

NISOURCE INC/DE
Form S-3ASR
February 27, 2015
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As filed with the Securities and Exchange Commission on February 27, 2015

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
Registration Statement
under
the Securities Act of 1933

NiSource Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

35-2108964

(IRS Employer Identification Number)

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801 East 86th Avenue

Merrillville, Indiana 46410

(877) 647-5990

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Robert E. Smith

NiSource Inc.

801 East 86th Avenue

Merrillville, Indiana 46410

(877) 647-5990

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copy to:

Robert J. Minkus, Esq.

Schiff Hardin LLP

6600 Sears Tower

Chicago, Illinois 60606

(312) 258-5500

Approximate date of commencement of proposed sale to the public: From time to time after the Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of accelerated filer and large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>		Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	(Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee (1)
Common stock, par value \$0.01 per share	1,291,662	\$43.80	\$1	\$0

- (1) Pursuant to Rule 415(a)(6) under the Securities Act, this registration statement includes 1,291,662 unsold shares of common stock covered by registration statement no. 333-179821, filed on March 1, 2012, for which the registration fee was paid on March 1, 2012. No additional shares are being registered. Accordingly, there is no additional registration fee payable herewith.
- (2) Calculated in accordance with Rule 457(c) under the Securities Act based upon the average of the high and low prices of NiSource Inc. common stock on the New York Stock Exchange on February 24, 2015.

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PROSPECTUS

NiSource Inc.

Dividend Reinvestment

and

Stock Purchase Plan

We are offering shares of our common stock through participation in the NiSource Inc. Dividend Reinvestment and Stock Purchase Plan (the Plan). The Plan is designed to promote long-term ownership among investors in our common stock by offering:

A simple way to increase your holdings in our common stock by automatically reinvesting all or a portion of your cash dividends; and

The opportunity to make your initial investment in our common stock, or to purchase additional shares.

You do not have to be a current stockholder to participate in the Plan. You can purchase your first shares of our common stock by making an initial investment of not less than \$250 and not more than \$10,000.

Shares offered under the Plan may be, at our option, newly issued shares, shares held in our treasury or shares purchased on the open market. All open market purchases, as well as all sales of participants' shares under the Plan, will be made through a registered broker-dealer that is not affiliated with us and that will act as an agent independent of the issuer, as that term is defined under the federal securities laws.

Our common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol NI.

Participation in the Plan is entirely voluntary, and participants may terminate their participation at any time. Stockholders who do not choose to participate in the Plan will continue to receive cash dividends, as declared, in the usual manner.

You should read this prospectus carefully before you invest and retain this prospectus for future reference. You also should read carefully and evaluate the cautionary statements concerning risk factors included in our periodic reports and other information that we file with the SEC. See Risk Factors on page 1.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 27, 2015.

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WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement that we have filed with the Securities Exchange Commission, or SEC. The registration statement and its exhibits provide additional information about us and the common stock offered under this prospectus.

In addition, we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain additional information about the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website on the Internet (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including us.

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. Information that we file with the SEC after the date of this prospectus automatically will modify and supersede the information included or incorporated by reference in this prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference the following documents filed with the SEC:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2014; and

the description of our common stock contained in our definitive joint proxy statement/prospectus dated April 24, 2000.

We also incorporate by reference any future filings we make with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act until the expiration of the registration statement containing this prospectus.

You may request a copy of any of these filings at no cost by writing to or calling us at the following address and telephone number: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, Indiana 46410, telephone: (877) 647-5990.

Additional information about us is available at our Internet website at <http://www.nisource.com>. The information contained at our Internet website is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell or soliciting an offer to buy common stock in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of the document.

RISK FACTORS

Investing in our common stock involves risk. For a discussion of the risks related to an investment in our common stock, please see the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which is incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this prospectus. The risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, our financial results and the value of our common stock.

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Risks Relating to Participation in the Plan

You will not know the price of the shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.

The price of our shares may fluctuate between the time you decide to purchase shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision, but you may not be able to change or cancel your authorization.

Unless you request certain types of trading orders, you will not be able to direct the specific time or price at which your shares are sold under the Plan.

