Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-001:

Please supply copies of the following documents for the Company and, if applicable, its parent:

a. Most recent Annual Report to shareholders (including any statistical supplements);
b. Most recent SEC Form 10K;
c. All SEC Form 10Q reports issued within last year.

Response:

a. See Attachment A to Exhibit No. 403 for a copy of the December 31, 2020 NiSource Inc. Annual Message to Stockholders.

b. See Attachment B to Exhibit No. 403 for a copy of the December 31, 2020 10K.

c. See GAS-ROR-001, Attachments A through C for the NiSource Inc. June 30, 2021 SEC Form 10Q (Attachment A), March 31, 2021 SEC Form 10Q (Attachment B) and September 30, 2020 SEC Form 10Q (Attachment C).

   See Exhibit No. 402 for a copy of the September 30, 2021 NiSource Inc. 10Q.

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, 2021

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)

DE	35-2108964
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, IN	46410
(Address of principal executive offices)	(Zip Code)

(877) 647-5990
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	NI	NYSE
Depositary Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share, liquidation preference $25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value $0.01 per share, liquidation preference $0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

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.

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: 392,410,381 shares outstanding at July 26, 2021.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2021

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DEFINED TERMS

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

NiSource Subsidiaries and Affiliates	
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.
Rosewater	Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC
Abbreviations and Other	
ACE	Affordable Clean Energy
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
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
Corporate Units	Series A Corporate Units
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019
DSIC	Distribution System Improvement Charge
DPU	Department of Public Utilities
EPA	United States Environmental Protection Agency
EPS	Earnings per share
Equity Units	Series A Equity Units
FAC	Fuel adjustment clause
FMCA	Federally Mandated Cost Adjustment
GAAP	Generally Accepted Accounting Principles
GCA	Gas cost adjustment
GHG	Greenhouse gases
GWh	Gigawatt hours
HLBV	Hypothetical Liquidation at Book Value
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate
LIFO	Last In, First Out

DEFINED TERMS

Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postretirement Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PSC	Public Service Commission
PUC	Public Utilities Commission
RCRA	Resource Conservation and Recovery Act
RFP	Request for proposals
SAVE	Steps to Advance Virginia's Energy Plan
SEC	Securities and Exchange Commission
SMRP	Safety Modification and Replacement Program
SMS	Safety Management System
STRIDE	Strategic Infrastructure Development Enhancement
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 Entity

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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should," "could," "would," "aims," "seeks," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, 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.

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PART I

ITEM 1. FINANCIAL STATEMENTS

NiSource Inc.
Condensed Statements of Consolidated Income (Loss) (unaudited)

(in millions, except per share amounts)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating Revenues				
Customer revenues	**$ 952.4**	$ 932.7	**$ 2,458.9**	$ 2,458.6
Other revenues	**33.6**	30.0	**72.7**	109.6
Total Operating Revenues	**986.0**	962.7	**2,531.6**	2,568.2
Operating Expenses				
Cost of energy	**228.3**	188.4	**705.1**	650.8
Operation and maintenance	**362.8**	353.1	**724.3**	797.7
Depreciation and amortization	**186.3**	177.5	**371.3**	361.8
Loss (gain) on sale of assets, net	**(0.1)**	83.8	**8.0**	363.9
Other taxes	**66.5**	68.2	**147.5**	154.1
Total Operating Expenses	**843.8**	871.0	**1,956.2**	2,328.3
Operating Income	**142.2**	91.7	**575.4**	239.9
Other Income (Deductions)				
Interest expense, net	**(84.5)**	(97.0)	**(169.1)**	(189.9)
Other, net	**12.4**	6.5	**22.9**	11.9
Total Other Deductions, Net	**(72.1)**	(90.5)	**(146.2)**	(178.0)
Income before Income Taxes	**70.1**	1.2	**429.2**	61.9
Income Taxes	**13.2**	5.9	**75.8**	(9.0)
Net Income (Loss)	**56.9**	(4.7)	**353.4**	70.9
Net loss attributable to noncontrolling interest	**(3.4)**	—	**(2.4)**	—
Net Income (Loss) Attributable to NiSource	**60.3**	(4.7)	**355.8**	**70.9**
Preferred dividends	**(13.8)**	(13.8)	**(27.6)**	(27.6)
Net Income (Loss) Available to Common Shareholders	**46.5**	(18.5)	**328.2**	43.3
Earnings (Loss) Per Share				
Basic Earnings (Loss) Per Share	**$ 0.12**	$ (0.05)	**$ 0.84**	$ 0.11
Diluted Earnings (Loss) Per Share	**$ 0.11**	$ (0.05)	**$ 0.80**	$ 0.11
Basic Average Common Shares Outstanding	**393.0**	383.5	**392.8**	383.3
Diluted Average Common Shares	**422.9**	383.5	**408.5**	384.2

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (Loss) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, net of taxes)	**2021**	2020	**2021**	2020
Net Income (Loss)	**$ 56.9**	$ (4.7)	**$ 353.4**	$ 70.9
Other comprehensive income (loss):				
Net unrealized gain (loss) on available-for-sale debt securities(1)	**0.9**	5.7	**(1.6)**	0.3
Net unrealized gain (loss) on cash flow hedges(2)	**(49.8)**	2.7	**34.8**	(130.6)
Unrecognized pension and OPEB benefit (costs)(3)	**0.8**	0.3	**(0.1)**	1.0
Total other comprehensive income (loss)	**(48.1)**	8.7	**33.1**	(129.3)
Comprehensive Income (Loss)	**$ 8.8**	$ 4.0	**$ 386.5**	$ (58.4)

(1)Net unrealized gain (loss) on available-for-sale debt securities, net of $0.3 million and $1.5 million tax expense in the second quarter of 2021 and 2020, respectively, and $0.4 million tax benefit and $0.1 million tax expense for the six months ended 2021 and 2020, respectively.
(2)Net unrealized gain (loss) on cash flow hedges, net of $16.5 million tax benefit and $0.9 million tax expense in the second quarter of 2021 and 2020, respectively , and $11.5 million tax expense and $43.2 million tax benefit for the six months ended 2021 and 2020, respectively.
(3)Unrecognized pension and OPEB benefit (costs), net of $0.2 million tax expense in the second quarter of 2021 and 2020, and $1.1 million tax expense and $0.1 million tax benefit for the six months ended 2021 and 2020, respectively.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

(in millions)	**June 30, 2021**	December 31, 2020
ASSETS		
Property, Plant and Equipment		
Plant	**$ 24,948.2**	$ 24,179.9
Accumulated depreciation and amortization	**(7,793.1)**	(7,560.4)
Net Property, Plant and Equipment(1)	**17,155.1**	16,619.5
Investments and Other Assets		
Available-for-sale debt securities (amortized cost of $161.0 and $163.9, allowance for credit losses of $0.2 and $0.5, respectively)	**166.3**	170.9
Other investments	**85.2**	81.1
Total Investments and Other Assets	**251.5**	252.0
Current Assets		
Cash and cash equivalents	**77.5**	116.5
Restricted cash	**12.9**	9.1
Accounts receivable	**605.3**	843.6
Allowance for credit losses	**(41.6)**	(52.3)
Accounts receivable, net	**563.7**	791.3
Gas inventory	**148.8**	191.2
Materials and supplies, at average cost	**143.5**	141.5
Electric production fuel, at average cost	**38.6**	68.4
Exchange gas receivable	**31.7**	34.1
Regulatory assets	**180.1**	135.7
Prepayments and other	**187.4**	171.6
Total Current Assets(1)	**1,384.2**	1,659.4
Other Assets		
Regulatory assets	**1,777.1**	1,794.8
Goodwill	**1,485.9**	1,485.9
Deferred charges and other	**260.0**	228.9
Total Other Assets	**3,523.0**	3,509.6
Total Assets	**$ 22,313.8**	$ 22,040.5

(1)Includes $172.8 million and $175.6 million of net property, plant and equipment assets and $4.8 million and $1.7 million of current assets of a consolidated VIE as of June 30, 2021 and December 31, 2020 that may be used only to settle obligations of the consolidated VIE. Refer to Note 14 "Variable Interest Entities" for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

(in millions, except share amounts)	**June 30, 2021**	December 31, 2020
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - $0.01 par value, 600,000,000 shares authorized; 392,328,441 and 391,760,051 shares outstanding, respectively	**$ 3.9**	$ 3.9
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 1,302,500 and 440,000 shares outstanding, respectively	**1,718.8**	880.0
Treasury stock	**(99.9)**	(99.9)
Additional paid-in capital	**6,728.0**	6,890.1
Retained deficit	**(1,704.1)**	(1,765.2)
Accumulated other comprehensive loss	**(123.6)**	(156.7)
Total NiSource Stockholders' Equity	**6,523.1**	5,752.2
Noncontrolling interest in consolidated subsidiaries	**90.4**	85.6
Total Stockholders' Equity	**6,613.5**	5,837.8
Long-term debt, excluding amounts due within one year	**9,201.6**	9,219.8
Total Capitalization	**15,815.1**	15,057.6
Current Liabilities		
Current portion of long-term debt	**45.3**	23.3
Short-term borrowings	**—**	503.0
Accounts payable	**480.4**	589.0
Dividends payable - common stock	**86.3**	—
Dividends payable - preferred stock	**8.1**	—
Customer deposits and credits	**148.1**	243.3
Taxes accrued	**232.0**	244.1
Interest accrued	**105.2**	104.7
Exchange gas payable	**34.9**	48.5
Regulatory liabilities	**154.0**	161.3
Accrued compensation and employee benefits	**149.8**	141.8
Other accruals	**262.8**	220.4
Total Current Liabilities	**1,706.9**	2,279.4
Other Liabilities		
Deferred income taxes	**1,587.5**	1,470.6
Accrued liability for postretirement and postemployment benefits	**323.3**	336.1
Regulatory liabilities	**1,877.2**	1,904.2
Asset retirement obligations	**437.0**	477.1
Other noncurrent liabilities	**566.8**	515.5
Total Other Liabilities	**4,791.8**	4,703.5
Commitments and Contingencies (Refer to Note 16, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	**$ 22,313.8**	$ 22,040.5

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Six Months Ended June 30, *(in millions)*	**2021**	2020
Operating Activities		
Net Income	**$ 353.4**	$ 70.9
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	**371.3**	361.8
Deferred income taxes and investment tax credits	**70.8**	(11.4)
Loss on sale of assets	**8.0**	364.6
Other adjustments	**8.9**	7.7
Changes in Assets and Liabilities:		
Components of working capital	**(106.2)**	(75.9)
Regulatory assets/liabilities	**21.5**	17.0
Deferred charges and other noncurrent assets	**(2.5)**	(17.4)
Other noncurrent liabilities	**(22.2)**	(9.6)
Net Cash Flows from Operating Activities	**703.0**	707.7
Investing Activities		
Capital expenditures	**(798.1)**	(819.3)
Cost of removal	**(59.1)**	(66.7)
Payment to renewable generation asset developer	**(7.4)**	—
Other investing activities	**2.2**	(0.6)
Net Cash Flows used for Investing Activities	**(862.4)**	(886.6)
Financing Activities		
Proceeds from issuance of long-term debt	**—**	1,000.0
Repayments of long-term debt and finance lease obligations	**(12.2)**	(7.8)
Issuance of short-term debt (maturity > 90 days)	**—**	1,350.0
Repayment of short-term debt (maturity > 90 days)	**—**	(1,350.0)
Change in short-term borrowings, net (maturity ≤ 90 days)	**(503.0)**	(609.7)
Issuance of common stock, net of issuance costs	**6.0**	7.5
Equity costs, premiums and other debt related costs	**(5.9)**	(17.6)
Issuance of equity units, net of issuance costs	**839.9**	—
Dividends paid - common stock	**(172.5)**	(160.7)
Dividends paid - preferred stock	**(27.6)**	(27.6)
Other financing activities	**(0.5)**	—
Net Cash Flows from Financing Activities	**124.2**	184.1
Change in cash, cash equivalents and restricted cash	**(35.2)**	5.2
Cash, cash equivalents and restricted cash at beginning of period	**125.6**	148.4
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 90.4**	$ 153.6

Supplemental Disclosures of Cash Flow Information

Six Months Ended June 30, *(in millions)*	**2021**	2020
Non-cash transactions:		
Capital expenditures included in current liabilities	**$ 193.0**	$ 167.7
Dividends declared but not paid	**94.4**	88.5
Purchase contract liability, net of fees and payments[1]	**161.5**	—
Assets recorded for asset retirement obligations	**—**	70.3
Obligation to developer at formation of joint venture	**$ 6.0**	$ —

[1]Refer to Note 5, "Equity," for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

(in millions)	Common Stock	Preferred Stock[(1)]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of April 1, 2021	**$ 3.9**	**$ 880.0**	**$ (99.9)**	**$ 6,892.9**	**$ (1,669.8)**	**$ (75.5)**	**$ 94.1**	**$ 6,025.7**
Comprehensive Income:								
Net income (loss)	—	—	—	—	60.3	—	(3.4)	56.9
Other comprehensive loss, net of tax	—	—	—	—	—	(48.1)	—	(48.1)
Dividends:								
Common stock ($0.22 per share)	—	—	—	—	(86.4)	—	—	(86.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Distribution to noncontrolling interest	—	—	—	—	—	—	(0.3)	(0.3)
Stock issuances:								
Equity Units	—	838.8	—	(173.3)	—	—	—	665.5
Employee stock purchase plan	—	—	—	1.2	—	—	—	1.2
Long-term incentive plan	—	—	—	4.8	—	—	—	4.8
401(k) and profit sharing	—	—	—	2.4	—	—	—	2.4
Balance as of June 30, 2021	**$ 3.9**	**$ 1,718.8**	**$ (99.9)**	**$ 6,728.0**	**$ (1,704.1)**	**$ (123.6)**	**$ 90.4**	**$ 6,613.5**

(1)Series A, Series B, and Series C shares have an aggregate liquidation preference of $400M, $500M, and $863M, respectively. See Note 5, "Equity" for additional information.

(in millions)	Common Stock	Preferred Stock[(1)]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2021	**$ 3.9**	**$ 880.0**	**$ (99.9)**	**$ 6,890.1**	**$ (1,765.2)**	**$ (156.7)**	**$ 85.6**	**$ 5,837.8**
Comprehensive Income:								
Net income (loss)	—	—	—	—	355.8	—	(2.4)	353.4
Other comprehensive income, net of tax	—	—	—	—	—	33.1	—	33.1
Dividends:								
Common stock ($0.66 per share)	—	—	—	—	(259.0)	—	—	(259.0)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Contribution from noncontrolling interest, net of distributions	—	—	—	—	—	—	7.2	7.2
Stock issuances:								
Equity Units	—	838.8	—	(173.3)	—	—	—	665.5
Employee stock purchase plan	—	—	—	2.5	—	—	—	2.5
Long-term incentive plan	—	—	—	4.3	—	—	—	4.3
401(k) and profit sharing	—	—	—	4.7	—	—	—	4.7
ATM program	—	—	—	(0.3)	—	—	—	(0.3)
Balance as of June 30, 2021	**$ 3.9**	**$ 1,718.8**	**$ (99.9)**	**$ 6,728.0**	**$ (1,704.1)**	**$ (123.6)**	**$ 90.4**	**$ 6,613.5**

(1)Series A, Series B, and Series C shares have an aggregate liquidation preference of $400M, $500M, and $863M, respectively. See Note 5, "Equity" for additional information.

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NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of April 1, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,671.5**	**$ (1,483.4)**	**$ (230.6)**	**$ —**	**$ 5,741.4**
Comprehensive Income:								
Net loss	—	—	—	—	(4.7)	—	—	(4.7)
Other comprehensive income, net of tax	—	—	—	—	—	8.7	—	8.7
Dividends:								
Common stock ($0.21 per share)	—	—	—	—	(80.4)	—	—	(80.4)
Preferred stock (See Note 5)	—	—	—	—	(8.2)	—	—	(8.2)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.4	—	—	—	1.4
Long-term incentive plan	—	—	—	0.4	—	—	—	0.4
401(k) and profit sharing	—	—	—	3.2	—	—	—	3.2
Balance as of June 30, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,676.5**	**$ (1,576.7)**	**$ (221.9)**	**$ —**	**$ 5,661.8**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,666.2**	**$ (1,370.8)**	**$ (92.6)**	**$ —**	**$ 5,986.7**
Comprehensive Income:								
Net income	—	—	—	—	70.9	—	—	70.9
Other comprehensive loss, net of tax	—	—	—	—	—	(129.3)	—	(129.3)
Dividends:								
Common stock ($0.63 per share)	—	—	—	—	(241.1)	—	—	(241.1)
Preferred stock (See Note 5)	—	—	—	—	(35.7)	—	—	(35.7)
Stock issuances:								
Employee stock purchase plan	—	—	—	2.7	—	—	—	2.7
Long-term incentive plan	—	—	—	(0.1)	—	—	—	(0.1)
401(k) and profit sharing	—	—	—	7.7	—	—	—	7.7
Balance as of June 30, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,676.5**	**$ (1,576.7)**	**$ (221.9)**	**$ —**	**$ 5,661.8**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of April 1, 2021	**440**	**396,093**	**(3,963)**	**392,130**
Issued:				
Equity Units	863	—	—	—
Employee stock purchase plan	—	52	—	52
Long-term incentive plan	—	51	—	51
401(k) and profit sharing	—	96	—	96
Balance as of June 30, 2021	**1,303**	**396,292**	**(3,963)**	**392,329**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2021	**440**	**395,723**	**(3,963)**	**391,760**
Issued:				
Equity Units	863	—	—	—
Employee stock purchase plan	—	107	—	107
Long-term incentive plan	—	263	—	263
401(k) and profit sharing	—	199	—	199
Balance as of June 30, 2021	**1,303**	**396,292**	**(3,963)**	**392,329**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of April 1, 2020	**440**	**386,657**	**(3,963)**	**382,694**
Issued:				
Employee stock purchase plan	—	60	—	60
Long-term incentive plan	—	32	—	32
401(k) and profit sharing	—	131	—	131
Balance as of June 30, 2020	**440**	**386,880**	**(3,963)**	**382,917**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2020	**440**	**386,099**	**(3,963)**	**382,136**
Issued:				
Employee stock purchase plan	—	106	—	106
Long-term incentive plan	—	379	—	379
401(k) and profit sharing	—	296	—	296
Balance as of June 30, 2020	**440**	**386,880**	**(3,963)**	**382,917**

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Accounting Presentation

Our accompanying Condensed Consolidated Financial Statements (unaudited) reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with GAAP in the United States of America. The accompanying financial statements include the accounts of us, our majority-owned subsidiaries, and VIEs of which we are the primary beneficiary after the elimination of all intercompany accounts and transactions.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

The Condensed Consolidated Financial Statements (unaudited) have been prepared pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made in this Quarterly Report on Form 10-Q are adequate to make the information herein not misleading.

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2. Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

Standard	Description	Effective Date	Effect on the financial statements or other significant matters
ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Statement*	This pronouncement provides temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates.	Upon issuance on March 12, 2020, and will apply through December 31, 2022.	We continue to evaluate the temporary expedients and options available under this guidance, and the effects of this pronouncement on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited). We are currently identifying and evaluating contracts that may be impacted. As of June 30, 2021, we have not applied any expedients and options available under this ASU.
ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*			
ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*	This pronouncement simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Specifically, the ASU "simplifies accounting for convertible instruments by removing major separation models required under current GAAP." In addition, the ASU "removes certain settlement conditions that are required for equity contracts to qualify for it" and "simplifies the diluted earnings per share (EPS) calculations in certain areas."	Annual period beginning after December 15, 2021, and interim periods within those fiscal years.	This accounting pronouncement will impact the denominator in the calculation of diluted EPS for our Series A Equity Units. Beginning Q1 2022, we will be required to assume share settlement of the remaining purchase contract liability balance when applying the if-converted method. Moreover, we will also be required to utilize the average share price for the period instead of the end of period price. We will adopt this ASU on its effective date.

Recently Adopted Accounting Pronouncements

Standard	Adoption
ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*	This pronouncement simplifies the accounting for income taxes by eliminating certain exceptions to the general principles in ASC 740, income taxes. It also improves consistency of application for other areas of the guidance by clarifying and amending existing guidance. We adopted the amendments of this pronouncement as of January 1, 2021 with no material impact to the Condensed Consolidated Financial Statements (unaudited).

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The tables below reconcile revenue disaggregation by customer class to segment revenue, as well as to revenues reflected on the Condensed Statements of Consolidated Income (Loss) (unaudited) for the three and six months ended June 30, 2021 and June 30, 2020:

Three Months Ended June 30, 2021 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other[2]	Total
Customer Revenues[1]				
Residential	$ 378.6	$ 131.9	$ —	$ 510.5
Commercial	125.4	130.0	—	255.4
Industrial	44.0	119.0	—	163.0
Off-system	17.0	—	—	17.0
Miscellaneous	4.9	1.4	0.2	6.5
Total Customer Revenues	$ 569.9	$ 382.3	$ 0.2	$ 952.4
Other Revenues	4.4	21.2	8.0	33.6
Total Operating Revenues	$ 574.3	$ 403.5	$ 8.2	$ 986.0

[1]Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.
[2]Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Three Months Ended June 30, 2020 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 414.7	$ 127.5	$ —	$ 542.2
Commercial	122.7	112.9	—	235.6
Industrial	48.6	89.3	—	137.9
Off-system	8.0	—	—	8.0
Miscellaneous	5.3	3.5	0.2	9.0
Total Customer Revenues	$ 599.3	$ 333.2	$ 0.2	$ 932.7
Other Revenues	7.0	23.0	—	30.0
Total Operating Revenues	$ 606.3	$ 356.2	$ 0.2	$ 962.7

[1]Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Six Months Ended June 30, 2021 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other[2]	Total
Customer Revenues[1]				
Residential	$ 1,152.1	$ 261.1	$ —	$ 1,413.2
Commercial	396.9	252.8	—	649.7
Industrial	101.9	241.9	—	343.8
Off-system	31.4	—	—	31.4
Miscellaneous	14.7	5.7	0.4	20.8
Total Customer Revenues	$ 1,697.0	$ 761.5	$ 0.4	$ 2,458.9
Other Revenues	13.1	44.5	15.1	72.7
Total Operating Revenues	$ 1,710.1	$ 806.0	$ 15.5	$ 2,531.6

[1]Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.
[2]Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Six Months Ended June 30, 2020 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 1,211.2	$ 246.7	$ —	$ 1,457.9
Commercial	392.1	233.1	—	625.2
Industrial	122.8	198.4	—	321.2
Off-system	26.7	—	—	26.7
Miscellaneous	17.8	9.4	0.4	27.6
Total Customer Revenues	$ 1,770.6	$ 687.6	$ 0.4	$ 2,458.6
Other Revenues	63.7	45.9	—	109.6
Total Operating Revenues	$ 1,834.3	$ 733.5	$ 0.4	$ 2,568.2

[1]Customer revenue amounts exclude intersegment revenues. See Note 19, "Business Segment Information," for discussion of intersegment revenues.

Customer Accounts Receivable. Accounts receivable on our Condensed Consolidated Balance Sheets (unaudited) includes both billed and unbilled amounts, as well as certain amounts that are not related to customer revenues. Unbilled amounts of accounts receivable relate to a portion of a customer's consumption of gas or electricity from the date of the last cycle billing through the last day of the month (balance sheet date). Factors taken into consideration when estimating unbilled revenue include historical usage, customer rates and weather. A significant portion of our operations are subject to seasonal fluctuations in sales. During the heating season, primarily from November through March, revenues and receivables from gas sales are more significant than in other months. The opening and closing balances of customer receivables for the six months ended June 30, 2021 are presented in the table below. We had no significant contract assets or liabilities during the period. Additionally, we have not incurred any significant costs to obtain or fulfill contracts.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2020	$ 400.0	$ 327.2
Balance as of June 30, 2021	323.7	203.6

Utility revenues are billed to customers monthly on a cycle basis. We expect that substantially all customer accounts receivable will be collected following customer billing, as this revenue consists primarily of periodic, tariff-based billings for service and usage. We maintain common utility credit risk mitigation practices, including requiring deposits and actively pursuing collection of past due amounts. Our regulated operations also utilize certain regulatory mechanisms that facilitate recovery of bad debt costs within tariff-based rates, which provides further evidence of collectibility. It is probable that substantially all of the consideration to which we are entitled from customers will be collected upon satisfaction of performance obligations.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Allowance for Credit Losses. To evaluate for expected credit losses, customer account receivables are pooled based on similar risk characteristics, such as customer type, geography, payment terms, and related macro-economic risks. Expected credit losses are established using a model that considers historical collections experience, current information, and reasonable and supportable forecasts. Relevant and reliable internal and external inputs used in the model include, but are not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-offs, and final bill data. We continuously evaluate available reasonable and supportable information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or when required by changes in facts and circumstances. When we become aware of a specific commercial or industrial customer's inability to pay, an allowance for expected credit losses is recorded for the relevant amount. We also monitor other circumstances that could affect our overall expected credit losses; these include, but are not limited to, creditworthiness of overall population in service territories, adverse conditions impacting an industry sector, and current economic conditions.

At each reporting period, we record expected credit losses using an allowance for credit losses account. When deemed to be uncollectible, customer accounts are written-off. A rollforward of our allowance for credit losses as of June 30, 2021 and December 31, 2020 are presented in the table below:

(*in millions*)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2021	$ 41.8	$ 9.7	$ 0.8	$ 52.3
Current period provisions	5.1	0.4	—	5.5
Write-offs charged against allowance	(18.3)	(4.9)	—	(23.2)
Recoveries of amounts previously written off	6.8	0.2	—	7.0
Balance as of June 30, 2021	$ 35.4	$ 5.4	$ 0.8	$ 41.6

(*in millions*)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Balance as of January 1, 2020	9.1	3.1	0.8	13.0
Current period provisions	45.3	9.3	—	54.6
Write-offs charged against allowance	(26.7)	(3.0)	—	(29.7)
Recoveries of amounts previously written off	14.1	0.3	—	14.4
Balance as of December 31, 2020	41.8	9.7	0.8	52.3

In connection with the COVID-19 pandemic, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our standard credit risk mitigation practices. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently in rates. We have reinstated our common credit mitigation practices where moratoriums have expired (see Note 8, "Regulatory Matters," for additional information on regulatory moratoriums and regulatory assets). As of June 30, 2021, we have also evaluated the adequacy of our allowance for credit losses in light of the shut-off moratoriums due to the COVID-19 pandemic that remain in effect for Columbia of Virginia and Columbia of Maryland. Our evaluation included an analysis of customer payment trends in 2020, economic conditions, receivables aging, considerations of past economic downturns and the associated allowance for credit losses and customer account write-offs. In addition, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of the pandemic, which could help to mitigate the potential for increasing customer account delinquencies. Based upon this evaluation, we have concluded that the allowance for credit losses as of June 30, 2021 adequately reflected the collection risk and net realizable value for our receivables. We will continue to monitor changing circumstances and will adjust our allowance for credit losses accordingly.

4. Earnings Per Share

The calculations of basic and diluted earnings per share are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. For the purposes of determining diluted earnings per share, the effects of the purchase contracts included within the Series A Equity Units were included in the calculation of potential common stock outstanding for the three and six months ended June 30, 2021 using the if-converted method under US GAAP. This method assumes conversion at the beginning of the reporting period, or at time of issuance, if later. For the purchase contracts, the number of shares of our common stock that would be issuable at the end of each reporting period will be reflected in the denominator of our diluted EPS calculation. If the stock price falls below the initial reference price of $24.51, the number of shares of our common stock used in calculating diluted EPS will be the maximum number of shares per the contract as described in Note 5, "Equity." Conversely, if the stock price is above the initial reference price of $24.51, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred in 2021, net of tax, related to the purchase contracts.

The Series C Mandatory Convertible Preferred Stock included within the Series A Equity Units represent contingently convertible securities as the conversion is contingent on a successful remarketing as described in Note 5, "Equity." Contingently convertible shares where conversion is not tied to a market price trigger are excluded from the calculation of diluted EPS until such time as the contingency has been resolved under the if-converted method. As of June 30, 2021, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and six months ended June 30, 2021.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the ATM forward agreements under the treasury stock method when the impact would be dilutive. Refer to Note 5, "Equity," for more information on our ATM forward agreements.

For the three months ended June 30, 2020, we had a net loss on the Condensed Statements of Consolidated Income (Loss) (unaudited) during the period, and any potentially dilutive shares would have had an anti-dilutive impact on EPS. The following table presents the calculation of our basic and diluted EPS:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in millions, except per share amounts)	**2021**	2020	**2021**	2020
Numerator:				
Net Income (Loss) Available to Common Shareholders - Basic	**46.5**	(18.5)	**328.2**	43.3
Dilutive effect of Series A Equity Units	**0.4**	—	**0.4**	—
Net Income (Loss) Available to Common Shareholders - Diluted	**46.9**	(18.5)	**328.6**	43.3
Denominator:				
Average common shares outstanding - Basic	**393.0**	383.5	**392.8**	383.3
Dilutive potential common shares:				
Series A Equity Units	**28.2**	—	**14.2**	—
Shares contingently issuable under employee stock plans	**0.8**	—	**0.7**	0.7
Shares restricted under employee stock plans	**0.3**	—	**0.3**	0.2
Forward Agreements	**0.6**	—	**0.5**	—
Average Common Shares - Diluted	**422.9**	383.5	**408.5**	384.2
Earnings per common share:				
Basic	**0.12**	(0.05)	**0.84**	0.11
Diluted	**0.11**	(0.05)	**0.80**	0.11

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5. Equity

ATM Program and Forward Sale Agreements. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of $750.0 million of our common stock.

On February 23, 2021, under the ATM program, we executed a forward agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. From February 24, 2021 to March 17, 2021, we borrowed 6,672,740 shares from third parties, which the dealer sold at a weighted average price of $22.48 per share. We may settle this agreement in shares, cash, or net shares by December 15, 2021. Had we settled all the shares under the forward agreement at June 30, 2021, we would have received approximately $146.7 million, based on a net price of $21.99 per share.

On June 1, 2021, under the ATM program, we executed a forward agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. From June 1, 2021 to June 11, 2021, we borrowed 5,852,475 shares from third parties, which the dealer sold at a weighted average price of $25.63 per share. We may settle this agreement in shares, cash, or net shares by December 15, 2021. Had we settled all the shares under the forward agreement at June 30, 2021, we would have received approximately $148.4 million, based on a net price of $25.36 per share.

As of June 30, 2021, the ATM program (including the impacts of the forward sale agreements discussed above) had approximately $450.0 million of equity available for issuance. The program expires on December 31, 2023.

Preferred Stock. As of June 30, 2021, we had 20,000,000 shares of preferred stock authorized for issuance, of which 1,302,500 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

			Three Months Ended June 30,		Six Months Ended June 30,		June 30	December 31,
			2021	2020	2021	2020	2021	2020
(in millions except shares and per share amounts)	Liquidation Preference Per Share	Shares	Dividends Declared Per Share				Outstanding	
5.650% Series A	$ 1,000.00	400,000	—	—	28.25	28.25	$ 393.9	$ 393.9
6.500% Series B	$ 25,000.00	20,000	406.25	406.25	1,218.75	1,218.75	$ 486.1	$ 486.1
Series C[(1)]	$ 1,000.00	862,500	—	—	—	—	$ 838.8	$ —

[(1)]The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends.

In addition, 20,000 shares of Series B–1 Preferred Stock, par value $0.01 per share, were outstanding as of June 30, 2021. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption or repurchase of the underlying Series B Preferred Stock.

As of June 30, 2021 and 2020, Series A Preferred Stock had $1.0 million of cumulative preferred dividends in arrears, or $2.51 per share, and Series B Preferred Stock had $1.4 million of cumulative preferred dividends in arrears, or $72.23 per share.

Series A Equity Units. On April 19, 2021, we completed the sale of 8.625 million Series A Equity Units, initially consisting of Series A Corporate Units, each with a stated amount of $100. The offering generated net proceeds of $835.5 million, after underwriting and issuance expenses. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value $0.01 per share, with a liquidation preference of $1,000 per share.

The purchase contract obligates holders to purchase shares of our common stock on December 1, 2023, subject to early settlement in certain situations. The purchase price paid under the purchase contract is $100 and the number of shares to be purchased will be determined under a settlement rate formula based on the volume-weighted average share price of our common stock near the settlement date, subject to a maximum settlement rate. The Series C Mandatory Convertible Preferred Stock will initially be pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

We will pay quarterly contract adjustment payments at the rate of 7.75% per year on the stated amount of $100 per Equity Unit.

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The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. We have the right to defer the payment of contract adjustment payments until no later than the purchase contract settlement date. If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments have been paid, we will not declare or pay any dividends on, or make any distributions on, or redeem, purchase or acquire, or make a liquidation payment with respect to, any shares of our capital stock; make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that rank on parity with, or junior to, the contract adjustment payments; or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments.

The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends and the liquidation preference of the mandatory convertible preferred stock will not accrete. The Series C Mandatory Convertible Preferred Stock is expected to be remarketed prior to December 1, 2023. Following a successful remarketing, dividends may become payable on the Series C Mandatory Convertible Preferred Stock and/or the minimum conversion rate of the Series C Mandatory Convertible Preferred Stock may be increased. Each share of Series C Mandatory Convertible Preferred Stock, unless previously converted, will automatically convert based on a conversion rate on the mandatory conversion date, which is expected to be on or about March 1, 2024. The conversion rate will be determined based on the volume-weighted average share price of our common stock near the conversion date, subject to a minimum and maximum conversion rate. If no successful remarketing of the Series C Mandatory Convertible Preferred Stock has previously occurred, effective as of December 1, 2023, the conversion rate will be zero, no shares of our common stock will be delivered upon automatic conversion and each share of Series C Mandatory Convertible Preferred Stock will be automatically transferred to us on the mandatory conversion date without any payment of cash or shares of our common stock thereon. In the event of such a remarketing failure, any shares of Series C Mandatory Convertible Preferred Stock held as part of Corporate Units will be automatically delivered to us on December 1, 2023 in full satisfaction of the relevant holder's obligation under the related purchase contracts.

We have recorded the present value of the purchase contract payments as a liability with a corresponding reduction to additional-paid-in-capital. The current portion of this liability is included in "Other accruals," and the noncurrent portion is included in "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets (unaudited). Purchase contract payments are recorded against this liability. Accretion of the stock purchase contract liability is recorded as interest expense. Refer to Note 4, "Earnings Per Share," for additional information regarding our application of diluted EPS to the purchase contracts and the Series C Mandatory Convertible Preferred Stock. Under the terms of the Series A Equity Units, assuming no anti-dilution or other adjustments, the maximum number of shares of common stock we will issue under the purchase contracts is 35.2 million and maximum number of shares of common stock we will issue under the Series C Mandatory Convertible Preferred Stock is 35.2 million.

Selected information about the Series A Equity Units is presented below:

(in millions except contract rate)	Issuance Date	Units Issued	Total Net Proceeds[1]	Purchase Contract Annual Rate	Purchase Contract Liability[2]
Series A Equity Units	April 19, 2021	8.625	$ 835.5	7.75 %	$ 168.8

[1]Issuance costs of $27 million were recorded on a relative fair value basis as a reduction to preferred stock of $22.5 million and a reduction to the purchase contract liability of $4.5 million.
[2]A cash payment of $7.8 million was made during the three and six months ended June 30, 2021. The purchase contract liability was $161.5 million at June 30, 2021.

6. Gas in Storage

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Gas Distribution Operations prices natural gas storage injections at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference between current projected replacement cost and the LIFO cost for quantities of gas temporarily withdrawn from storage is recorded as a temporary LIFO liquidation credit or debit within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. We had a temporary LIFO liquidation debit of $9.8 million and zero as of June 30, 2021 and December 31, 2020, respectively, for certain gas distribution companies recorded within “Prepayments and other” on the Condensed Consolidated Balance Sheets (unaudited).

7. Property, Plant and Equipment

In 2020, MISO approved NIPSCO's plan to retire the R.M. Schahfer Generating Station in 2023. The December 2019 NIPSCO electric rate case order included approval to create a regulatory asset upon the retirement of the R.M. Schahfer Generating Station. The order allows for the recovery of and on the net book value of the station by the end of 2032. On March 11, 2021, NIPSCO submitted separate Attachment Y Notices for Units 14 and 15 seeking a suspension date of October 1, 2021 for both coal fired units at R.M. Schahfer Generating Station. On May 28, 2021, NIPSCO received approval from MISO to suspend and retire these two units on October 1, 2021. The remaining two units are still scheduled to be retired in 2023.

In connection with MISO's approvals of NIPSCO's planned retirement of the R.M. Schahfer Generating Station, we recorded plant retirement-related charges during 2020 comprised of write downs of certain capital projects that have been cancelled and materials and supplies inventory balances deemed obsolete due to the planned retirement. In addition, during the second quarter of 2021, we recorded $8.6 million of plant retirement-related charges, primarily related to obsolete inventory write downs. These charges are presented within "Operation and maintenance" on the Condensed Statements of Consolidated Income (Loss). At retirement, the net book value of the retired units will be reclassified from "Net Property, Plant and Equipment," to current and long-term “Regulatory Assets.” The total net book value of R.M. Schahfer Generating Station's coal units and other associated plant estimated to be retired was $823.1 million at June 30, 2021.

On April 28, 2021, in response to a Motion filed by certain parties in NIPSCO's quarterly FAC proceeding, the IURC created a sub-docket proceeding in order to receive additional information related to the planned retirements of Units 14 and 15 by the end of 2021 and any resulting cost impacts to customers. NIPSCO does not anticipate that the sub-docket proceeding will impact the planned timing of October 1, 2021 for the unit retirements.

8. Regulatory Matters

COVID-19 Regulatory Filings

In response to COVID-19, we received approvals or directives from the regulatory commissions in the states in which we operate. The ongoing impacts of these approvals or directives are described in the table below:

Jurisdiction	Moratorium in Place?	Regulatory Asset balance as of June 30, 2021 *(in millions)*	Deferred COVID-19 Costs
Columbia of Ohio	No	$ 2.1	Incremental operation and maintenance expenses
NIPSCO	No	$ 6.2	Incremental bad debt expense and the costs to implement the requirements of the COVID-19 related order
Columbia of Pennsylvania	No	$ 7.1	Incremental bad debt expense incurred since March 13, 2020 above levels currently in rates
Columbia of Virginia	Yes	$ 1.2	Incremental incurred costs (including incremental bad debt expense), subject to an earnings test review
Columbia of Maryland	Yes	$ 0.9	Incremental costs (including incremental bad debt expense) incurred to ensure that customers have essential utility service during the state of emergency in Maryland. Such incremental costs must be offset by any benefit received in connection with the pandemic

The Pennsylvania PUC adopted an order on March 11, 2021, and subsequently reaffirmed their stance in a June 23, 2021 order, which lifted its prior pandemic-related moratorium on service terminations for non-payments of utility bills beginning April 1, 2021. Pursuant to that order, Pennsylvania utilities are required to offer payment plans on billing arrearages, with the length of such payment plans depending on customers' income levels. The longest such payment plan would be a maximum of five years for residential customers with incomes below 250% of the Federal Poverty Level.

