

NISOURCE INC/DE

Form 424B3

August 01, 2018

Prospectus Supplement No. 2

Filed Pursuant to Rule 424(b)(3)

(To Prospectus dated May 21, 2018)

Registration No. 333-224874

NiSource Inc.

24,964,163 Shares of Common Stock

This prospectus supplement is being filed to update and supplement information contained in the prospectus dated May 21, 2018, covering the resale of up to 24,964,163 shares of common stock, which may be offered for sale from time to time by the selling stockholders named in the prospectus, with information contained in our Quarterly Report on Form 10-Q for the period ended June 30, 2018, filed with the Securities and Exchange Commission on August 1, 2018.

This prospectus supplement updates and supplements the information in the prospectus and is not complete without, and may not be delivered or utilized except in combination with, the prospectus, including any amendments or supplements thereto. This prospectus supplement should be read in conjunction with the prospectus and if there is any inconsistency between the information in the prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Investing in our common stock involves risks. See "Risk Factors" on page 4 of the prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is August 1, 2018.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

□ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

or

□ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-16189

NiSource Inc.

(Exact name of registrant as specified in its charter)

Delaware

35-2108964

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification
No.)

Edgar Filing: NISOURCE INC/DE - Form 424B3

801 East 86th Avenue
Merrillville, Indiana 46410
(Address of principal executive offices) (Zip Code)
(877) 647-5990

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.)

Yes No

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

Large accelerated filer Accelerated filer Emerging growth company
Non-accelerated filer Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$0.01 Par Value: 363,036,685 shares outstanding at July 24, 2018.

NISOURCE INC.
 FORM 10-Q QUARTERLY REPORT
 FOR THE QUARTER ENDED JUNE 30, 2018
 Table of Contents

	Page
<u>Defined Terms</u>	<u>3</u>
PART I FINANCIAL INFORMATION	
Item 1. Financial Statements - unaudited	
<u>Condensed Statements of Consolidated Income (Loss) (unaudited)</u>	<u>6</u>
<u>Condensed Statements of Consolidated Comprehensive Income (Loss) (unaudited)</u>	<u>7</u>
<u>Condensed Consolidated Balance Sheets (unaudited)</u>	<u>8</u>
<u>Condensed Statements of Consolidated Cash Flows (unaudited)</u>	<u>10</u>
<u>Condensed Statements of Consolidated Equity (unaudited)</u>	<u>11</u>
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>12</u>
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>37</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>52</u>
Item 4. <u>Controls and Procedures</u>	<u>52</u>
PART II OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	<u>53</u>
Item 1A. <u>Risk Factors</u>	<u>53</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>53</u>
Item 3. <u>Defaults Upon Senior Securities</u>	<u>53</u>
Item 4. <u>Mine Safety Disclosures</u>	<u>53</u>
Item 5. <u>Other Information</u>	<u>53</u>
Item 6. <u>Exhibits</u>	<u>54</u>
<u>Signature</u>	<u>55</u>

DEFINED TERMS

The following is a list of frequently used abbreviations or acronyms that are found in this report:

NiSource Subsidiaries, Affiliates and Former Subsidiaries

Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Massachusetts	Bay State Gas Company
Columbia of Ohio	Columbia Gas of Ohio, Inc.
Columbia of Pennsylvania	Columbia Gas of Pennsylvania, Inc.
Columbia of Virginia	Columbia Gas of Virginia, Inc.
NIPSCO	Northern Indiana Public Service Company LLC
NiSource ("we," "us" or "our")	NiSource Inc.

Abbreviations and Other

AFUDC	Allowance for funds used during construction
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	At-the-market
CAA	Clean Air Act
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
CO ₂	Carbon Dioxide
CPP	Clean Power Plan
DPU	Department of Public Utilities
EGUs	Electric Utility Generating Units
ELG	Effluent limitations guidelines
EPA	United States Environmental Protection Agency
EPS	Earnings per share
FAC	Fuel adjustment clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	Generally Accepted Accounting Principles
GCA	Gas cost adjustment
GCR	Gas cost recovery
GHG	Greenhouse gases
GSEP	Gas System Enhancement Program
gwh	Gigawatt hours
IRP	Infrastructure Replacement Program
IRS	Internal Revenue Service
IURC	Indiana Utility Regulatory Commission
LDCs	Local distribution companies
LIBOR	London InterBank Offered Rate
LIFO	Last In, First Out
MGP	Manufactured Gas Plant

