



Request for Information

Preferred Provider Program

Issued by the NiSource Legal Department
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RESPONSE SUBMISSION DEADLINE
December 10, 2008



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NiSource Overview

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 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England.

NiSource Legal Department

The NiSource Legal Department aims to provide its business clients timely and solution-oriented services in a cost-effective manner. The department provides advice and counsel, litigation and transactional services to support the needs of corporate and business clients. It consists of in-house energy and utility industry experts working in areas such as State and Federal Regulatory, Litigation, Commercial, HR, Real Property and Compliance. The Department has approximately 60 attorneys, paralegals and support staff located across the country, with primary offices in Merrillville, Indiana; Charleston, West Virginia; Columbus, Ohio; and Houston, Texas.



Project Description: The Preferred Provider Program

What We Seek to Accomplish

NiSource created the Preferred Provider Program (“PPP”) because we want to partner more closely with our outside counsel in advancing all aspects of NiSource’s business. Our objective in implementing the program is to achieve cost savings and improve efficiencies while maintaining or improving quality and results.

We have designed the PPP to help:

- Align the firm, staffing model and price point with the value and complexity of work;
- Leverage specialized knowledge and experience when needed;
- Define the role of firms clearly and align with the role of internal resources to reduce redundancy and increase the efficiency and consistency of work;
- Streamline our use of outside counsel so as to work closely with a smaller, more dedicated number of firms while creating healthy competition so that work is not single sourced; and
- Use the firms best-suited for the work.

What We Expect from Our Partnering Counsel

We are seeking outside counsel partners who demonstrate the following attributes:

- ***Legal Competencies/Attributes***
 - Are highly competent and get good results
 - Have a quality reputation
 - Think creatively
 - Clearly understand risks of actions
- ***Client-Facing Attributes***
 - Possess knowledge of NiSource and its industry
 - Are business focused and client driven
 - Reflect diversity in race, ethnicity and gender
 - Provide dedicated teams of lawyers, where applicable
- ***Teamwork Attributes***
 - Aim to build strong relationships with NiSource
 - Work collaboratively with internal resources, and possibly other firms, regardless of location
 - Have accessible, responsive and committed team members
 - Emphasize efficiency and cost control
 - Develop and manage budgets actively
 - Are open to process improvement
 - Coordinate technology with NiSource systems

In addition, NiSource expects its partnering firms will adhere to Outside Counsel Guidelines which we expect to discuss with you during the selection phase.



Project Timeline

Preferred Provider Program Project Timeline	
Milestone	Date
Firm Responses Due	12/10/2008
Firm Interviews at NiSource (Location(s) TBD)	12/2008-1/2009
Selection of Preferred Providers	1/2009 (Estimate)
Negotiations of Terms and Conditions	1/2009 (Estimate)
Roll-Out of Preferred Provider Program	2/2009 (Estimate)

Project Contact Person

NiSource does not plan to conduct a formal question and answer session regarding this RFI. However, efforts will be made to answer any questions in a timely manner. Please direct any inquiries by phone, mail or email to the following address:

Rachael Luthy
rluthy@huronconsultinggroup.com
2929 Allen Parkway Suite 2700
Houston, TX 77019
713.222.5976

Directions for Response Submission

RFI submissions are due on Wednesday, December 10, 2008 no later than 5:00 p.m. Central Standard Time. Please limit your RFI response to the information specifically requested and adhere to the specified word limits. Please submit one electronic copy and two hard copies to Rachael Luthy at the address noted above.

The response to the RFI should be submitted no later than 5:00 p.m. CST on Wednesday, December 10, 2008. Late submissions will not be considered.

NiSource reserves the right to extend the due date of delivery of the proposals and shall notify potential firms in advance of its intent to do so.



The Evaluation Process

The NiSource evaluation team will review and evaluate all submissions and may contact you for further information, as needed. The team may request clarification from your firm if there are questions concerning your proposal.

The NiSource evaluation team will review each submission individually against a set of pre-established criteria. This review will determine the degree to which the firm understands NiSource's business objectives and their requirements for legal services, as well as the firm's ability to provide the scope of required services as detailed in the RFI. Submissions that satisfy the requirements of the initial review will then progress to the next step in the evaluation process.

The next step in the evaluation process will be a comparative analysis of acceptable submissions to select candidates for in-person interviews. We anticipate in-person interviews will take place in early December.

Upon completion of in-person interviews, the NiSource evaluation team will complete a final assessment of each firm, including in-person interview results against pre-established evaluation criteria, to recommend candidates for selection as one of NiSource's PPP firms.

The evaluation team will then make its final decisions, notify selected firms and schedule a date to finalize the terms and conditions of the engagement.