For Columbia of Virginia, the currently effective legislative and regulatory directives related to the COVID-19 pandemic require utilities to offer payment plans between 6 and 24 months, and suspend service disconnections and late payment fees for customers. According to state law, these directives remain in place until the Governor determines that the economic and public health conditions have improved such that the prohibition does not need to be in place, or until at least 60 days after such declared state of emergency ends, whichever is sooner. The state of emergency ended June 30, 2021.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

In conjunction with the order issued by the PSC of Maryland on June 15, 2021, all termination moratoriums will be lifted the later of November 1, 2021 or 30 days after the Maryland Relief Act funds have been applied to customer accounts. Columbia of Maryland received approximately $0.8 million of assistance to be applied to customer accounts and is currently in the process of applying these funds to customer accounts in accordance with the terms of the order. Normal collections procedures are expected to resume by November 1, 2021.

9. Risk Management Activities

We are exposed to certain risks relating to our ongoing business operations, namely commodity price risk and interest rate risk. We recognize that the prudent and selective use of derivatives may help to lower our cost of debt capital, manage our interest rate exposure and limit volatility in the price of natural gas.

Risk management assets and liabilities on our derivatives are presented on the Condensed Consolidated Balance Sheets (unaudited) as shown below:

(in millions)	**June 30, 2021**	December 31, 2020
Risk Management Assets - Current[1]		
Interest rate risk programs	**$ —**	$ —
Commodity price risk programs	**7.4**	10.4
Total	**$ 7.4**	$ 10.4
Risk Management Assets - Noncurrent[2]		
Interest rate risk programs	**$ —**	$ —
Commodity price risk programs	**5.0**	2.8
Total	**$ 5.0**	$ 2.8
Risk Management Liabilities - Current[3]		
Interest rate risk programs	**$ 50.6**	$ 70.9
Commodity price risk programs	**0.8**	7.3
Total	**$ 51.4**	$ 78.2
Risk Management Liabilities - Noncurrent[4]		
Interest rate risk programs	**$ 73.4**	$ 99.5
Commodity price risk programs	**23.8**	45.1
Total	**$ 97.2**	$ 144.6

[1]Presented in "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).
[2]Presented in "Deferred charges and other" on the Condensed Consolidated Balance Sheets (unaudited).
[3]Presented in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).
[4]Presented in "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets (unaudited).

Commodity Price Risk Management

We, along with our utility customers, are exposed to variability in cash flows associated with natural gas purchases and volatility in natural gas prices. We purchase natural gas for sale and delivery to our retail, commercial and industrial customers, and for most customers the variability in the market price of gas is passed through in their rates. Some of our utility subsidiaries offer programs to certain customers whereby variability in the market price of gas is assumed by the respective utility. The objective of our commodity price risk programs is to mitigate the gas cost variability, for us or on behalf of our customers, associated with natural gas purchases or sales by economically hedging the various gas cost components using a combination of futures, options, forwards or other derivative contracts.

NIPSCO received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments. The term of these instruments may range from five to 10 years and is limited to 20% of NIPSCO’s average annual GCA purchase volume. Gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO’s quarterly GCA mechanism. These instruments are not designated as accounting hedges.

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Interest Rate Risk Management

As of June 30, 2021, we have two forward-starting interest rate swaps with an aggregate notional value totaling $500.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate during the periods from the effective dates of the swaps to the anticipated dates of forecasted debt issuances, which are expected to take place between 2022 and 2024. These interest rate swaps are designated as cash flow hedges. The gains and losses related to these swaps are recorded to AOCI and will be recognized in "Interest expense, net" concurrently with the recognition of interest expense on the associated debt, once issued. If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (Loss) (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at June 30, 2021 and December 31, 2020.

Our derivative instruments measured at fair value as of June 30, 2021 and December 31, 2020 do not contain any credit-risk-related contingent features.

10. Fair Value

A. Fair Value Measurements

Recurring Fair Value Measurements

The following tables present financial assets and liabilities measured and recorded at fair value on our Condensed Consolidated Balance Sheets (unaudited) on a recurring basis and their level within the fair value hierarchy as of June 30, 2021 and December 31, 2020:

Recurring Fair Value Measurements June 30, 2021 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021
Assets				
Risk management assets	$ —	$ 12.4	$ —	$ 12.4
Available-for-sale debt securities	—	166.3	—	166.3
Total	**$ —**	**$ 178.7**	**$ —**	**$ 178.7**
Liabilities				
Risk management liabilities	$ —	$ 148.6	$ —	$ 148.6
Total	**$ —**	**$ 148.6**	**$ —**	**$ 148.6**

Recurring Fair Value Measurements December 31, 2020 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2020
Assets				
Risk management assets	$ —	$ 13.2	$ —	$ 13.2
Available-for-sale debt securities	—	170.9	—	170.9
Total	**$ —**	**$ 184.1**	**$ —**	**$ 184.1**
Liabilities				
Risk management liabilities	$ —	$ 222.8	$ —	$ 222.8
Total	**$ —**	**$ 222.8**	**$ —**	**$ 222.8**

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, exchange-traded NYMEX futures and NYMEX options and non-exchange-based forward purchase contracts.

Level 1- When utilized, exchange-traded derivative contracts are based on unadjusted quoted prices in active markets and are classified within Level 1. These financial assets and liabilities are secured with cash on deposit with the exchange; therefore, nonperformance risk has not been incorporated into these valuations. These financial assets and liabilities are deemed to be cleared and settled daily by NYMEX as the related cash collateral is posted with the exchange. As a result of this exchange rule, NYMEX derivatives are considered to have no fair value at the balance sheet date for financial reporting purposes, and are presented in Level 1 net of posted cash; however, the derivatives remain outstanding and are subject to future commodity price fluctuations until they are settled in accordance with their contractual terms.

Level 2- Certain non-exchange-traded derivatives are valued using broker or over-the-counter, on-line exchanges. In such cases, these non-exchange-traded derivatives are classified within Level 2. Non-exchange-based derivative instruments include swaps, forwards, and options. In certain instances, these instruments may utilize models to measure fair value. We use a similar model to value similar instruments. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and market-corroborated inputs, (i.e., inputs derived principally from or corroborated by observable market data by correlation or other means). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized within Level 2.

Level 3- Certain derivatives trade in less active markets with a lower availability of pricing information and models may be utilized in the valuation. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized within Level 3.

Credit risk is considered in the fair value calculation of derivative instruments that are not exchange-traded. Credit exposures are adjusted to reflect collateral agreements which reduce exposures. As of June 30, 2021 and December 31, 2020, there were no material transfers between fair value hierarchies. Additionally, there were no changes in the method or significant assumptions used to estimate the fair value of our financial instruments.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 9, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its natural gas customers. We value these contracts using a pricing model that incorporates market-based information when available, as these instruments trade less frequently and are classified within Level 2 of the fair value hierarchy. For additional information, see Note 9, “Risk Management Activities.”

Available-for-Sale Debt Securities. Available-for-sale debt securities are investments pledged as collateral for trust accounts related to our wholly owned insurance company. We value U.S. Treasury, corporate debt and mortgage-backed securities using a matrix pricing model that incorporates market-based information. These securities trade less frequently and are classified within Level 2.

At each reporting date, we quantitatively and qualitatively assess available-for-sale debt securities for impairment. For securities in a loss position that we intend to hold, we perform an analysis to determine whether the unrealized loss is related to credit factors. The analysis focuses on a variety of factors that include, but are not limited to, downgrade on ratings of the security, defaults in the current reporting period or projected defaults in the future, the security's yield spread over treasuries, and other relevant market data. If the unrealized loss is not related to credit factors, it is included in other comprehensive income. If the unrealized loss is related to credit factors, the loss is recognized as credit loss expense in earnings during the period, with an offsetting entry to the allowance for credit losses. The amount of the credit loss recorded to the allowance account is limited by the amount at which the security's fair value is less than its amortized cost basis. If the credit losses in the allowance for credit losses are deemed uncollectible, the allowance on the uncollectible portion is charged off, with an offsetting entry to the carrying value of the security. Subsequent improvements to the estimated credit losses of available-for-sale debt securities are recognized immediately in earnings. As of June 30, 2021 and December 31, 2020, we recorded $0.2 million and $0.5 million, respectively, as an allowance for credit losses on available-for-sale debt securities as a result of the analysis described above. Continuous credit monitoring and portfolio credit balancing mitigates our risk of credit losses on our available-for-sale debt securities.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at June 30, 2021 and December 31, 2020 were:

June 30, 2021 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[1]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 37.4	$ 0.2	$ (0.1)	$ —	$ 37.5
Corporate/Other debt securities	123.6	5.8	(0.4)	(0.2)	128.8
Total	**$ 161.0**	**$ 6.0**	**$ (0.5)**	**$ (0.2)**	**$ 166.3**

December 31, 2020 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[2]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 33.7	$ 0.3	$ —	$ —	$ 34.0
Corporate/Other debt securities	130.2	7.7	(0.5)	(0.5)	136.9
Total	**$ 163.9**	**$ 8.0**	**$ (0.5)**	**$ (0.5)**	**$ 170.9**

[1]Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $25.1 million and $23.5 million, respectively, at June 30, 2021.
[2]Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $0 million and $13.2 million, respectively, at December 31, 2020.

Realized gains and losses on available-for-sale securities were immaterial for the three and six months ended June 30, 2021 and 2020.

The cost of maturities sold is based upon specific identification. At June 30, 2021, approximately $11.4 million of U.S. Treasury debt securities and approximately $3.4 million of Corporate/Other debt securities have maturities of less than a year.

There are no material items in the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including goodwill, on a non-recurring basis, typically annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

In March 2021, we reached an agreement with Eversource regarding the final purchase price, including net working capital adjustments to the October 9, 2020 purchase price of our Massachusetts Business. The working capital amounts were measured at fair value, less costs to sell.

B. Other Fair Value Disclosures for Financial Instruments. The carrying amount of cash and cash equivalents, restricted cash, customer deposits and short-term borrowings is a reasonable estimate of fair value due to their liquid or short-term nature.

The following method and assumptions were used to estimate the fair value of each class of financial instruments.

Purchase Contract Liability. At April 19, 2021, we recorded the purchase contract liability at fair value using a discounted cash flow method and observable, market-corroborated inputs. This value is a reasonable estimate of fair value at June 30, 2021, and has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, “Equity,” for additional information.

Long-term Debt. Our long-term borrowings are recorded at historical amounts. The fair value of outstanding long-term debt is estimated based on the quoted market prices for the same or similar securities. Certain premium costs associated with the early settlement of long-term debt are not taken into consideration in determining fair value. These fair value measurements are classified within Level 2 of the fair value hierarchy. As of June 30, 2021, there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The carrying amount and estimated fair values of these financial instruments were as follows:

(in millions)	**Carrying Amount as of June 30, 2021**	**Estimated Fair Value as of June 30, 2021**	Carrying Amount as of Dec. 31, 2020	Estimated Fair Value as of Dec. 31, 2020
Long-term debt (including current portion)	**$ 9,246.9**	**$ 10,577.4**	$ 9,243.1	$ 11,034.2

11. Goodwill

The following presents our goodwill balance allocated by segment as of June 30, 2021:

(in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other	**Total**
Goodwill	$ 1,485.9	$ —	$ —	**$ 1,485.9**

For our annual goodwill impairment analysis performed as of May 1, 2021, we performed a qualitative "step 0" assessment and determined that it was more likely than not that the estimated fair value of the reporting unit substantially exceeded the related carrying value of our reporting unit. For this test, we assessed various assumptions, events and circumstances that would have affected the estimated fair value of the reporting units as compared to their baseline May 1, 2020 "step 1" fair value measurement. There have been no impairments to the carrying value of our goodwill during the periods presented.

12. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2021 and 2020, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended June 30, 2021 and 2020 were 18.8% and 491.7%, respectively. The effective tax rates for the six months ended June 30, 2021 and 2020 were 17.7% and (14.5)%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The decrease in the three month effective tax rate of 472.9% in 2021 compared to 2020 is primarily attributable to a discrete item related to the pre-tax book loss recorded for the classification as held for sale of the Massachusetts Business tax effected at statutory tax rates in 2020.

The increase in the six month effective tax rate of 32.2% in 2021 compared to 2020 is primarily attributed to a discrete item related to the pre-tax book loss recorded for the classification as held for sale of the Massachusetts Business tax effected at statutory tax rates in 2020.

There were no material changes recorded in 2021 to our uncertain tax positions recorded as of December 31, 2020.

13. Pension and Other Postretirement Benefits

We provide defined contribution plans and noncontributory defined benefit retirement plans that cover certain of our employees. Benefits under the defined benefit retirement plans reflect the employees' compensation, years of service and age at retirement. Additionally, we provide health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for us. The expected cost of such benefits is accrued during the employees' years of service. We determined that, for certain rate-regulated subsidiaries, the future recovery of postretirement benefit costs is probable, and we record regulatory assets and liabilities for amounts that would otherwise have been recorded to expense or accumulated other comprehensive loss. Current rates of rate-regulated companies include postretirement benefit costs, including amortization of the regulatory assets and liabilities that arose prior to inclusion of these costs in rates. For most plans, cash contributions are remitted to grantor trusts.

For the six months ended June 30, 2021, we contributed $2.0 million to our pension plans and $10.2 million to our other postretirement benefit plans.

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The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and six months ended June 30, 2021 and 2020:

	Pension Benefits		Other Postretirement Benefits	
Three Months Ended June 30, *(in millions)*	**2021**	2020	**2021**	2020
Components of Net Periodic Benefit (Income) Cost[1]				
Service cost	**$ 7.5**	$ 8.0	**$ 1.5**	$ 1.6
Interest cost	**7.9**	13.5	**2.5**	3.9
Expected return on assets	**(25.3)**	(28.4)	**(3.8)**	(3.6)
Amortization of prior service credit	**—**	0.2	**(0.6)**	(0.5)
Recognized actuarial loss	**5.5**	8.7	**1.2**	1.3
Settlement loss	**3.3**	—	**—**	—
Total Net Periodic Benefit (Income) Cost	**$ (1.1)**	$ 2.0	**$ 0.8**	$ 2.7

[1]The service cost component and all non-service cost components of net periodic benefit (income) cost are presented in "Operation and maintenance" and "Other, net," respectively, on the Condensed Statements of Consolidated Income (Loss) (unaudited).

	Pension Benefits		Other Postretirement Benefits	
Six Months Ended June 30, *(in millions)*	**2021**	2020	**2021**	2020
Components of Net Periodic Benefit (Income) Cost[1]				
Service cost	**$ 15.1**	$ 16.0	**$ 3.0**	$ 3.2
Interest cost	**15.6**	27.0	**5.0**	7.8
Expected return on assets	**(51.1)**	(56.8)	**(7.6)**	(7.2)
Amortization of prior service credit	**—**	0.4	**(1.2)**	(1.0)
Recognized actuarial loss	**10.8**	17.4	**2.4**	2.6
Settlement loss	**6.6**	—	**—**	—
Total Net Periodic Benefit (Income) Cost	**$ (3.0)**	$ 4.0	**$ 1.6**	$ 5.4

[1]The service cost component and all non-service cost components of net periodic benefit cost (income) are presented in "Operation and maintenance" and "Other, net," respectively, on the Condensed Statements of Consolidated Income (Loss) (unaudited).

During the first quarter of 2021, one of our qualified pension plans met the requirement for settlement accounting. A settlement charge of $3.3 million was recorded during the first quarter of 2021. As a result of the settlement, the pension plan was remeasured, resulting in a decrease to the net pension asset of $5.8 million, a net increase to regulatory assets of $2.1 million, and a net debit to accumulated other comprehensive loss of $0.4 million. Net periodic pension benefit cost for 2021 increased by $4.0 million as a result of the interim remeasurement.

During the second quarter of 2021, the requirements for settlement accounting were also met, resulting in a settlement charge of $3.3 million recorded for the three months ended June 30, 2021.

The following table provides the key assumptions that were used to calculate the pension benefit obligation and the net periodic benefit cost at the interim remeasurement date for the plan that triggered settlement accounting:

	February 28, 2021
Weighted-average Assumption to Determine Benefit Obligation	
Discount rate	2.57 %
Weighted-average Assumptions to Determine Net Periodic Benefit Costs for the period ended	
Discount rate - service cost	2.81 %
Discount rate - interest cost	1.57 %
Expected return on assets	4.80 %

14. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. The primary beneficiary of a VIE is the business enterprise which has the power to direct the activities that most significantly impact the VIE's economic performance. Also, the primary beneficiary either absorbs a significant amount of the VIE's losses or has the right to receive benefits that could be significant to the VIE. We consider these qualitative elements in determining whether we are the primary beneficiary of a VIE, and we consolidate those VIEs for which we are determined to be the primary beneficiary.

Rosewater (a joint venture) owns and operates 102 MW of nameplate capacity wind generation assets. Members of the joint venture are NIPSCO (who is the managing member) and a tax equity partner. Earnings, tax attributes and cash flows are allocated to both NIPSCO and the tax equity partner in varying percentages by category and over the life of the partnership. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the aforementioned joint venture. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by Rosewater.

As the managing member of Rosewater, we control decisions that are significant to its ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary of Rosewater and have consolidated Rosewater even though we own less than 100% of the total equity membership interest.

We have applied the HLBV method of attributing income and loss to the noncontrolling interest held by the tax equity partner. HLBV accounting was applied as the allocation of Rosewater's economic results to members differs from the members' relative ownership percentages. Using the HLBV method, our earnings are calculated based on how the partnership would distribute its cash if it were to hypothetically sell all of its assets for their carrying amounts and liquidate at each reporting period. Under HLBV, we calculate the liquidation value allocable to each partner at the beginning and end of each period based on the contractual terms of the related entity's operating agreement and adjust our income for the period to reflect the change in our associated book value.

In March 2021, in exchange for additional respective membership interests in Rosewater, NIPSCO contributed $0.1 million in cash, and the tax equity partner contributed $7.5 million in cash, the second of two contractual cash contributions for each partner, per the equity capital contribution agreement. NIPSCO also assumed an additional obligation of $6.0 million to the developer, which comes due in 2023 and is included in "Other noncurrent liabilities" in the Condensed Consolidated Balance Sheets (unaudited). From the contributed funds, Rosewater paid $7.4 million to the developer of the wind generation assets. The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Rosewater. With asset construction now complete, NIPSCO and the tax equity partner have made total cash contributions of $0.8 million and $93.6 million, respectively, and NIPSCO has assumed an obligation to the developer of $75.7 million, totaling contributions of $170.1 million for both partners. We did not provide any financial or other support during the year that was not previously contractually required, nor do we expect to provide such support in the future.

At June 30, 2021 and December 31, 2020, $169.2 million and $156.4 million, respectively, in net assets (as detailed in the table below) related to Rosewater and the non-controlling interest attributable to the unrelated tax equity partner of $90.4 million and $85.6 million, respectively, were included in the Condensed Consolidated Balance Sheets (unaudited). Amounts allocated to the tax equity partner were $3.4 million and zero for the three months ended June 30, 2021 and 2020, respectively, and $2.4 million and zero for the six months ended June 30, 2021 and 2020, respectively. These amounts are included in "Net loss attributable to non-controlling interest" on the Condensed Statements of Consolidated Income (Loss) (unaudited).

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Our Condensed Consolidated Balance Sheets (unaudited) included the following assets and liabilities associated with Rosewater:

(in millions)		**June 30, 2021**		December 31, 2020
Net Property, Plant and Equipment	**$**	**172.8**	$	175.6
Current assets		**4.8**		1.7
Total assets[1]	**$**	**177.6**	$	177.3
Current liabilities	**$**	**2.7**	$	15.3
Asset retirement obligations		**5.6**		5.5
Other noncurrent liabilities		**0.1**		0.1
Total liabilities	**$**	**8.4**	$	20.9

[1]The assets of Rosewater represent assets of a consolidated VIE that can be used only to settle obligations of the consolidated VIE.

15. Short-Term Borrowings

We generate short-term borrowings through several sources, described in further detail below.

Revolving Credit Facility. We maintain a revolving credit facility to fund ongoing working capital requirements, including the provision of liquidity support for our commercial paper program, provide for issuance of letters of credit and also for general corporate purposes. Our revolving credit facility has a program limit of $1.85 billion and is comprised of a syndicate of banks led by Barclays. We had no outstanding borrowings under this facility as of June 30, 2021 and December 31, 2020.

Commercial Paper Program. Our commercial paper program has a program limit of up to $1.5 billion with a dealer group comprised of Barclays, Citigroup, Credit Suisse and Wells Fargo. We had no commercial paper outstanding as of June 30, 2021 and $503.0 million of commercial paper outstanding as of December 31, 2020.

Accounts Receivable Transfer Programs. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they may transfer their customer accounts receivables to third-party financial institutions through wholly owned and consolidated special purpose entities. The three agreements expire between August 2021 and May 2022 and may be further extended if mutually agreed to by the parties thereto.

All receivables transferred to third parties are valued at face value, which approximates fair value due to their short-term nature. The amount of the undivided percentage ownership interest in the accounts receivables transferred is determined in part by required loss reserves under the agreements.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). As of June 30, 2021, the maximum amount of debt that could be recognized related to our accounts receivable programs is $340.0 million.

We had no short-term borrowings related to the securitization transactions as of June 30, 2021 and December 31, 2020.

For the six months ended June 30, 2021 and 2020, zero and $39.7 million, respectively, were recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the accounts receivable transfer programs, we pay used facility fees for amounts borrowed, unused commitment fees for amounts not borrowed, and upfront renewal fees. Fees associated with the securitization transactions were $0.4 million and $0.8 million for the three months ended June 30, 2021 and 2020, respectively, and $0.8 million and $1.5 million for the six months ended June 30, 2021 and 2020, respectively. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania remain responsible for collecting on the receivables securitized, and the receivables cannot be transferred to another party.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Total short-term borrowings were as follows:

(in millions)	**June 30, 2021**	December 31, 2020
Commercial paper weighted-average interest rate of 0.27% at December 31, 2020	—	503.0
Total short-term borrowings	**$** —	$ 503.0

Items listed above are presented net in the Condensed Statements of Consolidated Cash Flows (unaudited) as their maturities are less than 90 days.

16. Other Commitments and Contingencies

A. Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. As of June 30, 2021 and December 31, 2020, we had issued stand-by letters of credit of $14.1 million and $15.2 million, respectively.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At June 30, 2021, our guarantees for the Rosewater and Indiana Crossroads BTAs totaled $519.5 million. In July 2021, the amount of the guarantees increased to $544.7 million in accordance with the Dunn's Bridge I BTA. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- E. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). The Greater Lawrence Incident resulted in one fatality and a number of injuries, damaged multiple homes and businesses, and caused the temporary evacuation of significant portions of each municipality. The Massachusetts Governor's Office declared a state of emergency, authorizing the Massachusetts DPU to order another utility company to coordinate the restoration of utility services in Lawrence, Andover and North Andover. The incident resulted in the interruption of gas for approximately 7,500 gas meters, the majority of which served residences and approximately 700 of which served businesses, and the interruption of other utility service more broadly in the area. Columbia of Massachusetts replaced the cast iron and bare steel gas pipeline system in the affected area and restored service. See "- C. Other Greater Lawrence Incident Matters below for more information. On September 1, 2020, the Massachusetts Governor terminated the state of emergency declared following the Greater Lawrence Incident.

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, as described below. The Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts DPU and the Massachusetts Attorney General's Office investigations, that was approved by the Massachusetts DPU on October 7, 2020 as part of the sale of the Massachusetts Business to Eversource.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement, which the Court accepted. Subsequently, Columbia of Massachusetts and the U.S. Attorney's Office modified the Plea Agreement. On June 23, 2020, the Court sentenced Columbia of Massachusetts in accordance with the terms of the modified Plea Agreement. Under the modified Plea Agreement, Columbia of Massachusetts is subject to the following terms, among others: (i) a criminal fine in the amount of $53,030,116; (ii) a three-year probationary period that will terminate early upon a sale of Columbia of Massachusetts or a sale of its gas distribution business to a qualified third-party buyer consistent with certain requirements, but in no event before the end of the one-year mandatory period of probation; (iii) compliance with each of the NTSB recommendations stemming from the Greater Lawrence Incident; and (iv) employment of an in-house monitor until the end of the term of probation or until the sale of Columbia of Massachusetts or its gas distribution business, whichever is earlier. On June 23, 2021, the Court accepted a joint request by Columbia Gas of Massachusetts and the U.S. Attorney's Office to terminate the three-year probation effective immediately, which was at the end of the one-year minimum probationary period, marking the completion of all terms of the modified plea agreement.

Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the following: (i) the Company will use reasonable best efforts to sell Columbia of Massachusetts or Columbia of Massachusetts' gas distribution business to a qualified third-party buyer consistent with certain requirements, and, upon the completion of any such sale, the Company will cease and desist any and all gas pipeline and distribution activities in the District of Massachusetts; (ii) the Company will forfeit and pay, within 30 days of the later of the sale becoming final or the date on which post-closing adjustments to the purchase price are finally determined in accordance with the agreement to sell Columbia of Massachusetts or its gas distribution business, a fine equal to the total amount of the profit or gain, if any, from any sale of Columbia of Massachusetts or its gas distribution business, with the amount of profit or gain determined as provided in the DPA; and (iii) the Company agrees as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, including, but not limited to those identified above, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident. If Columbia of Massachusetts withdraws its plea for any reason, if the Court rejects any aspect of the Plea Agreement, or if Columbia of Massachusetts should fail to perform an obligation under the Plea Agreement prior to the sale of Columbia of Massachusetts or its gas distribution business, the U.S. Attorney's Office may, at its sole option, render the DPA null and void. The sale of the Massachusetts Business was completed on October 9, 2020. The Company was not required to forfeit or pay any funds because the Company did not realize a profit or gain from the sale as provided in the DPA.

Private Actions. Various lawsuits, including several purported class action lawsuits, have been filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident.

On July 26, 2019, the Company, Columbia of Massachusetts and NiSource Corporate Services Company, a subsidiary of the Company, entered into a term sheet with the class action plaintiffs under which they agreed to settle the class action claims in connection with the Greater Lawrence Incident. Columbia of Massachusetts agreed to pay $143 million into a settlement fund to compensate the settlement class and the settlement class agreed to release Columbia of Massachusetts and affiliates from all claims arising out of or related to the Greater Lawrence Incident. The following claims are not covered under the proposed settlement because they are not part of the consolidated class action: (1) physical bodily injury and wrongful death; (2) insurance subrogation, whether equitable, contractual or otherwise; and (3) claims arising out of appliances that are subject to the Massachusetts DPU orders. Emotional distress and similar claims are covered under the proposed settlement unless they are secondary to a physical bodily injury. The settlement class is defined under the term sheet as all persons and businesses in the three municipalities of Lawrence, Andover and North Andover, Massachusetts, subject to certain limited exceptions. The motion for preliminary approval and the settlement documents were filed on September 25, 2019. The preliminary approval court hearing was held on October 7, 2019 and the court issued an order granting preliminary approval of the settlement on October 11, 2019. The Court granted final approval of the settlement on March 12, 2020.

With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

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Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging state-law claims for breaches of fiduciary duty with respect to the pipeline safety management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including federal-law claims related to our proxy statement disclosures regarding our safety systems. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. The defendants filed a motion to dismiss the lawsuit, and oral argument was held on March 2, 2021. On March 9, 2021, the district court granted the defendants' motion to dismiss. It dismissed the federal-law claims with prejudice for failure to state a claim on which relief can be granted and declined to exercise jurisdiction over the state-law claims, which were dismissed without prejudice.

Following the dismissal of the federal court action, on April 29, 2021, the same plaintiff filed a shareholder derivative lawsuit in the Delaware Court of Chancery against certain of our current and former directors. The new complaint alleges a single count for breach of fiduciary duty, and no longer alleges disclosure violations or breaches of federal securities laws. The complaint relates to substantially the same matters as those alleged in the dismissed federal derivative complaint. The remedies sought include damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of compensation by the individual defendants. On May 19, 2021, the defendants filed a motion to dismiss the lawsuit, and on July 2, 2021, they filed their brief in support of the motion. The plaintiff's opposition to the motion is due on August 26, 2021, and the defendants' reply brief is due on September 24, 2021. Because of the preliminary nature of this lawsuit, we are not able to estimate a loss or range of loss, if any, that may be incurred in connection with this matter at this time.

Remaining Claims. Due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim, proceeding or investigation related to the Greater Lawrence Incident or otherwise would not have a material adverse effect on our results of operations, financial position or liquidity. Certain matters in connection with the Greater Lawrence Incident have had or may have a material impact as described above. If one or more of such additional or other matters were decided against us, the effects could be material to our results of operations in the period in which we would be required to record or adjust the related liability and could also be material to our cash flows in the periods that we would be required to pay such liability.

We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

C. Other Greater Lawrence Incident Matters. In connection with the Greater Lawrence Incident, Columbia of Massachusetts, in cooperation with the Massachusetts Governor's office, replaced the entire affected pipeline system. We invested approximately $258 million of capital spend for the pipeline replacement; this work was completed in 2019. We maintain property insurance for gas pipelines and other applicable property. Columbia of Massachusetts has filed a proof of loss with its property insurer for the pipeline replacement. In January 2020, we filed a lawsuit against the property insurer, seeking payment of our property claim. We are currently unable to predict the timing or amount of any insurance recovery under the property policy.

D. Environmental Matters. Our operations are subject to environmental statutes and regulations related to air quality, water quality, hazardous waste and solid waste. We believe that we are in substantial compliance with the environmental regulations currently applicable to our operations.

It is management's continued intent to address environmental issues in cooperation with regulatory authorities in such a manner as to achieve mutually acceptable compliance plans. However, there can be no assurance that fines and penalties will not be incurred. Management expects a majority of environmental assessment and remediation costs to be recoverable through rates for certain of our companies.

As of June 30, 2021 and December 31, 2020, we had recorded a liability of $93.3 million and $92.6 million, respectively, to cover environmental remediation at various sites. The current portion of this liability is included in "Other accruals" in the Condensed Consolidated Balance Sheets (unaudited). The noncurrent portion is included in "Other noncurrent liabilities." We recognize costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated. The original estimates for remediation activities may differ materially from the amount ultimately expended. The actual future expenditures depend on many factors, including laws and regulations, the nature and extent of impact and the method of remediation. These expenditures are not currently estimable at some sites. We periodically adjust our liability as information is collected and estimates become more refined.

CERCLA. Our subsidiaries are potentially responsible parties at waste disposal sites under the CERCLA (commonly known as Superfund) and similar state laws. Under CERCLA, each potentially responsible party can be held jointly, severally and strictly liable for the remediation costs as the EPA, or state, can allow the parties to pay for remedial action or perform remedial action themselves and request reimbursement from the potentially responsible parties. Our affiliates have retained CERCLA environmental liabilities, including remediation liabilities, associated with certain current and former operations. These liabilities are not material to the Condensed Consolidated Financial Statements (unaudited).

MGP. We maintain a program to identify and investigate former MGP sites where Gas Distribution Operations subsidiaries or predecessors may have liability. The program has identified 54 such sites where liability is probable. Remedial actions at many of these sites are being overseen by state or federal environmental agencies through consent agreements or voluntary remediation agreements.

We utilize a probabilistic model to estimate our future remediation costs related to MGP sites. The model was prepared with the assistance of a third party and incorporates our experience and general industry experience with remediating MGP sites. We complete an annual refresh of the model in the second quarter of each fiscal year. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2021. Our total estimated liability related to the facilities subject to remediation was $87.1 million and $85.0 million at June 30, 2021 and December 31, 2020, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. We believe that it is reasonably possible that remediation costs could vary by as much as $17 million in addition to the costs noted above. Remediation costs are estimated based on the best available information, applicable remediation standards at the balance sheet date and experience with similar facilities.

CCRs. On April 17, 2015, the EPA issued a final rule for regulation of CCRs. The rule regulates CCRs under the RCRA Subtitle D, which determines them to be nonhazardous. The rule is implemented in phases and requires increased groundwater monitoring, reporting, recordkeeping and posting of related information to the Internet. The rule also establishes requirements related to CCR management and disposal. The rule allows NIPSCO to continue its byproduct beneficial use program.

To comply with the rule, NIPSCO completed capital expenditures in 2019 to modify its infrastructure and manage CCRs. The CCR rule also resulted in revisions to previously recorded legal obligations associated with the retirement of certain NIPSCO facilities. The actual asset retirement costs related to the CCR rule may vary substantially from the estimates used to record the increased asset retirement obligation due to the uncertainty about the requirements that will be established by environmental authorities, compliance strategies that will be used and the preliminary nature of available data used to estimate costs. As allowed by the rule, NIPSCO will continue to collect data over time to determine the specific compliance solutions and associated costs and, as a result, the actual costs may vary. NIPSCO will also continue to work with EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the CCR rule. In the event that the approvals are not obtained, future operations could be impacted. We believe the possibility of such an outcome is remote.

E. Other Matters.

Generation Transition. NIPSCO has executed several PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. Each facility supplying the energy will have an associated nameplate capacity, and payments under the PPAs will not begin until the associated generation facility is constructed by the owner/seller. NIPSCO has also executed several BTAs with developers to construct renewable generation facilities. NIPSCO's purchase obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC, successful execution by NIPSCO of an agreement with a tax equity partner and timely completion of construction. NIPSCO has received IURC approval for all of its BTAs and all but one PPA, which is pending a decision from the IURC. NIPSCO and the tax equity partner are obligated to make cash contributions to the joint venture that acquires the project at the date construction is substantially complete. Once the tax equity partner has earned its negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the joint venture.

One-Time Employee Separation Benefits. Starting in the third quarter of 2020, we evaluated and continue to evaluate our organizational structure under the auspices of NiSource Next. We recognized the majority of the related severance expense in 2020 when employees accepted severance offers, absent a retention period. In addition, we continue to have separations under our existing severance policies. For employees that have a retention period, expense will be recognized over the remaining service period. The total estimated severance expense for employees is approximately $41 million, with substantially all of it incurred to date. A rollforward of the one-time employee separation benefits accrual for the six months ended June 30, 2021 is presented below:

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

(in millions)	Balance as of January 1, 2021	Changes Attributable to Costs Incurred[1]	Costs Paid	Adjustments	Balance as of June 30, 2021[2]
One-time Employee Separation Benefits	11.1	7.2	(12.4)	—	5.9

[1]This activity is presented within "Operation and maintenance" in our Condensed Statements of Consolidated Income (Loss) (unaudited).
[2]This activity is presented within "Accrued compensation and employee benefits" in our Condensed Consolidated Balance Sheets (unaudited).

17. Accumulated Other Comprehensive Loss

The following tables display the components of Accumulated Other Comprehensive Loss:

(in millions)	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of April 1, 2021	$ 3.5	$ (63.3)	$ (15.7)	$ (75.5)
Other comprehensive income (loss) before reclassifications	0.8	(49.8)	0.1	(48.9)
Amounts reclassified from accumulated other comprehensive loss	0.1	—	0.7	0.8
Net current-period other comprehensive income (loss)	0.9	(49.8)	0.8	(48.1)
Balance as of June 30, 2021	**$ 4.4**	**$ (113.1)**	**$ (14.9)**	**$ (123.6)**

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

(in millions)	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of January 1, 2021	$ 6.0	$ (147.9)	$ (14.8)	$ (156.7)
Other comprehensive income (loss) before reclassifications	(1.4)	34.8	(1.3)	32.1
Amounts reclassified from accumulated other comprehensive loss	(0.2)	—	1.2	1.0
Net current-period other comprehensive income (loss)	(1.6)	34.8	(0.1)	33.1
Balance as of June 30, 2021	**$ 4.4**	**$ (113.1)**	**$ (14.9)**	**$ (123.6)**

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

(in millions)	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of April 1, 2020	$ (2.1)	$ (210.5)	$ (18.0)	$ (230.6)
Other comprehensive income before reclassifications	6.0	2.7	—	8.7
Amounts reclassified from accumulated other comprehensive loss	(0.3)	—	0.3	—
Net current-period other comprehensive income (loss)	5.7	2.7	0.3	8.7
Balance as of June 30, 2020	$ 3.6	$ (207.8)	$ (17.7)	$ (221.9)

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

(in millions)	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of January 1, 2020	$ 3.3	$ (77.2)	$ (18.7)	$ (92.6)
Other comprehensive income (loss) before reclassifications	0.8	(130.6)	0.4	(129.4)
Amounts reclassified from accumulated other comprehensive loss	(0.5)	—	0.6	0.1
Net current-period other comprehensive income (loss)	0.3	(130.6)	1.0	(129.3)
Balance as of June 30, 2020	$ 3.6	$ (207.8)	$ (17.7)	$ (221.9)

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

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18. Other, Net

(in millions)	Three Months Ended June 30, **2021**	Three Months Ended June 30, 2020	Six Months Ended June 30, **2021**	Six Months Ended June 30, 2020
Interest income	**$ 0.7**	$ 1.4	**$ 1.6**	$ 3.1
AFUDC equity	**3.4**	1.4	**4.9**	3.1
Pension and other postretirement non-service benefit	**8.6**	3.1	**17.1**	5.8
Miscellaneous	**(0.3)**	0.6	**(0.7)**	(0.1)
Total Other, net	**$ 12.4**	$ 6.5	**$ 22.9**	$ 11.9

19. Business Segment Information

At June 30, 2021, our operations are divided into two primary reportable segments, the Gas Distribution Operations and Electric Operations segments. Corporate costs and other activities that are not significant on a stand-alone basis to warrant treatment as an operating segment and that do not fit into one of our two segments are aggregated as "Corporate and Other" in the disclosures below. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues.

The following table provides information about our business segments. We use operating income as our primary measurement for each of the reported segments and make decisions on finance, dividends and taxes at the corporate level on a consolidated basis. Segment revenues include intersegment sales to affiliated subsidiaries, which are eliminated in consolidation. Affiliated sales are recognized on the basis of prevailing market, regulated prices or at levels provided for under contractual agreements. Operating income is derived from revenues and expenses directly associated with each segment.

(in millions)	Three Months Ended June 30, **2021**	Three Months Ended June 30, 2020	Six Months Ended June 30, **2021**	Six Months Ended June 30, 2020
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	**$ 574.3**	$ 606.3	**$ 1,710.1**	$ 1,834.3
Intersegment	**3.0**	3.0	**6.1**	6.0
Total	**577.3**	609.3	**1,716.2**	1,840.3
Electric Operations				
Unaffiliated	**403.5**	356.2	**806.0**	733.5
Intersegment	**0.2**	0.2	**0.4**	0.4
Total	**403.7**	356.4	**806.4**	733.9
Corporate and Other				
Unaffiliated	**8.2**	0.2	**15.5**	0.4
Intersegment	**117.4**	100.7	**221.3**	207.4
Total	**125.6**	100.9	**236.8**	207.8
Eliminations	**(120.6)**	(103.9)	**(227.8)**	(213.8)
Consolidated Operating Revenues	**$ 986.0**	$ 962.7	**$ 2,531.6**	$ 2,568.2
Operating Income (Loss)				
Gas Distribution Operations	**$ 61.2**	$ 1.7	**$ 408.1**	$ 80.2
Electric Operations	**79.6**	86.9	**167.5**	165.4
Corporate and Other	**1.4**	3.1	**(0.2)**	(5.7)
Consolidated Operating Income	**$ 142.2**	$ 91.7	**$ 575.4**	$ 239.9

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NiSource Inc.