Computershare Trust Company, N.A., the Plan Administrator, administers the Plan. If you instruct the Plan Administrator to sell shares under the Plan, unless you request a day limit order or a good-til-cancelled limit order, you will not be able to direct the time or price at which your shares are sold. The price of our shares may decline between the time you decide to sell shares and the time of actual sale. See Questions 22 and 23 below for a description of the differences between types of trading orders.

FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus and in the documents incorporated by reference are forward-looking statements within the meaning of the securities laws. These forward-looking statements include, but are not limited to, statements concerning our plans, objectives, expected performance, expenditures, recovery of expenditures through rates, stated on either a consolidated or segment basis, the proposed separation of our natural gas pipeline and related businesses into a stand-alone publicly traded company called Columbia Pipeline Group, Inc. (the Proposed Separation), Columbia Pipeline Partners LP's initial public offering and any and all underlying assumptions and other statements that are other than statements of historical fact. Investors and prospective investors should understand that many factors govern whether any forward-looking statement will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Accordingly, you should not rely on the accuracy of predictions contained in forward-looking statements.

Realization of our objectives and expected performance is subject to a wide range of risks and can be adversely affected by, among other things, weather, fluctuations in supply and demand for energy commodities, growth opportunities for our businesses, increased competition in deregulated energy markets, the success of regulatory and commercial initiatives, dealings with third parties over whom we have no control, actual operating experience of our 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, counterparty credit risk, the timing to consummate the Proposed Separation, the risk that a condition to consummation of a Proposed Separation is not satisfied, disruption to operations as a result of the Proposed Separation and the inability of one or more of the businesses to operate independently following the completion of the Proposed Separation, many of which risks are beyond our control. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. We expressly disclaim a duty to update any of the forward-looking statements.

NISOURCE INC.

Overview

We are an energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast

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through the Midwest to New England. Our principal subsidiaries include NiSource Gas Distribution Group, Inc., a natural gas distribution company, and Columbia Pipeline Group, Inc., a transmission and storage holding company, whose subsidiaries provide service to customers in the Midwest, the Mid-Atlantic and the Northeast; and Northern Indiana Public Service Company, a vertically-integrated gas and electric company providing service to customers in northern Indiana. We derive substantially all our revenues and earnings from the operating results of our thirteen direct subsidiaries. Our primary business segments are:

gas distribution operations;

Columbia Pipeline Group operations; and

electric operations.

On September 28, 2014, we announced that our Board of Directors had approved in principle plans to separate our natural gas pipeline and related businesses into a stand-alone publicly traded company. If completed, the Proposed Separation will result in two energy infrastructure companies: NiSource Inc., a fully regulated natural gas and electric utilities company, and Columbia Pipeline Group, Inc., a natural gas pipeline, midstream and storage company. The Proposed Separation is expected to occur in mid-2015.

Strategy

Our platform for long-term, sustainable growth will continue to center on commercial and regulatory initiatives; commercial growth and expansion of the gas transmission and storage business; and financial management of the balance sheet.

Gas Distribution Operations

Our natural gas distribution operations serve approximately 3.4 million customers in seven states and operate approximately 58,000 miles of pipeline. Through our wholly-owned subsidiary, NiSource Gas Distribution Group, Inc., we own six distribution subsidiaries that provide natural gas to approximately 2.6 million residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland and Massachusetts. Additionally, we also distribute natural gas to approximately 807,000 customers in northern Indiana through our subsidiary Northern Indiana Public Service Company.

Columbia Pipeline Group Operations

Our Columbia Pipeline Group operations subsidiaries own and operate approximately 15,000 miles of interstate pipelines and operate one of the nation's largest underground natural gas storage systems, capable of operationally storing approximately 622 billion cubic feet of natural gas. Through our subsidiaries Columbia Gas Transmission L.L.C., Columbia Gulf Transmission Company, Columbia Midstream and Crossroads Pipeline Company, we own and operate an interstate pipeline network extending from the Gulf of Mexico to New York and the eastern seaboard. Together, these companies serve customers in 16 Northeastern, Mid-Atlantic, Midwestern and Southern states and the District of Columbia. Our subsidiary Columbia Midstream Group, LLC is an unregulated business that provides natural gas producer services including gathering, treating, conditioning, processing, compression and liquids handling in the Appalachian Basin. Columbia Energy Ventures, LLC is an unregulated business that manages our mineral rights positions in the Marcellus and Utica shale areas.