DEFINED TERMS

MISO Midcontinent Independent System Operator

MMDth Million dekatherms

NOL Net operating loss

NYMEX New York Mercantile Exchange

OPEB Other Postretirement Benefits

PSC Public Service Commission

PUC Public Utilities Commission

PUCO Public Utilities Commission of Ohio

Pure Air Pure Air on the Lake LP

RCRA Resource Conservation and Recovery Act

SEC Securities and Exchange Commission

TCJA An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (commonly known as the Tax Cuts and Jobs Act of 2017)

TDSIC Transmission, Distribution and Storage System Improvement Charge

VIE Variable Interest Entities

VSCC Virginia State Corporation Commission

WCE Whiting Clean Energy

Note regarding forward-looking statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements include, but are not limited to, statements concerning NiSource’s plans, strategies, objectives, expected performance, expenditures, recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially.

Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed in this Quarterly Report on Form 10-Q include, among other things, our debt obligations; any changes in our credit rating; our ability to execute our growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; advances in technology; any damage to our reputation; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the success of NIPSCO's electric generation strategy; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill their payment and contractual obligations; potential impairments of goodwill or definite-lived intangible assets; changes in taxation and accounting principles; potential incidents and other operating risks associated with our business; the impact of an aging infrastructure; the impact of climate change; potential cyber-attacks; construction risks and natural gas costs and supply risks; extreme weather conditions; the attraction and retention of a qualified workforce; the ability of our subsidiaries to generate cash; tax liabilities associated with the separation of Columbia Pipeline Group, Inc. on July 1, 2015; our ability to manage new initiatives and organizational changes; the performance of certain third-party suppliers upon which we rely; our ability to obtain sufficient insurance coverage; and other matters set forth in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, many of which risks are beyond our control. In addition, the relative contributions to profitability by each business segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time.

All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events or changes to the future results over time or otherwise, except as required by law.

Index	Page
<u>Condensed Statements of Consolidated Income (Loss) (unaudited)</u>	<u>6</u>
<u>Condensed Statements of Consolidated Comprehensive Income (Loss) (unaudited)</u>	<u>7</u>
<u>Condensed Consolidated Balance Sheets (unaudited)</u>	<u>8</u>
<u>Condensed Statements of Consolidated Cash Flows (unaudited)</u>	<u>10</u>
<u>Condensed Statements of Consolidated Equity (unaudited)</u>	<u>11</u>
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>12</u>
<u>1. Basis of Accounting Presentation</u>	<u>12</u>
<u>2. Recent Accounting Pronouncements</u>	<u>12</u>
<u>3. Revenue Recognition</u>	<u>15</u>
<u>4. Earnings Per Share</u>	<u>18</u>
<u>5. Equity</u>	<u>18</u>
<u>6. Gas in Storage</u>	<u>19</u>
<u>7. Asset Retirement Obligations</u>	<u>19</u>
<u>8. Regulatory Matters</u>	<u>19</u>
<u>9. Risk Management Activities</u>	<u>24</u>
<u>10. Fair Value</u>	<u>25</u>
<u>11. Transfers of Financial Assets</u>	<u>27</u>
<u>12. Goodwill</u>	<u>28</u>
<u>13. Income Taxes</u>	<u>28</u>
<u>14. Pension and Other Postretirement Benefits</u>	<u>28</u>
<u>15. Long-Term Debt</u>	<u>30</u>
<u>16. Short-Term Borrowings</u>	<u>30</u>
<u>17. Other Commitments and Contingencies</u>	<u>31</u>
<u>18. Accumulated Other Comprehensive Loss</u>	<u>35</u>
<u>19. Other, Net</u>	<u>36</u>
<u>20. Business Segment Information</u>	<u>36</u>

Table of Contents

PART I

ITEM 1. FINANCIAL STATEMENTS

NiSource Inc.

Condensed Statements of Consolidated Income (Loss) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	2018	2017	2018	2017
Operating Revenues				
Customer revenues	\$982.1	\$960.1	\$2,699.3	\$2,502.6
Other revenues	24.9			