EXECUTIVE SUMMARY

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion") includes management's analysis of past financial results and certain potential factors that may affect future results, potential future risks and approaches that may be used to manage those risks. See "Note regarding forward-looking statements" at the beginning of this report for a list of factors that may cause results to differ materially.

Management's Discussion is designed to provide an understanding of our operations and financial performance and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

We are an energy holding company under the Public Utility Holding Company Act of 2005 whose utility subsidiaries are fully regulated natural gas and electric utility companies serving customers in six states. We generate substantially all of our operating income through these rate-regulated businesses, which are summarized for financial reporting purposes into two primary reportable segments: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) address changing customer conservation patterns, (ii) align our price structure with our cost structure, and (iii) embark on long-term infrastructure investment and safety programs to better serve our customers. These strategies focus on improving safety and reliability, enhancing customer service, lowering customer bills and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. The SMS is an established operating model within NiSource. With the continued support and advice from our Quality Review Board (a panel of third parties with safety operations expertise engaged by management to advise on safety matters), we are continuing to mature our SMS processes, capabilities and talent as we collaborate within and across industries to enhance safety and reduce operational risk. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace all of our coal generation capacity by the end of 2028 with primarily renewable resources is well underway. As of June 30, 2021, we have executed BTAs and PPAs with a combined nameplate capacity of 1,950 MW and 1,380 MW, respectively, under the plan. We have received IURC approval for all the BTAs and all but one PPA, which is pending a decision from the IURC in the second half of 2021. NIPSCO will refresh its 2018 Integrated Resource Plan in 2021. The 2021 Integrated Resource Plan development is currently underway, and in the second quarter of 2021, we launched an RFP solicitation as part of the IRP's evaluation of resources to meet the future electric needs of our customers. For additional information, see "Results and Discussion of Segment Operation - Electric Operations," in this Management's Discussion.

NiSource Next: We are executing on a defined, comprehensive, multi-year program designed to deliver long-term safety, sustainable capability enhancements and cost optimization improvements. This program is advancing the high priority we place on safety and risk mitigation, further enabling our safety management system, and enhancing the customer experience. NiSource Next is designed to (i) leverage our current scale, (ii) utilize technology, (iii) define clear roles and accountability with our leaders and employees, and (iv) standardize our processes to focus on operational rigor, quality management and continuous improvement.

COVID-19: The safety of our employees and customers, while providing essential services during the COVID-19 pandemic, is paramount. We continue to take a proactive, coordinated approach intended to prevent, mitigate and respond to COVID-19 by utilizing our Incident Command System (ICS). The ICS includes members of our executive council, a medical review professional, and members of functional teams from across our company. The ICS monitors state-by-state conditions and determines steps to conduct our operations safely for employees and customers.

We have implemented procedures designed to protect our employees who work in the field and who continue to work in operational and corporate facilities, including social distancing, wearing face coverings and more frequent cleaning of equipment and facilities. We have also implemented work-from-home policies and practices. As local circumstances permit, we are beginning previously delayed work that requires customer interaction. We continue to employ physical and cybersecurity measures to ensure that our operational and support systems remain functional. Our actions to date have mitigated the spread of COVID-19 amongst our employees and principal field contractors. We are also continuously evaluating changes to CDC guidance, and updating our safety measures accordingly, in order to ensure employee and customer safety during this pandemic.

We are following all federal, state, and local guidelines related to the COVID-19 vaccinations and are encouraging employees to receive the vaccine.

Since the beginning of the COVID-19 pandemic, we have been helping our customers navigate this challenging time. We plan to continue our payment assistance programs and customer education and awareness of energy assistance programs such as the Low Income Home Energy Assistance Program (LIHEAP) to help customers deal with the impact of the pandemic. Regulatory deferrals for certain costs have been allowed by all of our state regulatory commissions.

We continue to monitor how COVID-19 is affecting our workforce, customers, suppliers, operations, financial results and cash flow. The extent of the impact in the future will vary and depend on the duration and severity of the impact on the global, national and local economies. For information on the impacts of COVID-19 for the three and six months ended June 30, 2021, the state-specific suspension of disconnections, and COVID-19 regulatory filings see Note 3, "Revenue Recognition," and Note 8, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited).

Summary of Consolidated Financial Results

A summary of our consolidated financial results for the three and six months ended June 30, 2021 and 2020 are presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions, except per share amounts)	**2021**	2020	Favorable (Unfavorable)	**2021**	2020	Favorable (Unfavorable)
Operating Revenues	**$ 986.0**	$ 962.7	$ 23.3	**$ 2,531.6**	$ 2,568.2	$ (36.6)
Operating Expenses						
Cost of energy	**228.3**	188.4	(39.9)	**705.1**	650.8	(54.3)
Other Operating Expenses	**615.5**	682.6	67.1	**1,251.1**	1,677.5	426.4
Total Operating Expenses	**843.8**	871.0	27.2	**1,956.2**	2,328.3	372.1
Operating Income	**142.2**	91.7	50.5	**575.4**	239.9	335.5
Total Other Deductions, net	**(72.1)**	(90.5)	18.4	**(146.2)**	(178.0)	31.8
Income Taxes	**13.2**	5.9	(7.3)	**75.8**	(9.0)	(84.8)
Net Income (Loss)	**56.9**	(4.7)	61.6	**353.4**	70.9	282.5
Net loss attributable to noncontrolling interest	**(3.4)**	—	3.4	**(2.4)**	—	2.4
Net Income (Loss) Attributable to NiSource	**60.3**	(4.7)	65.0	**355.8**	70.9	284.9
Preferred dividends	**(13.8)**	(13.8)	—	**(27.6)**	(27.6)	—
Net Income (Loss) Available to Common Shareholders	**46.5**	(18.5)	65.0	**328.2**	43.3	284.9
Earnings (Loss) Per Share						
Basic Earnings (Loss) Per Share	**$ 0.12**	$ (0.05)	$ 0.17	**$ 0.84**	$ 0.11	$ 0.73
Diluted Earnings (Loss) Per Share	**$ 0.11**	$ (0.05)	$ 0.16	**$ 0.80**	$ 0.11	$ 0.69

The majority of the cost of energy in both segments are tracked costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in operating revenues.

On a consolidated basis, we reported a net income available to common shareholders of $46.5 million, or $0.11 per diluted share for the three months ended June 30, 2021, compared to a net loss available to common shareholders of $18.5 million, or $0.05 per diluted share for the same period in 2020. The increase in income was primarily due to the loss on sale of the Massachusetts business in 2020, as well as lower operating expenses offset by lower operating revenues due to the sale of the Massachusetts business. Additionally, the increase in income was driven by revenue increases from new rates offset by higher employee and administrative expenses and outside services during the three months ended June 30, 2021 compared to the same period in 2020.

For the six months ended June 30, 2021, we reported net income available to common shareholders of $328.2 million, or $0.80 per diluted share compared to net income available to common shareholders of $43.3 million, or $0.11 per diluted share for the same period in 2020. The drivers for this increase were consistent with that of the quarter-to-date period. For additional information on operating income variance drivers see "Results and Discussion of Segment Operation" for Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

Other deductions, net reduced income by $72.1 million during the three months ended June 30, 2021 compared to a reduction in income of $90.5 million in the same period in 2020. This change was primarily driven by lower short-term and long-term debt interest due to lower balances on short-term debt, and lower rates on commercial paper and long-term debt during the three months ended June 30, 2021 compared to the same period in 2020. See Note 15, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Other deductions, net reduced income by $146.2 million during the six months ended June 30, 2021 compared to a reduction in income of $178.0 million in the same period in 2020. The drivers for this change were consistent with that of the quarter-to-date period.

Income Taxes

Refer to Note 12, "Income Taxes," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments: Gas Distribution Operations and Electric Operations. We primarily evaluate segment results based on operating income. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating segment, are presented as "Corporate and Other" within the Notes to the Condensed Consolidated Financial Statements (unaudited) and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities.

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NiSource Inc.
Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three and six months ended June 30, 2021 and 2020 are presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2021**	2020	Favorable (Unfavorable)	**2021**	2020	Favorable (Unfavorable)
Operating Revenues	**$ 577.3**	$ 609.2	$ (31.9)	**$ 1,716.2**	$ 1,840.2	$ (124.0)
Operating Expenses						
Cost of energy	**129.0**	119.2	(9.8)	**508.0**	496.6	(11.4)
Operation and maintenance	**243.9**	263.1	19.2	**492.7**	593.2	100.5
Depreciation and amortization	**93.6**	86.8	(6.8)	**186.5**	183.3	(3.2)
Loss on sale of fixed assets and impairments, net	**—**	84.4	84.4	**8.1**	364.6	356.5
Other taxes	**49.6**	54.0	4.4	**112.8**	122.3	9.5
Total Operating Expenses	**516.1**	607.5	91.4	**1,308.1**	1,760.0	451.9
Operating Income	**$ 61.2**	$ 1.7	$ 59.5	**$ 408.1**	$ 80.2	$ 327.9
Revenues						
Residential	**$ 380.8**	$ 410.6	$ (29.8)	**$ 1,163.1**	$ 1,233.9	$ (70.8)
Commercial	**127.4**	124.1	3.3	**400.3**	398.1	2.2
Industrial	**44.4**	48.8	(4.4)	**102.6**	123.3	(20.7)
Off-System	**17.0**	8.0	9.0	**31.4**	26.7	4.7
Other	**7.7**	17.7	(10.0)	**18.8**	58.2	(39.4)
Total	**$ 577.3**	$ 609.2	$ (31.9)	**$ 1,716.2**	$ 1,840.2	$ (124.0)
Sales and Transportation (MMDth)						
Residential	**30.7**	39.8	(9.1)	**149.1**	158.3	(9.2)
Commercial	**27.2**	28.4	(1.2)	**101.5**	102.1	(0.6)
Industrial	**124.7**	124.2	0.5	**261.1**	271.0	(9.9)
Off-System	**6.2**	4.1	2.1	**11.6**	15.3	(3.7)
Other	**—**	—	—	**0.2**	0.2	—
Total	**188.8**	196.5	(7.7)	**523.5**	546.9	(23.4)
Heating Degree Days	**606**	728	(122)	**3,309**	3,168	141
Normal Heating Degree Days	**551**	563	(12)	**3,405**	3,460	(55)
% Colder (Warmer) than Normal	**10 %**	29 %		**(3)%**	(8)%	
Gas Distribution Customers						
Residential				**2,950,269**	3,237,131	(286,862)
Commercial				**252,235**	282,482	(30,247)
Industrial				**4,943**	5,983	(1,040)
Other				**3**	3	—
Total				**3,207,450**	3,525,599	(318,149)

Comparability of operation and maintenance expenses, depreciation and amortization, and other taxes may be impacted by regulatory, depreciation and tax trackers that allow for the recovery in rates of certain costs.

NiSource Inc.
Gas Distribution Operations

Three and Six Months Ended June 30, 2021 vs. June 30, 2020 Operating Income

For the three months ended June 30, 2021, Gas Distribution Operations reported operating income of $61.2 million, an increase of $59.5 million from the comparable 2020 period. For the six months ended June 30, 2021, Gas Distribution Operations reported operating income of $408.1 million, an increase of $327.9 million from the comparable 2020 period.

Operating revenues for the three months ended June 30, 2021 were $577.3 million, a decrease of $31.9 million from the same period in 2020. Operating revenues for the six months ended June 30, 2021 were $1,716.2 million, a decrease of $124.0 million from the same period in 2020.

	Favorable (Unfavorable)	
Changes in Operating Revenues *(in millions)*	**Three Months Ended June 30, 2021 vs 2020**	**Six Months Ended June 30, 2021 vs 2020**
Revenues associated with the Massachusetts Business in 2020	$ (55.6)	$ (178.1)
The effects of colder (warmer) weather in 2021 compared to 2020	(2.1)	13.5
New rates from base rate proceedings, infrastructure replacement programs and Columbia of Ohio's CEP	22.6	60.6
The effects of customer growth	1.3	4.7
Other	3.9	1.8
Change in operating revenues (before cost of energy and other tracked items)	$ (29.9)	$ (97.5)
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	31.9	113.2
Cost of energy associated with the Massachusetts Business in 2020	(22.1)	(101.8)
Operation and maintenance trackers associated with the Massachusetts Business in 2020	(7.1)	(31.2)
Lower operation and maintenance, depreciation, and tax trackers	(4.7)	(6.7)
Total change in operating revenues	**$ (31.9)**	**$ (124.0)**

Operating expenses were $91.4 million lower for the three months ended June 30, 2021 and $451.9 million lower for the six months ended June 30, 2021 compared to the same respective periods in 2020.

	Favorable (Unfavorable)	
Changes in Operating Expenses *(in millions)*	**Three Months Ended June 30, 2021 vs 2020**	**Six Months Ended June 30, 2021 vs 2020**
Loss on sale of the Massachusetts Business of zero and $6.9 million in 2021 compared to $84.4 million and $364.6 million in 2020, respectively	$ 84.4	$ 357.7
Operating expenses associated with the Massachusetts Business in 2020	58.6	126.8
Decreased operating expenses primarily related to the impact of COVID-19 in 2020	6.8	8.3
Higher employee and administrative expenses	(19.9)	(13.8)
Higher outside services expenses	(12.4)	(10.1)
Severance and outside services expense related to the NiSource Next initiative	(7.5)	(14.0)
Higher depreciation and amortization expense	(7.2)	(13.0)
Higher property tax expense	(3.2)	(4.5)
Higher environmental costs	(2.1)	(2.6)
Higher corporate insurance costs	(1.8)	(3.5)
Other	(6.3)	(5.9)
Change in operating expenses (before cost of energy and other tracked items)	$ 89.4	$ 425.4
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(31.9)	(113.2)
Cost of energy associated with the Massachusetts Business in 2020	22.1	101.8
Operation and maintenance trackers associated with the Massachusetts Business in 2020	7.1	31.2
Lower operation and maintenance, depreciation, and tax trackers	4.7	6.7
Total change in operating expense	**$ 91.4**	**$ 451.9**

Weather
In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating degree days, net of weather normalization mechanisms. Our composite heating degree days reported do not directly correlate to the weather-related dollar impact on the results of Gas Distribution Operations. Heating degree days experienced during different times of the year or in different operating locations may have more or less impact on volume and dollars depending on when and where they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating degree day comparison.

Weather in the Gas Distribution Operations service territories for the three months ended June 30, 2021 was about 10% colder than normal and about 17% warmer than the same period in 2020, leading to decreased operating revenues of $2.1 million for the three months ended June 30, 2021 compared to the same period in 2020.

Weather in the Gas Distribution Operations service territories for the six months ended June 30, 2021 was about 3% warmer than normal and about 4% colder than the same period in 2020, leading to increased operating revenues of $13.5 million for the six months ended June 30, 2021 compared to the same period in 2020.

Throughput
Total volumes sold and transported for the three months ended June 30, 2021 were 188.8 MMDth, compared to 196.5 MMDth for the same period in 2020. This decrease is primarily attributable to the sale of the Massachusetts Business and the effects of warmer weather during the three months ended June 30, 2021 compared to the same period in 2020.

Total volumes sold and transported for the six months ended June 30, 2021 were 523.5 MMDth, compared to 546.9 MMDth for the same period in 2020. This decrease is primarily attributable to the sale of the Massachusetts Business, offset by the effects of colder weather during the six months ended June 30, 2021 compared to the same period in 2020.

Commodity Price Impact

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All of our Gas Distribution Operations companies have state-approved recovery mechanisms that provide a means for full recovery of prudently incurred gas costs. These are tracked costs that are passed through directly to the customer, and the gas costs included in revenues are matched with the gas cost expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered gas cost to be included in future customer billings. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

Certain Gas Distribution Operations companies continue to offer choice opportunities, where customers can choose to purchase gas from a third-party supplier, through regulatory initiatives in their respective jurisdictions. These programs serve to further reduce our exposure to gas prices.

Columbia of Massachusetts Asset Sale

On October 9, 2020, we completed the sale of our Massachusetts Business. In March 2021, we reached an agreement with Eversource regarding the final purchase price, including net working capital adjustments, which resulted in a pre-tax loss for the three and six months ended June 30, 2021 of zero and $6.9 million, respectively. The total loss on the sale as of June 30, 2021 is $419.3 million based on asset and liability balances as of the close of the transaction on October 9, 2020, transaction costs and the final purchase price. The pre-tax loss is presented as "Loss (gain) on sale of assets, net" on the Condensed Statements of Consolidated Income (Loss) (unaudited).

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three and six months ended June 30, 2021 and 2020 are presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2021**	2020	Favorable (Unfavorable)	**2021**	2020	Favorable (Unfavorable)
Operating Revenues	**403.7**	$ 356.4	47.3	**806.4**	$ 733.9	$ 72.5
Operating Expenses						
Cost of energy	**99.3**	69.2	(30.1)	**197.1**	154.2	(42.9)
Operation and maintenance	**127.3**	108.0	(19.3)	**246.4**	228.9	(17.5)
Depreciation and amortization	**83.7**	80.6	(3.1)	**167.1**	159.5	(7.6)
Other taxes	**13.8**	11.7	(2.1)	**28.3**	25.9	(2.4)
Total Operating Expenses	**324.1**	269.5	(54.6)	**638.9**	568.5	(70.4)
Operating Income	**$ 79.6**	$ 86.9	$ (7.3)	**$ 167.5**	$ 165.4	$ 2.1
Revenues						
Residential	**$ 131.9**	$ 124.0	$ 7.9	**$ 261.1**	$ 243.2	$ 17.9
Commercial	**129.9**	109.8	20.1	**252.8**	230.0	22.8
Industrial	**119.2**	86.5	32.7	**242.3**	195.6	46.7
Wholesale	**3.1**	2.8	0.3	**6.5**	6.0	0.5
Other	**19.6**	33.3	(13.7)	**43.7**	59.1	(15.4)
Total	**$ 403.7**	$ 356.4	$ 47.3	**$ 806.4**	$ 733.9	$ 72.5
Sales (Gigawatt Hours)						
Residential	**821.0**	834.0	(13.0)	**1,625.6**	1,589.5	36.1
Commercial	**904.2**	831.8	72.4	**1,772.1**	1,710.5	61.6
Industrial	**2,150.8**	1,467.5	683.3	**4,214.1**	3,538.6	675.5
Wholesale	**12.4**	4.9	7.5	**44.5**	76.3	(31.8)
Other	**20.3**	21.5	(1.2)	**47.6**	49.7	(2.1)
Total	**3,908.7**	3,159.7	749.0	**7,703.9**	6,964.6	739.3
Cooling Degree Days	**318**	292	26	**318**	292	26
Normal Cooling Degree Days	**239**	239	—	**239**	239	—
% Warmer than Normal	**33 %**	22 %		**33 %**	22 %	
Electric Customers						
Residential				**420,347**	417,251	3,096
Commercial				**57,637**	57,236	401
Industrial				**2,148**	2,164	(16)
Wholesale				**719**	723	(4)
Other				**2**	2	—
Total				**480,853**	477,376	3,477

Comparability of operation and maintenance expenses and depreciation and amortization may be impacted by regulatory and depreciation trackers that allow for the recovery in rates of certain costs.

Three and Six Months Ended June 30, 2021 vs. June 30, 2020 Operating Income

For the three months ended June 30, 2021, Electric Operations reported operating income of $79.6 million, a decrease of $7.3 million from the comparable 2020 period. For the six months ended June 30, 2021, Electric Operations reported operating income of $167.5 million, an increase of $2.1 million from the comparable 2020 period.

NiSource Inc.
Electric Operations

Operating revenues for the three months ended June 30, 2021 were $403.7 million, an increase of $47.3 million from the same period in 2020. Operating revenues for the six months ended June 30, 2021 were $806.4 million, an increase of $72.5 million from the same period in 2020.

	Favorable (Unfavorable)	
Changes in Operating Revenues *(in millions)*	**Three Months Ended June 30, 2021 vs 2020**	**Six Months Ended June 30, 2021 vs 2020**
Increased customer usage, primarily driven by industrial customers	$ 11.4	$ 16.2
The effects of warmer weather in 2021 compared to 2020	3.3	4.2
New rates from infrastructure improvement and DSM programs	3.2	6.0
The effects of customer growth	1.1	2.1
Increased fuel handling costs	(4.8)	(6.5)
Other	0.6	2.8
Change in operating revenues (before cost of energy and other tracked items)	$ 14.8	$ 24.8
Operating revenues offset in operating expense		
Higher cost of energy billed to customers	30.1	42.9
Higher operation and maintenance and depreciation trackers	2.4	4.8
Total change in operating revenues	$ 47.3	$ 72.5

Operating expenses were $54.6 million higher for the three months ended June 30, 2021 compared to the same period in 2020. Operating expenses were $70.4 million higher for the six months ended June 30, 2021 compared to the same period in 2020.

	Favorable (Unfavorable)	
Changes in Operating Expenses *(in millions)*	**Three Months Ended June 30, 2021 vs 2020**	**Six Months Ended June 30, 2021 vs 2020**
Higher generation-related maintenance expense	$ (8.5)	$ (12.1)
Higher employee and administrative expenses	(8.4)	(4.3)
Higher materials and supplies expenses	(7.9)	(7.6)
Severance and outside services expenses related to the NiSource Next initiative	(3.5)	(5.6)
Increased depreciation primarily due to additional plant placed in service	(1.9)	(5.3)
Decreased operating expenses primarily related to the impact of COVID-19 in 2020	4.3	4.9
Decreased environmental costs	2.3	9.1
Other	1.5	(1.8)
Change in operating expenses (before cost of energy and other tracked items)	$ (22.1)	$ (22.7)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers	(30.1)	(42.9)
Higher operation and maintenance and depreciation trackers	(2.4)	(4.8)
Total change in operating expense	$ (54.6)	$ (70.4)

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year may have more or less impact on volume and dollars depending on when they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating or cooling degree day comparison.

Weather in the Electric Operations' territories for the three months ended June 30, 2021 was about 33% warmer than normal and about 9% warmer than the same period in 2020, leading to increased operating revenues of $3.3 million for the three months ended June 30, 2021 compared to the same period in 2020.

Weather in the Electric Operations' territories for the six months ended June 30, 2021 was about 33% warmer than normal and about 9% warmer than the same period in 2020, leading to increased operating revenues of $4.2 million for the six months ended June 30, 2021 compared to the same period in 2020.

Sales
Electric Operations sales for the three months ended June 30, 2021 were 3,908.7 GWh, an increase of 749.0 GWh compared to the same period in 2020. This increase was primarily attributable to decreased usage by industrial and commercial customers during the three months ended June 30, 2020 due to COVID-19.

Electric Operations sales for the six months ended June 30, 2021 were 7,703.9 GWh, an increase of 739.3 GWh compared to the same period in 2020. This increase was primarily attributable to decreased usage by industrial and commercial customers during the three months ended June 30, 2020 due to COVID-19. There was no significant variance during the first three months of 2021 compared to the same period in 2020.

Commodity Price Impact
Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, related handling costs, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from third-party generators of electricity. NIPSCO has a state-approved recovery mechanism that provides a means for full recovery of prudently incurred fuel costs. The majority of these fuel costs are passed through directly to the customer, and the fuel costs included in operating revenues are matched with the fuel cost expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel cost to be included in future customer billings. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

Electric Supply and Generation Transition
NIPSCO continues to execute on an electric generation transition consistent with the preferred pathway from its 2018 Integrated Resource Plan, which outlines plans to retire all of its remaining coal-fired generation by 2028, to be replaced by lower-cost, reliable and cleaner options. The plan is expected to be a key element of a 90% reduction in NiSource's greenhouse gas emissions by 2030 compared with 2005 levels, and to save NIPSCO electric customers more than $4 billion over 30 years. We expect to have incremental capital investment requirements of approximately $2.0 billion, primarily in 2022 and 2023. On March 11, 2021, NIPSCO submitted separate Attachment Y Notices for Units 14 and 15 seeking a suspension date of October 1, 2021 for both coal fired units at R.M. Schahfer Generating Station. On May 28, 2021, NIPSCO received approval from MISO to suspend and retire these two units on October 1, 2021. The remaining two units are still scheduled to be retired in 2023. Refer to Note 7, "Property, Plant and Equipment," and Note 16-E, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has executed several PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. Each facility supplying the energy will have an associated nameplate capacity, and payments under the PPAs will not begin until the associated generation facility is constructed by the owner/seller. NIPSCO has also executed several BTAs with developers to construct renewable generation facilities.

The following table summarizes the executed PPAs and BTAs from our generation transition:

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)	Submitted to IURC	IURC Approval	Estimated Construction Completion
Jordan Creek	20 year PPA	Wind	400	—	02/01/2019	6/05/2019	In Service (12/10/2020)
Rosewater[(1)]	BTA	Wind	100	—	02/01/2019	8/07/2019	In Service (12/29/2020)
Indiana Crossroads[(2)]	BTA	Wind	300	—	10/22/2019	2/19/2020	Q4 2021
Greensboro	20 year PPA	Solar & Storage	100	30	7/17/2020	1/27/2021	Q4 2022
Brickyard	20 year PPA	Solar	200	—	7/17/2020	1/27/2021	Q4 2022
Cavalry[(2)]	BTA	Solar & Storage	200	60	11/30/2020	5/5/2021	Q4 2023
Dunn's Bridge I[(2)]	BTA	Solar	265	—	11/30/2020	5/5/2021	Q4 2022
Dunn's Bridge II[(2)]	BTA	Solar & Storage	435	75	11/30/2020	5/5/2021	Q4 2023
Green River	20 year PPA	Solar	200	—	12/23/2020	5/5/2021	Q2 2023
Gibson	22 year PPA	Solar	280	—	01/29/2021	6/29/2021	Q2 2023
Fairbanks[(2)]	BTA	Solar	250	—	03/03/2021	6/29/2021	Q3 2023
Indiana Crossroads[(2)]	BTA	Solar	200	—	03/19/2021	7/28/2021	Q4 2022
Elliot[(2)]	BTA	Solar	200	—	03/31/2021	7/28/2021	Q2 2023
Indiana Crossroads II	15 year PPA	Wind	200	—	04/30/2021	Pending	Q4 2023

[(1)]Refer to Note 14, "Variable Interest Entities," for additional information.
[(2)]Ownership of the facility will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner.

Liquidity and Capital Resources

We continually evaluate the availability of adequate financing to fund our ongoing business operations, working capital and core safety and infrastructure investment programs. Our financing is sourced through cash flow from operations and the issuance of debt and/or equity. External debt financing is provided primarily through the issuance of long-term debt, accounts receivable securitization programs and our $1.5 billion commercial paper program, which is backstopped by our committed revolving credit facility with a total availability from third-party lenders of $1.85 billion. The commercial paper program and credit facility provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves our desired capital structure. We utilize an ATM equity program that allows us to issue and sell shares of our common stock up to an aggregate issuance of $750.0 million through December 31, 2023. On April 19, 2021, we completed the sale of 8.625 million Equity Units, which provided net proceeds of $835.5 million, after underwriting and issuance costs. We intend to use the net proceeds from the offering for renewable generation investments and general corporate purposes, including additions to working capital and repayment of existing indebtedness.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2021 and beyond.

Greater Lawrence Incident: As discussed in Note 16, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to settle remaining anticipated claims associated with the Greater Lawrence Incident.

Operating Activities

Net cash from operating activities for the six months ended June 30, 2021 was $703.0 million, a decrease of $4.7 million compared to the six months ended June 30, 2020. This decrease was primarily driven by $140.7 million of decreased cash inflows related to the under collection of gas and fuel costs. This was offset by a year over year decrease in net payments related to the Greater Lawrence Incident. During 2021, we paid approximately $11.0 million compared to $162.0 million of payments during the same period in 2020.

Investing Activities

Net cash used for investing activities for the six months ended June 30, 2021 was $862.4 million, a decrease of $24.2 million compared to the six months ended June 30, 2020. This decrease was driven by lower capital expenditures associated with the Massachusetts Business in 2020. We project total 2021 capital expenditures to be approximately $1.9 to $2.1 billion.

Regulatory Capital Improvement Programs. In 2021, we continue to move forward on core infrastructure and environmental investment programs supported by complementary regulatory and customer initiatives across all six states of our operating area.

The following table describes the most recent vintage of our regulatory programs to recover infrastructure replacement and other federally mandated compliance investments currently in rates and those pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered[1]	Rates Effective
Columbia of Ohio	IRP - 2021	22.2	212.6	1/20-12/20	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe, (3) natural gas risers prone to failure and (4) installation of AMR devices.	May 2021
Columbia of Ohio	CEP - 2021	18.0	177.2	1/20-12/20	Assets not included in the IRP.	September 2021
NIPSCO - Gas	TDSIC 2	1.8	52.3	7/20-12/20	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2021
NIPSCO - Gas[2]	FMCA 6	(2.1)	20.7	10/20-3/21	Project costs to comply with federal mandates.	October 2021
Columbia of Pennsylvania[3]	DSIC - Q4 2020	0.8	25.0	9/20-11/20	Eligible project costs including piping, couplings, gas service lines, excess flow valves, risers, meter bars, meters, and other related capitalized cost, to improve the distribution system.	January 2021
Columbia of Virginia	SAVE - 2021	5.2	46.4	1/21-12/21	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2021
Columbia of Kentucky	SMRP - 2021	2.6	40.0	1/21-12/21	Replacement of mains and inclusion of system safety investments.	May 2021
Columbia of Maryland	STRIDE - 2021	1.3	16.9	1/21-12/21	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2021
NIPSCO - Electric[4][5]	TDSIC - 8	(2.0)	73.5	8/20-1/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2021

[1]Programs do not include any costs already included in base rates.
[2]Decrease in incremental revenue due to lower O&M expenses as compared to the prior filing.
[3]Effective January 23, 2021, Columbia of Pennsylvania's DSIC rate was set to zero due to the inclusion of the incremental capital and revenue in base rates following the Pennsylvania PUC's Final Order in the 2020 rate case.
[4]Decrease in incremental revenue is due to lower depreciation expense (pre-2018 base rate case vs. post-2018 base rate case).
[5]On April 1, 2021, NIPSCO filed a notice with the IURC that it intended to terminate its current Electric TDSIC plan effective May 31, 2021. NIPSCO filed for a new electric TDSIC plan on June 1, 2021. An order is expected by the end of 2021.

Financing Activities

Common Stock and Preferred Stock. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

Short-term Debt and Sale of Trade Accounts Receivables. Refer to Note 15, "Short-Term Borrowings," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity, including sale of trade accounts receivable.

Equity Unit Sale. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on equity units activity.

Non-controlling Interest. Refer to Note 14, "Variable Interest Entities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on contributions from non-controlling interest activity.

Net Available Liquidity. As of June 30, 2021, an aggregate of $2,159.6 million of net liquidity was available, including cash and credit available under the revolving credit facility.

The following table displays our liquidity position as of June 30, 2021 and December 31, 2020:

(in millions)		**June 30, 2021**		December 31, 2020
Current Liquidity				
Revolving Credit Facility	**$**	**1,850.0**	$	1,850.0
Accounts Receivable Program[(1)]		**246.2**		273.3
Less:				
Commercial Paper		**—**		503.0
Letters of Credit Outstanding Under Credit Facility		**14.1**		15.2
Add:				
Cash and Cash Equivalents		**77.5**		116.5
Net Available Liquidity	**$**	**2,159.6**	$	1,721.6

[(1)]Represents the lesser of the seasonal limit or maximum borrowings supportable by the underlying receivables.

Debt Covenants. We are subject to financial covenants under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of June 30, 2021, the ratio was 58.6%.

Credit Ratings. The credit rating agencies periodically review our ratings, taking into account factors such as our capital structure and earnings profile. The following table includes our and NIPSCO's credit ratings and ratings outlook as of June 30, 2021.

A credit rating is not a recommendation to buy, sell, or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization.

	S&P		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
NiSource	BBB+	Stable	Baa2	Stable	BBB	Stable
NIPSCO	BBB+	Stable	Baa1	Stable	BBB	Stable
Commercial Paper	A-2	Stable	P-2	Stable	F2	Stable

Certain of our subsidiaries have agreements that contain "ratings triggers" that require increased collateral if our credit rating or the credit ratings of certain of our subsidiaries are below investment grade. These agreements are primarily for insurance purposes and for the physical purchase or sale of power. As of June 30, 2021, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $50.3 million. In addition to agreements with ratings triggers, there are other agreements that contain "adequate assurance" or "material adverse change" provisions that could necessitate additional credit support such as letters of credit and cash collateral to transact business.

Equity. Our authorized capital stock consists of 620,000,000 shares, $0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of June 30, 2021, 392,328,441 shares of common stock and 1,302,500 shares of preferred stock were outstanding.

Contractual Obligations. A summary of contractual obligations is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. Other than the purchase contract liability related to our Equity Units, discussed in Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited), there were no material changes from year-end during the six months ended June 30, 2021.

Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Refer to Note 16, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on guarantees.

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NiSource Inc.
Regulatory and Other Matters

Cost Recovery and Trackers

Comparability of our line item operating results is impacted by regulatory trackers that allow for the recovery in rates of certain costs such as those described below. Increases in the expenses that are subject to approved regulatory tracker mechanisms generally lead to increased regulatory assets, which ultimately result in a corresponding increase in operating revenues and, therefore, have essentially no impact on total operating income results. Certain approved regulatory tracker mechanisms allow for abbreviated regulatory proceedings in order for the operating companies to quickly implement revised rates and recover associated costs.

A portion of the Gas Distribution revenue is related to the recovery of gas costs, the review and recovery of which occurs through standard regulatory proceedings. All states in our operating area require periodic review of actual gas procurement activity to determine prudence and to confirm the recovery of prudently incurred energy commodity costs supplied to customers.

Increased efficiency of natural gas appliances and improvements in home building codes and standards has contributed to a long-term trend of declining average use per customer. As a result, Gas Distribution Operations have pursued changes in rate design to more effectively match recoveries with costs incurred. Columbia of Ohio has adopted a straight fixed variable rate design that closely links the recovery of fixed costs with fixed charges. Columbia of Maryland and Columbia of Virginia have regulatory approval for weather and revenue normalization adjustments for certain customer classes, which adjust monthly revenues that exceed or fall short of approved levels. Columbia of Pennsylvania continues to operate its pilot residential weather normalization adjustment and also has a fixed customer charge. This weather normalization adjustment only adjusts revenues when actual weather compared to normal varies by more than 3%. Columbia of Kentucky incorporates a weather normalization adjustment for certain customer classes and also has a fixed customer charge. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

A portion of the Electric Operations revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, which is updated quarterly to reflect actual costs incurred to supply electricity to customers.

While increased efficiency of electric appliances and improvements in home building codes and standards has similarly impacted the average use per electric customer in recent years, NIPSCO expects a future trend with increases in per customer usage driven by increasing electric applications. Further growth is anticipated as electric vehicles become more prevalent. These ongoing changes in use of electricity will likely lead to development of innovative rate designs, and NIPSCO will continue efforts to design rates that increase the certainty of recovery of fixed costs.

NiSource Inc.
Regulatory and Other Matters

Rate Case Actions
The following table describes current rate case actions as applicable in each of our jurisdictions net of tracker impacts:

(in millions)

Company	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Columbia of Pennsylvania[1]	9.86 %	9.86 %	$ 76.8	$ 63.5	April 24, 2020	Approved February 19, 2021	January 2021
Columbia of Pennsylvania	10.95 %	In process	$ 98.3	In process	March 30, 2021	Order Expected Q4 2021	December 2021
Columbia of Maryland	10.85 %	In process	$ 4.8	In process	May 14, 2021	Order Expected Q4 2021	December 2021
Columbia of Kentucky	10.30 %	In process	$ 26.7	In process	May 28, 2021	Order Expected Q1 2022	January 2022
Columbia of Ohio	10.95 %	In process	$ 221.4	In process	June 30, 2021	Order Expected Q3 2022	July 2022

[1]The 9.86% ROE and the $76.8 million requested incremental revenue stated above reflect compromise positions taken by Columbia of Pennsylvania during the briefing stages of its 2020 base rate case. In its initial filing on April 24, 2020, Columbia of Pennsylvania proposed an ROE of 10.95% and requested incremental revenue of $100.4 million. A Final Order from the Pennsylvania PUC was received on February 19, 2021 for rates effective retroactive to January 23, 2021. On March 8, 2021, the Pennsylvania Office of Consumer Advocate filed a Petition for Reconsideration, seeking to have the Pennsylvania PUC modify its February 19 Final Order. On April 15, 2021, the Pennsylvania PUC issued an Opinion and Order denying the Office of Consumer Advocate's Petition. Parties have 30 days in which to file an appeal. The OCA did not file a Notice of Appeal by the Commission's May 17, 2021 due date. CPA began back billing customers for usage from January 23, 2021 at the new rates beginning March 20, 2021.

COVID-19 Regulatory Deferrals
In addition to the cost deferred to a regulatory asset as noted in Note 8, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited), certain states have permitted us to track lost late and disconnect fee revenues due to the pandemic. While these costs do not qualify as regulatory assets under ASC 980, we will consider seeking recovery of these costs in future regulatory proceedings.

PHMSA Regulations
On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA revise the pipeline safety regulations to require operators to update, as needed, their existing distribution integrity management plans, emergency response plans, and O&M plans. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement leak detection and repair programs that meet safety needs and protect the environment, require the use of advance leak detection practices and technologies, and require operators to be able to locate and categorize all leaks that are hazardous to human safety or the environment, or that can become hazardous. Natural gas companies, including the Company, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

Climate Issues
Future legislative and regulatory programs could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Additionally, rules that require further GHG reductions or impose additional requirements for natural gas facilities could impose additional costs.

In February 2021, the United States rejoined the Paris Agreement, an international treaty through which parties set nationally determined contributions to reduce GHG emissions, build resilience, and adapt to the impacts of climate change. Subsequently, the Biden Administration released a target for the United States to achieve a 50%-52% GHG reduction from 2005 levels by 2030, which supports the President's goals to create a carbon-free power sector by 2035 and net zero emissions economy no later than 2050. There are many pathways to reach these goals. We will carefully monitor all climate-related policy as we continue to actively implement our plans to be coal-free by 2028 and achieve our target of 90% GHG reduction, from 2005 levels, by 2030.

On July 8, 2019, the EPA published the final ACE rule, which establishes emission guidelines for states to use when developing plans to limit carbon dioxide at coal-fired electric generating units based on heat rate improvement measures. The U.S. Court of Appeals for the D.C. Circuit vacated and remanded the rule on January 19, 2021. NIPSCO will continue to monitor this matter.

Off-Balance Sheet Arrangements

We, along with certain of our subsidiaries, enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit.

Refer to Note 16, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

Market Risk Disclosures

Risk is an inherent part of our businesses. The extent to which we properly and effectively identify, assess, monitor and manage each of the various types of risk involved in our businesses is critical to our profitability. We seek to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal market risks that are involved in our businesses: commodity price risk, interest rate risk and credit risk. We manage risk through a multi-faceted process with oversight by the Risk Management Committee that requires constant communication, judgment and knowledge of specialized products and markets. Our senior management takes an active role in the risk management process and has developed policies and procedures that require specific administrative and business functions to assist in the identification, assessment and control of various risks. These may include, but are not limited to market, operational, financial, compliance and strategic risk types. In recognition of the increasingly varied and complex nature of the energy business, our risk management process, policies and procedures continue to evolve and are subject to ongoing review and modification.