The Columbia Pipeline Group operations subsidiaries are also involved in two joint ventures, Millennium Pipeline Company, L.L.C. and Hardy Storage Company, L.L.C., which effectively expand their facilities and throughput. Millennium Pipeline, which includes 253 miles of 30-inch-diameter pipe across New York's Southern Tier and lower Hudson Valley, has the capability to transport natural gas to markets along its route, as well as to the New York City markets through its pipeline interconnections. Millennium Pipeline is jointly owned by our affiliate and affiliates of DTE Energy Company and National Grid plc. Hardy Storage, which consists of underground natural gas storage facilities in West Virginia, has a working storage capacity of 12 Bcf and the ability to deliver 176,000 Dth of natural gas per day. Hardy Storage is jointly owned by affiliates of Columbia Gas Transmission L.L.C. and Piedmont Natural Gas Company, Inc.

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If the Proposed Separation is completed, the subsidiaries comprising our Columbia Pipeline Group operations segment will no longer be part of our company.

Electric Operations

We generate, transmit and distribute electricity through our subsidiary Northern Indiana Public Service Company to approximately 461,000 customers in 20 counties in the northern part of Indiana and engage in wholesale and transmission transactions. Northern Indiana Public Service Company owns and operates three coal-fired electric generating stations. The three operating facilities have a net capability of 2,540 megawatts. Northern Indiana Public Service Company also operates Sugar Creek, a combined cycle gas turbine plant with a net capacity of 535 megawatts, three gas-fired generating units located at the coal-fired electric generating stations with a net capability of 196 megawatts and two hydroelectric generating plants with a net capability of 10 megawatts. These facilities provide for a total system operating net capability of 3,281 megawatts. Northern Indiana Public Service Company's transmission system, with voltages from 69,000 to 345,000 volts, consists of 2,802 circuit miles. Northern Indiana Public Service Company is interconnected with five neighboring electric utilities. During the year ended December 31, 2014, Northern Indiana Public Service Company generated 77.3% and purchased 22.7% of its electric requirements.

USE OF PROCEEDS

We will use the net proceeds from the sale of common stock offered by this prospectus for general corporate purposes, including additions to working capital and repayment of existing indebtedness.

TERMS OF THE PLAN

Purpose

1. What is the purpose of the Plan?

The purpose of the Plan is to provide existing stockholders with a simple, convenient and affordable way to increase their holdings in NiSource common stock at prevailing market prices and to enable new investors to make an initial investment in our common stock. The Plan also provides a means for NiSource to raise additional capital through the direct sale of common stock.

Key Features

2. What are the Plan's key features?

As a Plan participant, you can take advantage of the following Plan features:

Dividend Reinvestment. Automatic reinvestment of all or a portion of your cash dividends.

Initial Investment. If you are not an existing stockholder, you can make an initial investment in NiSource common stock of as little as \$250 and as much as \$125,000, without needing your own broker.

Optional Cash Investment and Automatic Monthly Deductions. You can increase your holdings by making optional cash investments at any time by check or online at www.computershare.com.investor, or automatically by convenient monthly deductions from your checking, savings or money market account. Once you are a registered stockholder, you can buy our common stock through optional cash investments of at least \$25. You may not invest more than \$125,000 in a single calendar year, unless we grant a waiver of the Plan maximum. See Item 14.

Book-Entry Share Ownership; Safekeeping. Instead of physical stock certificates, you will receive statements reflecting your transaction history and share ownership.

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Online Access to Account Information. You can enroll and access your account information online at any time at www.computershare.com/investor.

Easy Withdrawal, Sale or Transfer. You can obtain a stock certificate, sell or transfer your shares at any time.

Low Transaction Costs. You can purchase NiSource common stock at prevailing market prices with no brokerage commissions and, in most cases, no service fees.

Administration

3. Who administers the Plan and what does the Plan Administrator do?

We have appointed Computershare Trust Company N.A. as the Plan Administrator. The Plan Administrator, along with its designated affiliates, is responsible for the following:

receiving all cash investments;

maintaining records;

issuing statements of account;

purchasing and selling shares for Plan participants; and

performing other duties related to the Plan.

