later than 120 days after the receipt of your request. If your appeal is denied, you will be told why and which Plan provisions support that decision. If the final determination is made in your favor, the determination shall be binding and conclusive. If the final determination is not made in your favor, the determination shall be binding and conclusive unless you notify the NiSource Benefits Committee within 90 days after the mailing or delivery of the determination that you intend to institute legal proceedings under Section 502(a) of ERISA challenging the determination, and you actually institute such legal proceedings within 180 days after such mailing or delivery. All questions arising with respect to the Plan during any such legal proceedings shall be governed by Indiana law, except to the extent superseded by federal law.

Claims Involving a Determination of Disability

If your claim involves a determination of Disability under the Plan, the determination of Disability shall be made in accordance with the terms of the Plan. The times for submitting an appeal and for decisions on a claim or appeal are modified regarding Disability-related determinations to the extent required by Department of Labor regulations. If you submit a claim involving a determination of Disability, you (or your beneficiary) will be notified of a denial of your claim in writing by the Plan Administrator within 45 days of the receipt of your claim (up to 105 days if special circumstances apply).

If you disagree with the Plan Administrator's decision, you have 180 days from the receipt of the original denial to request a review. This request should be in writing and sent to the Plan Administrator at the address noted above.

Your appeal will be reviewed and you will receive written notification of a decision within 45 days (90 days if special circumstances apply) after the receipt of your request. If your appeal is denied, you will be told why and which Plan provisions support that decision. All determinations of appeals made by the Plan Administrator are final and binding.

TAX CONSEQUENCES

How and When Your Plan Benefits are Taxed

Generally, federal and state income tax laws do not require you to pay tax on your Plan benefits until you actually receive distributions under the Plan. Once you begin to receive benefit payments, you will have taxable income on these payments in the year that you receive them. In the year(s) of any distribution from the Plan, you will receive a tax form that will provide you with the information you need to file your taxes. You may be able to defer federal income taxes and avoid any penalty taxes if you transfer or “roll over” your distribution (see the Rollover section below). You should consult your tax advisor concerning any distribution you receive from the Plan.

Withholding Requirements

The Company is required by law to withhold taxes on payments from the Plan according to federal and state withholding rules in effect at the time of distribution. Under IRS rules, if you receive a lump-sum payment from the Plan, the Company is required to automatically withhold 20% of the amount payable toward your federal tax liability for that year. You can avoid the 20% withholding by having the money directly transferred to the NiSource Inc. Retirement Savings Plan, a 403(b) plan, a governmental 457 plan, another employer’s qualified plan or to an IRA, including a Roth IRA (see the Rollover section below). You should consult with your personal tax adviser regarding this matter.

Rollovers

If you receive your benefit under the plan in the form of a single lump-sum, you may elect to roll over all or a portion of the distribution to an Individual Retirement Account/Annuity (an “IRA”) or into another retirement plan that accepts rollovers from qualified plans. If you directly roll over your distribution from the Plan into a traditional IRA or another retirement plan, no income tax will be due on the amount rolled over and earnings thereon until you begin withdrawing the funds from the traditional IRA or retirement plan. If you roll over your distribution to a Roth IRA, the amount rolled over *is* subject to income tax in the year of the rollover. Under certain circumstances, all or a portion of a distribution may not qualify for rollover treatment.

As stated above, if you elect to have your benefit paid directly to you in a lump-sum payment, rather than rolled over, 20% of your distribution will be withheld and paid to the IRS. Even if you elect to have your benefit paid directly to you, you may still decide to roll over all or a portion of your distribution to an IRA or another retirement plan. If you decide to roll over your distribution, you must make the rollover within 60 days after you receive the distribution. If you choose to roll over 100% of your distribution, you must replace the 20% that has been withheld with other money available to you within the 60-day period. If you do not replace the 20% that has been withheld and you roll over only the 80% that you actually received, you will be taxed on the 20% that was withheld.

Note that in contrast to a single lump-sum payment, you cannot roll over monthly benefit payments into an IRA or another retirement plan.