Commodity Price Risk

We are exposed to commodity price risk as a result of our subsidiaries' operations involving natural gas and power. To manage this market risk, our subsidiaries use derivatives, including commodity futures contracts, swaps, forwards and options. We do not participate in speculative energy trading activity.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited, since regulations allow recovery of prudently incurred purchased power, fuel and gas costs through the ratemaking process, including gains or losses on these derivative instruments. If states should explore additional regulatory reform, these subsidiaries may begin providing services without the benefit of the traditional ratemaking process and may be more exposed to commodity price risk.

Our subsidiaries are required to make cash margin deposits with their brokers to cover actual and potential losses in the value of outstanding exchange traded derivative contracts. The amount of these deposits, some of which are reflected in our restricted cash balance, may fluctuate significantly during periods of high volatility in the energy commodity markets.

Refer to Note 9, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of June 30, 2021 or December 31, 2020.

Interest Rate Risk

We are exposed to interest rate risk as a result of changes in interest rates on borrowings under our revolving credit agreement, commercial paper program, accounts receivable programs and now-settled term loan, which have interest rates that are indexed to short-term market interest rates. Based upon average borrowings and debt obligations subject to fluctuations in short-term market interest rates, an increase (or decrease) in short-term interest rates of 100 basis points (1%) would have increased (or decreased) interest expense by $0.2 million and $1.4 million for the three and six months ended June 30, 2021, and $3.4 million and $7.7 million for the three and six months ended June 30, 2020, respectively. We are also exposed to interest rate risk as a result of changes in benchmark rates that can influence the interest rates of future debt issuances.

Refer to Note 9, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of June 30, 2021 and December 31, 2020.

Credit Risk

Due to the nature of the industry, credit risk is embedded in many of our business activities. Our extension of credit is governed by a Corporate Credit Risk Policy. In addition, Risk Management Committee guidelines are in place which document management approval levels for credit limits, evaluation of creditworthiness, and credit risk mitigation efforts. Exposures to credit risks are monitored by the risk management function, which is independent of commercial operations. Credit risk arises due to the possibility that a customer, supplier or counterparty will not be able or willing to fulfill its obligations on a transaction on or before the settlement date. For derivative-related contracts, credit risk arises when counterparties are obligated to deliver or purchase defined commodity units of gas or power to us at a future date per execution of contractual terms and conditions. Exposure to credit risk is measured in terms of both current obligations and the market value of forward positions net of any posted collateral such as cash and letters of credit.

We closely monitor the financial status of our banking credit providers. We evaluate the financial status of our banking partners through the use of market-based metrics such as credit default swap pricing levels, and also through traditional credit ratings provided by major credit rating agencies.

Certain individual state regulatory commissions instituted regulatory moratoriums in connection with the COVID-19 pandemic that impacted our ability to pursue our credit risk mitigation practices for customer accounts receivable. Following the issuances of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently in rates. We have reinstated our common credit mitigation practices where moratoriums have expired. Refer to Note 8, "Regulatory Matters" in the Notes to Condensed Consolidated Financial Statements (unaudited) for state-specific regulatory moratoriums.

Other Information

Critical Accounting Estimates
Refer to Note 3, "Revenue Recognition," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in determining allowance for credit losses.

Refer to Note 11, "Goodwill," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in the annual goodwill impairment analysis performed as of May 1, 2021.

Refer to Note 14, "Variable Interest Entities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgement used in determining how to account for our variable interest entity.

Recently Issued Accounting Pronouncements
Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about recently issued and adopted accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion regarding quantitative and qualitative disclosures about market risk see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures
Our chief executive officer and our chief financial officer are responsible for evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that financial information was processed, recorded and reported accurately.

Changes in Internal Controls
There have been no changes in our internal control over financial reporting during the most recently completed quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 16-B, "Legal Proceedings," in the Notes to Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

Please refer to the risk factors set forth in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, as supplemented by the risk factors set forth in Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

NiSource Inc.

(31.1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(31.2)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(32.1)	Certification of Chief Executive Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(32.2)	Certification of Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(101.INS)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
(101.SCH)	Inline XBRL Schema Document
(101.CAL)	Inline XBRL Calculation Linkbase Document
(101.LAB)	Inline XBRL Labels Linkbase Document
(101.PRE)	Inline XBRL Presentation Linkbase Document
(101.DEF)	Inline XBRL Definition Linkbase Document
(104)	Cover page Interactive Data File (formatted as inline XBRL, and contained in Exhibit 101.)
*	Exhibit filed herewith.

SIGNATURE

NiSource Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			NiSource Inc.
			(Registrant)
Date:	August 4, 2021	By:	/s/ Gunnar J. Gode
			Gunnar J. Gode Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph Hamrock, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended June 30, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

By: /s/ Joseph Hamrock
Joseph Hamrock
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended June 30, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2021

By: /s/ Donald E. Brown
Donald E. Brown
Executive Vice President, Chief Financial Officer, and
President of NiSource Corporate Services

Exhibit 32.1

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Hamrock, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Hamrock
Joseph Hamrock
President and Chief Executive Officer

Date: August 4, 2021

Exhibit 32.2

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Brown, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald E. Brown
Donald E. Brown
Executive Vice President, Chief Financial Officer, and President of
NiSource Corporate Services

Date: August 4, 2021

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 March 31, 2021

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)

DE	35-2108964
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, IN	46410
(Address of principal executive offices)	(Zip Code)

(877) 647-5990
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	NI	NYSE
Depositary Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share, liquidation preference $25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value $0.01 per share, liquidation preference $0.01 per share	NI PR B	NYSE
Series A Corporate Units	NIMC	NYSE

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.

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: 392,217,046 shares outstanding at April 26, 2021.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2021

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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.
Rosewater	Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC
Abbreviations and Other	
ACE	Affordable Clean Energy
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
BTA	Build-transfer agreement
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
COVID-19 ("the COVID-19 pandemic" or "the pandemic")	Novel Coronavirus 2019
DSIC	Distribution System Improvement Charge
DPU	Department of Public Utilities
EPA	United States Environmental Protection Agency
EPS	Earnings per share
FAC	Fuel adjustment clause
FMCA	Federally Mandated Cost Adjustment
GAAP	Generally Accepted Accounting Principles
GCA	Gas cost adjustment
GHG	Greenhouse gases
GWh	Gigawatt hours
HLBV	Hypothetical Liquidation at Book Value
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate
LIFO	Last In, First Out
MA DOR	Massachusetts Department of Revenue
Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement

DEFINED TERMS

MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postretirement Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PSC	Public Service Commission
PUC	Public Utilities Commission
RCRA	Resource Conservation and Recovery Act
RFP	Request for proposals
SAVE	Steps to Advance Virginia's Energy Plan
SEC	Securities and Exchange Commission
SMRP	Safety Modification and Replacement Program
SMS	Safety Management System
STRIDE	Strategic Infrastructure Development Enhancement
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 Entity

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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should," "could," "would," "aims," "seeks," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020; and matters related to our Equity Units as set forth in the "Risk Factors" section of this Quarterly Report on Form 10-Q, 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.

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PART I

ITEM 1. FINANCIAL STATEMENTS

NiSource Inc.
Condensed Statements of Consolidated Income (unaudited)

(in millions, except per share amounts)	Three Months Ended March 31, 2021	2020
Operating Revenues		
Customer revenues	**$ 1,506.5**	$ 1,525.9
Other revenues	**39.1**	79.6
Total Operating Revenues	**1,545.6**	1,605.5
Operating Expenses		
Cost of energy	**476.8**	462.4
Operation and maintenance	**361.5**	444.6
Depreciation and amortization	**185.0**	184.3
Loss on sale of assets, net	**8.1**	280.1
Other taxes	**81.0**	85.9
Total Operating Expenses	**1,112.4**	1,457.3
Operating Income	**433.2**	148.2
Other Income (Deductions)		
Interest expense, net	**(84.6)**	(92.9)
Other, net	**10.5**	5.4
Total Other Deductions, Net	**(74.1)**	(87.5)
Income before Income Taxes	**359.1**	60.7
Income Taxes	**62.6**	(14.9)
Net Income	**296.5**	75.6
Net income attributable to noncontrolling interest	**1.0**	—
Net Income attributable to NiSource	**295.5**	75.6
Preferred dividends	**(13.8)**	(13.8)
Net Income Available to Common Shareholders	**281.7**	61.8
Earnings Per Share		
Basic Earnings Per Share	**$ 0.72**	$ 0.16
Diluted Earnings Per Share	**$ 0.72**	$ 0.16
Basic Average Common Shares Outstanding	**392.7**	383.1
Diluted Average Common Shares	**393.9**	384.1

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (Loss) (unaudited)

	Three Months Ended March 31,			
(in millions, net of taxes)		**2021**		2020
Net Income	**$**	**296.5**	$	75.6
Other comprehensive income (loss):				
Net unrealized loss on available-for-sale debt securities[1]		**(2.5)**		(5.4)
Net unrealized gain (loss) on cash flow hedges[2]		**84.6**		(133.3)
Unrecognized pension and OPEB benefit (costs)[3]		**(0.9)**		0.7
Total other comprehensive income (loss)		**81.2**		(138.0)
Comprehensive Income (Loss)	**$**	**377.7**	$	(62.4)

(1)Net unrealized loss on available-for-sale debt securities, net of $0.7 million and $1.4 million tax benefit in the first quarter of 2021 and 2020, respectively.
(2)Net unrealized gain (loss) on cash flow hedges, net of $28.0 million tax expense and $44.1 million tax benefit in the first quarter of 2021 and 2020, respectively.
(3)Unrecognized pension and OPEB benefit (costs), net of $0.9 million tax expense and $0.3 million tax benefit in the first quarter of 2021 and 2020, respectively.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

(in millions)	**March 31, 2021**	December 31, 2020
ASSETS		
Property, Plant and Equipment		
Plant	**$ 24,524.7**	$ 24,179.9
Accumulated depreciation and amortization	**(7,688.0)**	(7,560.4)
Net Property, Plant and Equipment[(1)]	**16,836.7**	16,619.5
Investments and Other Assets		
Available-for-sale debt securities (amortized cost of $163.8 and $163.9, allowance for credit losses of $0.3 and $0.5, respectively)	**167.9**	170.9
Other investments	**81.5**	81.1
Total Investments and Other Assets	**249.4**	252.0
Current Assets		
Cash and cash equivalents	**89.1**	116.5
Restricted cash	**7.6**	9.1
Accounts receivable	**848.4**	843.6
Allowance for credit losses	**(53.9)**	(52.3)
Accounts receivable, net	**794.5**	791.3
Gas inventory	**48.1**	191.2
Materials and supplies, at average cost	**145.6**	141.5
Electric production fuel, at average cost	**52.5**	68.4
Exchange gas receivable	**53.7**	34.1
Regulatory assets	**188.9**	135.7
Deferred property taxes	**104.2**	85.6
Prepayments and other	**109.3**	86.0
Total Current Assets[(1)]	**1,593.5**	1,659.4
Other Assets		
Regulatory assets	**1,791.3**	1,794.8
Goodwill	**1,485.9**	1,485.9
Deferred charges and other	**237.7**	228.9
Total Other Assets	**3,514.9**	3,509.6
Total Assets	**$ 22,194.5**	$ 22,040.5

[(1)]Includes $174.2 million and $175.6 million of net property, plant and equipment assets and $4.2 million and $1.7 million of current assets of a consolidated VIE as of March 31, 2021 and December 31, 2020 that may be used only to settle obligations of the consolidated VIE. Refer to Note 15 "Variable Interest Entities" for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

(in millions, except share amounts)	**March 31, 2021**	December 31, 2020
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - $0.01 par value, 600,000,000 shares authorized; 392,129,866 and 391,760,051 shares outstanding, respectively	**$ 3.9**	$ 3.9
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 440,000 shares outstanding	**880.0**	880.0
Treasury stock	**(99.9)**	(99.9)
Additional paid-in capital	**6,892.9**	6,890.1
Retained deficit	**(1,669.8)**	(1,765.2)
Accumulated other comprehensive loss	**(75.5)**	(156.7)
Total NiSource Stockholders' Equity	**5,931.6**	5,752.2
Noncontrolling interest in consolidated subsidiaries	**94.1**	85.6
Total Stockholders' Equity	**6,025.7**	5,837.8
Long-term debt, excluding amounts due within one year	**9,202.3**	9,219.8
Total Capitalization	**15,228.0**	15,057.6
Current Liabilities		
Current portion of long-term debt	**44.4**	23.3
Short-term borrowings	**520.0**	503.0
Accounts payable	**554.9**	589.0
Dividends payable - common stock	**86.3**	—
Dividends payable - preferred stock	**19.4**	—
Customer deposits and credits	**146.7**	243.3
Taxes accrued	**301.5**	244.1
Interest accrued	**94.6**	104.7
Exchange gas payable	**25.5**	48.5
Regulatory liabilities	**169.6**	161.3
Accrued compensation and employee benefits	**131.2**	141.8
Other accruals	**164.7**	220.4
Total Current Liabilities	**2,258.8**	2,279.4
Other Liabilities		
Deferred income taxes	**1,573.6**	1,470.6
Accrued liability for postretirement and postemployment benefits	**328.9**	336.1
Regulatory liabilities	**1,881.0**	1,904.2
Asset retirement obligations	**479.7**	477.1
Other noncurrent liabilities	**444.5**	515.5
Total Other Liabilities	**4,707.7**	4,703.5
Commitments and Contingencies (Refer to Note 17, "Other Commitments and Contingencies")		
Total Capitalization and Liabilities	**$ 22,194.5**	$ 22,040.5

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Three Months Ended March 31, *(in millions)*		**2021**		2020
Operating Activities				
Net Income	**$**	**296.5**	$	75.6
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:				
Depreciation and amortization		**185.0**		184.3
Deferred income taxes and investment tax credits		**55.2**		(19.9)
Loss on sale of assets		**8.1**		280.2
Other adjustments		**3.5**		7.9
Changes in Assets and Liabilities:				
Components of working capital		**(89.3)**		(147.1)
Regulatory assets/liabilities		**8.4**		12.9
Deferred charges and other noncurrent assets		**(10.7)**		(12.1)
Other noncurrent liabilities		**(8.4)**		(11.9)
Net Cash Flows from Operating Activities		**448.3**		369.9
Investing Activities				
Capital expenditures		**(367.0)**		(452.1)
Cost of removal		**(26.9)**		(34.5)
Purchases of available-for-sale securities		**(16.6)**		(43.5)
Sales of available-for-sale securities		**16.9**		45.4
Payment to renewable generation asset developer		**(7.4)**		—
Other investing activities		**(0.8)**		0.1
Net Cash Flows used for Investing Activities		**(401.8)**		(484.6)
Financing Activities				
Repayments of long-term debt and finance lease obligations		**(5.9)**		(4.1)
Issuance of short-term debt (maturity > 90 days)		**—**		500.0
Change in short-term borrowings, net (maturity ≤ 90 days)		**17.0**		(226.8)
Issuance of common stock, net of issuance costs		**2.8**		3.7
Equity costs, premiums and other debt related costs		**(2.5)**		(5.1)
Contributions from non-controlling interest, net of issuance costs		**7.5**		—
Dividends paid - common stock		**(86.2)**		(80.3)
Dividends paid - preferred stock		**(8.1)**		(8.1)
Net Cash Flows (used for) from Financing Activities		**(75.4)**		179.3
Change in cash, cash equivalents and restricted cash		**(28.9)**		64.6
Cash, cash equivalents and restricted cash at beginning of period		**125.6**		148.4
Cash, Cash Equivalents and Restricted Cash at End of Period	**$**	**96.7**	$	213.0

Supplemental Disclosures of Cash Flow Information

Three Months Ended March 31, *(in millions)*		**2021**		2020
Non-cash transactions:				
Capital expenditures included in current liabilities	**$**	**155.6**	$	150.5
Dividends declared but not paid		**105.7**		99.8
Assets recorded for asset retirement obligations		**—**		69.8
Obligation to developer at formation of joint venture	**$**	**6.0**	$	—

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2021	**$ 3.9**	**$ 880.0**	**$ (99.9)**	**$ 6,890.1**	**$ (1,765.2)**	**$ (156.7)**	**$ 85.6**	**$ 5,837.8**
Comprehensive Income:								
Net income	—	—	—	—	295.5	—	1.0	296.5
Other comprehensive income, net of tax	—	—	—	—	—	81.2	—	81.2
Dividends:								
Common stock ($0.44 per share)	—	—	—	—	(172.6)	—	—	(172.6)
Preferred stock (See Note 5)	—	—	—	—	(27.5)	—	—	(27.5)
Contribution from noncontrolling interest	—	—	—	—	—	—	7.5	7.5
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	(0.5)	—	—	—	(0.5)
401(k) and profit sharing	—	—	—	2.3	—	—	—	2.3
ATM program	—	—	—	(0.3)	—	—	—	(0.3)
Balance as of March 31, 2021	**$ 3.9**	**$ 880.0**	**$ (99.9)**	**$ 6,892.9**	**$ (1,669.8)**	**$ (75.5)**	**$ 94.1**	**$ 6,025.7**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance as of January 1, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,666.2**	**$ (1,370.8)**	**$ (92.6)**	**$ —**	**$ 5,986.7**
Comprehensive Income:								
Net income	—	—	—	—	75.6	—	—	75.6
Other comprehensive loss, net of tax	—	—	—	—	—	(138.0)	—	(138.0)
Dividends:								
Common stock ($0.42 per share)	—	—	—	—	(160.7)	—	—	(160.7)
Preferred stock (See Note 5)	—	—	—	—	(27.5)	—	—	(27.5)
Stock issuances:								
Employee stock purchase plan	—	—	—	1.3	—	—	—	1.3
Long-term incentive plan	—	—	—	(0.5)	—	—	—	(0.5)
401(k) and profit sharing	—	—	—	4.5	—	—	—	4.5
Balance as of March 31, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,671.5**	**$ (1,483.4)**	**$ (230.6)**	**$ —**	**$ 5,741.4**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2021	**440**	**395,723**	**(3,963)**	**391,760**
Issued:				
Employee stock purchase plan	—	55	—	55
Long-term incentive plan	—	212	—	212
401(k) and profit sharing	—	103	—	103
Balance as of March 31, 2021	**440**	**396,093**	**(3,963)**	**392,130**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2020	**440**	**386,099**	**(3,963)**	**382,136**
Issued:				
Employee stock purchase plan	—	46	—	46
Long-term incentive plan	—	347	—	347
401(k) and profit sharing	—	165	—	165
Balance as of March 31, 2020	**440**	**386,657**	**(3,963)**	**382,694**

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Accounting Presentation

Our accompanying Condensed Consolidated Financial Statements (unaudited) reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with GAAP in the United States of America. The accompanying financial statements include the accounts of us, our majority-owned subsidiaries, and VIEs of which we are the primary beneficiary after the elimination of all intercompany accounts and transactions.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

The Condensed Consolidated Financial Statements (unaudited) have been prepared pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made in this Quarterly Report on Form 10-Q are adequate to make the information herein not misleading.

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2. Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

Standard	Description	Effective Date	Effect on the financial statements or other significant matters
ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Statement* ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*	This pronouncement provides temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates.	Upon issuance on March 12, 2020, and will apply though December 31, 2022.	We continue to evaluate the temporary expedients and options available under this guidance, and the effects of this pronouncement on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited). We are currently identifying and evaluating contracts that may be impacted. As of March 31, 2021, we have not applied any expedients and options available under this ASU.
ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*	This pronouncement simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Specifically, the ASU "simplifies accounting for convertible instruments by removing major separation models required under current GAAP." In addition, the ASU "removes certain settlement conditions that are required for equity contracts to qualify for it" and "simplifies the diluted earnings per share (EPS) calculations in certain areas."	Annual period beginning after December 15, 2021, and interim periods within those fiscal years.	We continue to evaluate the effects of this pronouncement on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited) as it pertains to any relevant future activity. We expect to adopt this ASU on its effective date.

Recently Adopted Accounting Pronouncements

Standard	Adoption
ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*	This pronouncement simplifies the accounting for income taxes by eliminating certain exceptions to the general principles in ASC 740, income taxes. It also improves consistency of application for other areas of the guidance by clarifying and amending existing guidance. We adopted the amendments of this pronouncement as of January 1, 2021 with no material impact to the Condensed Consolidated Financial Statements (unaudited).

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. As our revenues are primarily earned over a period of time and we do not earn a material amount of revenues at a point in time, revenues are not disaggregated as such below. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. We completed the sale of the Massachusetts Business on October 9, 2020. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The tables below reconcile revenue disaggregation by customer class to segment revenue, as well as to revenues reflected on the Condensed Statements of Consolidated Income (unaudited) for the three months ended March 31, 2021 and March 31, 2020:

Three Months Ended March 31, 2021 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other[(2)]	Total
Customer Revenues[(1)]				
Residential	$ 773.5	$ 129.2	$ —	$ 902.7
Commercial	271.4	122.9	—	394.3
Industrial	57.9	122.9	—	180.8
Off-system	14.4	—	—	14.4
Miscellaneous	9.9	4.2	0.2	14.3
Total Customer Revenues	$ 1,127.1	$ 379.2	$ 0.2	$ 1,506.5
Other Revenues	8.7	23.3	7.1	39.1
Total Operating Revenues	$ 1,135.8	$ 402.5	$ 7.3	$ 1,545.6

(1) Customer revenue amounts exclude intersegment revenues. See Note 20, "Business Segment Information," for discussion of intersegment revenues.
(2) Other revenues related to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

Three Months Ended March 31, 2020 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[(1)]				
Residential	$ 796.5	$ 119.2	$ —	$ 915.7
Commercial	269.4	120.2	—	389.6
Industrial	74.2	109.1	—	183.3
Off-system	18.7	—	—	18.7
Miscellaneous	12.5	5.9	0.2	18.6
Total Customer Revenues	$ 1,171.3	$ 354.4	$ 0.2	$ 1,525.9
Other Revenues	56.7	22.9	—	79.6
Total Operating Revenues	$ 1,228.0	$ 377.3	$ 0.2	$ 1,605.5

(1) Customer revenue amounts exclude intersegment revenues. See Note 20, "Business Segment Information," for discussion of intersegment revenues.

Customer Accounts Receivable. Accounts receivable on our Condensed Consolidated Balance Sheets (unaudited) includes both billed and unbilled amounts, as well as certain amounts that are not related to customer revenues. Unbilled amounts of accounts receivable relate to a portion of a customer's consumption of gas or electricity from the date of the last cycle billing through the last day of the month (balance sheet date). Factors taken into consideration when estimating unbilled revenue include historical usage, customer rates and weather. The opening and closing balances of customer receivables for the three months ended March 31, 2021 are presented in the table below. We had no significant contract assets or liabilities during the period. Additionally, we have not incurred any significant costs to obtain or fulfill contracts.

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2020	$ 400.0	$ 327.2
Balance as of March 31, 2021	507.4	244.3
Increase (Decrease)	$ 107.4	$ (82.9)

Utility revenues are billed to customers monthly on a cycle basis. We expect that substantially all customer accounts receivable will be collected following customer billing, as this revenue consists primarily of periodic, tariff-based billings for service and usage. We maintain common utility credit risk mitigation practices, including requiring deposits and actively pursuing collection of past due amounts. Our regulated operations also utilize certain regulatory mechanisms that facilitate recovery of bad debt costs within tariff-based rates, which provides further evidence of collectibility. In connection with the COVID-19 pandemic, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

standard credit risk mitigation practices. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently in rates. We have reinstated our common credit mitigation practices where moratoriums have expired (see Note 8, "Regulatory Matters," for additional information on regulatory moratoriums and regulatory assets). It is probable that substantially all of the consideration to which we are entitled from customers will be collected upon satisfaction of performance obligations.

Allowance for Credit Losses. To evaluate for expected credit losses, customer account receivables are pooled based on similar risk characteristics, such as customer type, geography, payment terms, and related macro-economic risks. Expected credit losses are established using a model that considers historical collections experience, current information, and reasonable and supportable forecasts. Relevant and reliable internal and external inputs used in the model include, but are not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-off orders executed data, and final bill data. We continuously evaluate available reasonable and supportable information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or when required by changes in facts and circumstances. When we become aware of a specific commercial or industrial customer's inability to pay, an allowance for expected credit losses is recorded for the relevant amount. We also monitor other circumstances that could affect our overall expected credit losses; these include, but are not limited to, creditworthiness of overall population in service territories, adverse conditions impacting an industry sector, and current economic conditions.

At each reporting period, we record expected credit losses using an allowance for credit losses account. When deemed to be uncollectible, customer accounts are written-off. A rollforward of our allowance for credit losses for the three months ended March 31, 2021 are presented in the table below:

Three Months Ended March 31, 2021 (*in millions*)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Beginning balance	$ 41.8	$ 9.7	$ 0.8	$ 52.3
Current period provisions	5.9	2.9	—	8.8
Write-offs charged against allowance	(9.0)	(2.4)	—	(11.4)
Recoveries of amounts previously written off	4.1	0.1	—	4.2
Ending balance of the allowance for credit losses	$ 42.8	$ 10.3	$ 0.8	$ 53.9

As of March 31, 2021, we have also evaluated the adequacy of our allowance for credit losses in light of the suspension of shut-offs for nonpayment due to the COVID-19 pandemic that remain in effect for certain jurisdictions. Our evaluation included an analysis of customer payment trends in 2020, economic conditions, receivables aging, considerations of past economic downturns and the associated allowance for credit losses and customer account write-offs. In addition, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of the pandemic, which could help to mitigate the potential for increasing customer account delinquencies. Based upon this evaluation, we have concluded that the allowance for credit losses as of March 31, 2021 adequately reflected the collection risk and net realizable value for our receivables. We will continue to monitor changing circumstances and will adjust our allowance for credit losses accordingly.

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4. Earnings Per Share

Basic EPS is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding for the period. The weighted-average shares outstanding for diluted EPS includes the incremental effects of the various long-term incentive compensation plans and an ATM forward agreement under the Treasury Stock Method when the impact would be dilutive (See Note 5 "Equity"). The computation of diluted average common shares is as follows:

	Three Months Ended March 31,	
(in thousands)	**2021**	2020
Basic average common shares outstanding	**392,657**	383,062
Dilutive potential common shares:		
Shares contingently issuable under employee stock plans	**630**	845
Shares restricted under employee stock plans	**288**	207
Forward Agreement	**337**	—
Diluted Average Common Shares	**393,912**	384,114

5. Equity

ATM Program and Forward Sale Agreement. On February 22, 2021, we entered into six separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of $750.0 million of our common stock.

On February 23, 2021, under the ATM program, we executed a forward agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. From February 24, 2021 to March 17, 2021, we borrowed 6,672,740 shares from third parties, which the dealer sold at a weighted average price of $22.48 per share. We may settle this agreement in shares, cash, or net shares by December 15, 2021. Had we settled all the shares under the forward agreement at March 31, 2021, we would have received approximately $148.5 million, based on a net price of $22.25 per share.

As of March 31, 2021, the ATM program (including the impacts of the forward sale agreement discussed above) had approximately $600.0 million of equity available for issuance. The program expires on December 31, 2023.

Preferred Stock. As of March 31, 2021, we had 20,000,000 shares of preferred stock authorized for issuance, of which 440,000 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

			Three Months Ended March 31,		March 31	December 31,
			2021	2020	2021	2020
(in millions except shares and per share amounts)	Liquidation Preference Per Share	Shares	Dividends Declared Per Share		Outstanding	
5.650% Series A	$ 1,000.00	400,000	28.25	28.25	$ 393.9	$ 393.9
6.500% Series B	$ 25,000.00	20,000	812.50	812.50	$ 486.1	$ 486.1

In addition, 20,000 shares of Series B–1 Preferred Stock, par value $0.01 per share, were outstanding as of March 31, 2021. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption or repurchase of the underlying Series B Preferred Stock.

As of March 31, 2021 and 2020, Series A Preferred Stock had $6.7 million of cumulative preferred dividends in arrears, or $16.63 per share, and Series B Preferred Stock had $1.4 million of cumulative preferred dividends in arrears, or $72.23 per share.

6. Gas in Storage

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Gas Distribution Operations prices natural gas storage injections at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference between current projected replacement cost and the LIFO cost for quantities of gas temporarily withdrawn from storage is recorded as a temporary LIFO liquidation credit or debit within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. We had a temporary LIFO liquidation debit of $22.3 million and zero as of March 31, 2021 and December 31, 2020, respectively, for certain gas distribution companies recorded within "Prepayments and other," on the Condensed Consolidated Balance Sheets (unaudited).

7. Property, Plant and Equipment

In 2020, the MISO approved NIPSCO's plan to retire the R.M. Schahfer Generating Station in 2023. The December 2019 NIPSCO electric rate case order included approval to create a regulatory asset upon the retirement of the R.M. Schahfer Generating Station. The order allows for the recovery of and on the net book value of the station by the end of 2032.

In connection with the MISO's approval of NIPSCO's planned retirement of the R.M. Schahfer Generating Station, we recorded plant retirement-related charges during 2020 comprised of write downs of certain capital projects that have been cancelled and materials and supplies inventory balances deemed obsolete due to the planned retirement. As more information becomes available, the retirement date of the R.M. Schahfer Generating Station will be finalized, and additional plant retirement-related charges may be incurred. An immaterial amount of plant retirement-related charges were included within "Operation and maintenance" in the Condensed Statement of Consolidated Income (unaudited) during the three months ended March 31, 2021. On March 11, 2021, NIPSCO submitted modified Attachment Y Notices to MISO requesting an updated retirement date for two of the four coal fired units at R.M. Schahfer Generating Station. The two units are now expected to be retired by the end of 2021, with the remaining two units still scheduled to be retired in 2023. At retirement, the net book value of the retired units will be reclassified from "Net Property, Plant and Equipment", to current and long-term "Regulatory Assets." The total net book value of R.M. Schahfer Generating Station's coal units and other associated plant was $861.6 million at March 31, 2021.

On April 28, 2021, in response to a Motion filed by certain parties in NIPSCO's quarterly FAC proceeding, the IURC created a sub-docket proceeding in order to receive additional information related to the planned retirements of Units 14 and 15 by the end of 2021 and any resulting cost impacts to customers. NIPSCO does not anticipate that the sub-docket proceeding will impact the planned timing of end of year 2021 for the unit retirements.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

8. Regulatory Matters

COVID-19 Regulatory Filings

In response to COVID-19, we received approvals or directives from the regulatory commissions in the states in which we operate. The ongoing impacts of these approvals or directives are described in the table below:

Jurisdiction	Moratorium in Place?	Regulatory Asset balance as of March 31, 2021 *(in millions)*	Deferred COVID-19 Costs
Columbia of Ohio	No	$ 2.0	Incremental operation and maintenance expenses
NIPSCO	No	$ 12.0	Incremental bad debt expense and the costs to implement the requirements of the COVID-19 related order
Columbia of Pennsylvania	No	$ 7.1	Incremental bad debt expense incurred since March 13, 2020 above levels currently in rates
Columbia of Virginia	Yes	$ 0.1	Incremental incurred costs, subject to an earnings test review
Columbia of Maryland	No	$ 1.1	Incremental costs (including incremental bad debt expense) incurred to ensure that customers have essential utility service during the state of emergency in Maryland. Such incremental costs must be offset by any benefit received in connection with the pandemic

On March 11, 2021, the Pennsylvania PUC adopted an order, which lifted its prior pandemic-related moratorium on service terminations for non-payments of utility bills beginning April 1, 2021. Pursuant to that order, Pennsylvania utilities are required to offer payment plans on billing arrearages, with the length of such payment plans depending on customers' income levels. The longest such payment plan would be a minimum of five years for residential customers with incomes below 250% of the Federal Poverty Level.

For Columbia of Virginia, the currently effective legislative and regulatory directives related to the COVID-19 pandemic require utilities to offer payment plans between 6 and 24 months, and suspend service disconnections and late payment fees for customers. These directives will remain in place until the Governor determines that the economic and public health conditions have improved such that the prohibition does not need to be in place, or until at least 60 days after such declared state of emergency ends, whichever is sooner.

9. Risk Management Activities

We are exposed to certain risks relating to our ongoing business operations, namely commodity price risk and interest rate risk. We recognize that the prudent and selective use of derivatives may help to lower our cost of debt capital, manage our interest rate exposure and limit volatility in the price of natural gas.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Risk management assets and liabilities on our derivatives are presented on the Condensed Consolidated Balance Sheets (unaudited) as shown below:

(in millions)	**March 31, 2021**	December 31, 2020
Risk Management Assets - Current[(1)]		
Interest rate risk programs	**$ —**	$ —
Commodity price risk programs	**1.0**	10.4
Total	**$ 1.0**	$ 10.4
Risk Management Assets - Noncurrent[(2)]		
Interest rate risk programs	**$ —**	$ —
Commodity price risk programs	**3.2**	2.8
Total	**$ 3.2**	$ 2.8
Risk Management Liabilities - Current[(3)]		
Interest rate risk programs	**$ 17.1**	$ 70.9
Commodity price risk programs	**5.0**	7.3
Total	**$ 22.1**	$ 78.2
Risk Management Liabilities - Noncurrent[(4)]		
Interest rate risk programs	**$ 40.6**	$ 99.5
Commodity price risk programs	**38.3**	45.1
Total	**$ 78.9**	$ 144.6

[(1)]Presented in "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).
[(2)]Presented in "Deferred charges and other" on the Condensed Consolidated Balance Sheets (unaudited).
[(3)]Presented in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).
[(4)]Presented in "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets (unaudited).

Commodity Price Risk Management

We, along with our utility customers, are exposed to variability in cash flows associated with natural gas purchases and volatility in natural gas prices. We purchase natural gas for sale and delivery to our retail, commercial and industrial customers, and for most customers the variability in the market price of gas is passed through in their rates. Some of our utility subsidiaries offer programs to certain customers whereby variability in the market price of gas is assumed by the respective utility. The objective of our commodity price risk programs is to mitigate the gas cost variability, for us or on behalf of our customers, associated with natural gas purchases or sales by economically hedging the various gas cost components using a combination of futures, options, forwards or other derivative contracts.

NIPSCO received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments. The term of these instruments may range from five to 10 years and is limited to 20% of NIPSCO's average annual GCA purchase volume. Gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's quarterly GCA mechanism. These instruments are not designated as accounting hedges.

Interest Rate Risk Management

As of March 31, 2021, we have two forward-starting interest rate swaps with an aggregate notional value totaling $500.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate during the periods from the effective dates of the swaps to the anticipated dates of forecasted debt issuances, which are expected to take place by 2024. These interest rate swaps are designated as cash flow hedges. The gains and losses related to these swaps are recorded to AOCI and will be recognized in "Interest expense, net" concurrently with the recognition of interest expense on the associated debt, once issued. If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at March 31, 2021 and December 31, 2020.

Our derivative instruments measured at fair value as of March 31, 2021 and December 31, 2020 do not contain any credit-risk-related contingent features.

10. Fair Value

A. Fair Value Measurements

Recurring Fair Value Measurements

The following tables present financial assets and liabilities measured and recorded at fair value on our Condensed Consolidated Balance Sheets (unaudited) on a recurring basis and their level within the fair value hierarchy as of March 31, 2021 and December 31, 2020:

Recurring Fair Value Measurements March 31, 2021 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2021
Assets				
Risk management assets	$ —	$ 4.2	$ —	$ 4.2
Available-for-sale debt securities	—	167.9	—	167.9
Total	**$ —**	**$ 172.1**	**$ —**	**$ 172.1**
Liabilities				
Risk management liabilities	$ —	$ 101.0	$ —	$ 101.0
Total	**$ —**	**$ 101.0**	**$ —**	**$ 101.0**

Recurring Fair Value Measurements December 31, 2020 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2020
Assets				
Risk management assets	$ —	$ 13.2	$ —	$ 13.2
Available-for-sale debt securities	—	170.9	—	170.9
Total	**$ —**	**$ 184.1**	**$ —**	**$ 184.1**
Liabilities				
Risk management liabilities	$ —	$ 222.8	$ —	$ 222.8
Total	**$ —**	**$ 222.8**	**$ —**	**$ 222.8**

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, exchange-traded NYMEX futures and NYMEX options and non-exchange-based forward purchase contracts. When utilized, exchange-traded derivative contracts are based on unadjusted quoted prices in active markets and are classified within Level 1. These financial assets and liabilities are secured with cash on deposit with the exchange; therefore, nonperformance risk has not been incorporated into these valuations. Certain non-exchange-traded derivatives are valued using broker or over-the-counter, on-line exchanges. In such cases, these non-exchange-traded derivatives are classified within Level 2. Non-exchange-based derivative instruments include swaps, forwards, and options. In certain instances, these instruments may utilize models to measure fair value. We use a similar model to value similar instruments. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and market-corroborated inputs, (i.e., inputs derived principally from or corroborated by observable market data by correlation or other means). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized within Level 2. Certain derivatives trade in less active markets with a lower availability of pricing information and models may be utilized in the valuation. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized within Level 3. Credit risk is considered in the fair value calculation of derivative instruments that are not exchange-traded. Credit exposures are adjusted to reflect collateral agreements which reduce exposures. As of March 31, 2021 and December 31, 2020, there were no material transfers between fair value hierarchies. Additionally, there were no changes in the method or significant assumptions used to estimate the fair value of our financial instruments.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 9, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its natural gas customers. We value these contracts using a pricing model that incorporates market-based information when available, as these instruments trade less frequently and are classified within Level 2 of the fair value hierarchy. For additional information, see Note 9, “Risk Management Activities.”

Available-for-Sale Debt Securities. Available-for-sale debt securities are investments pledged as collateral for trust accounts related to our wholly owned insurance company. We value U.S. Treasury, corporate debt and mortgage-backed securities using a matrix pricing model that incorporates market-based information. These securities trade less frequently and are classified within Level 2.

At each reporting date, we quantitatively and qualitatively assess available-for-sale debt securities for impairment. For securities in a loss position that we intend to hold, we perform an analysis to determine whether the unrealized loss is related to credit factors. The analysis focuses on a variety of factors that include, but are not limited to, downgrade on ratings of the security, defaults in the current reporting period or projected defaults in the future, the security's yield spread over treasuries, and other relevant market data. If the unrealized loss is not related to credit factors, it is included in other comprehensive income. If the unrealized loss is related to credit factors, the loss is recognized as credit loss expense in earnings during the period, with an offsetting entry to the allowance for credit losses. The amount of the credit loss recorded to the allowance account is limited by the amount at which the security's fair value is less than its amortized cost basis. If the credit losses in the allowance for credit losses are deemed uncollectible, the allowance on the uncollectible portion is charged off, with an offsetting entry to the carrying value of the security. Subsequent improvements to the estimated credit losses of available-for-sale debt securities are recognized immediately in earnings. As of March 31, 2021 and December 31, 2020, we recorded $0.3 million and $0.5 million, respectively, as an allowance for credit losses on available-for-sale debt securities as a result of the analysis described above. Continuous credit monitoring and portfolio credit balancing mitigates our risk of credit losses on our available-for-sale debt securities.