The Plan Administrator also serves as the custodian bank for the Plan. This means that it holds shares registered in the Plan's name representing the aggregate number of whole shares of our common stock purchased under, or deposited for safekeeping into, the Plan and credited to participants' accounts. The Plan Administrator also serves as dividend disbursing agent and transfer agent for the Plan. In the event that the Plan Administrator resigns or otherwise ceases to act as administrator, we will appoint a new administrator to administer the Plan.

Neither we nor the Plan Administrator will be liable in administering the Plan for any act done in good faith or as required by applicable securities laws or for any good faith omission to act including, without limitation, any claim or liability arising out of failure to terminate your account upon your death, or with respect to the prices at which shares are purchased or sold for your account and the times when such purchases or sales are made or with respect to any fluctuation in the market value after the purchase or sale of shares. Neither we nor the Plan Administrator have any duties, responsibilities or liabilities except those that are expressly set forth in the Plan.

4. How do I contact the Plan Administrator?

If you have any questions or otherwise need to contact the Plan Administrator regarding your participation in the Plan, you may use any of the following methods:

by calling (888) 884-7790 (if you are within the United States), (201) 680-6578 (if you are outside the United States) or (800) 231-5469 for the hearing impaired (TDD);

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by sending an e-mail to *Web.Queries@computershare.com*; or

by writing to the following address:
NiSource Inc.

c/o Computershare Trust Company, N.A.

P.O. Box 30170

College Station, TX 77842-3170

If you call by telephone, an automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Time, Monday through

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Friday (except holidays). In addition, you may visit the Plan Administrator's website at www.computershare.com/investor. At this website, you may enroll, perform certain transactions and obtain information on your Plan account via Investor Centre.

Eligibility

5. Who can participate in the Plan?

Any person or entity is eligible to participate in the Plan, provided that, in the case of non-U.S. investors, participation does not (a) violate any laws or regulations of any foreign jurisdiction, (b) subject the Plan, the Plan Administrator or us to taxation by or in any foreign jurisdiction or (c) require registration of us, the Plan Administrator or NiSource's common stock in any foreign jurisdiction.

We reserve the right to terminate participation of any stockholder in the Plan if we deem it advisable under any foreign laws or regulations.

Enrollment

6. How do I enroll in the Plan?

Current Stockholders of Record

If you already hold shares of our common stock registered in your name, you may join the Plan by enrolling online at www.computershare.com/investor through Investor Centre or by returning a completed enrollment form to the Plan Administrator. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation will continue automatically until either you elect to withdraw from the Plan or we terminate the Plan or your participation in the Plan.

New Investors

If you are not a current stockholder, you may join the Plan by returning to the Plan Administrator a completed enrollment form along with an initial investment of at least \$250, but not more than \$125,000. A one-time enrollment fee of \$10 will be deducted from your initial investment.

You also may enroll online at www.computershare.com/investor through Investor Centre. If you enroll online, you must authorize a deduction from your bank account for your initial investment.

Beneficial Owners and Shares Held in Street Name

If you are a beneficial owner of NiSource common stock and your shares are registered in the name of a bank, broker, trustee or other agent, you may transfer your shares to a Plan account by instructing your bank, broker, trustee or agent to register your shares directly in your name and then enrolling in the Plan as described above under **Current Stockholders of Record**. You also may participate in the Plan by making arrangements with your bank, broker, trustee or agent to participate in the Plan on your behalf.

7. How do I obtain a copy of the enrollment form for the Plan?

Requests for copies of the Plan enrollment form and this prospectus should be made to the Plan Administrator at the telephone number listed above under **Administration**. You also can obtain copies of the enrollment form and other Plan materials, including information regarding online enrollment and purchases under the Plan, on the Plan Administrator's website at www.computershare.com/investor.

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Dividend Reinvestment Options

8. What are my dividend reinvestment options under the Plan?

You may elect to reinvest cash dividends on all of the shares that you own (Option 1), to reinvest cash dividends on some of the shares that you own (Option 2), or to receive all dividends in cash (Option 3). You will not be assessed any charges or trading fees for reinvesting dividends.