Distributions Prior to Age 59 ½

In addition to being taxed as ordinary income, the taxable portion of a distribution taken prior to age 59 ½ (an early distribution) may be subject to a nondeductible federal penalty tax of 10%. Additional penalties may exist under state tax law. Early distributions are exempt from federal penalty taxes if the distribution was made for one of the following reasons:

- Distribution to your named beneficiary due to your death;
- Distribution that is made in the form of annuity payments over your life expectancy or over the life expectancy of you and your beneficiary;
- Distribution is made after termination of employment if you terminate after you reach age 55;
- Distribution that is made because you are totally and permanently disabled;
- For deductible medical expenses;
- Payment to an alternate payee under a qualified domestic relations order upon dissolution of a marriage; or
- To roll over to an IRA or other retirement plan within 60 days of receipt.

Please contact your Plan Administrator to receive a copy of the Special Tax Notice regarding payments from the Plan. This notice contains important information that you need to know before making a payment/withholding election.

AMENDMENT OR PLAN TERMINATION

The Committee expects to continue the Plan, but reserves the right to suspend, amend, modify or terminate the Plan in whole or in part at any time. If the Plan is amended, the amendments will not decrease your Accrued Benefit as of the time an amendment is adopted.

The Committee may only amend the Plan in writing. Any amendment shall be duly authorized if approved or ratified by the Committee. Thus, the Plan may not be modified or amended simply by representations, oral or otherwise, that may be made to you concerning the Plan. Accordingly, you should not consider the Plan to have been amended based on assertions made by a supervisor or human resources representative, for instance. If you believe you have received information that is contrary to the terms of the Plan or this Summary, please contact the Plan Administrator for clarification or confirmation.

If the Plan is terminated, or if there is a partial termination affecting you, you immediately will be fully vested as of the date of the termination. Benefits will be paid, according to law, as described in the following paragraph. Any money left in the trust will be returned to the Company after all required benefit obligations have been met. Trust fund assets would be used first to provide benefits to retirees, beneficiaries and active participants.

Before terminating the Plan, the Company would be required to notify the Pension Benefit Guaranty Corporation, a federal government agency. You also would receive notice of this termination. Once approval has been received, Plan assets would be used to pay benefits to retirees, beneficiaries and active participants, up to the total amount of assets in the Plan's trust. If for any reason the funds are insufficient to pay full benefits to all participants, payments would be made in the following order of priority: (1) benefits that are being paid or that will begin to be paid within three years; (2) benefits guaranteed by the Pension Benefit Guaranty Corporation; (3) benefits that were already vested before the Plan's termination; and (4) all other benefits.

Benefits for certain highly paid employees may be limited when the Plan terminates. If this applies to you, you will be provided with details.

Your Benefits are Insured

Your pension benefits, under the Plan, are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Disability benefits if you become disabled before the Plan terminates; and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for less than five years at the time the Plan terminates;
- Benefits that are not vested because you have not worked long enough for the Company;
- Benefits for which you have not met all of the requirements at the time the Plan terminates;

- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if a portion of your benefits is not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from the Company.

For more information about the PBGC and the benefits it guarantees, contact MySource for Human Resources at **1-888-640-3320** or contact the PBGC's Technical Assistance Division, 1200 K Street NW, Suite 930, Washington D.C. 20005-4026 or call **1-202-326-4000** (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at **1-800-877-8339** and ask to be connected to **1-202-326-4000**.

Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at **www.pbgc.gov**.

ADMINISTRATIVE / LEGAL OVERVIEW

Administrative Information

Plan Sponsor

The Plan Sponsor is Northern Indiana Public Service Company.

Plan Administrator

The Plan Administrator is the NiSource Benefits Committee (the "Committee"). In its discretion, the Committee may designate members of the NiSource Human Resources Department or other individuals to act on its behalf with respect to the administration of the Plan. The Committee has the sole authority to interpret the terms of the Plan. You may contact the Committee/Plan Administrator at:

NiSource Inc.
Attn: NiSource Benefits Committee
801 East 86th Avenue
Merrillville, IN 46410
1-219-647-5571

Employer Identification Number

The Employer Identification Number ("EIN") assigned by the IRS for Northern Indiana Public Service Company is 35-0552990.