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at March 31, 2021 and December 31, 2020 were:

March 31, 2021 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[1]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 37.1	$ 0.2	$ (0.3)	$ —	$ 37.0
Corporate/Other debt securities	126.7	5.3	(0.8)	(0.3)	130.9
Total	**$ 163.8**	**$ 5.5**	**$ (1.1)**	**$ (0.3)**	**$ 167.9**

December 31, 2020 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[2]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 33.7	$ 0.3	$ —	$ —	$ 34.0
Corporate/Other debt securities	130.2	7.7	(0.5)	(0.5)	136.9
Total	**$ 163.9**	**$ 8.0**	**$ (0.5)**	**$ (0.5)**	**$ 170.9**

(1)Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $22.1 and $25.7 million, respectively, at March 31, 2021.
(2)Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $0 million and $13.2 million, respectively, at December 31, 2020.

Realized gains and losses on available-for-sale securities were immaterial for the three months ended March 31, 2021 and 2020.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The cost of maturities sold is based upon specific identification. At March 31, 2021, approximately $6.2 million of U.S. Treasury debt securities and approximately $3.9 million of Corporate/Other debt securities have maturities of less than a year.

There are no material items in the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets, including goodwill, on a non-recurring basis, typically annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

In March 2021, we reached an agreement with Eversource regarding the final purchase price, including net working capital adjustments to the October 9, 2020 purchase price. The working capital amounts were measured at fair value, less costs to sell.

B. Other Fair Value Disclosures for Financial Instruments. The carrying amount of cash and cash equivalents, restricted cash, customer deposits and short-term borrowings is a reasonable estimate of fair value due to their liquid or short-term nature. Our long-term borrowings are recorded at historical amounts.

The following method and assumptions were used to estimate the fair value of each class of financial instruments.

Long-term Debt. The fair value of outstanding long-term debt is estimated based on the quoted market prices for the same or similar securities. Certain premium costs associated with the early settlement of long-term debt are not taken into consideration in determining fair value. These fair value measurements are classified within Level 2 of the fair value hierarchy. As of March 31, 2021, there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

The carrying amount and estimated fair values of these financial instruments were as follows:

(in millions)	**Carrying Amount as of March 31, 2021**	**Estimated Fair Value as of March 31, 2021**	Carrying Amount as of Dec. 31, 2020	Estimated Fair Value as of Dec. 31, 2020
Long-term debt (including current portion)	**$ 9,246.7**	**$ 10,178.0**	$ 9,243.1	$ 11,034.2

11. Transfers of Financial Assets

Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they transfer their customer accounts receivables to third-party financial institutions through wholly owned and consolidated special purpose entities. The three agreements expire between August 2021 and May 2022 and may be further extended if mutually agreed to by the parties thereto.

All receivables transferred to third parties are valued at face value, which approximates fair value due to their short-term nature. The amount of the undivided percentage ownership interest in the accounts receivables transferred is determined in part by required loss reserves under the agreements.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). As of March 31, 2021, the maximum amount of debt that could be recognized related to our accounts receivable programs is $510.0 million.

The following table reflects the gross receivables balance and net receivables transferred, as well as short-term borrowings related to the securitization transactions as of March 31, 2021 and December 31, 2020:

(in millions)	**March 31, 2021**	December 31, 2020
Gross receivables	**$ 630.8**	$ 607.7
Less: Receivables not transferred	**630.8**	607.7
Net receivables transferred	**$ —**	$ —
Short-term debt due to asset securitization	**$ —**	$ —

For the three months ended March 31, 2021 and 2020, zero and $106.2 million, respectively, was recorded as cash flows from financing activities related to the change in short-term borrowings due to securitization transactions. Fees associated with the securitization transactions were $0.4 million and $0.7 million for the three months ended March 31, 2021 and 2020, respectively. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania remain responsible for collecting on the receivables securitized, and the receivables cannot be transferred to another party.

12. Goodwill

The following presents our goodwill balance allocated by segment as of March 31, 2021:

(in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other	**Total**
Goodwill	$ 1,485.9	$ —	$ —	**$ 1,485.9**

For our annual goodwill impairment analysis performed as of May 1, 2020, we completed a quantitative "step 1" fair value measurement of our reporting units with a goodwill balance. This analysis incorporated the latest available income statement and cash flow projections, including significant, identifiable impacts of COVID-19 on the operations of each of our goodwill reporting units. We also incorporated other significant inputs to our fair value calculations, including discount rate and market multiples, to reflect current market conditions. The step 1 analysis performed indicated that the fair value of each reporting unit that is allocated goodwill significantly exceeded its carrying value. As a result, no impairment charge was recorded as of the May 1, 2020 test date.

13. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2021 and 2020, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2021 and 2020 were 17.4% and (24.5)%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The increase in the three month effective tax rate of 41.9% in 2021 compared to 2020 is primarily attributed to a discrete item related to the pre-tax book loss recorded for the classification as held for sale of the Massachusetts Business tax effected at statutory tax rates in 2020 offset by an increase in amortization of excess deferred federal income tax liabilities and deduction for AFUDC equity.

There were no material changes recorded in 2021 to our uncertain tax positions recorded as of December 31, 2020.

14. Pension and Other Postretirement Benefits

We provide defined contribution plans and noncontributory defined benefit retirement plans that cover certain of our employees. Benefits under the defined benefit retirement plans reflect the employees' compensation, years of service and age at retirement. Additionally, we provide health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for us. The expected cost of such benefits is accrued during the employees' years of service. We determined that, for certain rate-regulated subsidiaries, the future recovery of postretirement benefit costs is probable, and we record regulatory assets and liabilities for amounts that would otherwise have been recorded to expense or accumulated other comprehensive loss. Current rates of rate-regulated companies include postretirement benefit costs, including amortization of the regulatory assets and liabilities that arose prior to inclusion of these costs in rates. For most plans, cash contributions are remitted to grantor trusts.

For the three months ended March 31, 2021, we contributed $0.7 million to our pension plans and $5.1 million to our other postretirement benefit plans.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three months ended March 31, 2021 and 2020:

	Pension Benefits		Other Postretirement Benefits	
Three Months Ended March 31, *(in millions)*	**2021**	2020	**2021**	2020
Components of Net Periodic Benefit (Income) Cost[(1)]				
Service cost	**$ 7.6**	$ 8.0	**$ 1.5**	$ 1.6
Interest cost	**7.7**	13.5	**2.5**	3.9
Expected return on assets	**(25.8)**	(28.4)	**(3.8)**	(3.6)
Amortization of prior service credit	**—**	0.2	**(0.6)**	(0.5)
Recognized actuarial loss	**5.3**	8.7	**1.2**	1.3
Settlement loss	**3.3**	—	**—**	—
Total Net Periodic Benefit (Income) Cost	**$ (1.9)**	$ 2.0	**$ 0.8**	$ 2.7

[(1)]The service cost component and all non-service cost components of net periodic benefit (income) cost are presented in "Operation and maintenance" and "Other, net", respectively, on the Condensed Statements of Consolidated Income (unaudited).

During the first quarter of 2021, one of our qualified pension plans met the requirement for settlement accounting. A settlement charge of $3.3 million was recorded during the first quarter of 2021. As a result of the settlement, the pension plan was remeasured, resulting in a decrease to the net pension asset of $5.8 million, a net increase to regulatory assets of $2.1 million, and a net debit to accumulated other comprehensive loss of $0.4 million. Net periodic pension benefit cost for 2021 increased by $4.0 million as a result of the interim remeasurement.

The following table provides the key assumptions that were used to calculate the pension benefit obligation and the net periodic benefit cost at the interim remeasurement date for the plan that triggered settlement accounting:

	February 28, 2021
Weighted-average Assumption to Determine Benefit Obligation	
Discount rate	2.57 %
Weighted-average Assumptions to Determine Net Periodic Benefit Costs for the period ended	
Discount rate - service cost	2.81 %
Discount rate - interest cost	1.57 %
Expected return on assets	4.80 %

15. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. The primary beneficiary of a VIE is the business enterprise which has the power to direct the activities that most significantly impact the VIE's economic performance. Also, the primary beneficiary either absorbs a significant amount of the VIE's losses or has the right to receive benefits that could be significant to the VIE. We consider these qualitative elements in determining whether we are the primary beneficiary of a VIE, and we consolidate those VIEs for which we are determined to be the primary beneficiary.

Rosewater (a joint venture) owns and operates 102 MW of nameplate capacity wind generation assets. Members of the joint venture are NIPSCO (who is the managing member) and a tax equity partner. Earnings, tax attributes and cash flows are allocated to both NIPSCO and the tax equity partner in varying percentages by category and over the life of the partnership. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the aforementioned joint venture. NIPSCO has an obligation to purchase, through a PPA at established market rates, 100% of the electricity generated by Rosewater.

As the managing member of Rosewater, we control decisions that are significant to its ongoing operations and economic results. Therefore, we have concluded that we are the primary beneficiary of Rosewater and have consolidated Rosewater even though we own less than 100% of the total equity membership interest.

We have determined that the use of HLBV accounting is reasonable and appropriate in order to attribute income and loss to the noncontrolling interest held by the tax equity partner. HLBV accounting was selected as the allocation of Rosewater's economic results to members differ from the members' relative ownership percentages. Using the HLBV method, our earnings are calculated based on how the partnership would distribute its cash if it were to hypothetically sell all of its assets for their carrying amounts and liquidate at each reporting period. Under HLBV, we calculate the liquidation value allocable to each partner at the beginning and end of each period based on the contractual terms of the related entity's operating agreement and adjust our income for the period to reflect the change in our associated book value.

In March 2021, in exchange for additional respective membership interests in Rosewater, NIPSCO contributed $0.1 million in cash, and the tax equity partner contributed $7.5 million in cash, the second of two contractual cash contributions for each partner, per the equity capital contribution agreement. NIPSCO also assumed an additional obligation of $6.0 million to the developer, which comes due in 2023 and is included in "Other noncurrent liabilities" in the Condensed Consolidated Balance Sheets (unaudited). From the contributed funds, Rosewater paid $7.4 million to the developer of the wind generation assets. The developer of the facility is not a partner in the joint venture for federal income tax purposes and does not receive any share of earnings, tax attributes, or cash flows of Rosewater. With asset construction now complete, NIPSCO and the tax equity partner have made total cash contributions of $0.8 million and $93.6 million, respectively, and NIPSCO has assumed an obligation to the developer of $75.7 million, totaling contributions of $170.1 million for both partners. We did not provide any financial or other support during the year that was not previously contractually required, nor do we expect to provide such support in the future.

At March 31, 2021 and December 31, 2020, $170.0 million and $156.4 million, respectively, in net assets (as detailed in the table below) related to Rosewater and the non-controlling interest attributable to the unrelated tax equity partner of $94.1 million and $85.6 million, respectively, were included in the Condensed Consolidated Balance Sheets (unaudited). For the quarters ended March 31, 2021 and 2020, $1.0 million and zero were allocated to the tax equity partner and is included in "Net income attributable to non-controlling interest" on the Condensed Statements of Consolidated Income.

Our Condensed Consolidated Balance Sheets (unaudited) included the following assets and liabilities associated with Rosewater:

(in millions)	**March 31, 2021**	December 31, 2020
Net Property, Plant and Equipment	**$ 174.2**	$ 175.6
Current assets	**4.2**	1.7
Total assets[(1)]	**$ 178.4**	$ 177.3
Current liabilities	**$ 2.8**	$ 15.3
Asset retirement obligations	**5.5**	5.5
Other noncurrent liabilities	**0.1**	0.1
Total liabilities	**$ 8.4**	$ 20.9

[(1)]The assets of Rosewater represent assets of a consolidated VIE that can be used only to settle obligations of the consolidated VIE.

16. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program and accounts receivable transfer programs. Each of these borrowing sources is described further below.

We maintain a revolving credit facility to fund ongoing working capital requirements, including the provision of liquidity support for our commercial paper program, provide for issuance of letters of credit and also for general corporate purposes. Our revolving credit facility has a program limit of $1.85 billion and is comprised of a syndicate of banks led by Barclays. We had no outstanding borrowings under this facility as of March 31, 2021 and December 31, 2020.

Our commercial paper program has a program limit of up to $1.5 billion with a dealer group comprised of Barclays, Citigroup, Credit Suisse and Wells Fargo. We had $520.0 million of commercial paper outstanding as of March 31, 2021 and $503.0 million of commercial paper outstanding as of December 31, 2020.

Refer to Note 11, "Transfers of Financial Assets," for additional information on our accounts receivable transfer programs.

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Short-term borrowings were as follows:

(in millions)		**March 31, 2021**		December 31, 2020
Commercial paper weighted-average interest rate of 0.19% and 0.27% at March 31, 2021 and December 31, 2020, respectively		**520.0**		503.0
Total Short-Term Borrowings	**$**	**520.0**	$	503.0

Items listed above are presented net in the Condensed Statements of Consolidated Cash Flows (unaudited) as their maturities are less than 90 days.

17. Other Commitments and Contingencies

A. Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. As of March 31, 2021 and December 31, 2020, we had issued stand-by letters of credit of $15.2 million.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At March 31, 2021, our guarantees for the Rosewater and Indiana Crossroads BTAs totaled $34.0 million. The amount of each guaranty will fluctuate upon the completion of the various steps outlined in each BTA. See "- D. Other Matters - Generation Transition," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). The Greater Lawrence Incident resulted in one fatality and a number of injuries, damaged multiple homes and businesses, and caused the temporary evacuation of significant portions of each municipality. The Massachusetts Governor's Office declared a state of emergency, authorizing the Massachusetts DPU to order another utility company to coordinate the restoration of utility services in Lawrence, Andover and North Andover. The incident resulted in the interruption of gas for approximately 7,500 gas meters, the majority of which served residences and approximately 700 of which served businesses, and the interruption of other utility service more broadly in the area. Columbia of Massachusetts replaced the cast iron and bare steel gas pipeline system in the affected area and restored service. See "- D. Other Matters - Greater Lawrence Pipeline Replacement" below for more information. On September 1, 2020, the Massachusetts Governor terminated the state of emergency declared following the Greater Lawrence Incident.

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident, including the Massachusetts DPU and the Massachusetts Attorney General's Office. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, as described below. The Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts DPU and the Massachusetts Attorney General's Office investigations, that was approved by the Massachusetts DPU on October 7, 2020 as part of the sale of the Massachusetts Business to Eversource.

NTSB Investigation. As previously disclosed, the NTSB concluded its investigation into the Greater Lawrence Incident. On November 24, 2020, the NTSB closed NiSource's one remaining open safety recommendation.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement, which the Court accepted. Subsequently, Columbia of Massachusetts and the U.S. Attorney's Office modified the Plea Agreement. On June 23, 2020, the Court sentenced Columbia of Massachusetts in accordance with the terms of the modified Plea Agreement. Under the modified Plea Agreement, Columbia of Massachusetts is subject to the following terms, among others: (i) a criminal fine in the amount of $53,030,116, which has been paid; (ii) a three year probationary period that will terminate early upon a sale of Columbia of Massachusetts or a sale of its gas distribution business to a qualified third-party buyer consistent with certain requirements, but in no event before the end of the one-year mandatory period of probation; (iii) compliance with each of the NTSB recommendations stemming from the Greater Lawrence Incident; and (iv) employment of an in-house monitor until the end of the term of probation or until the sale of Columbia of Massachusetts or its gas distribution business, whichever is earlier. On October 13, 2020, the Court, upon agreement of the U.S. Attorney's Office and Columbia Gas of Massachusetts, modified the terms of probation by ending the term of the in-house monitor.

Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the following: (i) the Company will use reasonable best efforts to sell Columbia of Massachusetts or Columbia of Massachusetts' gas distribution business to a qualified third-party buyer consistent with certain requirements, and, upon the completion of any such sale, the Company will cease and desist any and all gas pipeline and distribution activities in the District of Massachusetts; (ii) the Company will forfeit and pay, within 30 days of the later of the sale becoming final or the date on which post-closing adjustments to the purchase price are finally determined in accordance with the agreement to sell Columbia of Massachusetts or its gas distribution business, a fine equal to the total amount of the profit or gain, if any, from any sale of Columbia of Massachusetts or its gas distribution business, with the amount of profit or gain determined as provided in the DPA; and (iii) the Company agrees as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, including, but not limited to those identified above, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident. If Columbia of Massachusetts withdraws its plea for any reason, if the Court rejects any aspect of the Plea Agreement, or if Columbia of Massachusetts should fail to perform an obligation under the Plea Agreement prior to the sale of Columbia of Massachusetts or its gas distribution business, the U.S. Attorney's Office may, at its sole option, render the DPA null and void. The sale of the Massachusetts Business was completed on October 9, 2020. The Company was not required to forfeit or pay any funds because the Company did not realize a profit or gain from the sale as provided in the DPA.

Private Actions. Various lawsuits, including several purported class action lawsuits, have been filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident.

On July 26, 2019, the Company, Columbia of Massachusetts and NiSource Corporate Services Company, a subsidiary of the Company, entered into a term sheet with the class action plaintiffs under which they agreed to settle the class action claims in connection with the Greater Lawrence Incident. Columbia of Massachusetts agreed to pay $143 million into a settlement fund to compensate the settlement class and the settlement class agreed to release Columbia of Massachusetts and affiliates from all claims arising out of or related to the Greater Lawrence Incident. The following claims are not covered under the proposed settlement because they are not part of the consolidated class action: (1) physical bodily injury and wrongful death; (2) insurance subrogation, whether equitable, contractual or otherwise; and (3) claims arising out of appliances that are subject to the Massachusetts DPU orders. Emotional distress and similar claims are covered under the proposed settlement unless they are secondary to a physical bodily injury. The settlement class is defined under the term sheet as all persons and businesses in the three municipalities of Lawrence, Andover and North Andover, Massachusetts, subject to certain limited exceptions. The motion for preliminary approval and the settlement documents were filed on September 25, 2019. The preliminary approval court hearing was held on October 7, 2019 and the court issued an order granting preliminary approval of the settlement on October 11, 2019. The Court granted final approval of the settlement on March 12, 2020.

With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging state-law claims for breaches of fiduciary duty with respect to the pipeline safety management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including federal-law claims related to our proxy statement disclosures regarding our safety systems. The remedies sought included damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. The defendants filed a motion to dismiss the lawsuit, and oral argument was held on March 2, 2021. On March 9, 2021, the district court granted the defendants' motion to dismiss. It dismissed the federal-law claims with prejudice for failure to state a claim on which relief can be granted and declined to exercise jurisdiction over the state-law claims, which were dismissed without prejudice.

Following the dismissal of the federal court action, on April 29, 2021, the same plaintiff filed a shareholder derivative lawsuit in the Delaware Court of Chancery against certain of our current and former directors. The new complaint alleges a single count for breach of fiduciary duty, and no longer alleges disclosure violations or breaches of federal securities laws. The complaint relates to substantially the same matters as those alleged in the dismissed federal derivative complaint. The remedies sought include damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of compensation by the individual defendants. The case is at an early stage, and a schedule has not yet been entered. Because of the preliminary nature of this lawsuit, we are not able to estimate a loss or range of loss, if any, that may be incurred in connection with this matter at this time.

Financial Impact. Since the Greater Lawrence Incident, we have recorded expenses of approximately $1,040 million for third-party claims and fines, penalties and settlements associated with government investigations. These costs do not include the capital cost of the pipeline replacement. Refer to " - D. Other Matters - Greater Lawrence Incident Restoration," and "- Greater Lawrence Incident Pipeline Replacement," for additional information.

The process for estimating costs associated with third-party claims relating to the Greater Lawrence Incident requires management to exercise significant judgment based on a number of assumptions and subjective factors. As more information becomes known, management's estimates and assumptions regarding the financial impact of the Greater Lawrence Incident may change.

We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

Due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim, proceeding or investigation related to the Greater Lawrence Incident or otherwise would not have a material adverse effect on our results of operations, financial position or liquidity. Certain matters in connection with the Greater Lawrence Incident have had or may have a material impact as described above. If one or more of such additional or other matters were decided against us, the effects could be material to our results of operations in the period in which we would be required to record or adjust the related liability and could also be material to our cash flows in the periods that we would be required to pay such liability.

C. Environmental Matters. Our operations are subject to environmental statutes and regulations related to air quality, water quality, hazardous waste and solid waste. We believe that we are in substantial compliance with the environmental regulations currently applicable to our operations.

It is management's continued intent to address environmental issues in cooperation with regulatory authorities in such a manner as to achieve mutually acceptable compliance plans. However, there can be no assurance that fines and penalties will not be incurred. Management expects a majority of environmental assessment and remediation costs to be recoverable through rates for certain of our companies.

As of March 31, 2021 and December 31, 2020, we had recorded a liability of $90.6 million and $92.6 million, respectively, to cover environmental remediation at various sites. The current portion of this liability is included in "Other accruals" in the Condensed Consolidated Balance Sheets (unaudited). The noncurrent portion is included in "Other noncurrent liabilities." We recognize costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated. The original estimates for remediation activities may differ materially from the amount ultimately expended. The actual future expenditures depend on many factors, including laws and regulations, the nature and extent of impact and the method of remediation. These expenditures are not currently estimable at some sites. We periodically adjust our liability as information is collected and estimates become more refined.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

CERCLA. Our subsidiaries are potentially responsible parties at waste disposal sites under the CERCLA (commonly known as Superfund) and similar state laws. Under CERCLA, each potentially responsible party can be held jointly, severally and strictly liable for the remediation costs as the EPA, or state, can allow the parties to pay for remedial action or perform remedial action themselves and request reimbursement from the potentially responsible parties. Our affiliates have retained CERCLA environmental liabilities, including remediation liabilities, associated with certain current and former operations. These liabilities are not material to the Condensed Consolidated Financial Statements (unaudited).

MGP. We maintain a program to identify and investigate former MGP sites where Gas Distribution Operations subsidiaries or predecessors may have liability. The program has identified 54 such sites where liability is probable. Remedial actions at many of these sites are being overseen by state or federal environmental agencies through consent agreements or voluntary remediation agreements.

We utilize a probabilistic model to estimate our future remediation costs related to MGP sites. The model was prepared with the assistance of a third party and incorporates our experience and general industry experience with remediating MGP sites. We complete an annual refresh of the model in the second quarter of each fiscal year. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2020. Our total estimated liability related to the facilities subject to remediation was $84.3 million and $85.0 million at March 31, 2021 and December 31, 2020, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. We believe that it is reasonably possible that remediation costs could vary by as much as $20 million in addition to the costs noted above. Remediation costs are estimated based on the best available information, applicable remediation standards at the balance sheet date and experience with similar facilities.

CCRs. On April 17, 2015, the EPA issued a final rule for regulation of CCRs. The rule regulates CCRs under the RCRA Subtitle D, which determines them to be nonhazardous. The rule is implemented in phases and requires increased groundwater monitoring, reporting, recordkeeping and posting of related information to the Internet. The rule also establishes requirements related to CCR management and disposal. The rule allows NIPSCO to continue its byproduct beneficial use program.

To comply with the rule, NIPSCO completed capital expenditures in 2019 to modify its infrastructure and manage CCRs. The CCR rule also resulted in revisions to previously recorded legal obligations associated with the retirement of certain NIPSCO facilities. The actual asset retirement costs related to the CCR rule may vary substantially from the estimates used to record the increased asset retirement obligation due to the uncertainty about the requirements that will be established by environmental authorities, compliance strategies that will be used and the preliminary nature of available data used to estimate costs. As allowed by the rule, NIPSCO will continue to collect data over time to determine the specific compliance solutions and associated costs and, as a result, the actual costs may vary. NIPSCO will also continue to work with EPA and the Indiana Department of Environmental Management to obtain administrative approvals associated with the CCR rule. In the event that the approvals are not obtained, future operations could be impacted. We believe the possibility of such an outcome is remote.

D. Other Matters.

Generation Transition. NIPSCO has executed several PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. Each facility supplying the energy will have an associated nameplate capacity, and payments under the PPAs will not begin until the associated generation facility is constructed by the owner/seller. NIPSCO has also executed several BTAs with developers to construct renewable generation facilities. NIPSCO's purchase requirement under the BTAs is dependent on satisfactory approval of the BTA by the IURC, successful execution of an agreement with a tax equity partner and timely completion of construction. NIPSCO and the tax equity partner are obligated to make cash contributions to the partnership at the date construction is substantially complete. Once the tax equity partner has earned their negotiated rate of return and we have reached the agreed upon contractual date, NIPSCO has the option to purchase at fair market value from the tax equity partner the remaining interest in the aforementioned joint venture.

Greater Lawrence Incident Restoration. In addition to the amounts estimated for third-party claims and fines, penalties and settlements associated with government investigations described above, we have recorded expenses for other incident-related costs. Such costs include certain consulting costs, legal costs, vendor costs, claims center costs, labor and related expenses incurred in connection with the incident, and insurance-related loss surcharges. These costs were immaterial for the three months ended March 31, 2021.

Greater Lawrence Pipeline Replacement. In connection with the Greater Lawrence Incident, Columbia of Massachusetts, in cooperation with the Massachusetts Governor’s office, replaced the entire affected pipeline system. We invested approximately $258 million of capital spend for the pipeline replacement; this work was completed in 2019. We maintain property insurance

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for gas pipelines and other applicable property. Columbia of Massachusetts has filed a proof of loss with its property insurer for the pipeline replacement. In January 2020, we filed a lawsuit against the property insurer, seeking payment of our property claim. We are currently unable to predict the timing or amount of any insurance recovery under the property policy.

State Income Taxes Related to Greater Lawrence Incident Expenses. As of December 31, 2018, expenses related to the Greater Lawrence Incident were $1,023 million. In the fourth quarter of 2019, we filed an application for Alternative Apportionment with the MA DOR to request an allocable approach to these expenses for purposes of Massachusetts state income taxes, which, if approved, would result in a state deferred tax asset of approximately $50 million, net. The MA DOR issued a denial during the first quarter of 2020. We filed an application for abatement in the second quarter of 2020, which resulted in a denial from the MA DOR in April 2021. We have 60 days to submit an appeal for this decision.

One-Time Employee Separation Benefits. On August 5, 2020, we commenced a voluntary separation program for certain employees. Expense for the voluntary separation program was predominantly recognized in the third quarter of 2020, when the employees accepted the offer, absent a retention period. In addition, we have continued to evaluate our organizational structure under the auspices of NiSource Next, which has resulted in additional separations under our existing severance policies. For employees that have a retention period, expense will be recognized over the remaining service period. The total estimated severance expense for employees is approximately $40 million, with $38.1 million incurred to date. A rollforward of the one-time employee separation benefits accrual for the three months ended March 31, 2021 is presented below:

(in millions)	**Balance as of January 1, 2021**	**Changes Attributable to Costs Incurred[1]**	**Costs Paid**	**Adjustments**	**Balance as of March 31, 2021[2]**
One-time Employee Separation Benefits	11.1	4.6	(8.4)	—	7.3

[1]This activity is presented within "Operation and maintenance" in our Condensed Statements of Consolidated Income (unaudited).
[2]This activity is presented within "Accrued compensation and employee benefits" in our Condensed Consolidated Balance Sheets (unaudited).

18. Accumulated Other Comprehensive Loss

The following tables display the components of Accumulated Other Comprehensive Loss:

(in millions)	**Gains and Losses on Securities[1]**	**Gains and Losses on Cash Flow Hedges[1]**	**Pension and OPEB Items[1]**	**Accumulated Other Comprehensive Loss[1]**
Balance as of January 1, 2021	$ 6.0	$ (147.9)	$ (14.8)	$ (156.7)
Other comprehensive income (loss) before reclassifications	(2.2)	84.6	(1.4)	81.0
Amounts reclassified from accumulated other comprehensive income (loss)	(0.3)	—	0.5	0.2
Net current-period other comprehensive income (loss)	(2.5)	84.6	(0.9)	81.2
Balance as of March 31, 2021	**$ 3.5**	**$ (63.3)**	**$ (15.7)**	**$ (75.5)**

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

(in millions)	**Gains and Losses on Securities[1]**	**Gains and Losses on Cash Flow Hedges[1]**	**Pension and OPEB Items[1]**	**Accumulated Other Comprehensive Loss[1]**
Balance as of January 1, 2020	$ 3.3	$ (77.2)	$ (18.7)	$ (92.6)
Other comprehensive income (loss) before reclassifications	(5.2)	(133.3)	0.4	(138.1)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.2)	—	0.3	0.1
Net current-period other comprehensive income (loss)	(5.4)	(133.3)	0.7	(138.0)
Balance as of March 31, 2020	$ (2.1)	$ (210.5)	$ (18.0)	$ (230.6)

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

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Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

19. Other, Net

Three Months Ended March 31, *(in millions)*		**2021**		2020
Interest income	**$**	**0.9**	$	1.7
AFUDC equity		**1.5**		1.7
Pension and other postretirement non-service benefit		**8.5**		2.7
Miscellaneous		**(0.4)**		(0.7)
Total Other, net	**$**	**10.5**	$	5.4

20. Business Segment Information

At March 31, 2021, our operations are divided into two primary reportable segments, the Gas Distribution Operations and Electric Operations segments. Corporate costs and other activities that are not significant on a stand-alone basis to warrant treatment as an operating segment and that do not fit into one of our two segments are aggregated as "Corporate and Other" in the disclosures below. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues.

The following table provides information about our business segments. We use operating income as our primary measurement for each of the reported segments and make decisions on finance, dividends and taxes at the corporate level on a consolidated basis. Segment revenues include intersegment sales to affiliated subsidiaries, which are eliminated in consolidation. Affiliated sales are recognized on the basis of prevailing market, regulated prices or at levels provided for under contractual agreements. Operating income is derived from revenues and expenses directly associated with each segment.

	Three Months Ended March 31,			
(in millions)		**2021**		2020
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	**$**	**1,135.8**	$	1,228.0
Intersegment		**3.1**		3.0
Total		**1,138.9**		1,231.0
Electric Operations				
Unaffiliated		**402.5**		377.3
Intersegment		**0.2**		0.2
Total		**402.7**		377.5
Corporate and Other				
Unaffiliated		**7.3**		0.2
Intersegment		**103.9**		106.7
Total		**111.2**		106.9
Eliminations		**(107.2)**		(109.9)
Consolidated Operating Revenues	**$**	**1,545.6**	$	1,605.5
Operating Income (Loss)				
Gas Distribution Operations	**$**	**346.9**	$	78.5
Electric Operations		**87.9**		78.5
Corporate and Other		**(1.6)**		(8.8)
Consolidated Operating Income	**$**	**433.2**	$	148.2

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21. Subsequent Event

On April 19, 2021, we completed the sale of 8.625 million Series A Equity Units (“Equity Units”), initially consisting of Series A Corporate Units (“Corporate Units”), each with a stated amount of $100. The offering generated net proceeds of $835.5 million, after underwriting and estimated issuance expenses. Each Corporate Unit consists of a forward contract to purchase shares of our common stock in the future and a 1/10th, or 10%, undivided beneficial ownership interest in one share of Series C Mandatory Convertible Preferred Stock, par value $0.01 per share, with a liquidation preference of $1,000 per share. The Mandatory Convertible Preferred Stock initially will not bear any dividends. Total annual distributions of the Corporate Units will be 7.75%, consisting of quarterly contract adjustment payments under the forward contract. We may pay the contract adjustment payments in cash, shares of common stock or a combination of cash and shares of common stock, at our election.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NiSource Inc.

EXECUTIVE SUMMARY

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion") includes management's analysis of past financial results and certain potential factors that may affect future results, potential future risks and approaches that may be used to manage those risks. See "Note regarding forward-looking statements" at the beginning of this report for a list of factors that may cause results to differ materially.

Management's Discussion is designed to provide an understanding of our operations and financial performance and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

We are an energy holding company under the Public Utility Holding Company Act of 2005 whose subsidiaries are fully regulated natural gas and electric utility companies serving customers in six states. We generate substantially all of our operating income through these rate-regulated businesses, which are summarized for financial reporting purposes into two primary reportable segments: Gas Distribution Operations and Electric Operations.

Refer to the "Business" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) address changing customer conservation patterns, (ii) align our price structure with our cost structure, and (iii) embark on long-term infrastructure investment and safety programs to better serve our customers. These strategies focus on improving safety and reliability, enhancing customer service, lowering customer bills and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. The SMS is an established operating model within NiSource. With the continued support and advice from our Quality Review Board (a panel of third parties with safety operations expertise engaged by management to advise on safety matters), we are continuing to mature our SMS processes, capabilities and talent as we collaborate within and across industries to enhance safety and reduce operational risk. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Your Energy, Your Future: Our plan to replace all of our coal generation capacity by the end of 2028 with primarily renewable resources is well underway. In March 2021, we executed three BTAs for 650 MW solar nameplate capacity and a PPA for 200 MW of wind nameplate capacity. The four projects were selected following a comprehensive review of bids submitted through the RFP process that NIPSCO underwent in late 2019. The projects complement previously executed BTAs and PPAs with a combined nameplate capacity of 1,300 MW and 1,180 MW, respectively. NIPSCO will refresh its 2018 Integrated Resource Plan in 2021. For additional information, see "Results and Discussion of Segment Operation - Electric Operations," in this Management's Discussion.

NiSource Next: We have launched a comprehensive, multi-year program designed to deliver long-term safety, sustainable capability enhancements and cost optimization improvements. This program will advance the high priority we place on safety and risk mitigation, further enable our safety management system, and enhance the customer experience. NiSource Next is designed to (i) leverage our current scale, (ii) utilize technology, (iii) define clear roles and accountability with our leaders and employees, and (iv) standardize our processes to focus on operational rigor, quality management and continuous improvement. In the second quarter of 2021, we began to implement enhanced digital tools associated with our customer experience.

COVID-19: The safety of our employees and customers, while providing essential services during the COVID-19 pandemic, is paramount. We continue to take a proactive, coordinated approach intended to prevent, mitigate and respond to COVID-19 by utilizing our Incident Command System (ICS). The ICS includes members of our executive council, a medical review professional, and members of functional teams from across our company. The ICS monitors state-by-state conditions and determines steps to conduct our operations safely for employees and customers.

We have implemented procedures designed to protect our employees who work in the field and who continue to work in operational and corporate facilities, including social distancing, wearing face coverings, temperature checks and more frequent cleaning of equipment and facilities. We have also implemented work-from-home policies and practices. We continue to limit company vehicle occupancy to one person, where possible, and minimize non-essential work that requires an employee to enter a customer premise when infection rates spike in a county and local agencies elevate risk levels. As local circumstances permit, we are beginning previously delayed work that requires customer interaction. We continue to employ physical and cybersecurity measures to ensure that our operational and support systems remain functional. Our actions to date have mitigated the spread of COVID-19 amongst our employees and principal field contractors. We are also continuously evaluating changes to CDC guidance, and updating our safety measures accordingly, in order to ensure employee and customer safety during this pandemic. We are following all federal, state, and local guidelines related to the COVID-19 vaccinations and are encouraging employees to receive the vaccine when it is available to them.

Since the beginning of the COVID-19 pandemic, we have been helping our customers navigate this challenging time. We suspended disconnections soon after this outbreak began. While the suspension of disconnections has been lifted in most states, suspensions are likely to continue in others. We plan to continue our payment assistance programs and customer education and awareness of energy assistance programs such as the Low Income Home Energy Assistance Program (LIHEAP) to help customers deal with the impact of the pandemic. Regulatory deferrals for certain costs have been allowed by all of our state regulatory commissions. Costs approved for deferral vary by state. For information on the state specific suspension of disconnections and COVID-19 regulatory filings, see Note 8, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited).

We continue to monitor how COVID-19 is affecting our workforce, customers, suppliers, operations, financial results and cash flow. The extent of the impact in the future will vary and depend on the duration and severity of the impact on the global, national and local economies. See Note 3, "Revenue Recognition" and Note 8, "Regulatory Matters" for impacts of COVID-19 for the three months ended March 31, 2021.

Summary of Consolidated Financial Results

A summary of our consolidated financial results for the three months ended March 31, 2021 and 2020 are presented below:

	Three Months Ended March 31,		
(in millions, except per share amounts)	**2021**	2020	2021 vs. 2020
Operating Revenues	**$ 1,545.6**	$ 1,605.5	$ (59.9)
Operating Expenses			
Cost of energy	**476.8**	462.4	14.4
Other Operating Expenses	**635.6**	994.9	(359.3)
Total Operating Expenses	**1,112.4**	1,457.3	(344.9)
Operating Income	**433.2**	148.2	285.0
Total Other Deductions, net	**(74.1)**	(87.5)	13.4
Income Taxes	**62.6**	(14.9)	77.5
Net Income	**296.5**	75.6	220.9
Net income attributable to noncontrolling interest	**1.0**	—	1.0
Net Income attributable to NiSource	**295.5**	75.6	219.9
Preferred dividends	**(13.8)**	(13.8)	—
Net Income Available to Common Shareholders	**281.7**	61.8	219.9
Earnings Per Share			
Basic Earnings Per Share	**$ 0.72**	$ 0.16	$ 0.56
Diluted Earnings Per Share	**$ 0.72**	$ 0.16	$ 0.56
Basic Average Common Shares Outstanding	**392.7**	383.1	9.6
Diluted Average Common Shares	**393.9**	384.1	9.8

The majority of the cost of energy in both segments are tracked costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in operating revenues.

On a consolidated basis, we reported a net income available to common shareholders of $281.7 million, or $0.72 per diluted share for the three months ended March 31, 2021, compared to a net income available to common shareholders of $61.8 million, or $0.16 per diluted share for the same period in 2020. The increase in income was primarily due to the loss on sale of the Massachusetts business in 2020, as well as lower operating expenses offset by lower operating revenues due to the sale of the Massachusetts business. Additionally, the increase in income was driven by revenue increases from new rates and the effects of colder weather in 2021 compared to 2020 partially offset by higher income taxes in 2021 compared to 2020 (See "Income Taxes" below). For additional information on operating income variance drivers see "Results and Discussion of Segment Operation" for Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

Other deductions, net reduced income by $74.1 million in the first quarter of 2021 compared to a reduction in income of $87.5 million in the prior year. This change was primarily driven by lower short term debt interest due to lower balances and a lower rate on commercial paper in 2021 compared to 2020. See Note 16, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 13, "Income Taxes," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments: Gas Distribution Operations and Electric Operations. We primarily evaluate segment results based on operating income. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as an operating segment, are presented as "Corporate and Other" within the Notes to the Condensed Consolidated Financial Statements (unaudited) and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities.