Option 1 Full Reinvestment

Under Option 1, 100% of all cash dividends paid on both shares held in your Plan account (including shares you deposit under the Plan for safekeeping), and shares held directly by you (as certificates) will be reinvested in additional shares of common stock. The shares purchased with your reinvested dividends will be credited to your Plan account. Reinvestment under Option 1 also will apply to any shares registered in your name that you acquire in the future, either outside of or through the Plan.

Option 2 Partial Reinvestment

Under Option 2, you can elect that dividends on a specified number of shares be paid to you in cash. Dividends on your remaining shares of common stock will be reinvested. Buying additional shares will not change your election, meaning that dividends on all additional shares will be reinvested. In addition, selling part of your shares will not change your election unless the number of shares in your Plan account falls below the number of shares that you specified under your election. In that case, cash dividends will be paid to you on the remaining number of shares that you hold in your Plan account following the sale.

Option 3 No Reinvestment (full cash dividends)

Under Option 3, you will receive all dividends in cash, and no dividends that are paid on your shares will be reinvested. You still will be able to make additional cash investments and/or deposit certificates into the Plan for safekeeping under this election.

9. How do I change my dividend reinvestment option election?

You may change your dividend reinvestment election at any time, regardless of the Option you have chosen. To change your election, simply access your account online at www.computershare.com/investor or complete a new enrollment authorization form and mail it to the Plan Administrator. Changes to your dividend reinvestment election must be received by the record date for a particular dividend in order to be applied to that dividend.

10. When will reinvestment of my cash dividends begin?

If you elect to participate in Option 1 or Option 2, the Plan Administrator will begin to reinvest your dividends automatically on the next dividend payment date after receiving your enrollment authorization form, so long as your enrollment authorization form is received on or before the record date for that dividend. The dividend payment dates for NiSource common stock have traditionally been on or about the 20th of February, May, August and November. The record date for each dividend has traditionally been no earlier than the last business day of the month preceding the dividend payment date.

If your authorization is received after the record date for a dividend payment, the current dividend will be paid to you, and the dividend payment after the next record date will be reinvested.

11. How will I receive the cash dividends that I elect not to reinvest?

If you choose Option 2 or Option 3, you may elect to receive your cash dividends not being reinvested by direct deposit into your U.S. bank account on the dividend payment date instead of receiving a check by mail. You may make this election at the time of enrollment or at a later date either by contacting the Plan

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Administrator to obtain appropriate forms or online at www.computershare.com/investor. Please allow 30 days from the date the Plan Administrator receives your request for the direct deposit to be established. If you do not receive your cash dividends by direct deposit, the Plan Administrator will pay them in the form of a check mailed to your address of record.

12. What else should I know about dividends under the Plan?

The payment of dividends is at the discretion of our Board of Directors and will depend upon future earnings, our financial condition and other factors. There can be no assurance as to the declaration or payment of any dividend. Nothing in the Plan requires us to declare or pay any dividend on our common stock.

Optional Cash Investments

13. How do I make optional cash investments?

You may purchase additional shares of our common stock by making optional cash investments under the Plan, regardless of whether your dividends are being reinvested. Each optional cash investment, whether direct or automatic, must be of at least \$25. If you are not a current stockholder, you must first enroll in the Plan by submitting to the Plan Administrator a completed enrollment form and an initial investment. (See the New Investor requirements under Enrollment above.)

Optional cash investments generally cannot exceed \$125,000 per calendar year. Optional cash investments in excess of \$125,000 per calendar year may only be made after submission to us of a written request for a waiver, and after we have given our written approval, which we may grant or deny in our sole discretion. See Item 14. Reinvested dividends and shares deposited in the Plan for safekeeping only do not count for purposes of the \$125,000 annual limit.

Direct Investment

If you choose to make an optional cash investment, along with your check, you are required to provide the Plan Administrator with a completed enrollment authorization form or a tear-off stub from a Plan statement. You should make the check payable to NiSource/Computershare. Checks must be drawn on a U.S. bank and payable in U.S. dollars. All third party checks, cashier's checks and checks not drawn on a U.S. bank will be returned. Neither cash nor money orders will be accepted by the Plan Administrator. If you prefer, you can authorize an individual automatic deduction online at www.computershare.com/investor each time you want to make an optional cash purchase.

