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PUBLIC SERVICE
COMMISSION

Columbia Gas[®]
of Kentucky
A NiSource Company

September 20, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RE: Case No. 2000-129

Dear Mr. Derouen,

As part of the Order issued by the Commission in the above referenced case, NiSource Inc. and Columbia Gas of Kentucky are required to notify the Commission if NiSource Inc. issues new debt or equity in excess of \$100 million. Pursuant to the Commission's Order, NiSource Inc. and Columbia Gas of Kentucky provide the following report on a new equity issuance.

On September 7, 2010, NiSource announced that it has commenced a public offering of up to \$400 million of its common stock to be sold by Credit Suisse Securities (USA) LLC ("Credit Suisse") as forward seller in connection with the forward sale agreement described below.

NiSource intends to use any net proceeds that it receives upon settlement of the forward sale agreement for general corporate purposes, including the funding of its infrastructure investment growth opportunities.

Subject to certain conditions, all shares will be sold in connection with a forward sale agreement NiSource will enter into with an affiliate of Credit Suisse as the forward purchaser. In connection with the execution of the forward sale agreement, and at the company's request, Credit Suisse intends to borrow from third parties, and sell to the underwriters in this offering, shares of NiSource common stock, including any shares related to the exercise of the over-allotment option.

The forward sale agreement will provide for settlement on a settlement date or settlement dates to be specified by the company within approximately 24 months after the date of this offering. Subject to certain exceptions, NiSource may elect cash or net share settlement for all or a portion of its obligations under the forward agreement. Upon any

physical settlement of the forward agreement, NiSource will deliver shares of its common stock in exchange for cash proceeds at the forward sale price, which will be determined at the pricing of the offering and will be subject to adjustment as provided in the forward sale agreement.

On September 8, 2010, NiSource announced that it priced its public offering of 21.1 million shares of its common stock at \$16.50 per share, to be sold by Credit Suisse as forward seller in connection with the forward sale agreement described above.

Please let me know if you need additional information regarding this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Judy Cooper".

Judy M. Cooper
Director, Regulatory Affairs