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NiSource Inc.

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Introduction

Few companies can say their history is also the history of an industry, but NiSource Inc.'s journey mirrors the evolution of American utility services over the last century. From its beginnings as the Northern Indiana Public Service Company (NIPSCO) in 1912, NiSource has witnessed, and often driven, pivotal changes in how communities across the Midwest and Mid-Atlantic receive the essential energies that power homes and businesses. Today, NiSource ranks among the largest fully regulated utility companies in the United States, testament to the combination of strategic vision, resilience, and adaptability that defines its legacy.

This book aims to tell the comprehensive story of NiSource Inc.: how a regional energy provider became an S&P 500 powerhouse, balancing stability and innovation while keeping the lights on and the heat flowing for millions of Americans. Alongside a detailed historical account—spanning from early public utility developments through mergers, re-brandings, and regulatory changes—we explore how changing energy markets, technology, and environmental priorities have shaped the company's mission and operations.

The NiSource story is more than a chronicle of corporate events; it is a reflection of broader societal shifts. The growth of urban America, the demand for reliable and safe energy infrastructure, and the movement toward cleaner and more sustainable sources of power form a backdrop for company decisions and turning points. The merger with Columbia Energy Group and the later spin-off of Columbia Pipeline Group were not only business maneuvers but also strategic responses to a rapidly shifting landscape, reflecting both regulatory realities and customer needs.

As we delve into financial strategies, operating challenges, and successes, you will see how NiSource's business model—rooted in regulated assets—has permitted both continuity and transformation. The company's capital investment plans, focus on infrastructure modernization, and embrace of advanced leak detection and renewable energy demonstrate how even traditional industries must continually innovate to meet new expectations and risks, from extreme weather events to the rise of artificial intelligence and evolving customer expectations.

NiSource's leadership has guided the company through challenges ranging from infrastructure aging and environmental mandates to financial fluctuations and shifting regulation. Through interviews and analysis, we'll highlight the pivotal decisions and individuals who have shaped the company's strategic direction and corporate culture. Special attention is given to the company's deepening commitments to environmental, social, and governance (ESG) principles and their significance in securing the

company's place in a sustainable future.

Ultimately, this book not only recounts the history of NiSource Inc., but also explores its enduring relevance, current accomplishments, and bold goals for the future. As the demand for energy continues to evolve, NiSource's journey stands as a case study in adaptation, foresight, and the enduring power of public service.

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CHAPTER ONE: Early Roots: The Founding of NIPSCO

The story of NiSource Inc. doesn't begin with a single grand declaration, but rather with the gradual weaving together of smaller, ambitious enterprises across northern Indiana. While 1912 is widely cited as the official incorporation year for Northern Indiana Public Service Company (NIPSCO), the true genesis of its services stretches back much further, to the mid-19th century when the concept of public utilities was still in its nascent stages. The region of northern Indiana, with its burgeoning towns and developing industries, proved fertile ground for pioneering individuals and companies seeking to bring the modern conveniences of gas and electricity to everyday life.

Consider the year 1853, for instance, when the Fort Wayne Gas Light Company was established. This early predecessor to NIPSCO served a community of just over 4,000 people, providing gas for lighting in an era before widespread electric illumination. It was a sign of things to come, a local initiative to meet an immediate need, and it laid down some of the earliest foundational infrastructure that would one day contribute to a much larger network. Imagine the flickering gaslights illuminating the streets and homes of Fort Wayne, a marvel of its time, and a stark contrast to the darkness that preceded it.

Then came 1868, a year that saw the formation of the South Bend Gas Light Company, founded by none other than the Studebaker brothers. Yes, the very same Studebaker brothers who would become synonymous with carriages and, later, automobiles, were also astute enough to recognize the growing demand for reliable gas services. Their involvement highlights a fascinating aspect of early American industry: the entrepreneurial spirit often led individuals to diversify their interests, investing in various ventures that promised to shape the future. The Studebaker name, while more commonly associated with horsepower of a different kind, played a small yet significant role in the initial tapestry of utility development.