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NiSource Inc.
Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three months ended March 31, 2021 and 2020 are presented below:

	Three Months Ended March 31,		
(in millions)	**2021**	2020	2021 vs. 2020
Operating Revenues	**$ 1,138.9**	$ 1,231.0	$ (92.1)
Operating Expenses			
Cost of energy	**379.0**	377.4	1.6
Operation and maintenance	**248.8**	330.1	(81.3)
Depreciation and amortization	**92.9**	96.5	(3.6)
Loss on sale of fixed assets and impairments, net	**8.1**	280.2	(272.1)
Other taxes	**63.2**	68.3	(5.1)
Total Operating Expenses	**792.0**	1,152.5	(360.5)
Operating Income	**$ 346.9**	$ 78.5	$ 268.4
Revenues			
Residential	**$ 782.3**	$ 823.3	$ (41.0)
Commercial	**272.9**	274.0	(1.1)
Industrial	**58.2**	74.5	(16.3)
Off-System	**14.4**	18.7	(4.3)
Other	**11.1**	40.5	(29.4)
Total	**$ 1,138.9**	$ 1,231.0	$ (92.1)
Sales and Transportation (MMDth)			
Residential	**118.4**	118.5	(0.1)
Commercial	**74.3**	73.7	0.6
Industrial	**136.4**	146.8	(10.4)
Off-System	**5.4**	11.2	(5.8)
Other	**0.2**	0.2	—
Total	**334.7**	350.4	(15.7)
Heating Degree Days	**2,703**	2,440	263
Normal Heating Degree Days	**2,854**	2,897	(43)
% Colder (Warmer) than Normal	**(5)%**	(16)%	
Gas Distribution Customers			
Residential	**2,965,004**	3,233,222	(268,218)
Commercial	**254,188**	283,579	(29,391)
Industrial	**4,965**	6,002	(1,037)
Other	**3**	3	—
Total	**3,224,160**	3,522,806	(298,646)

Cost of energy for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. These are tracked costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in operating revenue. In addition, comparability of operation and maintenance expenses, depreciation and amortization, and other taxes may be impacted by regulatory, depreciation and tax trackers that allow for the recovery in rates of certain costs. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

NiSource Inc.
Gas Distribution Operations

Three Months Ended March 31, 2021 vs. March 31, 2020 Operating Income

For the three months ended March 31, 2021, Gas Distribution Operations reported operating income of $346.9 million, an increase of $268.4 million from the comparable 2020 period.

Operating revenues for the three months ended March 31, 2021 were $1,138.9 million, a decrease of $92.1 million from the same period in 2020.

Changes in Operating Revenues *(in millions)*		**Favorable (Unfavorable)**
Revenues associated with the Massachusetts Business in 2020	$	(122.3)
New rates from base rate proceedings, infrastructure replacement programs and Columbia of Ohio's CEP		38.0
The effects of colder weather in 2021 compared to 2020		15.6
The effects of customer growth		3.4
Other		(2.1)
Change in operating revenues (before cost of energy and other tracked items)	$	(67.4)
Operating revenues offset in operating expense		
Higher cost of energy billed to customers		81.3
Cost of energy associated with the Massachusetts Business in 2020		(79.7)
Operation and maintenance trackers associated with the Massachusetts Business in 2020		(24.3)
Lower operation and maintenance, depreciation, and tax trackers		(2.0)
Total change in operating revenues	**$**	**(92.1)**

Operating expenses were $360.5 million lower for the three months ended March 31, 2021 compared to the same period in 2020.

Changes in Operating Expenses *(in millions)*		**Favorable (Unfavorable)**
Loss on sale of the Massachusetts Business of $6.9 million in 2021 compared to $280.2 million in 2020	$	273.3
Operating expenses associated with the Massachusetts Business in 2020		65.6
Lower employee and administrative expenses		4.9
Severance and outside services expense related to NiSource Next initiative		(5.9)
Higher depreciation and amortization expense primarily due to higher capital expenditures placed in service		(5.8)
Other		3.7
Change in operating expenses (before cost of energy and other tracked items)	$	335.8
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers		(81.3)
Cost of energy associated with the Massachusetts Business in 2020		79.7
Operation and maintenance trackers associated with the Massachusetts Business in 2020		24.3
Lower operation and maintenance, depreciation, and tax trackers		2.0
Total change in operating expense	**$**	**360.5**

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating degree days, net of weather normalization mechanisms. Our composite heating degree days reported do not directly correlate to the weather-related dollar impact on the results of Gas Distribution Operations. Heating degree days experienced during different times of the year or in different operating locations may have more or less impact on volume and dollars depending on when and where they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating degree day comparison.

Weather in the Gas Distribution Operations service territories for the first quarter of 2021 was about 5% warmer than normal and about 11% colder than 2020, leading to increased operating revenues of $16.4 million for the quarter ended March 31, 2021 compared to the same period in 2020.

Throughput
Total volumes sold and transported for the three months ended March 31, 2021 were 334.7 MMDth, compared to 350.4 MMDth for the same period in 2020. This decrease is primarily attributable to the sale of the Massachusetts Business, offset by the effects of colder weather in 2021 compared to 2020.

Commodity Price Impact
All of our Gas Distribution Operations companies have state-approved recovery mechanisms that provide a means for full recovery of prudently incurred gas costs. Gas costs are treated as pass-through costs and have no impact on operating income recorded in the period. The gas costs included in revenues are matched with the gas cost expense recorded in the period and the difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered gas cost to be included in future customer billings.

Certain Gas Distribution Operations companies continue to offer choice opportunities, where customers can choose to purchase gas from a third-party supplier, through regulatory initiatives in their respective jurisdictions. These programs serve to further reduce our exposure to gas prices.

Columbia of Massachusetts Asset Sale
On October 9, 2020, we completed the sale of our Massachusetts Business. In March 2021, we reached an agreement with Eversource regarding the final purchase price, including net working capital adjustments, which resulted in a pre-tax loss for the three months ended March 31, 2021 of $6.9 million. The total loss on the sale as of March 31, 2021 is $419.3 million based on asset and liability balances as of the close of the transaction on October 9, 2020, transaction costs and the final purchase price. The pre-tax loss is presented as "Loss on sale of assets, net" on the Condensed Statements of Consolidated Income (unaudited).

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NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three months ended March 31, 2021 and 2020 are presented below:

	Three Months Ended March 31,		
(in millions)	**2021**	2020	2021 vs. 2020
Operating Revenues	**402.7**	$ 377.5	25.2
Operating Expenses			
Cost of energy	**97.8**	85.0	12.8
Operation and maintenance	**119.1**	120.9	(1.8)
Depreciation and amortization	**83.4**	78.9	4.5
Other taxes	**14.5**	14.2	0.3
Total Operating Expenses	**314.8**	299.0	15.8
Operating Income	**$ 87.9**	$ 78.5	$ 9.4
Revenues			
Residential	**$ 129.2**	$ 119.2	$ 10.0
Commercial	**122.9**	120.2	2.7
Industrial	**123.1**	109.1	14.0
Wholesale	**3.4**	3.2	0.2
Other	**24.1**	25.8	(1.7)
Total	**$ 402.7**	$ 377.5	$ 25.2
Sales (Gigawatt Hours)			
Residential	**804.6**	755.5	49.1
Commercial	**867.9**	878.7	(10.8)
Industrial	**2,063.3**	2,071.1	(7.8)
Wholesale	**32.1**	71.4	(39.3)
Other	**27.3**	28.2	(0.9)
Total	**3,795.2**	3,804.9	(9.7)
Electric Customers			
Residential	**419,582**	416,501	3,081
Commercial	**57,538**	57,150	388
Industrial	**2,156**	2,160	(4)
Wholesale	**720**	725	(5)
Other	**2**	2	—
Total	**479,998**	476,538	3,460

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, related handling costs, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from third-party generators of electricity. The majority of these are tracked costs that are passed through directly to the customer resulting in an equal and offsetting amount reflected in operating revenue. In addition, comparability of operation and maintenance expenses and depreciation and amortization may be impacted by regulatory and depreciation trackers that allow for the recovery in rates of certain costs. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

NiSource Inc.
Electric Operations

Three Months Ended March 31, 2021 vs. March 31, 2020 Operating Income

For the three months ended March 31, 2021, Electric Operations reported operating income of $87.9 million, an increase of $9.4 million from the comparable 2020 period.

Operating revenues for the three months ended March 31, 2021 were $402.7 million, an increase of $25.2 million from the same period in 2020.

Changes in Operating Revenues *(in millions)*		**Favorable (Unfavorable)**
Increased customer usage, primarily driven by residential customers	$	4.8
New rates from infrastructure improvement and DSM programs		2.8
The effects of customer growth		1.0
Other		1.4
Change in operating revenues (before cost of energy and other tracked items)	$	10.0
Operating revenues offset in operating expense		
Higher cost of energy billed to customers		12.8
Higher operation and maintenance and depreciation trackers		2.4
Total change in operating revenues	$	25.2

Operating expenses were $15.8 million higher for the three months ended March 31, 2021 compared to the same period in 2020.

Changes in Operating Expenses *(in millions)*		**Favorable (Unfavorable)**
Higher generation-related maintenance	$	(4.2)
Increased depreciation primarily due to additional plant placed in service		(3.4)
Severance and outside services expenses related to the NiSource Next initiative		(2.3)
Decreased environmental costs		6.8
Lower employee and administrative costs		4.3
Other		(1.8)
Change in operating expenses (before cost of energy and other tracked items)	$	(0.6)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers		(12.8)
Higher operation and maintenance and depreciation trackers		(2.4)
Total change in operating expense	$	(15.8)

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year may have more or less impact on volume and dollars depending on when they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating or cooling degree day comparison.

Weather in the Electric Operations' territories for the first quarter of 2021 was about 3% warmer than normal and about 7% cooler than in 2020, which had an immaterial impact on operating revenues for the quarter ended March 31, 2021 compared to the same period in 2020.

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NiSource Inc.
Electric Operations

Sales
Electric Operations sales for the first quarter of 2021 were 3,795.2 GWh, an immaterial decrease compared to the same period in 2020.

Commodity Price Impact
NIPSCO has a state-approved recovery mechanism that provides a means for full recovery of prudently incurred fuel costs. Fuel costs are treated as pass-through costs and have no impact on operating revenues recorded in the period. The fuel costs included in revenues are matched with the fuel cost expense recorded in the period and the difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel cost to be included in future customer billings.

Electric Supply and Generation Transition
NIPSCO continues to execute on an electric generation transition consistent with the preferred pathway from its 2018 Integrated Resource Plan, which outlines plans to retire all of its remaining coal-fired generation by 2028, to be replaced by lower-cost, reliable and cleaner options. The plan is expected to be a key element of a 90% reduction in NiSource's greenhouse gas emissions by 2030 compared with 2005 levels, and to save NIPSCO electric customers more than $4 billion over 30 years. We expect to have incremental capital investment requirements of approximately $2.0 billion, primarily in 2022 and 2023. On March 11, 2021, NIPSCO submitted modified Attachment Y Notices to MISO requesting an updated retirement date for coal-fired units 14 and 15. These units are now expected to be retired by the end of 2021, with the station's remaining two units still on track to be retired by 2023. Refer to Note 7, "Property, Plant and Equipment" and Note 17-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information.

The current replacement plan includes renewable sources of energy, including wind, solar, and battery storage to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has executed several PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. Each facility supplying the energy will have an associated nameplate capacity, and payments under the PPAs will not begin until the associated generation facility is constructed by the owner/seller. NIPSCO has also executed several BTAs with developers to construct renewable generation facilities.

The following table summarizes the executed PPAs and BTAs from our generation transition:

Project Name	Transaction Type	Technology	Nameplate Capacity (MW)	Storage Capacity (MW)	Submitted to IURC	IURC Approval	Estimated Construction Completion
Jordan Creek	20 year PPA	Wind	400	—	02/01/2019	6/05/2019	In Service (12/10/2020)
Rosewater[1]	BTA	Wind	100	—	02/01/2019	8/07/2019	In Service (12/29/2020)
Indiana Crossroads[2]	BTA	Wind	300	—	10/22/2019	2/19/2020	Q4 2021
Greensboro	20 year PPA	Solar & Storage	100	30	7/17/2020	1/27/2021	Q4 2022
Brickyard	20 year PPA	Solar	200	—	7/17/2020	1/27/2021	Q4 2022
Cavalry[2]	BTA	Solar & Storage	200	60	11/30/2020	5/5/2021	Q4 2023
Dunn's Bridge I[2]	BTA	Solar	265	—	11/30/2020	5/5/2021	Q4 2022
Dunn's Bridge II[2]	BTA	Solar & Storage	435	75	11/30/2020	5/5/2021	Q4 2023
Green River	20 year PPA	Solar	200	—	12/23/2020	5/5/2021	Q2 2023
Gibson	22 year PPA	Solar	280	—	01/29/2021	Pending	Q2 2023
Fairbanks[2]	BTA	Solar	250	—	03/03/2021	Pending	Q3 2023
Indiana Crossroads[2]	BTA	Solar	200	—	03/19/2021	Pending	Q4 2022
Elliot[2]	BTA	Solar	200	—	03/31/2021	Pending	Q2 2023
Indiana Crossroads II	15 year PPA	Wind	200	—	04/30/2021	Pending	Q4 2023

(1) Refer to Note 15, "Variable Interest Entities," for additional information.
(2) Ownership of the facility will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner.

Liquidity and Capital Resources

We continually evaluate the availability of adequate financing to fund our ongoing business operations, working capital and core safety and infrastructure investment programs. Our financing is sourced through cash flow from operations and the issuance of debt and/or equity. External debt financing is provided primarily through the issuance of long-term debt, accounts receivable securitization programs and our $1.5 billion commercial paper program, which is backstopped by our committed revolving credit facility with a total availability from third-party lenders of $1.85 billion. The commercial paper program and credit facility provide cost-effective, short-term financing until it can be replaced with a balance of long-term debt and equity financing that achieves our desired capital structure. We utilize an ATM equity program that allows us to issue and sell shares of our common stock up to an aggregate issuance of $750.0 million through December 31, 2023. On April 19, 2021, we completed the sale of 8.625 million Equity Units, which provided net proceeds of $835.5 million, after underwriting and estimated issuance expenses. We intend to use the net proceeds from the offering for renewable generation investments and general corporate purposes, including additions to working capital and repayment of existing indebtedness.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2021 and beyond.

Greater Lawrence Incident: As discussed in Note 17, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to settle remaining anticipated claims associated with the Greater Lawrence Incident.

Operating Activities

Net cash from operating activities for the three months ended March 31, 2021 was $448.3 million, an increase of $78.4 million compared to the three months ended March 31, 2020. This increase was primarily driven by a year over year decrease in net payments related to the Greater Lawrence Incident. During 2021, we paid approximately $6 million compared to $150 million of payments during the same period in 2020. Additionally, we had decreased compensation and employee benefit payments in 2021 compared to 2020. Offsetting these decreased cash outflows are increases related to the under collection of gas and fuel costs.

Investing Activities

Net cash used for investing activities for the three months ended March 31, 2021 was $401.8 million, a decrease of $82.8 million compared to the three months ended March 31, 2020. This decrease was driven by lower capital expenditures associated with the Massachusetts Business in 2020 and timing of growth spend. We project total 2021 capital expenditures to be approximately $1.9 to $2.1 billion.

Regulatory Capital Improvement Programs. In 2021, we continue to move forward on core infrastructure and environmental investment programs supported by complementary regulatory and customer initiatives across all six states of our operating area.

The following table describes the most recent vintage of our regulatory programs to recover infrastructure replacement and other federally mandated compliance investments currently in rates and those pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Costs Covered[1]	Rates Effective
Columbia of Ohio	IRP - 2021	22.2	212.6	1/20-12/20	Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe, (3) natural gas risers prone to failure and (4) installation of AMR devices.	May 2021
Columbia of Ohio	CEP - 2021	18.3	179.2	1/20-12/20	Assets not included in the IRP.	September 2021
NIPSCO - Gas	TDSIC 2	1.8	52.3	7/20-12/20	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	July 2021
NIPSCO - Gas	FMCA 5	1.4	42.3	4/20-9/20	Project costs to comply with federal mandates.	April 2021
Columbia of Pennsylvania[2]	DSIC - Q4 2020	0.8	25.0	9/20-11/20	Eligible project costs including piping, couplings, gas service lines, excess flow valves, risers, meter bars, meters, and other related capitalized cost, to improve the distribution system.	January 2021
Columbia of Virginia	SAVE - 2021	5.2	46.4	1/21-12/21	Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions.	January 2021
Columbia of Kentucky	SMRP - 2021	2.6	40.0	1/21-12/21	Replacement of mains and inclusion of system safety investments.	May 2021
Columbia of Maryland	STRIDE - 2021	1.3	16.9	1/21-12/21	Pipeline upgrades designed to improve public safety or infrastructure reliability.	January 2021
NIPSCO - Electric[3][4]	TDSIC - 8	(2.0)	73.5	8/20-1/21	New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development.	August 2021
NIPSCO - Electric[5]	FMCA - 13	(1.2)	—	9/19-2/20	Project costs to comply with federal mandates.	August 2020

(1)Programs do not include any costs already included in base rates.
(2)Effective January 23, 2021, Columbia of Pennsylvania's DSIC rate was set to zero due to the inclusion of the incremental capital and revenue in base rates following the Pennsylvania PUC's Final Order in the 2020 rate case.
(3)Decrease in incremental revenue is due to lower depreciation expense (pre-2018 base rate case vs post-2018 base rate case).
(4)On April 1, 2021, NIPSCO filed a notice with the IURC that it intends to terminate its current Electric TDSIC plan effective May 31, 2021. NIPSCO expects to file for a new electric TDSIC plan on or soon after June 1, 2021.
(5)Decrease in incremental revenue is inclusive of tracker eligible operations and maintenance expense. No eligible capital investments were made during the investment period.

Financing Activities

Common Stock and Preferred Stock. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

Short-term Debt. Refer to Note 16, "Short-Term Borrowings," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

Non-controlling Interest. Refer to Note 15, "Variable Interest Entities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on contributions from non-controlling interest activity.

Net Available Liquidity. As of March 31, 2021, an aggregate of $1,866.0 million of net liquidity was available, including cash and credit available under the revolving credit facility.

The following table displays our liquidity position as of March 31, 2021 and December 31, 2020:

(in millions)	**March 31, 2021**	December 31, 2020
Current Liquidity		
Revolving Credit Facility	**$ 1,850.0**	$ 1,850.0
Accounts Receivable Program[(1)]	**462.1**	273.3
Less:		
Commercial Paper	**520.0**	503.0
Accounts Receivable Program Utilized	**—**	—
Letters of Credit Outstanding Under Credit Facility	**15.2**	15.2
Add:		
Cash and Cash Equivalents	**89.1**	116.5
Net Available Liquidity	**$ 1,866.0**	$ 1,721.6

(1)Represents the lesser of the seasonal limit or maximum borrowings supportable by the underlying receivables.

Debt Covenants. We are subject to financial covenants under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of March 31, 2021, the ratio was 62.2%.

Sale of Trade Accounts Receivables. Refer to Note 11, "Transfers of Financial Assets," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on the sale of trade accounts receivable.

Credit Ratings. The credit rating agencies periodically review our ratings, taking into account factors such as our capital structure and earnings profile. The following table includes our and certain of our subsidiaries' credit ratings and ratings outlook as of March 31, 2021. There were no changes to the below credit ratings or outlooks since December 31, 2020.

A credit rating is not a recommendation to buy, sell, or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization.

	S&P		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
NiSource	BBB+	Stable	Baa2	Stable	BBB	Stable
NIPSCO	BBB+	Stable	Baa1	Stable	BBB	Stable
Columbia of Massachusetts	BBB+	Stable	Baa2	Stable	Not rated	Not rated
Commercial Paper	A-2	Stable	P-2	Stable	F2	Stable

Certain of our subsidiaries have agreements that contain "ratings triggers" that require increased collateral if our credit rating or the credit ratings of certain of our subsidiaries are below investment grade. These agreements are primarily for insurance purposes and for the physical purchase or sale of power. As of March 31, 2021, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $54.8 million. In addition to agreements with ratings triggers, there are other agreements that contain "adequate assurance" or "material adverse change" provisions that could necessitate additional credit support such as letters of credit and cash collateral to transact business.

Equity. Our authorized capital stock consists of 620,000,000 shares, $0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of March 31, 2021, 392,129,866 shares of common stock and 440,000 shares of preferred stock were outstanding.

Contractual Obligations. There were no material changes during the three months ended March 31, 2021 to our contractual obligations as of December 31, 2020.

Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Refer to Note 17, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on guarantees.

NiSource Inc.
Regulatory and Other Matters

Cost Recovery and Trackers

Comparability of our line item operating results is impacted by regulatory trackers that allow for the recovery in rates of certain costs such as those described below. Increases in the expenses that are subject to approved regulatory tracker mechanisms generally lead to increased regulatory assets, which ultimately result in a corresponding increase in operating revenues and, therefore, have essentially no impact on total operating income results. Certain approved regulatory tracker mechanisms allow for abbreviated regulatory proceedings in order for the operating companies to quickly implement revised rates and recover associated costs.

A portion of the Gas Distribution revenue is related to the recovery of gas costs, the review and recovery of which occurs through standard regulatory proceedings. All states in our operating area require periodic review of actual gas procurement activity to determine prudence and to confirm the recovery of prudently incurred energy commodity costs supplied to customers.

A portion of the Electric Operations revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, which is updated quarterly to reflect actual costs incurred to supply electricity to customers.

Increased efficiency of natural gas appliances and improvements in home building codes and standards has contributed to a long-term trend of declining average use per customer. While historical rate design at the distribution level has been structured such that a large portion of cost recovery is based upon throughput rather than in a fixed charge, operating costs are largely incurred on a fixed basis and do not fluctuate due to changes in customer usage. As a result, Gas Distribution Operations have pursued changes in rate design to more effectively match recoveries with costs incurred. Each of the states in which Gas Distribution Operations operate has different requirements regarding the procedure for establishing changes to rate design.

Columbia of Ohio has adopted a straight fixed variable rate design that closely links the recovery of fixed costs with fixed charges. Columbia of Maryland and Columbia of Virginia have regulatory approval for weather and revenue normalization adjustments for certain customer classes, which adjust monthly revenues that exceed or fall short of approved levels during specified heating months. Columbia of Pennsylvania continues to operate its pilot residential weather normalization adjustment and also has a fixed customer charge. This weather normalization adjustment only adjusts revenues when actual weather compared to normal varies by more than 3%. Columbia of Kentucky incorporates a weather normalization adjustment for certain customer classes and also has a fixed customer charge. In a prior gas base rate proceeding, NIPSCO implemented a higher fixed customer charge for residential and small customer classes moving toward recovering more of its fixed costs through a fixed recovery charge, but has no weather or usage protection mechanism.

Rate Case Actions
The following table describes current rate case actions as applicable in each of our jurisdictions net of tracker impacts:

(in millions)

Company	Proposed ROE	Approved ROE	Requested Incremental Revenue	Approved Incremental Revenue	Filed	Status	Rates Effective
Columbia of Pennsylvania[1]	9.86 %	9.86 %	$ 76.8	$ 63.5	April 24, 2020	Approved February 19, 2021	January 2021
Columbia of Pennsylvania	10.95 %	In process	$ 98.3	In process	March 30, 2021	Order Expected Q4 2021	December 2021

[1]The 9.86% ROE and the $76.8 million requested incremental revenue stated above reflect compromise positions taken by Columbia of Pennsylvania during the briefing stages of its 2020 base rate case. In its initial filing on April 24, 2020, Columbia of Pennsylvania proposed an ROE of 10.95% and requested incremental revenue of $100.4 million. A Final Order from the Pennsylvania PUC was received on February 19, 2021 for rates effective retroactive to January 23, 2021. On March 8, 2021, the Pennsylvania Office of Consumer Advocate filed a Petition for Reconsideration, seeking to have the Pennsylvania PUC modify its February 19 Final Order. On April 15, 2021, the Pennsylvania PUC issued an Opinion and Order denying the Office of Consumer Advocate's Petition. Parties have 30 days in which to file an appeal.

In addition to the rate case actions noted in the table above, Columbia of Kentucky has filed a Notice of Intent to file a base rate case on May 28, 2021 or soon thereafter.

NiSource Inc.
Regulatory and Other Matters

COVID-19 Regulatory Deferrals
In addition to the cost deferred to a regulatory asset as noted in Note 8, "Regulatory Matters", in the Notes to Condensed Consolidated Financial Statements (unaudited), certain states have permitted us to track lost late and disconnect fee revenues due to the pandemic. While these costs do not qualify as regulatory assets under ASC 980, we will consider seeking recovery of these costs in future regulatory proceedings.

PHMSA Regulations
On December 27, 2020, the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 was signed into law reauthorizing funding for federal pipeline safety programs through September 30, 2023. Among other things, the PIPES Act requires that PHMSA revise the pipeline safety regulations to require operators to update, as needed, their existing distribution integrity management plans, emergency response plans, and O&M plans. The PIPES Act also requires PHMSA to adopt new requirements for managing records and updating, as necessary existing district regulator stations to eliminate common modes of failure that can lead to overpressurization. PHMSA must also require that operators implement leak detection and repair programs that meet safety needs and protect the environment, require the use of advance leak detection practices and technologies, and require operators to be able to locate and categorize all leaks that are hazardous to human safety or the environment, or that can become hazardous. Natural gas companies, including the Company, may see increased costs depending on how PHMSA implements the new mandates resulting from the PIPES Act.

Climate Issues
Future legislative and regulatory programs could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Additionally, rules that require further GHG reductions or impose additional requirements for natural gas facilities could impose additional costs.

In February 2021, the United States rejoined the Paris Agreement, an international treaty through which parties set nationally determined contributions to reduce GHG emissions, build resilience, and adapt to the impacts of climate change. Subsequently, the Biden Administration released a target for the United States to achieve a 50%-52% GHG reduction from 2005 levels by 2030, which supports the President's goals to create a carbon-free power sector by 2035 and net zero emissions economy no later than 2050. There are many pathways to reach these goals. We will carefully monitor all climate-related policy as we continue to actively implement our plans to be coal-free by 2028 and achieve our 90% GHG reduction target by 2030.

On July 8, 2019, the EPA published the final ACE rule, which establishes emission guidelines for states to use when developing plans to limit carbon dioxide at coal-fired electric generating units based on heat rate improvement measures. The U.S. Court of Appeals for the D.C. Circuit vacated and remanded the rule on January 19, 2021. NIPSCO will continue to monitor this matter.

Off-Balance Sheet Arrangements

We, along with certain of our subsidiaries, enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit.

Refer to Note 17, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

Market Risk Disclosures

Risk is an inherent part of our businesses. The extent to which we properly and effectively identify, assess, monitor and manage each of the various types of risk involved in our businesses is critical to our profitability. We seek to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal market risks that are involved in our businesses: commodity price risk, interest rate risk and credit risk. We manage risk through a multi-faceted process with oversight by the Risk Management Committee that requires constant communication, judgment and knowledge of specialized products and markets. Our senior management takes an active role in the risk management process and has developed policies and procedures that require specific administrative and business functions to assist in the identification, assessment and control of various risks. These may include, but are not limited to market, operational, financial, compliance and strategic risk types. In recognition of the increasingly varied and complex nature of the energy business, our risk management process, policies and procedures continue to evolve and are subject to ongoing review and modification.

Commodity Price Risk

We are exposed to commodity price risk as a result of our subsidiaries' operations involving natural gas and power. To manage this market risk, our subsidiaries use derivatives, including commodity futures contracts, swaps, forwards and options. We do not participate in speculative energy trading activity.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited, since regulations allow recovery of prudently incurred purchased power, fuel and gas costs through the ratemaking process, including gains or losses on these derivative instruments. If states should explore additional regulatory reform, these subsidiaries may begin providing services without the benefit of the traditional ratemaking process and may be more exposed to commodity price risk.

Our subsidiaries are required to make cash margin deposits with their brokers to cover actual and potential losses in the value of outstanding exchange traded derivative contracts. The amount of these deposits, some of which are reflected in our restricted cash balance, may fluctuate significantly during periods of high volatility in the energy commodity markets.

Refer to Note 9, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of March 31, 2021 or December 31, 2020.

Interest Rate Risk

We are exposed to interest rate risk as a result of changes in interest rates on borrowings under our revolving credit agreement, commercial paper program, accounts receivable programs and now-settled term loan, which have interest rates that are indexed to short-term market interest rates. Based upon average borrowings and debt obligations subject to fluctuations in short-term market interest rates, an increase (or decrease) in short-term interest rates of 100 basis points (1%) would have increased (or decreased) interest expense by $1.2 million and $4.3 million for the three months ended March 31, 2021, and March 31, 2020, respectively. We are also exposed to interest rate risk as a result of changes in benchmark rates that can influence the interest rates of future debt issuances.

Refer to Note 9, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of March 31, 2021 and December 31, 2020.

Credit Risk

Due to the nature of the industry, credit risk is embedded in many of our business activities. Our extension of credit is governed by a Corporate Credit Risk Policy. In addition, Risk Management Committee guidelines are in place which document management approval levels for credit limits, evaluation of creditworthiness, and credit risk mitigation efforts. Exposures to credit risks are monitored by the risk management function, which is independent of commercial operations. Credit risk arises due to the possibility that a customer, supplier or counterparty will not be able or willing to fulfill its obligations on a transaction on or before the settlement date. For derivative-related contracts, credit risk arises when counterparties are obligated to deliver or purchase defined commodity units of gas or power to us at a future date per execution of contractual terms and conditions. Exposure to credit risk is measured in terms of both current obligations and the market value of forward positions net of any posted collateral such as cash and letters of credit.

We closely monitor the financial status of our banking credit providers. We evaluate the financial status of our banking partners through the use of market-based metrics such as credit default swap pricing levels, and also through traditional credit ratings provided by major credit rating agencies.

Certain individual state regulatory commissions instituted regulatory moratoriums in connection with the COVID-19 pandemic that impacted our ability to pursue our credit risk mitigation practices for customer accounts receivable. Following the issuances of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently in rates. We have reinstated our common credit mitigation practices where moratoriums have expired. Refer to Note 8, "Regulatory Matters" in the Notes to Condensed Consolidated Financial Statements (unaudited) for state-specific regulatory moratoriums.

Other Information

Critical Accounting Estimates

Refer to Note 3, "Revenue Recognition," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in determining allowance for credit losses.

Refer to Note 12, "Goodwill," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in the annual goodwill impairment analysis performed as of May 1, 2020.

Refer to Note 15, "Variable Interest Entities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgement used in determining how to account for our variable interest entity.

Recently Issued Accounting Pronouncements

Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about recently issued and adopted accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion regarding quantitative and qualitative disclosures about market risk see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures.”

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures
Our chief executive officer and our chief financial officer are responsible for evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that financial information was processed, recorded and reported accurately.

Changes in Internal Controls
There have been no changes in our internal control over financial reporting during the most recently completed quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 17-B, "Legal Proceedings," in the Notes to Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

The risk factors set forth in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2020 are supplemented with the following risk factors, which should be read in conjunction with the risk factors set forth in the Annual Report on Form 10-K.

Risk Factors Relating to our Equity Units

The trading prices for our Equity Units, initially consisting of Corporate Units, and related treasury units and mandatory convertible preferred stock, are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality.

The trading prices of the Equity Units, initially consisting of Corporate Units, which are listed on the New York Stock Exchange, and the related treasury units and mandatory convertible preferred stock in the secondary market, are expected to be affected by, among other things, the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of our common stock or interest rates will rise or fall. The price of our common stock could be subject to wide fluctuations in the future in response to many events or factors, including those discussed in the risk factors herein and in our Annual Report on Form 10-K for the year ended December 31, 2020, as may be supplemented by subsequently filed Quarterly Reports on Form 10-Q, many of which events and factors are beyond our control. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the purchase contracts and of the other components of the Equity Units. Any such arbitrage could, in turn, affect the trading prices of the Corporate Units, treasury units, mandatory convertible preferred stock and our common stock.

The fundamental change early settlement right triggered under certain circumstances by a fundamental change and the supermajority rights of the mandatory convertible preferred stock in connection with certain fundamental change transactions jointly could discourage a potential acquirer.

The fundamental change early settlement right with respect to the purchase contracts triggered under certain circumstances by a fundamental change and the supermajority voting rights of the mandatory convertible preferred stock in connection with certain fundamental change transactions jointly could discourage a potential acquirer, including potential acquirers that would otherwise seek a transaction with us that would be attractive to our investors.

Our Equity Units, initially consisting of Corporate Units, and related mandatory convertible preferred stock, and the issuance and sale of common stock in settlement of the purchase contracts and conversion of mandatory convertible preferred stock, may all adversely affect the market price of our common stock and will cause dilution to our stockholders.

The market price of our common stock is likely to be influenced by our Equity Units, initially consisting of Corporate Units, and related mandatory convertible preferred stock. For example, the market price of our common stock could become more volatile and could be depressed by:

- investors' anticipation of the sale into the market of a substantial number of additional shares of our common stock issued upon settlement of the purchase contracts or conversion of our mandatory convertible preferred stock;
- possible sales of our common stock by investors who view our Equity Units, initially consisting of Corporate Units, or related mandatory convertible preferred stock as a more attractive means of equity participation in us than owning shares of our common stock; and
- hedging or arbitrage trading activity that we expect to develop involving our Equity Units, initially consisting of Corporate Units, or related mandatory convertible preferred stock and our common stock.

In addition, we cannot predict the effect that future issuances or sales of our common stock, if any, including those made upon the settlement of the purchase contracts or conversion of the mandatory convertible preferred stock, may have on the market price for our common stock.

ITEM 1A. RISK FACTORS

NiSource Inc.

Our Equity Units, initially consisting of Corporate Units, and the issuance and sale of substantial amounts of common stock, including issuances and sales upon the settlement of the purchase contracts or conversion of the mandatory convertible preferred stock, could adversely affect the market price of our common stock and will cause dilution to our stockholders.

Operational Risk

A cyber-attack on any of our or certain third-party computer systems upon which we rely may adversely affect our ability to operate and could lead to a loss or misuse of confidential and proprietary information or potential liability.

We are reliant on technology to run our business, which is dependent upon financial and operational computer systems to process critical information necessary to conduct various elements of our business, including the generation, transmission and distribution of electricity; operation of our gas pipeline facilities; and the recording and reporting of commercial and financial transactions to regulators, investors and other stakeholders. In addition to general information and cyber risks that all large corporations face (e.g., malware, unauthorized access attempts, phishing attacks, malicious intent by insiders, third-party software vulnerabilities and inadvertent disclosure of sensitive information), the utility industry faces evolving and increasingly complex cybersecurity risks associated with protecting sensitive and confidential customer and employee information, electric grid infrastructure, and natural gas infrastructure. Deployment of new business technologies, along with maintaining legacy technology, represents a large-scale opportunity for attacks on our information systems and confidential customer and employee information, as well as on the integrity of the energy grid and the natural gas infrastructure. Increasing large-scale corporate attacks in conjunction with more sophisticated threats continue to challenge power and utility companies. Any failure of our computer systems, or those of our customers, suppliers or others with whom we do business, could materially disrupt our ability to operate our business and could result in a financial loss and possibly do harm to our reputation.

Additionally, our information systems experience ongoing, often sophisticated, cyber-attacks by a variety of sources, including foreign sources, with the apparent aim to breach our cyber-defenses. Although we attempt to maintain adequate defenses to these attacks and work through industry groups and trade associations to identify common threats and assess our countermeasures, a security breach of our information systems, or a security breach of the information systems of our customers, suppliers or others with whom we do business, could (i) adversely impact our ability to safely and reliably deliver electricity and natural gas to our customers through our generation, transmission and distribution systems and potentially negatively impact our compliance with certain mandatory reliability and gas flow standards, (ii) subject us to reputational and other harm or liabilities associated with theft or inappropriate release of certain types of information such as system operating information or information, personal or otherwise, relating to our customers or employees, (iii) impact our ability to manage our businesses, and/or (iv) subject us to legal and regulatory proceedings and claims from third parties, in addition to remediation costs, any of which, in turn, could have a material adverse effect on our businesses, cash flows, financial condition, results of operations and/or prospects. Although we do maintain cyber insurance, it is possible that such insurance will not adequately cover any losses or liabilities we may incur as a result of a cybersecurity incident.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

NiSource Inc.

(1.1)	Form of Equity Distribution Agreement (incorporated by reference to Exhibit 1.1 of the NiSource Inc. Form 8-K filed on February 22, 2021).
(1.2)	Form of Master Forward Sale Confirmation (incorporated by reference to Exhibit 1.2 of the NiSource Inc. Form 8-K filed on February 22, 2021).
(3.1)	Certificate of Designations with respect to the Series C Mandatory Convertible Preferred Stock, dated April 19, 2021 (incorporated by reference to Exhibit 3.1 of the NiSource Inc. Form 8-K filed on April 19, 2021).
(4.1)	Purchase Contract and Pledge Agreement, dated April 19, 2021, between NiSource Inc. and U.S. Bank National Association, in its capacity as the purchase contract agent, collateral agent, custodial agent and securities intermediary (incorporated by reference to Exhibit 4.1 of the NiSource Inc. Form 8-K filed on April 19, 2021).
(4.2)	Form of Series A Corporate Units Certificate (incorporated by reference listed under Exhibit 4.1 above).
(4.3)	Form of Series A Treasury Units Certificate (incorporated by reference listed under Exhibit 4.1 above).
(4.4)	Form of Series A Cash Settled Units Certificate (incorporated by reference listed under Exhibit 4.1 above).
(4.5)	Form of Series C Mandatory Convertible Preferred Stock Certificate (incorporated by reference listed under Exhibit 3.1 above).
(31.1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(31.2)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(32.1)	Certification of Chief Executive Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(32.2)	Certification of Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(101.INS)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
(101.SCH)	Inline XBRL Schema Document
(101.CAL)	Inline XBRL Calculation Linkbase Document
(101.LAB)	Inline XBRL Labels Linkbase Document
(101.PRE)	Inline XBRL Presentation Linkbase Document
(101.DEF)	Inline XBRL Definition Linkbase Document
(104)	Cover page Interactive Data File (formatted as inline XBRL, and contained in Exhibit 101.)
*	Exhibit filed herewith.

SIGNATURE

NiSource Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			NiSource Inc.
			(Registrant)
Date:	May 5, 2021	By:	/s/ Gunnar J. Gode
			Gunnar J. Gode Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph Hamrock, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended March 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

By: /s/ Joseph Hamrock
Joseph Hamrock
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended March 31, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	May 5, 2021	By:	/s/ Donald E. Brown
			Donald E. Brown Executive Vice President, Chief Financial Officer, and President of NiSource Corporate Services

Exhibit 32.1

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NiSource Inc. (the “Company”) on Form 10-Q for the quarter ending March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph Hamrock, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Hamrock
Joseph Hamrock
President and Chief Executive Officer

Date: May 5, 2021

Exhibit 32.2

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Brown, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald E. Brown
Donald E. Brown
Executive Vice President, Chief Financial Officer, and President of
NiSource Corporate Services

Date: May 5, 2021

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 September 30, 2020

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)

DE	35-2108964
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 East 86th Avenue Merrillville, IN	46410
(Address of principal executive offices)	(Zip Code)

(877) 647-5990
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	NI	NYSE
Depositary Shares, each representing a 1/1,000th ownership interest in a share of 6.50% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, par value $0.01 per share, liquidation preference $25,000 per share and a 1/1,000th ownership interest in a share of Series B-1 Preferred Stock, par value $0.01 per share, liquidation preference $0.01 per share	NI PR B	NYSE

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.

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: 383,212,193 shares outstanding at October 26, 2020.

NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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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

ACE	Affordable Clean Energy
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
BTA	Build-transfer agreement
CARES Act	The Coronavirus Aid, Relief and Economic Security Act provides more than $2 trillion to battle COVID-19 and its economic effects, including various types of economic relief for impacted business and industries.
CCRs	Coal Combustion Residuals
CEP	Capital Expenditure Program
CERCLA	Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund)
COVID-19	Novel Coronavirus 2019
DSIC	Distribution System Improvement Charge
DPU	Department of Public Utilities
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
FMCA	Federally Mandated Cost Adjustment
GAAP	Generally Accepted Accounting Principles
GCA	Gas cost adjustment
GCR	Gas cost recovery
GHG	Greenhouse gases
GWh	Gigawatt hours
IRP	Infrastructure Replacement Program
IURC	Indiana Utility Regulatory Commission
LIBOR	London InterBank Offered Rate
MA DOR	Massachusetts Department of Revenue

DEFINED TERMS

Massachusetts Business	All of the assets sold to, and liabilities assumed by, Eversource pursuant to the Asset Purchase Agreement
MGP	Manufactured Gas Plant
MISO	Midcontinent Independent System Operator
MMDth	Million dekatherms
MW	Megawatts
MWh	Megawatt hours
NTSB	National Transportation Safety Board
NYMEX	New York Mercantile Exchange
OPEB	Other Postretirement Benefits
PHMSA	Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PSC	Public Service Commission
PTC	Production tax credit
PUC	Public Utilities Commission
PUCO	Public Utilities Commission of Ohio
RCRA	Resource Conservation and Recovery Act
RFP	Request for proposals
SAVE	Steps to Advance Virginia's Energy Plan
SEC	Securities and Exchange Commission
SMRP	Safety Modification and Replacement Program
STRIDE	Strategic Infrastructure Development Enhancement
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)
TSA	Transition Service Agreement
TDSIC	Transmission, Distribution and Storage System Improvement Charge
VSCC	Virginia State Corporation Commission

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 our 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 to our credit rating or the credit rating of certain of our subsidiaries; 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; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; potential incidents and other operating risks associated with our business; continuing and potential future impacts from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities;

fluctuations in demand from residential, commercial and industrial 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 impairment of goodwill; changes in taxation and accounting principles; 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; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, 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.

PART I

ITEM 1. FINANCIAL STATEMENTS

NiSource Inc.
Condensed Statements of Consolidated Income (Loss) (unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating Revenues				
Customer revenues	**$ 861.5**	$ 891.0	**$ 3,320.1**	$ 3,694.7
Other revenues	**41.0**	40.5	**150.6**	117.0
Total Operating Revenues	**902.5**	931.5	**3,470.7**	3,811.7
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**143.1**	196.7	**793.9**	1,130.5
Operation and maintenance	**379.9**	393.9	**1,177.6**	995.5
Depreciation and amortization	**180.6**	182.2	**542.4**	535.2
Loss on classification as held for sale	**35.6**	—	**400.2**	—
Loss (gain) on sale of fixed assets and impairments, net	**0.3**	(0.2)	**(0.4)**	(0.1)
Other taxes	**70.2**	67.9	**224.3**	221.9
Total Operating Expenses	**809.7**	840.5	**3,138.0**	2,883.0
Operating Income	**92.8**	91.0	**332.7**	928.7
Other Income (Deductions)				
Interest expense, net	**(95.2)**	(95.9)	**(285.1)**	(285.6)
Other, net	**8.0**	1.3	**19.9**	0.3
Loss on early extinguishment of long-term debt	**(243.4)**	—	**(243.4)**	—
Total Other Deductions, Net	**(330.6)**	(94.6)	**(508.6)**	(285.3)
Income (Loss) before Income Taxes	**(237.8)**	(3.6)	**(175.9)**	643.4
Income Taxes	**(64.9)**	(10.2)	**(73.9)**	121.0
Net Income (Loss)	**(172.9)**	6.6	**(102.0)**	522.4
Preferred dividends	**(13.8)**	(13.8)	**(41.4)**	(41.4)
Net Income (Loss) Available to Common Shareholders	**(186.7)**	(7.2)	**(143.4)**	481.0
Earnings (Loss) Per Share				
Basic Earnings (Loss) Per Share	**$ (0.49)**	$ (0.02)	**$ (0.37)**	$ 1.29
Diluted Earnings (Loss) Per Share	**$ (0.49)**	$ (0.02)	**$ (0.37)**	$ 1.28
Basic Average Common Shares Outstanding	**383.8**	374.1	**383.5**	373.8
Diluted Average Common Shares	**383.8**	374.1	**383.5**	375.2

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Statements of Consolidated Comprehensive Income (Loss) (unaudited)

(in millions, net of taxes)	Three Months Ended September 30, **2020**	Three Months Ended September 30, 2019	Nine Months Ended September 30, **2020**	Nine Months Ended September 30, 2019
Net Income (Loss)	**$ (172.9)**	$ 6.6	**$ (102.0)**	$ 522.4
Other comprehensive income (loss):				
Net unrealized gain on available-for-sale debt securities[1]	**1.4**	0.7	**1.7**	5.6
Net unrealized gain (loss) on cash flow hedges[2]	**26.0**	(50.6)	**(104.6)**	(100.4)
Unrecognized pension and OPEB benefit[3]	**0.9**	0.4	**1.9**	1.7
Total other comprehensive income (loss)	**28.3**	(49.5)	**(101.0)**	(93.1)
Comprehensive Income (Loss)	**$ (144.6)**	$ (42.9)	**$ (203.0)**	$ 429.3

[1] Net unrealized gain on available-for-sale debt securities, net of $0.4 million and $0.1 million tax expense in the third quarter of 2020 and 2019, respectively, and $0.5 million and $1.4 million tax expense for the nine months ended 2020 and 2019, respectively.
[2] Net unrealized gain (loss) on cash flow hedges, net of $8.6 million tax expense and $16.7 million tax benefit in the third quarter of 2020 and 2019, respectively, and $34.6 million and $33.2 million tax benefit for the nine months ended 2020 and 2019, respectively.
[3] Unrecognized pension and OPEB benefit, net of $0.2 million and $0.1 million tax expense in the third quarter of 2020 and 2019, respectively, and $0.1 million and $0.6 million tax expense for the nine months ended 2020 and 2019, respectively.

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited)

(in millions)	**September 30, 2020**	December 31, 2019
ASSETS		
Property, Plant and Equipment		
Utility plant	**$ 20,843.4**	$ 24,502.6
Accumulated depreciation and amortization	**(5,659.0)**	(7,609.3)
Net utility plant	**15,184.4**	16,893.3
Other property, at cost, less accumulated depreciation	**894.6**	18.9
Net Property, Plant and Equipment	**16,079.0**	16,912.2
Investments and Other Assets		
Unconsolidated affiliates	**0.9**	1.3
Available-for-sale debt securities (amortized cost of $156.1 and $150.1, allowance for credit losses of $0.7 and $0, respectively)	**161.8**	154.2
Other investments	**75.3**	74.7
Total Investments and Other Assets	**238.0**	230.2
Current Assets		
Cash and cash equivalents	**58.6**	139.3
Restricted cash	**9.0**	9.1
Accounts receivable	**560.7**	876.1
Allowance for credit losses	**(39.3)**	(19.2)
Accounts receivable, net	**521.4**	856.9
Gas inventory	**203.3**	250.9
Materials and supplies, at average cost	**127.0**	120.2
Electric production fuel, at average cost	**66.2**	53.6
Exchange gas receivable	**24.4**	48.5
Assets held for sale	**1,565.7**	—
Regulatory assets	**132.6**	225.7
Prepayments and other	**112.6**	149.7
Total Current Assets	**2,820.8**	1,853.9
Other Assets		
Regulatory assets	**1,915.6**	2,013.9
Goodwill	**1,485.9**	1,485.9
Deferred charges and other	**162.2**	163.7
Total Other Assets	**3,563.7**	3,663.5
Total Assets	**$ 22,701.5**	$ 22,659.8

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

NiSource Inc.
Condensed Consolidated Balance Sheets (unaudited) (continued)

(in millions, except share amounts)	**September 30, 2020**	December 31, 2019
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - $0.01 par value, 600,000,000 shares authorized; 383,114,130 and 382,135,680 shares outstanding, respectively	**$ 3.8**	$ 3.8
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 440,000 shares outstanding	**880.0**	880.0
Treasury stock	**(99.9)**	(99.9)
Additional paid-in capital	**6,684.2**	6,666.2
Retained deficit	**(1,849.6)**	(1,370.8)
Accumulated other comprehensive loss	**(193.6)**	(92.6)
Total Stockholders' Equity	**5,424.9**	5,986.7
Long-term debt, excluding amounts due within one year	**9,208.9**	7,856.2
Total Capitalization	**14,633.8**	13,842.9
Current Liabilities		
Current portion of long-term debt	**21.4**	13.4
Short-term borrowings	**1,388.2**	1,773.2
Accounts payable	**410.3**	666.0
Dividends payable - common stock	**80.5**	—
Dividends payable - preferred stock	**19.4**	—
Customer deposits and credits	**229.2**	256.4
Taxes accrued	**147.1**	231.6
Interest accrued	**95.4**	99.4
Risk management liabilities	**96.9**	12.6
Exchange gas payable	**46.3**	59.7
Regulatory liabilities	**156.0**	160.2
Liabilities held for sale	**451.8**	—
Legal and environmental	**17.2**	20.1
Accrued compensation and employee benefits	**141.7**	156.3
Claims accrued	**26.3**	165.4
Other accruals	**119.1**	131.5
Total Current Liabilities	**3,446.8**	3,745.8
Other Liabilities		
Risk management liabilities	**169.5**	134.0
Deferred income taxes	**1,439.5**	1,485.3
Deferred investment tax credits	**8.8**	9.7
Accrued insurance liabilities	**82.4**	81.5
Accrued liability for postretirement and postemployment benefits	**344.4**	373.2
Regulatory liabilities	**1,936.8**	2,352.0
Asset retirement obligations	**424.8**	416.9
Other noncurrent liabilities	**214.7**	218.5
Total Other Liabilities	**4,620.9**	5,071.1
Commitments and Contingencies (Refer to Note 18, "Other Commitments and Contingencies")	**—**	—
Total Capitalization and Liabilities	**$ 22,701.5**	$ 22,659.8

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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NiSource Inc.
Condensed Statements of Consolidated Cash Flows (unaudited)

Nine Months Ended September 30, *(in millions)*	2020	2019
Operating Activities		
Net Income (Loss)	**$ (102.0)**	$ 522.4
Adjustments to Reconcile Net Income (Loss) to Net Cash from Operating Activities:		
Loss on early extinguishment of debt	**243.4**	—
Depreciation and amortization	**542.4**	535.2
Deferred income taxes and investment tax credits	**(70.8)**	120.4
Loss on classification as held for sale	**400.2**	—
Other adjustments	**13.3**	18.8
Changes in Assets and Liabilities:		
Components of working capital	**(148.6)**	146.8
Regulatory assets/liabilities	**9.9**	(70.0)
Deferred charges and other noncurrent assets	**(24.6)**	(76.4)
Other noncurrent liabilities	**(4.6)**	34.6
Net Cash Flows from Operating Activities	**858.6**	1,231.8
Investing Activities		
Capital expenditures	**(1,292.2)**	(1,310.0)
Cost of removal	**(102.1)**	(84.5)
Purchases of available-for-sale securities	**(94.8)**	(104.0)
Sales of available-for-sale securities	**88.9**	104.1
Other investing activities	**0.3**	0.6
Net Cash Flows used for Investing Activities	**(1,399.9)**	(1,393.8)
Financing Activities		
Proceeds from issuance of long-term debt	**2,974.0**	750.0
Repayments of long-term debt and finance lease obligations	**(1,616.4)**	(48.5)
Issuance of short-term debt (maturity > 90 days)	**1,350.0**	600.0
Repayment of short-term debt (maturity > 90 days)	**(1,350.0)**	(550.0)
Change in short-term borrowings, net (maturity ≤ 90 days)	**(385.0)**	(412.1)
Issuance of common stock, net of issuance costs	**11.2**	10.9
Equity costs, premiums and other debt related costs	**(246.5)**	(11.9)
Dividends paid - common stock	**(241.1)**	(223.8)
Dividends paid - preferred stock	**(35.7)**	(36.7)
Net Cash Flows from Financing Activities	**460.5**	77.9
Change in cash, cash equivalents and restricted cash	**(80.8)**	(84.1)
Cash, cash equivalents and restricted cash at beginning of period	**148.4**	121.1
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 67.6**	$ 37.0

Supplemental Disclosures of Cash Flow Information

Nine Months Ended September 30, *(in millions)*	2020	2019
Non-cash transactions:		
Capital expenditures included in current liabilities	**$ 159.6**	$ 187.1
Dividends declared but not paid	**99.9**	94.1
Assets recorded for asset retirement obligations	**$ 70.3**	$ 12.8

The accompanying Notes to Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited)

(in millions)	Common Stock	Preferred Stock[(1)]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of July 1, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,676.5**	**$ (1,576.7)**	**$ (221.9)**	**$ 5,661.8**
Comprehensive Loss:							
Net loss	—	—	—	—	(172.9)	—	(172.9)
Other comprehensive income, net of tax	—	—	—	—	—	28.3	28.3
Dividends:							
Common stock ($0.21 per share)	—	—	—	—	(80.6)	—	(80.6)
Preferred stock (See Note 5)	—	—	—	—	(19.4)	—	(19.4)
Stock issuances:							
Employee stock purchase plan	—	—	—	1.5	—	—	1.5
Long-term incentive plan	—	—	—	3.2	—	—	3.2
401(k) and profit sharing	—	—	—	3.0	—	—	3.0
Balance as of September 30, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,684.2**	**$ (1,849.6)**	**$ (193.6)**	**$ 5,424.9**

[(1)]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

(in millions)	Common Stock	Preferred Stock[(1)]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of January 1, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,666.2**	**$ (1,370.8)**	**$ (92.6)**	**$ 5,986.7**
Comprehensive Loss:							
Net loss	—	—	—	—	(102.0)	—	(102.0)
Other comprehensive loss, net of tax	—	—	—	—	—	(101.0)	(101.0)
Dividends:							
Common stock ($0.84 per share)	—	—	—	—	(321.7)	—	(321.7)
Preferred stock (See Note 5)	—	—	—	—	(55.1)	—	(55.1)
Stock issuances:							
Employee stock purchase plan	—	—	—	4.2	—	—	4.2
Long-term incentive plan	—	—	—	3.1	—	—	3.1
401(k) and profit sharing	—	—	—	10.7	—	—	10.7
Balance as of September 30, 2020	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,684.2**	**$ (1,849.6)**	**$ (193.6)**	**$ 5,424.9**

[(1)]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

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NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of July 1, 2019	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,417.1**	**$ (1,144.0)**	**$ (80.8)**	**$ 5,976.2**
Comprehensive Loss:							
Net income	—	—	—	—	6.6	—	6.6
Other comprehensive loss, net of tax	—	—	—	—	—	(49.5)	(49.5)
Dividends:							
Common stock ($0.20 per share)	—	—	—	—	(74.8)	—	(74.8)
Preferred stock (See Note 5)	—	—	—	—	(19.4)	—	(19.4)
Stock issuances:							
Employee stock purchase plan	—	—	—	1.5	—	—	1.5
Long-term incentive plan	—	—	—	3.6	—	—	3.6
401(k) and profit sharing	—	—	—	4.3	—	—	4.3
Balance as of September 30, 2019	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,426.5**	**$ (1,231.6)**	**$ (130.3)**	**$ 5,848.5**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

(in millions)	Common Stock	Preferred Stock[1]	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total
Balance as of January 1, 2019	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,403.5**	**$ (1,399.3)**	**$ (37.2)**	**$ 5,750.9**
Comprehensive Income:							
Net income	—	—	—	—	522.4	—	522.4
Other comprehensive loss, net of tax	—	—	—	—	—	(93.1)	(93.1)
Dividends:							
Common stock ($0.80 per share)	—	—	—	—	(298.6)	—	(298.6)
Preferred stock (See Note 5)	—	—	—	—	(56.1)	—	(56.1)
Stock issuances:							
Employee stock purchase plan	—	—	—	4.2	—	—	4.2
Long-term incentive plan	—	—	—	5.7	—	—	5.7
401(k) and profit sharing	—	—	—	13.1	—	—	13.1
Balance as of September 30, 2019	**$ 3.8**	**$ 880.0**	**$ (99.9)**	**$ 6,426.5**	**$ (1,231.6)**	**$ (130.3)**	**$ 5,848.5**

[1]Series A and Series B shares have an aggregate liquidation preference of $400M and $500M, respectively. See Note 5, "Equity" for additional information.

NiSource Inc.
Condensed Statements of Consolidated Equity (unaudited) (continued)

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of July 1, 2020	**440**	**386,880**	**(3,963)**	**382,917**
Issued:				
Employee stock purchase plan	—	65	—	65
Long-term incentive plan	—	2	—	2
401(k) and profit sharing	—	130	—	130
Balance as of September 30, 2020	**440**	**387,077**	**(3,963)**	**383,114**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2020	**440**	**386,099**	**(3,963)**	**382,136**
Issued:				
Employee stock purchase plan	—	171	—	171
Long-term incentive plan	—	381	—	381
401(k) and profit sharing	—	426	—	426
Balance as of September 30, 2020	**440**	**387,077**	**(3,963)**	**383,114**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of July 1, 2019	**440**	**377,212**	**(3,963)**	**373,249**
Issued:				
Employee stock purchase plan	—	51	—	51
Long-term incentive plan	—	1	—	1
401(k) and profit sharing	—	146	—	146
Balance as of September 30, 2019	**440**	**377,410**	**(3,963)**	**373,447**

	Preferred	Common		
Shares *(in thousands)*	**Shares**	**Shares**	**Treasury**	**Outstanding**
Balance as of January 1, 2019	**420**	**376,326**	**(3,963)**	**372,363**
Issued:				
Preferred stock	20	—	—	—
Employee stock purchase plan	—	153	—	153
Long-term incentive plan	—	465	—	465
401(k) and profit sharing	—	466	—	466
Balance as of September 30, 2019	**440**	**377,410**	**(3,963)**	**373,447**

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Accounting Presentation

Our accompanying Condensed Consolidated Financial Statements (unaudited) reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with GAAP in the United States of America. The accompanying financial statements contain our accounts and that of our majority-owned or controlled subsidiaries.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

The Condensed Consolidated Financial Statements (unaudited) have been prepared pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made in this Quarterly Report on Form 10-Q are adequate to make the information herein not misleading.

We continue to monitor how COVID-19 is affecting our workforce, customers, suppliers, operations, financial results and cash flow. The extent of the impact in the future will vary and depend on the duration and severity of the impact on the global, national and local economies. See Note 3, “Revenue Recognition,” Note 9, “Regulatory Matters,” and Note 14, “Income Taxes,” for information on COVID-19.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

2. Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited), which are described below:

Standard	Description	Effective Date	Effect on the financial statements or other significant matters
ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*	This pronouncement modifies the disclosure requirements for defined benefit pension or other postretirement benefit plans. The guidance removes disclosures that are no longer considered cost beneficial, clarifies the specific requirements of disclosures and adds disclosure requirements identified as relevant. The modifications affect annual period disclosures and must be applied on a retrospective basis to all periods presented.	Annual periods ending after December 15, 2020. Early adoption is permitted.	We have held discussions with our third-party specialist and identified the disclosure requirements that will impact our Notes to Condensed Consolidated Financial Statements (unaudited). We will adopt this ASU on its effective date.
ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*	This pronouncement simplifies the accounting for income taxes by eliminating certain exceptions to the general principles in ASC 740, income taxes. It also improves consistency of application for other areas of the guidance by clarifying and amending existing guidance.	Annual periods beginning after December 15, 2020 Early adoption is permitted.	We have evaluated the amendments of this pronouncement and determined it does not have an impact on the Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited). We continue to monitor the guidance as it relates to new activity or transactions that could impact our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited). We expect to adopt this ASU on its effective date.
ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Statements*	This pronouncement provides temporary optional expedients and exceptions for applying GAAP principles to contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates.	Upon issuance on March 12, 2020, and will apply though December 31, 2022.	We continue to evaluate the temporary expedients and options available under this guidance, and the effects of this pronouncement on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited). We are currently identifying and evaluating contracts that may be impacted. As of September 30, 2020, we have not applied any expedients and options available under this ASU.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Standard	Description	Effective Date	Effect on the financial statements or other significant matters
ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*	This pronouncement simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Specifically, the ASU "simplifies accounting for convertible instruments by removing major separation models required under current GAAP." In addition, the ASU "removes certain settlement conditions that are required for equity contracts to qualify for it" and "simplifies the diluted earnings per share (EPS) calculations in certain areas."	Annual period beginning after December 15, 2021. Early adoption is permitted for annual period beginning after December 15, 2020.	This pronouncement does not impact any securities we currently have on our balance sheet. We will continue to evaluate the effects of this pronouncement on our Condensed Consolidated Financial Statements (unaudited) and Notes to Condensed Consolidated Financial Statements (unaudited) as it pertains to any relevant future activity. We are currently evaluating the timing of our adoption of this ASU.

Recently Adopted Accounting Pronouncements

Standard	Adoption
ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326)*	In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (ASC 326). ASC 326 revised the GAAP guidance on the impairment of most financial assets and certain other instruments that are not measured at fair value through net income. ASC 326 introduces the current expected credit loss (CECL) model that is based on expected losses for instruments measured at amortized cost rather than incurred losses. It also requires entities to record an allowance for available-for-sale debt securities rather than impair the carrying amount of the securities. Subsequent improvements to the estimated credit losses of available-for-sale debt securities will be recognized immediately in earnings, instead of over-time as they would under historic guidance. In 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivative and Hedging, and Topic 825, Financial Instruments. This pronouncement clarified and improved certain areas of guidance related to the recently issued standards on credit losses, hedging, and recognition and measurement. We adopted ASC 326 effective January 1, 2020, using a modified retrospective method. Adoption of this standard did not have material impact on our Condensed Consolidated Financial Statements (unaudited). No adjustments were made to the January 1, 2020 opening balances as a result of this adoption. As required under the modified retrospective method of adoption, results for the reporting periods beginning after January 1, 2020 are presented under ASC 326, while prior period amounts are not adjusted. See Note 3, "Revenue Recognition," and Note 11, "Fair Value," for our discussion of the implementing these standards.

3. Revenue Recognition

Revenue Disaggregation and Reconciliation. We disaggregate revenue from contracts with customers based upon reportable segment, as well as by customer class. As our revenues are primarily earned over a period of time and we do not earn a material amount of revenues at a point in time, revenues are not disaggregated as such below. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, Indiana and Massachusetts. The sale of the Massachusetts Business was completed on October 9, 2020. Refer to Note 6, "Assets and Liabilities Held for Sale," for further details. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The tables below reconcile revenue disaggregation by customer class to segment revenue, as well as to revenues reflected on the Condensed Statements of Consolidated Income (Loss) (unaudited) for the three and nine months ended September 30, 2020 and September 30, 2019:

Three Months Ended September 30, 2020 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 306.9	$ 164.8	$ —	$ 471.7
Commercial	91.8	132.3	—	224.1
Industrial	42.8	102.7	—	145.5
Off-system	6.0	—	—	6.0
Miscellaneous	6.8	7.2	0.2	14.2
Total Customer Revenues	$ 454.3	$ 407.0	$ 0.2	$ 861.5
Other Revenues[2]	15.8	25.2	—	41.0
Total Operating Revenues	$ 470.1	$ 432.2	$ 0.2	$ 902.5

[1] Customer revenue amounts exclude intersegment revenues. See Note 21, "Business Segment Information," for discussion of intersegment revenues.
[2] Other revenues represent revenue earned under alternative revenue programs.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Three Months Ended September 30, 2019 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 288.3	$ 148.7	$ —	$ 437.0
Commercial	90.9	136.3	—	227.2
Industrial	45.3	151.5	—	196.8
Off-system	16.9	—	—	16.9
Miscellaneous	9.8	3.1	0.2	13.1
Total Customer Revenues	$ 451.2	$ 439.6	$ 0.2	$ 891.0
Other Revenues[2]	12.4	28.1	—	40.5
Total Operating Revenues	$ 463.6	$ 467.7	$ 0.2	$ 931.5

(1) Customer revenue amounts exclude intersegment revenues. See Note 21, "Business Segment Information," for discussion of intersegment revenues.
(2) Other revenues represent revenue earned under alternative revenue programs.

Nine Months Ended September 30, 2020 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 1,518.1	$ 411.5	$ —	$ 1,929.6
Commercial	483.9	365.4	—	849.3
Industrial	165.6	301.1	—	466.7
Off-system	32.7	—	—	32.7
Miscellaneous	24.6	16.6	0.6	41.8
Total Customer Revenues	$ 2,224.9	$ 1,094.6	$ 0.6	$ 3,320.1
Other Revenues[2]	79.5	71.1	—	150.6
Total Operating Revenues	$ 2,304.4	$ 1,165.7	$ 0.6	$ 3,470.7

(1) Customer revenue amounts exclude intersegment revenues. See Note 21, "Business Segment Information," for discussion of intersegment revenues.
(2) Other revenues represent revenue earned under alternative revenue programs.

Nine Months Ended September 30, 2019 *(in millions)*	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Customer Revenues[1]				
Residential	$ 1,638.6	$ 373.4	$ —	$ 2,012.0
Commercial	543.2	370.7	—	913.9
Industrial	181.1	470.6	—	651.7
Off-system	60.4	—	—	60.4
Miscellaneous	39.4	16.7	0.6	56.7
Total Customer Revenues	$ 2,462.7	$ 1,231.4	$ 0.6	$ 3,694.7
Other Revenues[2]	43.5	73.5	—	117.0
Total Operating Revenues	$ 2,506.2	$ 1,304.9	$ 0.6	$ 3,811.7

(1) Customer revenue amounts exclude intersegment revenues. See Note 21, "Business Segment Information," for discussion of intersegment revenues.
(2) Other revenues represent revenue earned under alternative revenue programs.

Customer Accounts Receivable. Accounts receivable on our Condensed Consolidated Balance Sheets (unaudited) includes both billed and unbilled amounts, as well as certain amounts that are not related to customer revenues. Unbilled amounts of accounts receivable relate to a portion of a customer's consumption of gas or electricity from the date of the last cycle billing through the last day of the month (balance sheet date). Factors taken into consideration when estimating unbilled revenue include historical usage, customer rates and weather. The opening and closing balances of customer receivables for the nine months ended September 30, 2020 are presented in the table below. We had no significant contract assets or liabilities during the period. Additionally, we have not incurred any significant costs to obtain or fulfill contracts.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

(in millions)	Customer Accounts Receivable, Billed (less reserve)	Customer Accounts Receivable, Unbilled (less reserve)
Balance as of December 31, 2019	$ 466.6	$ 346.6
Balance as of September 30, 2020	291.0	178.8
Decrease	$ (175.6)	$ (167.8)

Utility revenues are billed to customers monthly on a cycle basis. We generally expect that substantially all customer accounts receivable will be collected within the month following customer billing, as this revenue consists primarily of monthly, tariff-based billings for service and usage. We maintain common utility credit risk mitigation practices, including requiring deposits and actively pursuing collection of past due amounts. Our regulated operations also utilize certain regulatory mechanisms that facilitate recovery of bad debt costs within tariff-based rates, which provides further evidence of collectibility. In connection with COVID-19, certain state regulatory commissions instituted regulatory moratoriums that impacted our ability to pursue our standard credit risk mitigation practices. Following the issuance of these moratoriums, certain of our regulated operations have been authorized to recognize a regulatory asset for bad debt costs above levels currently in rates. While several of these moratoriums remain in place, we have reinstated our common credit mitigation practices where moratoriums have expired (see Note 9, "Regulatory Matters," for additional information on regulatory moratoriums and regulatory assets). It is probable that substantially all of the consideration to which we are entitled from customers will be collected upon satisfaction of performance obligations.

Allowance for Credit Losses. We adopted ASC 326 effective January 1, 2020. See "Recently Adopted Accounting Pronouncements" in Note 2, "Recent Accounting Pronouncements," for more information about ASC 326.

Each of our business segments pool their customer accounts receivables based on similar risk characteristics, such as customer type, geography, payment terms, and related macro-economic risks. Expected credit loss exposure is evaluated separately for each of our accounts receivable pools. Expected credit losses are established using a model that considers historical collections experience, current information, and reasonable and supportable forecasts. Relevant and reliable internal and external inputs used in the model include, but are not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-off orders executed data, and final bill data. We continuously evaluate available reasonable and supportable information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or when required by changes in facts and circumstances. When we become aware of a specific commercial or industrial customer's inability to pay, an allowance for expected credit losses is recorded for the relevant amount. We also monitor other circumstances that could affect our overall expected credit losses; these include, but are not limited to, creditworthiness of overall population in service territories, adverse conditions impacting an industry sector, and current economic conditions.

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At each reporting period, we record expected credit losses using an allowance for credit losses account. When deemed to be uncollectible, customer accounts are written-off. A rollforward of our allowance for credit losses for the three and nine months ended September 30, 2020 are presented in the tables below:

Three Months Ended September 30, 2020 (*in millions*)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Beginning balance	$ 25.4	$ 5.2	$ 0.8	$ 31.4
Current period provisions	8.2	2.3	—	10.5
Write-offs charged against allowance	(4.3)	(0.5)	—	(4.8)
Recoveries of amounts previously written off	2.2	—	—	2.2
Ending balance of the allowance for credit losses	$ 31.5	$ 7.0	$ 0.8	$ 39.3

Nine Months Ended September 30, 2020 (*in millions*)	Gas Distribution Operations	Electric Operations	Corporate and Other	Total
Beginning balance[(1)]	9.1	3.1	0.8	13.0
Current period provisions	30.6	6.7	—	37.3
Write-offs charged against allowance	(18.1)	(3.0)	—	(21.1)
Recoveries of amounts previously written off	9.9	0.2	—	10.1
Ending balance of the allowance for credit losses	31.5	7.0	0.8	39.3

[(1)]Total beginning balance differs from that presented in the Condensed Statements of Consolidated Balance Sheet (unaudited) as it excludes Columbia of Massachusetts. Columbia of Massachusetts' customer receivables and related allowance for credit losses are classified as held for sale at September 30, 2020.

As of September 30, 2020, we have also evaluated the adequacy of our allowance for credit losses in light of the suspension of shut-offs for nonpayment due to COVID-19 that remain in effect for certain jurisdictions, as well as the economic downturn. Our evaluation included an analysis of customer payment trends in 2020, economic conditions, receivables aging, and considerations of past economic downturns and corresponding allowance for credit losses and customer account write-offs. In addition, we considered benefits available under governmental COVID-19 relief programs, the impact of unemployment benefits initiatives, and flexible payment plans being offered to customers affected by or experiencing hardship as a result of COVID-19, which could help to mitigate the potential for increasing customer account delinquencies. Based upon this evaluation, we have concluded that the allowance for credit losses as of September 30, 2020 adequately reflected the collection risk and net realizable value for our receivables. We will continue to monitor changing circumstances and will adjust our allowance for credit losses as additional information becomes available.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

4. Earnings Per Share

Basic EPS is computed by dividing net income (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding for the period. The weighted-average shares outstanding for diluted EPS includes the incremental effects of the various long-term incentive compensation plans and forward agreements when the impact would be dilutive. The dilutive effects of forward agreements for the nine months ended September 30, 2019 relate to forward agreements settled in the fourth quarter of 2019. The computation of diluted average common shares for the three and nine months ended September 30, 2020 and the three months ended September 30, 2019 is not presented as we had a net loss on the Condensed Statements of Consolidated Income (Loss) (unaudited) during those periods, and any incremental shares would have had an anti-dilutive impact on EPS. The computation of diluted average common shares is as follows:

(in thousands)	**Nine Months Ended September 30,** 2019
Denominator	
Basic average common shares outstanding	373,796
Dilutive potential common shares:	
Shares contingently issuable under employee stock plans	919
Shares restricted under employee stock plans	141
Forward Agreements	339
Diluted Average Common Shares	375,195

5. Equity

Common Stock. As of September 30, 2020, we had 600,000,000 shares of common stock authorized for issuance, of which 383,114,130 shares were outstanding.

ATM Program and Forward Sale Agreements. On November 1, 2018, we entered into five separate equity distribution agreements pursuant to which we were able to sell up to an aggregate of $500.0 million of our common stock. Four of these agreements were then amended on August 1, 2019, and one was terminated. Pursuant to the four agreements, as amended, we may sell, from time to time, up to an aggregate of $434.4 million of our common stock.

On August 6, 2020, under the ATM program, we executed a forward agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. From August 7, 2020 to September 3, 2020, 2,809,029 shares were borrowed from third parties and sold by the dealer at a weighted average price of $23.25 per share. We may settle this agreement in shares, cash, or net shares by December 15, 2020. Had we settled all the shares under the forward agreement at September 30, 2020, we would have received approximately $64.6 million, based on a net price of $23.01 per share.

On September 4, 2020, under the ATM program, we executed a separate forward agreement similar to that discussed above. From September 4, 2020 to September 16, 2020, 1,452,102 shares were borrowed from third parties and sold by the dealer at a weighted average price of $22.28 per share. We may settle this agreement in shares, cash, or net shares by December 15, 2020. Had we settled all the shares under the forward agreement at September 30, 2020, we would have received approximately $32.0 million, based on a net price of $22.05 per share.

As of September 30, 2020, the ATM program (including the impacts of the forward sale agreements discussed above) had approximately $103.0 million of equity available for issuance. The program expires on December 31, 2020.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Preferred Stock. As of September 30, 2020, we had 20,000,000 shares of preferred stock authorized for issuance, of which 440,000 shares of preferred stock in the aggregate for all series were outstanding. The following table displays preferred dividends declared for the period by outstanding series of shares:

			Three Months Ended September 30,		Nine Months Ended September 30,		September 30,	December 31,
			2020	2019	2020	2019	2020	2019
(in millions except shares and per share amounts)	Liquidation Preference Per Share	Shares	Dividends Declared Per Share				Outstanding	
5.650% Series A	$ 1,000.00	400,000	28.25	28.25	56.50	56.50	$ 393.9	$ 393.9
6.500% Series B	$ 25,000.00	20,000	406.25	406.25	1,625.00	1,674.65	$ 486.1	$ 486.1

In addition, 20,000 shares of Series B–1 Preferred Stock, par value $0.01 per share, were outstanding as of September 30, 2020. Holders of Series B–1 Preferred Stock are not entitled to receive dividend payments and have no conversion rights. The Series B–1 Preferred Stock is paired with the Series B Preferred Stock and may not be transferred, redeemed or repurchased except in connection with the simultaneous transfer, redemption or repurchase of the underlying Series B Preferred Stock.

As of September 30, 2020, Series A Preferred Stock had $6.7 million of cumulative preferred dividends in arrears, or $16.63 per share, and Series B Preferred Stock had $1.4 million of cumulative preferred dividends in arrears, or $72.23 per share.

6. Assets and Liabilities Held For Sale

On February 26, 2020, NiSource and Columbia of Massachusetts entered into an Asset Purchase Agreement with Eversource (the "Asset Purchase Agreement"). Upon the terms and subject to the conditions set forth in the Asset Purchase Agreement, NiSource and Columbia of Massachusetts agreed to sell to Eversource, with certain additions and exceptions: (1) substantially all of the assets of Columbia of Massachusetts and (2) all of the assets held by any of Columbia of Massachusetts' affiliates that primarily relate to the Massachusetts Business, and Eversource agreed to assume certain liabilities of Columbia of Massachusetts and its affiliates. The liabilities assumed by Eversource under the Asset Purchase Agreement did not include, among others, any liabilities arising out of the Greater Lawrence Incident or liabilities of Columbia of Massachusetts or its affiliates pursuant to civil claims for injury of persons or damage to property to the extent such injury or damage occurs prior to the closing in connection with the Massachusetts Business.

On July 2, 2020, NiSource, Columbia of Massachusetts, Eversource and Eversource Gas Company of Massachusetts, a wholly-owned subsidiary of Eversource ("EGMA"), filed with the Massachusetts DPU a joint petition for the approval of the purchase and sale of the Massachusetts Business ("the Transaction") and a proposed multi-year rate plan. Additionally, the petition sought approval of a settlement agreement executed on July 2, 2020 (the "Settlement Agreement") among, NiSource, Columbia of Massachusetts, Eversource, EGMA, the Massachusetts Attorney General's Office ("Massachusetts AGO"), the Massachusetts Department of Energy Resources ("DOER"), and the Low-Income Weatherization and Fuel Assistance Program Network. Under the terms of the Settlement Agreement, NiSource agreed to make a payment in lieu of penalties in full settlement of all of the pending and potential claims, lawsuits, investigations or proceedings settled by and released by the Settlement Agreement in the amount of $56.0 million. This payment, which was withheld from the proceeds received from Eversource, will be used to create an Energy Relief Fund that will benefit customers of the Massachusetts Business.

The Settlement Agreement was conditioned on its approval in full by the Massachusetts DPU no later than September 30, 2020; however, this deadline was extended to October 7, 2020. The Settlement Agreement was approved by the Massachusetts DPU on October 7, 2020, and the closing of the Transaction occurred on October 9, 2020. On October 9, 2020, NiSource and Columbia of Massachusetts received net proceeds from the sale of $1,112.6 million, which includes the $1,100.0 million purchase price and an estimate of Columbia of Massachusetts' net working capital, net of closing costs and the $56.0 million payment in lieu of penalties. Under the Asset Purchase Agreement, the final net working capital amount will be determined within 120 days from the closing date. In connection with the sale of the Massachusetts Business, NiSource and Eversource entered into a Transition Services Agreement (TSA). See Note 18-B, "Legal Proceedings," and Note 18-D, "Other Matters," for additional information regarding the sale and TSA, respectively.

As of September 30, 2020, the Massachusetts Business continues to meet the requirements under GAAP to be classified as held for sale, and the assets and liabilities of the Massachusetts Business are measured at fair value, less costs to sell. Our estimated

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

total pre-tax loss on classification as held for sale recorded in the the three and nine months ended September 30, 2020 is $35.6 million and $400.2 million, respectively, based on September 30, 2020 asset and liability balances, estimated net working capital and estimated transaction costs, including the $56.0 million payment in lieu of penalties described above. This estimated pre-tax loss is presented as Loss on Classification as Held for Sale on the Condensed Statements of Consolidated Income (Loss) (unaudited) and is subject to change based on actual transaction costs, net working capital, and asset and liability balances as of the close of the transaction on October 9, 2020.

The Massachusetts Business had the following pretax income (loss) for the three and nine months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
(in millions)	**2020**	2019	**2020**	2019
Pretax Income (Loss)	($74.1)	($55.2)	($402.9)	$183.5

The pretax income (loss) amounts exclude allocated executive compensation expense and interest expense for intercompany and external debt that was not assumed by Eversource or required to be repaid at closing. The pretax income (loss) amounts for the three and nine months ended September 30, 2020 and 2019 include costs directly related to the Greater Lawrence Incident. In addition, the pretax loss amounts for the three and nine months ended September 30, 2020 include the Loss on Classification as Held for Sale. The major classes of assets and liabilities classified as held for sale on the Condensed Consolidated Balance Sheets (unaudited) at September 30, 2020 were:

(in millions)

Assets Held for Sale	Net Property, Plant and Equipment	Total Current Assets	Total Other Assets	Loss on Classification as Held for Sale[1]	Total Assets Held for Sale
Gas Distribution Operations	1,705.0	161.5	91.8	(392.6)	1,565.7

Liabilities Held for Sale	Long-term Debt, Excluding Amounts Due Within One Year	Total Current Liabilities	Total Other Liabilities	Total Liabilities Held for Sale
Gas Distribution Operations	41.6	60.1	350.1	451.8

[1] Amount differs from that presented in the Condensed Statements of Consolidated Income (Loss) (unaudited) due to cash already paid for certain transaction costs.