The NiSource evaluation team will ensure the evaluation process is fair and unbiased. As such, all presentations to NiSource concerning a firm's efforts to become a member of the program should be made through the formal evaluation process. Specific evaluation criteria will remain confidential and internal to NiSource.



Firm Questions for Response

Firm Overview

- Please provide information on (1) your firm's overall size and (2) the size and geographic location of offices which are relevant to NiSource's business operations.

Overall Firm Size	Partners	Of Counsel	Associates	Paralegals	Non-Attorneys

Office Location (City, State)	# of Staff					
	Partners	Of Counsel	Associates	Paralegals	Non-Attorneys	Total
Total						

- Diversity is important to NiSource. Please complete the Diversity Summary table below with your firm's diversity statistics.

	Diverse Personnel					
	Partners		Associates		Paralegals	
	#	%	#	%	#	%
Women						
Minorities						

Additional Comments (Optional- 200 word limit)



3. Please provide your firm's annual revenue in the table below.

Revenue	2005	2006	2007
Total Firm Revenue (US\$)			
Total Revenue from NiSource (US\$)			
Percentage of Revenue from Top Client			

4. Discuss your expertise with multi-state utility companies. Please include information regarding clients, scope of services and thought leadership relevant to the industry. Please indicate the percentage of revenue your firm receives from the utility industry relative to other industries. (800 word limit)

5. Indicate your firm's ability to provide services in the each of the areas listed below.

Area of Law	Firm Provides Services (Yes/No)
Bankruptcy/Collections	
Corporate	
Commercial/Transactional	
Environmental (Transactional and Litigation)	
Federal Regulatory (including FERC, Compliance and Lobbying)	
General Litigation	
Health and Safety	
Labor and Employment	
Real Property/Real Estate (Transactional and Litigation)	
State Regulatory	

For each of the areas where your firm provides services, please provide a detailed discussion (redacted as necessary) of your firm's work on behalf of other companies in these areas, including key cases/matters handled, case/matter name, client, description and outcome/result achieved. Please include the biography of the partner you anticipate would take a lead role in the specified area. (Please limit your response to three pages for each area or approximately 2400 words)

6. What interests do you represent (past, present or future) that may be adverse to NiSource's interests? (400 word limit)



Financial Management

1. What type of alternative and result-oriented billing arrangements have you participated in with clients in the past? What alternative or result-oriented billing arrangements would you be willing to put in place for NiSource? Please discuss the specific services that you would be willing to provide under these types of arrangements. (800 word limit)
2. Please describe how you would propose to set and effectively manage budgets with NiSource should you be selected as a PPP firm. If applicable, describe your success in setting and effectively managing a budget in a particularly complicated litigation matter in the past. (400 word limit)
3. Are you willing and able to provide a budget forecast for your firm on a monthly basis? (200 word limit)
4. Please provide your firm's standard billing rates for all types of professionals (e.g., Partner, Of Counsel, Associate, Paralegal, Non-Attorney), including a breakdown of rates by the different levels for each type (e.g., Senior Partner, Junior Partner, 1-5 Year Associate, 6-10 Year Associate). You may adjust the levels listed in the table below as appropriate for your firm.

Level	Low Rate	High Rate	Comments
Senior Partner			
Junior Partner			
Of Counsel			
Associate Year 6 – 10			
Associate Year 1 – 5			
Paralegals			
Other Non Attorneys: <i>Please Specify</i>			

5. Are you willing to make any rate concessions for NiSource matters with respect to hourly rate billing from the most senior to junior personnel? (Please propose specific rate concessions by level.) (400 word limit)
6. Are you willing to freeze your rates for any given matter from the inception of that matter until its conclusion? (200 word limit)



Partnering Approach

1. Describe your expectations of a client. (800 word limit)

2. Describe your firm's approach for the following situations:
 - a) How do you educate your team and firm about a new client, including businesses, culture, competitors and key legal challenges it may be facing? (400 word limit)
 - b) What is your philosophy on charges to your clients for your team's education? (400 word limit)
 - c) Assuming you would provide services in multiple practice areas, how would you ensure consistency, coordination and controls across the work you would be performing for NiSource? (400 word limit)
 - d) When a team member leaves the firm, what is your process for replacing him or her and ensuring a smooth transition? (400 word limit)

3. Under the PPP arrangement, NiSource would like its PPP firms to appoint a person as the "NiSource Relationship Manager". This person would be responsible for managing and coordinating the firm's operations across all NiSource matters.
 - a) Please propose two (2) members of your firm who could fill the role of the NiSource Relationship Manager. Discuss why you selected these individuals and include their qualifications and experience with performing a similar role with other clients. (800 word limit)
 - b) Please describe how you and your firm have effectively worked with clients in using a one-team approach to ensure seamless service delivery and to resolve issues with clients. (400 word limit)