The late 19th century brought with it the "natural gas years" to Indiana, a period between roughly 1886 and 1900. This was a time of frenzied activity, as the discovery of a vast natural gas reserve near Kokomo sparked a veritable boom. Suddenly, more than 5,000 gas wells were drilled across the state by over 200 different companies, a testament to the speculative fervor of the era. This explosion of drilling created an extensive network of pipelines that crisscrossed Indiana, many of which, remarkably, would eventually form the bedrock of NIPSCO's natural gas business, a silent legacy flowing beneath the surface.

As the new century dawned, the utility landscape continued to evolve through a series

of mergers and acquisitions. In 1909, the Northern Indiana Gas and Electric Company was formed, acquiring the South Bend Gas Light Company a year later and becoming a subsidiary of United Gas Improvement Co. This entity represented a crucial consolidation, bringing together disparate smaller operations under a more unified banner. It was a step towards efficiency and broader service, paving the way for a more integrated utility system.

However, it was the incorporation of the Calumet Electric Company in 1912 that is most frequently pinpointed as the official beginning of NIPSCO. This venture was initiated by a group of savvy Gary businessmen with a clear objective: to secure additional power sources. Their immediate goal was to expand the recently developed Gary Railway Company, extending its reach to neighboring towns like Crown Point, Valparaiso, and LaPorte. The need for reliable electricity to fuel this expansion underscored the growing demand for modern power in a rapidly industrializing region.

The Calumet Electric Company, much like the Northern Indiana Gas and Electric Company, soon caught the eye of a much larger player in the burgeoning utilities sector: the multibillion-dollar Midland Utilities Company. This powerful holding company was managed by Samuel Insull, a truly towering figure in the public utilities industry and a former business secretary to none other than Thomas A. Edison himself. Insull's involvement signaled a shift from purely local endeavors to a more centralized and strategic approach to utility management.

In 1923, Midland Utilities acquired the Northern Indiana Gas and Electric Company, effectively uniting the two significant branches that would soon form NIPSCO. This was a pivotal moment, as it brought together both gas and electric operations under a single umbrella, setting the stage for a more comprehensive utility provider. Just three years later, in 1926, the modern Northern Indiana Public Service Company truly took shape when Calumet Electric Company officially changed its corporate name to Northern Indiana Public Service Company and subsequently merged with Northern Indiana Gas.

At its inception, with Samuel Insull at the helm as chairman, the newly formed NIPSCO served a considerable territory. Its reach extended across 25 counties, providing essential services to approximately 200,000 customers. Insull, a visionary with a penchant for centralization, consolidated control of numerous smaller electric and gas companies. He also held interests in other ventures, including the Chicago South Shore and South Bend Railroad. This period marked a significant expansion and rationalization of utility services in northern Indiana, laying the groundwork for the substantial growth that NIPSCO would experience in the decades to come.

While Insull's influence was undeniable, his expansive holdings eventually proved unsustainable. The stock market crash of 1929 and the ensuing Great Depression brought about a period of immense financial hardship for many, and Insull was

ultimately forced to declare bankruptcy. His direct participation in NIPSCO's affairs ceased by 1932, with the election of John N. Shannahan to the chairmanship. This marked the end of one era and the beginning of another, as NIPSCO began to navigate the complexities of a challenging economic landscape under new leadership.

Even during the economic downturn of the 1930s, NIPSCO continued to refine its service territory. By trading properties with Interstate Public Service Co., NIPSCO consolidated its business within the 30 counties of northern Indiana. This strategic move streamlined operations and allowed the company to focus its resources on its core service area. The early years of NIPSCO were thus characterized by a dynamic interplay of pioneering spirit, opportunistic consolidation, and the emergence of influential figures who shaped the very infrastructure of modern life in the American Midwest.

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