Plan Type, Name and Number

The Plan is classified as a defined benefit plan generally providing pension benefits to eligible retirees and their survivors, and has been assigned Plan number 001. The AB I Benefit is a cash balance plan. The official Plan name is the NIPSCO Union Pension Plan. Note that a collective master trust applies to the assets of the Plan as well as the assets of the NiSource Salaried Pension Plan. While the Plan and the NiSource Salaried Pension Plan have different plan documents and provisions, these two plans are collectively filed with the IRS as the "NiSource Pension Plan."

Plan Year

The official Plan year is the calendar year, January 1 through December 31.

Plan Trustee

The Plan Trustee is The Northern Trust Company. The Plan Trustee is responsible for holding the assets of the trust fund according to the Committee's directions, and for distributing Plan payments. The money in the trust fund is set aside for the exclusive benefit of Plan participants and their beneficiaries.

You may contact the Plan Trustee at:

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

Legal Information/Issues

Employment Rights

The Plan is neither a contract for employment nor consideration for employment. Participation in the Plan is not a guarantee of or contract for new or continued employment. All employees remain subject to termination, layoff, or discipline as if the Plan had never been put into effect.

If the Plan Becomes “Top-Heavy”; A Legal Limitation

As required by law, alternate Plan provisions go into effect if the Plan becomes top-heavy. The Plan is “top-heavy” if more than 60% of accumulated account balances or benefits are payable to certain “key employees.” Key employees are officers with annual compensation of more than \$160,000 (indexed for 2011), and employees who are 1 percent owners of the Company with annual compensation of more than \$150,000 (not indexed), 5 percent owners of the Company, and beneficiaries of the above. You will be notified if this affects you.

Agent for Service of Legal Process

The agent for service of legal process is:

NiSource Inc.
Senior Vice President of Human Resources
801 East 86th Avenue
Merrillville, IN 46410

Legal process may also be served on the Plan Administrator or the Plan Trustee.

State Law

Indiana law shall determine all questions arising with respect to the provisions of the Plan, except to the extent superseded by federal law.

No Guarantee

All benefits provided under the Plan will be paid solely from the assets of the trust associated with the Plan. Except to the extent provided by law, nothing in the Plan or the trust will constitute a guarantee by the Company that the assets of the trust will be sufficient to pay any pension benefits to any person. Nothing in the Plan will give you or your beneficiary an interest in any specific part of the assets of the trust, or any other interest, except the right to receive pension benefits out of the assets of the trust as provided for in the Plan.

Collective Bargaining Agreements

As stated earlier in this Summary, employees who are covered by a collective bargaining agreement are not eligible for the Plan unless the applicable collective bargaining agreement provides for participation in the Plan. For those employees who are covered by a collective bargaining agreement providing for participation in the Plan, the Plan is maintained pursuant to a collective bargaining agreement.

Assignment of Benefits

Your pension benefit belongs to you and may not be sold, assigned, transferred, pledged or garnished, except under a Qualified Domestic Relations Order or as otherwise required under applicable law.

If you (or your beneficiary) are unable to care for your own affairs, any payments due may be paid to someone who is authorized to manage your affairs. This may be a relative, a friend or a court-appointed guardian.

Mergers, Consolidations or Transfers

If the Plan is merged or consolidated with another plan, or if Plan assets are transferred to another plan, your accrued benefit will be protected. Your accrued benefit under the new plan would, immediately after the change, at least equal the amount you would be entitled to immediately before the merger if the Plan had terminated just before the change.

Your ERISA Rights

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine (without charge) at the Plan Administrator's office and at other specified locations—such as work sites and union halls—all documents governing the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (Social Security retirement age) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called fiduciaries of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored—in whole or in part—you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your ERISA rights. For instance:

- If you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials—unless the materials were not sent because of reasons beyond the control of the Administrator.
- If you have a claim for benefits that is denied or ignored—in whole or in part—you may file suit in a state or federal court.
- If you disagree with the Plan's decision or lack thereof concerning the qualified status of a QDRO, you may file suit in federal court.
- If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.
- If you file suit against the Plan, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs.

and fees. If you lose, the court may order you to pay these costs and fees—for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (“EBSA”), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the “Publications Hotline” of the EBSA.

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