



Columbia Gas Transmission • Columbia Gulf Transmission •  
Crossroads Pipeline • Central Kentucky Transmission •  
Hardy Storage Company • Millennium Pipeline Company

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**NiSource Gas Transmission & Storage and  
UGI Partner to Provide Marcellus Producers Improved Access to Northeastern Markets**

HOUSTON and VALLEY FORGE, August 12, 2010 – NiSource Inc. (NYSE: NI) and UGI Corporation (NYSE: UGI) announced that NiSource’s NiSource Gas Transmission & Storage (NGT&S) unit and UGI’s UGI Energy Services, Inc. unit, are partnering to develop a new natural gas pipeline to provide Marcellus Shale producers in Pennsylvania improved access to high-value markets. An estimated 500,000 Dth/day of transportation capacity will be made available for increased production along NiSource’s Columbia Gas Transmission pipeline system in Clearfield, Centre and Clinton counties to interconnections with Transcontinental Gas Pipeline Corp., Tennessee Gas Pipeline Company, Dominion Gas Transmission, Inc., and Millennium Pipeline Company in north central Pennsylvania and southern New York, as well as connections to UGI’s Tioga/Meeker natural gas storage facilities and extensive gas distribution network.

“With the significant increase in drilling and deliverability of natural gas in the Marcellus Shale, there is a growing need for capacity to facilitate the movement of producers’ gas to downstream markets,” said Christopher A. Helms, executive vice president and group CEO for NGT&S. “Providing solutions to deliver this exciting new supply source to high-value markets is a key focus area for NGT&S. With this and other projects, we are working diligently to advance the NGT&S strategic plan to meet customer needs through thoughtful infrastructure investment.”

Bradley C. Hall, president of UGI Energy Services, said, “This joint marketing agreement brings together two major players with strategic assets, supplier relationships, and customers in and near the Marcellus Shale region. UGI has a large appetite for natural gas and we believe this project will provide our utility and transportation service customers with cost effective and reliable gas supply. We look forward to working with NGT&S on this important new supply initiative, especially given its operating and construction expertise with transmission and gathering pipelines.”

The joint marketing and development agreement is the first step in the planned development, construction and operation of a natural gas transmission pipeline with multiple points of access for producers and customers. The collaboration of the two companies will leverage the considerable Marcellus development efforts of each company, along with their extensive asset bases in Pennsylvania.

Development and construction costs are expected to be shared equally by the partners. Based on extensive work completed to date, the parties expect to file preliminary plans with the Federal Energy Regulatory Commission (FERC), and to hold an open season for the project's capacity, by the end of the year. The project is targeted to be in-service in the fourth quarter of 2012. The partners anticipate additional expansions in the future as producers carry out their drilling plans.

For information regarding this project, contact Blanca Flores Daugherty at (713) 267-4766 or Mark McConnell at (212) 209-3973.

The NGT&S companies include Columbia Gas Transmission, Columbia Gulf Transmission, Hardy Storage, Millennium Pipeline and Crossroads Pipeline. Combined, the companies operate about 15,000 miles of interstate natural gas pipeline and 37 storage fields, delivering over 1 trillion cubic feet of natural gas per year. For more information about NiSource Gas Transmission & Storage, please visit [www.ngts.com](http://www.ngts.com).

UGI Energy Services, the energy marketing unit of UGI, markets natural gas, electricity, and fuel oil to over 8,000 commercial and industrial customers at over 25,000 locations throughout the mid-Atlantic region, owns and operates natural gas storage in the Marcellus Shale region and peaking plants for utility clients, and owns 112 megawatts of electric generation capacity, as well as another 125 megawatts of gas fired generation under construction. UGI Utilities, Inc., a unit of UGI, serves much of the Marcellus Shale geography in northern and eastern Pennsylvania with 625,000 customers and 12,000 miles of pipeline in 45 Pennsylvania Counties. For more information about UGI, see [www.ugicorp.com](http://www.ugicorp.com).

#### **About NiSource**

NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to more than 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at [www.nisource.com](http://www.nisource.com). NI-F

#### **About UGI**

UGI is a holding company with propane marketing, utility and energy marketing subsidiaries. Through subsidiaries, UGI owns 44% of AmeriGas Partners, L.P., the nation's largest retail propane marketer, and owns Antargaz, one of the largest LPG distributors in France.

#### **NiSource Forward-Looking Statements**

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this news release are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth

opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; actual operating experience of NiSource's assets; the regulatory process; regulatory and legislative changes; the impact of potential new environmental laws or regulations; the results of material litigation; changes in pension funding requirements; changes in general economic, capital and commodity market conditions; and counter-party credit risk, and the matters set forth in the "Risk Factors" section in NiSource's 2009 Annual Report on Form 10-K and subsequent Quarterly Reports on Forms 10-Q, many of which risks are beyond the control of NiSource. NiSource expressly disclaims a duty to update any of the forward-looking statements contained in this release.

#### **UGI Forward-Looking Statements**

This press release contains certain forward-looking statements which the management of UGI believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. Among them are the success and timeliness of commercial initiatives, including the joint marketing and development project described above, the cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the outcome of future regulatory proceedings, and political, regulatory and economic conditions. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

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