Automatic Investment

You also may authorize automatic monthly cash investments by electronic funds transfer from your bank account by completing a Direct Debit Authorization form or by enrolling online at www.computershare.com/investor. Automatic investment allows you to make ongoing investments in an amount that is comfortable for you (not less than \$25 nor more than \$125,000 per calendar year), without having to write a check. Automatic investment deductions are made on the 25th day of each month, or, if that day is not a business day, on the next business day. You should allow 30 days for initiation of the first automatic investment or for changes in your designated financial institutions or bank accounts.

14. May I invest more than the annual Plan maximum of \$125,000?

Yes, if you request a waiver of this limit and we grant your waiver request. Upon receipt of a written waiver request form from an investor, we will consider waiving the maximum investment limit. Grants of waiver requests will be made in our sole discretion based on a variety of factors, which may include our current and projected capital needs, prevailing market prices of our common stock and other securities, and general economic and market conditions.

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Shares purchased pursuant to a waiver of the Plan maximum will be subject to a special pricing mechanism, as follows:

Pricing Period, Threshold Price and Extension Feature

Investments for which a waiver has been granted will be made subject to a pricing period, which will generally consist of one to 15 separate days during which trading of our common stock is reported on the NYSE. Each of these separate days will be an investment date, and an equal proportion of the investment amount will be invested on each trading day during such pricing period, subject to the qualifications listed below. The purchase price for shares acquired on a particular investment date will be equal to 100% (subject to change as provided below) of the volume-weighted average price (less any applicable waiver discount, as described below), rounded to four decimal places, of our common stock, as reported by the NYSE only, obtained from Bloomberg, LP, for that investment date. Funds for such investments must be received by the Plan Administrator not later than the business day before the first day of the pricing period.

We may establish a minimum, or threshold, price for any pricing period, which is a stated dollar amount that the volume-weighted average price, rounded to four decimal places, of our common stock, as reported by the NYSE, must equal or exceed during each trading day of the pricing period for investments made pursuant to a waiver. We will only establish a threshold price if shares will be purchased directly from us in connection with the relevant pricing period.

If we decide to establish a threshold price for a particular pricing period, and if the threshold price is not satisfied for a trading day in the pricing period, then that trading day and the trading prices for that day will be excluded from the pricing period, and we will exclude from the pricing period any trading day that the volume-weighted average price is less than the threshold price and refund that day's proportional investment amount. For example, if the threshold price is not met for two of the trading days in a ten-day pricing period, then we will return 20% of the funds you submitted in connection with your waiver request, without interest, unless we have activated the pricing period extension feature for the pricing period, as described below.

Neither we nor the Plan Administrator are required to notify you that a threshold price has been established for any pricing period.

We may elect to activate for any particular pricing period a pricing period extension feature which will extend the initial pricing period by the number of days that the threshold price is not satisfied, up to a maximum of five additional trading days. If we elect to activate the pricing period extension feature and the threshold price is satisfied for any additional day that has been added to the initial pricing period, that day will be included as one of the trading days for the pricing period instead of the day on which the threshold price was not met. For example, if the initial pricing period is 10 days, and the threshold price is not satisfied for three out of those 10 days, and we had previously announced in the waiver request form that the pricing period extension feature was activated, then the pricing period will be automatically extended by three trading days, and if the threshold price is satisfied on one or more of the next three trading days, then each of those days on which the threshold price is met will become an investment date in lieu of one of the three days on which the threshold price was not met. As a result, if the threshold price is met on all three of the additional trading days, because there were 10 trading days during the initial and extended pricing period on which the threshold price was satisfied, all of the funds that you include with your waiver request will be invested.

Newly issued shares purchased pursuant to a request for waiver will be posted to participants' accounts within three business days following the end of the applicable pricing period or, if we elect to activate the continuous settlement feature, within three business days of each separate investment date beginning on the first investment date in the relevant pricing period and ending on the final investment date in the relevant pricing period, with an equal amount being invested on each day, subject to the qualifications set forth above. During any month when we are proposing to grant waiver requests for one or more investments, we may elect to activate the continuous settlement feature for such investments by

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announcing in the waiver request form that we will be doing so. The purchase price of shares acquired on each investment date will be equal to the volume-weighted average price obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized before the beginning of the pricing p