7. Property, Plant and Equipment

In the second quarter of 2020, we received approval from MISO to retire the R.M. Schahfer Generating Station in 2023. As a result of this approval, we have reclassified $903.8 million in net book value of certain plant and equipment for the R.M. Schahfer Generating Station from “Net utility plant” to “Other Property, at cost, less accumulated depreciation” on the Condensed Consolidated Balance Sheets (unaudited). The amount of plant and equipment reclassified to other property is based on current estimates of the plant and equipment that will not be utilized at retirement. As more information about plant and equipment that can be utilized beyond 2023 becomes available, additional amounts may be reclassified to other property. Depreciation expense will continue to be recorded at the composite depreciation rate approved by the IURC. See Note 18-D, "Other Matters," for additional information.

8. Asset Retirement Obligations

During 2020, we made revisions to the estimated costs associated with refining the CCR compliance plan. The CCR rule requires the continued collection of data over time to determine the specific compliance solution. The change in estimated costs resulted in an increase to the asset retirement obligation liability of $70.3 million that was recorded in 2020. See Note 18-C, "Environmental Matters," for additional information on CCRs.

9. Regulatory Matters

Cost Recovery and Trackers

Comparability of our line item operating results is impacted by regulatory trackers that allow for the recovery in rates of certain costs such as those described below. Increases in the expenses that are the subject of trackers generally result in a corresponding increase in operating revenues and, therefore, have essentially no impact on total operating income results.

Certain costs of our operating companies are significant, recurring in nature and generally outside the control of the operating companies. Some states allow the recovery of such costs through cost tracking mechanisms. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for the operating companies to implement charges and recover appropriate costs. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanisms. Examples of such mechanisms include GCR adjustment mechanisms, tax riders, bad debt recovery mechanisms, electric energy efficiency programs, MISO non-fuel costs and revenues, resource capacity charges, federally mandated costs and environmental-related costs.

A portion of the Gas Distribution revenue is related to the recovery of gas costs, the review and recovery of which occurs through standard regulatory proceedings. All states in our operating area require periodic review of actual gas procurement activity to determine prudence and to permit the recovery of prudently incurred costs related to the supply of gas for customers. Our distribution companies have historically been found prudent in the procurement of gas supplies to serve customers.

A portion of the Electric Operations revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, a quarterly regulatory proceeding in Indiana.

Infrastructure Replacement and Federally-Mandated Compliance Programs

All of our operating utility companies have completed rate proceedings involving infrastructure replacement or enhancement, and have embarked upon initiatives to replace significant portions of their operating systems that are nearing the end of their useful lives. Each company's approach to cost recovery is unique, given the different laws, regulations and precedent that exist in each jurisdiction.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table describes the most recent vintage of our regulatory programs to recover infrastructure replacement and other federally-mandated compliance investments currently in rates and those pending commission approval:

(in millions)

Company	Program	Incremental Revenue	Incremental Capital Investment	Investment Period	Filed	Status	Rates Effective
Columbia of Ohio	IRP - 2020	32.9	234.4	1/19-12/19	February 28, 2020	Approved April 22, 2020	May 2020
Columbia of Ohio	CEP - 2020	18.0	185.1	1/19-12/19	February 28, 2020	Approved August 12, 2020	September 2020
NIPSCO - Gas	TDSIC 11[2]	(1.7)	38.7	5/19-12/19	February 25, 2020	Approved June 24, 2020	July 2020
NIPSCO - Gas	TDSIC 1	1.3	26.0	1/20-6/20	August 25, 2020	Order Expected December 2020	January 2021
NIPSCO - Gas	FMCA 3[3]	0.3	43.0	4/19-9/19	November 26, 2019	Approved March 31, 2020	April 2020
NIPSCO - Gas	FMCA 4[3]	1.6	43.2	10/19-3/20	May 26, 2020	Approved September 23, 2020	October 2020
Columbia of Virginia	SAVE - 2020	3.8	50.0	1/20-12/20	August 15, 2019	Approved December 6, 2019	January 2020
Columbia of Virginia	SAVE - 2021	5.2	46.4	1/21-12/21	July 24, 2020	Order Expected November 2020	January 2021
Columbia of Kentucky	SMRP - 2020	4.2	40.4	1/20-12/20	October 15, 2019	Approved December 20, 2019	January 2020
Columbia of Kentucky	SMRP - 2021	5.8	50.0	1/21-12/21	October 15, 2020	Order Expected Q1 2021	Q1 2021
Columbia of Maryland	STRIDE - 2020	1.3	15.0	1/20-12/20	January 29, 2020	Approved February 19, 2020	February 2020
Columbia of Maryland	STRIDE - 2021	1.3	16.9	1/21-12/21	October 29, 2020	Order Expected December 2020	January 2021
NIPSCO - Electric	TDSIC - 6	28.1	131.1	12/18-6/19	August 21, 2019	Approved December 18, 2019	January 2020
NIPSCO - Electric	TDSIC - 7[1]	13.0	122.3	7/19-7/20	September 29, 2020	Order Expected January 2021	February 2021
NIPSCO - Electric	FMCA - 12[3]	1.6	4.7	3/19-8/19	October 18, 2019	Approved January 29, 2020	February 2020
NIPSCO - Electric	FMCA - 13[3][4]	(1.2)	—	9/19-2/20	April 15, 2020	Approved July 29, 2020	August 2020
Columbia of Pennsylvania	DSIC - Q1 2020	0.9	28.2	12/19-2/20	April 27, 2020	Approved May 4, 2020	May 2020
Columbia of Pennsylvania	DSIC - Q2 2020	0.8	28.6	3/20-5/20	June 19, 2020	Approved June 29, 2020	July 2020
Columbia of Pennsylvania	DSIC - Q3 2020	2.6	85.0	6/20-8/20	September 18, 2020	Approved September 30, 2020	October 2020

[1]Incremental capital and revenue are net of amounts included in the step 2 rates.
[2]Incremental revenue is net of amounts included in the step 2 rates and reflects a more typical 6-month filing period.
[3]Incremental revenue is inclusive of tracker eligible operations and maintenance expense.
[4]No eligible capital investments were made during the investment period.

ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Rate Case Actions

The following table describes current rate case actions as applicable in each of our jurisdictions net of tracker impacts:

(in millions)

Company	Requested Incremental Revenue	Approved or Settled Incremental Revenue	Filed	Status	Rates Effective
NIPSCO - Electric[1]	$ 21.4	$ (53.5)	October 31, 2018	Approved December 4, 2019	January 2020
Columbia of Pennsylvania	$ 100.4	in process	April 24, 2020	Order Expected Q1 2021	January 2021
Columbia of Maryland[2]	$ 5.0	$ 2.0	May 15, 2020	Order Expected November 2020	December 2020

[1]Rates were implemented in two steps, with implementation of step 1 rates effective on January 2, 2020 and step 2 rates effective on March 2, 2020.
[2]On October 7, 2020, the Public Utility Law Judge issued a proposed order approving a settlement under which the parties to the case agreed upon the $2.0 million incremental revenue. The proposed order will become a final order on November 7, 2020, unless it is modified or reversed by the Maryland PSC.

COVID-19 Regulatory Filings

In response to COVID-19, we have engaged, or have received directives from, the regulatory commissions in the states in which we operate, as described below.

Columbia of Ohio filed a Deferral Application and a Transition Plan with the PUCO on May 29, 2020. The Deferral Application requested approval to record a regulatory asset for COVID-19 incremental costs, foregone revenue from late payment fees, and bad debt expense from certain classes of customers. An order approving the Deferral Application was received on July 15, 2020. The Transition Plan requested the resumption of activities that were suspended in March 2020, including resumption of disconnects due to non-payment and billing of late payment fees beginning with the August 2020 billing cycle. The PUCO approved the Transition Plan on June 17, 2020. As of September 30, 2020, $1.9 million of incremental COVID-19 related costs were deferred to a regulatory asset. Recovery of the regulatory asset will be addressed in a future regulatory proceeding.

NIPSCO received a COVID-19 order from the IURC on June 29, 2020. This order extended the disconnection moratorium and the suspension of collection of late payment fees, deposits and reconnection fees through August 14, 2020. The order requires utilities to offer payment arrangements of at least six months and requires NIPSCO to provide the IURC with information about NIPSCO’s communications with delinquent customers. On August 12, 2020, the IURC issued an order affirming the expiration of the disconnect moratorium after August 14, 2020, while requiring that six month payment plans be offered to all customers and extending the suspension for collection of late payment fees, deposits, and reconnection fees through October 12, 2020 for residential customers only. On October 7, 2020 the Office of Utility Consumer Counselor ("OUCC") filed a motion for the IURC to extend these temporary consumer protections for an additional 60 days. On October 27, the IURC issued a docket entry denying the OUCC's motion. The June 29, 2020 order also authorized NIPSCO to create a regulatory asset for COVID-19 related incremental bad debt expense as well as the costs to implement the requirements of the order. As of September 30, 2020, $4.8 million of incremental bad debt expense and costs to implement the requirements of the order were deferred to a regulatory asset. Recovery of the regulatory asset will be addressed in future base rate proceedings.

Columbia of Pennsylvania received a secretarial letter issued by the Pennsylvania PUC on May 13, 2020 authorizing Pennsylvania utilities to create a regulatory asset for incremental bad debt expense incurred since March 13, 2020, above levels currently in rates. While Columbia of Pennsylvania is not authorized to defer any other incremental costs, it is required to track extraordinary non-recurring costs, and any offsetting benefits received, in connection with COVID-19. On October 13, 2020, the Pennsylvania PUC entered an order modifying its March 13, 2020 emergency order, which established a moratorium on utility service terminations. As modified, the moratorium still applies to residential customers with incomes at or below 300% of the federal poverty income guidelines (“protected customers”). For all other customers, the moratorium will be lifted on November 9, 2020, but utilities must comply with several notice requirements beyond those already in place in Pennsylvania in order to proceed with service terminations. For residential customers who are subject to termination under the revised moratorium, as of November 1, 2020, the standard winter service moratorium will be in effect until April 1, 2021, which will render service termination for delinquent accounts impractical during that period. The Pennsylvania PUC’s October 13, 2020 order also includes the following requirements: a utility shall offer a payment arrangement for a period of no less than 18 months to small business customers, as defined by a utility’s tariff, with past due amounts; utilities shall waive all connection,

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

reconnection, late payment fees and deposit fees otherwise required for service for protected customers. Additionally, the October 13, 2020 order authorizes utilities to create a regulatory asset for any incremental expenses incurred above those embedded in rates resulting from the directives contained in the Order. As of September 30, 2020, $1.3 million of incremental bad debt expense was deferred to a regulatory asset. Recovery of any regulatory asset will be addressed in future base rate proceedings.

On March 16, 2020, the VSCC ordered a moratorium on service disconnections for unpaid bills due to the effects of COVID-19, which was subsequently extended through October 5, 2020 to allow the Virginia General Assembly to address the issue. The order also suspended late payment fees, required utilities to offer payment plans of up to 12 months, and required utilities to provide certain information about customer accounts receivables to the VSCC. The VSCC moratorium expired on October 6, 2020; however, the directives requiring utilities to offer payment plans of up to 12 months and suspending service disconnections or charging of late payment fees to customers that are current on such payment plans remain in effect. On October 16, 2020, the Virginia General Assembly passed legislation that would extend the moratorium on service disconnections and late payment fees; action from the Governor on the legislation is pending. Columbia of Virginia continues its suspension of service disconnections and late payment fees until the result of the pending legislation is known. Columbia of Virginia received an order from the VSCC on April 29, 2020 authorizing Columbia of Virginia to create a regulatory asset for incremental bad debt expense, suspended late payment fees, reconnection costs, carrying costs and other incremental prudently incurred costs related to COVID-19. We are evaluating the impact of the order. Recovery of any regulatory asset, when recorded, will be addressed in future base rate proceedings.

On August 31, 2020, with the Maryland governor's executive order prohibiting residential utility service terminations set to expire on September 1, 2020, the Maryland PSC issued an emergency order that prohibited residential service terminations until October 1, 2020. The Maryland PSC's August 31, 2020 emergency order also includes the following requirements: effective October 1, 2020, Maryland utilities may proceed with residential service terminations; utilities must give notice at least 45 days before terminating service on a residential account; structured payment plans offered to applicable residential customers must allow a minimum of 12 months to repay, or 24 months for certified low income customers; utilities are prohibited from collecting or requiring down payments or deposits as a condition of beginning a payment plan by any residential customer; and utilities are prohibited from refusing to negotiate or denying a payment plan to a residential customer due to such customer's failure to meet the terms and conditions of an alternate payment plan during the past 18 months. Columbia of Maryland received an order issued by the Maryland PSC on April 9, 2020, authorizing Maryland utilities to create a regulatory asset for incremental COVID-19 related costs, including incremental bad debt expense, incurred to ensure that customers have essential utility service during the state of emergency in Maryland. Such incremental costs must be offset by any benefit received in connection with COVID-19. As of September 30, 2020, Columbia of Maryland has deferred $0.5 million of incremental bad debt expense and COVID-19 related costs to a regulatory asset. Recovery of the regulatory asset will be addressed in future base rate proceedings.

Columbia of Kentucky received an order from the Kentucky PSC on September 21, 2020 lifting the disconnection moratorium for all customers, effective October 20, 2020. The September 21, 2020 order also lifted the suspension of late payment and reconnection fees for non-residential customers as of October 20, 2020. For residential customers, the moratorium on late payment and reconnection fees is extended to December 31, 2020 and tracking of lost revenue is required. Residential customers with accumulated arrearages for service provided on or after March 16, 2020 through October 1, 2020 will be notified and placed on a default payment plan of equal installments for nine months beginning with the November 2020 billing cycle. Residential customers on a payment plan that default shall be offered another payment plan. Carrying charges may be applied to all arrearages arising during the default payment plan period at a rate no greater than the utility’s long-term debt rate. The Kentucky PSC order allows Columbia of Kentucky to create a regulatory asset for carrying charges on all arrearages arising during the default payment plan period. Recovery of the regulatory asset, when recorded, will be addressed in future base rate proceedings. Columbia of Kentucky is engaged with peer utilities and is working closely with the Kentucky PSC on the implementation of the September 21, 2020 order, including exploring flexible payment plans for customers who need financial assistance in order to mitigate the amount of uncollectible customer receivables and tracking of COVID-19 related costs.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

10. Risk Management Activities

We are exposed to certain risks relating to our ongoing business operations, namely commodity price risk and interest rate risk. We recognize that the prudent and selective use of derivatives may help to lower our cost of debt capital, manage our interest rate exposure and limit volatility in the price of natural gas.

Risk management assets and liabilities on our derivatives are presented on the Condensed Consolidated Balance Sheets (unaudited) as shown below:

(in millions)		**September 30, 2020**		December 31, 2019
Risk Management Assets - Current[(1)]				
Interest rate risk programs	**$**	**—**	$	—
Commodity price risk programs		**13.7**		0.6
Total	**$**	**13.7**	$	0.6
Risk Management Assets - Noncurrent[(2)]				
Interest rate risk programs	**$**	**—**	$	—
Commodity price risk programs		**6.7**		3.8
Total	**$**	**6.7**	$	3.8
Risk Management Liabilities - Current				
Interest rate risk programs	**$**	**92.1**	$	—
Commodity price risk programs		**4.8**		12.6
Total	**$**	**96.9**	$	12.6
Risk Management Liabilities - Noncurrent				
Interest rate risk programs	**$**	**123.3**	$	76.2
Commodity price risk programs		**46.2**		57.8
Total	**$**	**169.5**	$	134.0

(1)Presented in "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).
(2)Presented in "Deferred charges and other" on the Condensed Consolidated Balance Sheets (unaudited).

Commodity Price Risk Management
We, along with our utility customers, are exposed to variability in cash flows associated with natural gas purchases and volatility in natural gas prices. We purchase natural gas for sale and delivery to our retail, commercial and industrial customers, and for most customers the variability in the market price of gas is passed through in their rates. Some of our utility subsidiaries offer programs to certain customers whereby variability in the market price of gas is assumed by the respective utility. The objective of our commodity price risk programs is to mitigate the gas cost variability, for us or on behalf of our customers, associated with natural gas purchases or sales by economically hedging the various gas cost components using a combination of futures, options, forwards or other derivative contracts.

NIPSCO received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments. The term of these instruments may range from five to 10 years and is limited to 20% of NIPSCO’s average annual GCA purchase volume. Gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO’s quarterly GCA mechanism. These instruments are not designated as accounting hedges.

Interest Rate Risk Management
As of September 30, 2020, we have two forward-starting interest rate swaps with an aggregate notional value totaling $500.0 million to hedge the variability in cash flows attributable to changes in the benchmark interest rate during the periods from the effective dates of the swaps to the anticipated dates of forecasted debt issuances, which are expected to take place by 2024. These interest rate swaps are designated as cash flow hedges. The gains and losses related to these swaps are recorded to AOCI and will be recognized in "Interest expense, net" concurrently with the recognition of interest expense on the associated debt, once issued. If it becomes probable that a hedged forecasted transaction will no longer occur, the accumulated gains or losses

on the derivative will be recognized currently in "Other, net" in the Condensed Statements of Consolidated Income (Loss) (unaudited).

There were no amounts excluded from effectiveness testing for derivatives in cash flow hedging relationships at September 30, 2020 and December 31, 2019.

Our derivative instruments measured at fair value as of September 30, 2020 and December 31, 2019 do not contain any credit-risk-related contingent features.

11. Fair Value

A. Fair Value Measurements

Recurring Fair Value Measurements

The following tables present financial assets and liabilities measured and recorded at fair value on our Condensed Consolidated Balance Sheets (unaudited) on a recurring basis and their level within the fair value hierarchy as of September 30, 2020 and December 31, 2019:

Recurring Fair Value Measurements September 30, 2020 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of September 30, 2020
Assets				
Risk management assets	$ —	$ 20.4	$ —	$ 20.4
Available-for-sale debt securities	—	161.8	—	161.8
Total	**$ —**	**$ 182.2**	**$ —**	**$ 182.2**
Liabilities				
Risk management liabilities	$ —	$ 266.4	$ —	$ 266.4
Total	**$ —**	**$ 266.4**	**$ —**	**$ 266.4**

Recurring Fair Value Measurements December 31, 2019 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2019
Assets				
Risk management assets	$ —	$ 4.4	$ —	$ 4.4
Available-for-sale debt securities	—	154.2	—	154.2
Total	**$ —**	**$ 158.6**	**$ —**	**$ 158.6**
Liabilities				
Risk management liabilities	$ —	$ 146.6	$ —	$ 146.6
Total	**$ —**	**$ 146.6**	**$ —**	**$ 146.6**

Risk Management Assets and Liabilities. Risk management assets and liabilities include interest rate swaps, exchange-traded NYMEX futures and NYMEX options and non-exchange-based forward purchase contracts. When utilized, exchange-traded derivative contracts are based on unadjusted quoted prices in active markets and are classified within Level 1. These financial assets and liabilities are secured with cash on deposit with the exchange; therefore, nonperformance risk has not been incorporated into these valuations. Certain non-exchange-traded derivatives are valued using broker or over-the-counter, on-line exchanges. In such cases, these non-exchange-traded derivatives are classified within Level 2. Non-exchange-based derivative instruments include swaps, forwards, and options. In certain instances, these instruments may utilize models to measure fair value. We use a similar model to value similar instruments. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and market-corroborated inputs, (i.e., inputs derived principally from or corroborated by observable market data by correlation or other means). Where observable inputs are available for substantially

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

the full term of the asset or liability, the instrument is categorized within Level 2. Certain derivatives trade in less active markets with a lower availability of pricing information and models may be utilized in the valuation. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized within Level 3. Credit risk is considered in the fair value calculation of derivative instruments that are not exchange-traded. Credit exposures are adjusted to reflect collateral agreements which reduce exposures. As of September 30, 2020 and December 31, 2019, there were no material transfers between fair value hierarchies. Additionally, there were no changes in the method or significant assumptions used to estimate the fair value of our financial instruments.

Credit risk is considered in the fair value calculation of each of our forward-starting interest rate swaps, as described in Note 10, "Risk Management Activities." As they are based on observable data and valuations of similar instruments, the hedges are categorized within Level 2 of the fair value hierarchy. There was no exchange of premium at the initial date of the swaps, and we can settle the contracts at any time.

NIPSCO has entered into long-term forward natural gas purchase instruments to lock in a fixed price for its natural gas customers. We value these contracts using a pricing model that incorporates market-based information when available, as these instruments trade less frequently and are classified within Level 2 of the fair value hierarchy. For additional information, see Note 10, “Risk Management Activities.”

Available-for-Sale Debt Securities. Available-for-sale debt securities are investments pledged as collateral for trust accounts related to our wholly-owned insurance company. We value U.S. Treasury, corporate debt and mortgage-backed securities using a matrix pricing model that incorporates market-based information. These securities trade less frequently and are classified within Level 2.

We adopted ASC 326 effective January 1, 2020. See "Recently Adopted Accounting Pronouncements" in Note 2, "Recent Accounting Pronouncements," for more information about ASC 326. Upon adoption of ASC 326, our available-for-sale debt securities impairments are recognized periodically using an allowance approach instead of an 'other than temporary' impairment model. At each reporting date, we utilize a quantitative and qualitative review process to assess the impairment of available-for-sale debt securities at the individual security level. For securities in a loss position, we evaluate our intent to sell or whether it is more-likely-than-not that we will be required to sell the security prior to the recovery of its amortized cost. If either criteria is met, the loss is recognized in earnings immediately, with the offsetting entry to the carrying value of the security. If both criteria are not met, we perform an analysis to determine whether the unrealized loss is related to credit factors. The analysis focuses on a variety of factors that include, but are not limited to, downgrade on ratings of the security, defaults in the current reporting period or projected defaults in the future, the security's yield spread over treasuries, and other relevant market data. If the unrealized loss is not related to credit factors, it is included in other comprehensive income. If the unrealized loss is related to credit factors, the loss is recognized as credit loss expense in earnings during the period, with an offsetting entry to the allowance for credit losses. The amount of the credit loss recorded to the allowance account is limited by the amount at which security's fair value is less than its amortized cost basis. If the credit losses in the allowance for credit losses are deemed uncollectible, the allowance on the uncollectible portion will be charged off, with an offsetting entry to the carrying value of the security. Subsequent improvements to the estimated credit losses of available-for-sale debt securities will be recognized immediately in earnings instead of over-time as they would under historic guidance. During the nine months ended September 30, 2020, we recorded $0.7 million as an allowance for credit losses on available-for-sale debt securities as a result of the analysis described above. Continuous credit monitoring and portfolio credit balancing mitigates our risk of credit losses on our available-for-sale debt securities.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The amortized cost, gross unrealized gains and losses, allowance for credit losses, and fair value of available-for-sale securities at September 30, 2020 and December 31, 2019 were:

September 30, 2020 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[1]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 31.5	$ 0.4	$ —	$ —	$ 31.9
Corporate/Other debt securities	124.6	7.0	(1.0)	(0.7)	129.9
Total	**$ 156.1**	**$ 7.4**	**$ (1.0)**	**$ (0.7)**	**$ 161.8**

December 31, 2019 *(in millions)*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses[2]	Allowance for Credit Losses	Fair Value
Available-for-sale debt securities					
U.S. Treasury debt securities	$ 31.4	$ 0.1	$ (0.1)	$ —	$ 31.4
Corporate/Other debt securities	118.7	4.2	(0.1)	—	122.8
Total	**$ 150.1**	**$ 4.3**	**$ (0.2)**	**$ —**	**$ 154.2**

(1)Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $0 and $20.4 million, respectively, at September 30, 2020.
(2)Fair value of U.S. Treasury debt securities and Corporate/Other debt securities in an unrealized loss position without an allowance for credit losses is $17.2 million and $12.2 million, respectively, at December 31, 2019.

Realized gains and losses on available-for-sale securities were immaterial for the three and nine months ended September 30, 2020 and 2019.

The cost of maturities sold is based upon specific identification. At September 30, 2020, approximately $7.0 million of U.S. Treasury debt securities and approximately $5.8 million of Corporate/Other debt securities have maturities of less than a year.

There are no material items in the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis as of September 30, 2020 and December 31, 2019.

Non-recurring Fair Value Measurements

We measure the fair value of certain assets on a non-recurring basis, typically annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include goodwill.

As of September 30, 2020, the Massachusetts Business met the requirements under GAAP to be classified as held for sale, and the assets and liabilities of the Massachusetts Business are measured at fair value, less costs to sell. Our estimated total pre-tax loss for the three and nine months ended September 30, 2020 is $35.6 million and $400.2 million, respectively. For additional information, see Note 6, "Assets and Liabilities Held for Sale."

B. Other Fair Value Disclosures for Financial Instruments. The carrying amount of cash and cash equivalents, restricted cash, customer deposits and short-term borrowings is a reasonable estimate of fair value due to their liquid or short-term nature. Our long-term borrowings are recorded at historical amounts.

The following method and assumptions were used to estimate the fair value of each class of financial instruments.

Long-term Debt. The fair value of outstanding long-term debt is estimated based on the quoted market prices for the same or similar securities. Certain premium costs associated with the early settlement of long-term debt are not taken into consideration in determining fair value. These fair value measurements are classified within Level 2 of the fair value hierarchy. As of September 30, 2020, there was no change in the method or significant assumptions used to estimate the fair value of long-term debt.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The carrying amount and estimated fair values of these financial instruments were as follows:

(in millions)	**Carrying Amount as of September 30, 2020**	**Estimated Fair Value as of September 30, 2020**	Carrying Amount as of Dec. 31, 2019	Estimated Fair Value as of Dec. 31, 2019
Long-term debt (including current portion)	**$ 9,230.3**	**$ 10,723.5**	$ 7,869.6	$ 8,764.4

12. Transfers of Financial Assets

Columbia of Ohio, NIPSCO and Columbia of Pennsylvania each maintain a receivables agreement whereby they transfer their customer accounts receivables to third-party financial institutions through wholly-owned and consolidated special purpose entities. The three agreements expire between May 2021 and October 2021 and may be further extended if mutually agreed to by the parties thereto.

All receivables transferred to third parties are valued at face value, which approximates fair value due to their short-term nature. The amount of the undivided percentage ownership interest in the accounts receivables transferred is determined in part by required loss reserves under the agreements.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). As of September 30, 2020, the maximum amount of debt that could be recognized related to our accounts receivable programs is $275.0 million.

The following table reflects the gross receivables balance and net receivables transferred, as well as short-term borrowings related to the securitization transactions as of September 30, 2020 and December 31, 2019:

(in millions)	**September 30, 2020**	December 31, 2019
Gross receivables	**$ 421.7**	$ 569.1
Less: Receivables not transferred	**190.5**	215.9
Net receivables transferred	**$ 231.2**	$ 353.2
Short-term debt due to asset securitization	**$ 231.2**	$ 353.2

For the nine months ended September 30, 2020 and 2019, $122.0 million and $139.1 million, respectively, was recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. Fees associated with the securitization transactions were $0.6 million and $0.6 million for the three months ended September 30, 2020 and 2019, respectively and $2.1 million and $2.0 million for the nine months ended September 30, 2020 and 2019, respectively. Columbia of Ohio, NIPSCO and Columbia of Pennsylvania remain responsible for collecting on the receivables securitized, and the receivables cannot be transferred to another party.

13. Goodwill

The following presents our goodwill balance allocated by segment as of September 30, 2020:

(in millions)	Gas Distribution Operations	Electric Operations	Corporate and Other	**Total**
Goodwill	$ 1,485.9	$ —	$ —	**$ 1,485.9**

For our annual goodwill impairment analysis performed as of May 1, 2020, we completed a quantitative "step 1" fair value measurement of our reporting units with a goodwill balance. This analysis incorporated the latest available income statement and cash flow projections, including significant, identifiable impacts of COVID-19 on the operations of each of our goodwill reporting units. We also incorporated other significant inputs to our fair value calculations, including discount rate and market multiples, to reflect current market conditions. The step 1 analysis performed indicated that the fair value of each reporting unit that is allocated goodwill significantly exceeded its carrying value. As a result, no impairment charge was recorded as of the May 1, 2020 test date.

During the fourth quarter of 2019, in connection with the preparation of the year-end financial statements, we assessed the matters related to Columbia of Massachusetts (see Note 18-B, "Legal Proceedings") and determined a quantitative "step 1" impairment analysis was required for our Columbia of Massachusetts reporting unit. The December 31, 2019 impairment analysis indicated that the fair value of the Columbia of Massachusetts reporting unit was below its carrying value. As a result, we reduced the Columbia of Massachusetts reporting unit goodwill balance to zero and recognized a goodwill impairment charge totaling $204.8 million in 2019.

14. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2020 and 2019, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended September 30, 2020 and 2019 were 27.3% and 283.3%, respectively. The effective tax rates for the nine months ended September 30, 2020 and 2019 were 42.0% and 18.8%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state income taxes and other permanent book-to-tax differences. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss.

The decrease in the three month effective tax rate of 256.0% in 2020 compared to 2019 is primarily attributable to the relative impact of permanent differences on lower pre-tax loss in 2019, offset by increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA, in 2020.

The increase in the nine month effective tax rate of 23.2% in 2020 compared to 2019 is primarily attributed to increased amortization of excess deferred federal income tax liabilities and lower state income taxes, offset by the non-deductible payment in lieu of penalties (see Note 6, "Assets and Liabilities Held for Sale," for additional information on the payment in lieu of penalties).

There were no material changes recorded in 2020 to our uncertain tax positions recorded as of December 31, 2019.

CARES Act Tax Matters. The CARES Act was enacted on March 27, 2020 in response to the COVID-19 pandemic. The CARES Act contains numerous income tax provisions, such as relaxing limitations on the deductibility of interest and the use of net operating losses arising in taxable years beginning after December 31, 2017. Under the provisions of the CARES Act, we have deferred payroll tax payments of approximately $21.7 million through September 30, 2020. We continue to monitor additional guidance to clarify provisions in the CARES Act (as well as under the TCJA) to determine if such guidance could ultimately increase or lessen their impact on our business and financial condition. There are no material income tax impacts on our consolidated financial position, results of operations, and cash flows during the three and nine months ended September 30, 2020.

15. Pension and Other Postretirement Benefits

We provide defined contribution plans and noncontributory defined benefit retirement plans that cover certain of our employees. Benefits under the defined benefit retirement plans reflect the employees’ compensation, years of service and age at retirement. Additionally, we provide health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for us. The expected cost of such benefits is accrued during the employees’ years of service. We determined that, for certain rate-regulated subsidiaries, the future recovery of postretirement benefit costs is probable, and we record regulatory assets and liabilities for amounts that would otherwise have been recorded to expense or accumulated other comprehensive loss. Current rates of rate-regulated companies include postretirement benefit costs, including amortization of the regulatory assets and liabilities that arose prior to inclusion of these costs in rates. For most plans, cash contributions are remitted to grantor trusts.

For the nine months ended September 30, 2020, we contributed $2.1 million to our pension plans and $16.7 million to our other postretirement benefit plans.

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ITEM 1. FINANCIAL STATEMENTS (continued)

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and nine months ended September 30, 2020 and 2019:

	Pension Benefits		Other Postretirement Benefits	
Three Months Ended September 30, *(in millions)*	**2020**	2019	**2020**	2019
Components of Net Periodic Benefit Cost[(1)]				
Service cost	**$ 8.1**	$ 7.3	**$ 1.7**	$ 1.3
Interest cost	**13.1**	18.1	**3.8**	4.8
Expected return on assets	**(28.3)**	(27.2)	**(3.6)**	(3.3)
Amortization of prior service credit	**0.2**	—	**(0.4)**	(0.8)
Recognized actuarial loss	**8.6**	11.3	**1.2**	0.5
Settlement loss	**8.0**	1.9	**—**	—
Total Net Periodic Benefit Cost	**$ 9.7**	$ 11.4	**$ 2.7**	$ 2.5

[(1)]The service cost component and all non-service cost components of net periodic benefit cost are presented in "Operation and maintenance" and "Other, net", respectively, on the Condensed Statements of Consolidated Income (Loss) (unaudited).

	Pension Benefits		Other Postretirement Benefits	
Nine Months Ended September 30, *(in millions)*	**2020**	2019	**2020**	2019
Components of Net Periodic Benefit Cost[(1)]				
Service cost	**$ 24.1**	$ 21.9	**$ 4.9**	$ 3.9
Interest cost	**40.1**	54.5	**11.6**	14.4
Expected return on assets	**(85.1)**	(81.6)	**(10.8)**	(9.9)
Amortization of prior service credit	**0.6**	—	**(1.4)**	(2.4)
Recognized actuarial loss	**26.0**	34.1	**3.8**	1.5
Settlement loss	**8.0**	1.9	**—**	—
Total Net Periodic Benefit Cost	**$ 13.7**	$ 30.8	**$ 8.1**	$ 7.5

[(1)]The service cost component and all non-service cost components of net periodic benefit cost are presented in "Operation and maintenance" and "Other, net", respectively, on the Condensed Statements of Consolidated Income (Loss) (unaudited).

During the third quarter of 2020, three of our qualified pension plans met the requirement for settlement accounting. A settlement charge of $8.0 million was recorded during the third quarter of 2020. These pension plans were remeasured as a result of the settlements of all three plans, as well as the transfer of employees into and out of two qualified pension plans transferred to Eversource at the closing of the sale of the Massachusetts Business. The remeasurements led to a decrease to the net pension asset of $6.1 million, an increase to the pension benefit obligation, net of plan assets, of $0.2 million, a net decrease to regulatory assets of $1.4 million, and a net credit to accumulated other comprehensive loss of $0.2 million. Net periodic pension benefit cost for 2020 decreased by $1.4 million as a result of the interim remeasurement.

The following table provides the key assumptions that were used to calculate the pension benefit obligation and the net periodic benefit cost for the plans that triggered settlement accounting:

	September 30, 2020
Weighted-average Assumption to Determine Benefit Obligation	
Discount rate	2.28 %
Weighted-average Assumptions to Determine Net Periodic Benefit Costs for the period ended	
Discount rate - service cost	3.39 %
Discount rate - interest cost	2.65 %
Expected return on assets	5.20 %

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16. Long-Term Debt

On April 13, 2020, we completed the issuance and sale of $1.0 billion of 3.60% senior unsecured notes maturing in 2030, which resulted in approximately $987.8 million of net proceeds after deducting commissions and expenses.

On August 18, 2020, we completed the issuance and sale of $1.25 billion of 0.95% senior unsecured notes maturing in 2025 and $750.0 million of 1.70% senior unsecured notes maturing in 2031, which resulted in approximately $1,980.4 million of net proceeds after deducting commissions and expenses.

In August 2020, we executed tender offers for $969.3 million of outstanding notes consisting of a combination of our 4.45% notes due 2021, 2.65% notes due 2022, 3.85% notes due 2023, 3.65% notes due 2023, 6.25% notes due 2040, and 5.95% notes due 2041. In August and September 2020, we redeemed $609.3 million of outstanding notes representing the remainder of our 4.45% notes due 2021, 2.65% notes due 2022, 3.85% notes due 2023, and 3.65% notes due 2023 and all of our 5.89% notes due 2025. In conjunction with the debt retired, we recorded a $231.7 million loss on early extinguishment of long-term debt, primarily attributable to early redemption premiums.

In September 2020, Columbia of Massachusetts redeemed $25.0 million of its outstanding 6.26% notes due 2028. In conjunction with the debt retired, Columbia of Massachusetts recorded an $11.7 million loss on early extinguishment of long-term debt, primarily attributable to early redemption premiums. Under the terms of the Asset Purchase Agreement, Columbia of Massachusetts’ net working capital at the closing of the sale of the Massachusetts Business was increased by 50% of the debt extinguishment costs, which was approximately $5.3 million.

17. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs and term loan agreement. Each of these borrowing sources is described further below.

We maintain a revolving credit facility to fund ongoing working capital requirements, including the provision of liquidity support for our commercial paper program, provide for issuance of letters of credit and also for general corporate purposes. Our revolving credit facility has a program limit of $1.85 billion and is comprised of a syndicate of banks led by Barclays. We had no outstanding borrowings under this facility as of September 30, 2020 and December 31, 2019.

Our commercial paper program has a program limit of up to $1.5 billion with a dealer group comprised of Barclays, Citigroup, Credit Suisse and Wells Fargo. We had $307.0 million of commercial paper outstanding as of September 30, 2020 and $570.0 million of commercial paper outstanding as of December 31, 2019.

Transfers of accounts receivable are accounted for as secured borrowings resulting in the recognition of short-term borrowings on the Condensed Consolidated Balance Sheets (unaudited). We had $231.2 million in transfers as of September 30, 2020 and $353.2 million in transfers as of December 31, 2019. Refer to Note 12, "Transfers of Financial Assets," for additional information.

On April 1, 2020, we terminated and repaid in full our existing $850.0 million term loan agreement with a syndicate of banks led by MUFG Bank, Ltd. and entered into a new $850.0 million term loan agreement with a syndicate of banks led by KeyBank National Association. Any and all outstanding borrowings under the term loan agreement are due by March 31, 2021. Interest charged on borrowings depends on the variable rate structure we elect at the time of each borrowing. The available variable rate structures from which we may choose are defined in the term loan agreement. Under the agreement, we borrowed $850.0 million on April 1, 2020 with an interest rate of LIBOR plus 75 basis points. On October 14, 2020, we terminated and repaid in full our $850.0 million term loan agreement with proceeds from the sale of the Massachusetts Business.

Short-term borrowings were as follows:

(in millions)		**September 30, 2020**		December 31, 2019
Commercial paper weighted-average interest rate of 0.23% and 2.03% at September 30, 2020 and December 31, 2019, respectively		**307.0**		570.0
Accounts receivable securitization facility		**231.2**		353.2
Term loan interest rate of 0.90% and 2.40% at September 30, 2020 and December 31, 2019, respectively		**850.0**		850.0
Total Short-Term Borrowings	**$**	**1,388.2**	$	1,773.2

Other than for the term loan, revolving credit facility and certain commercial paper borrowings, cash flows related to the borrowings and repayments of the items listed above are presented net in the Condensed Statements of Consolidated Cash Flows (unaudited) as their maturities are less than 90 days.

18. Other Commitments and Contingencies

A. Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. As of September 30, 2020 and December 31, 2019, we had issued stand-by letters of credit of $10.2 million.

We have provided guarantees related to our future performance under BTAs for our renewable generation projects. At September 30, 2020, our guarantees for the Rosewater and Indiana Crossroads BTAs totaled $195.6 million. The amount of each guaranty will decrease upon the substantial completion of the construction of the facilities. See "- D. Other Matters - NIPSCO 2018 Integrated Resource Plan," below for more information.

B. Legal Proceedings. On September 13, 2018, a series of fires and explosions occurred in Lawrence, Andover and North Andover, Massachusetts related to the delivery of natural gas by Columbia of Massachusetts (the "Greater Lawrence Incident"). The Greater Lawrence Incident resulted in one fatality and a number of injuries, damaged multiple homes and businesses, and caused the temporary evacuation of significant portions of each municipality. The Massachusetts Governor's Office declared a state of emergency, authorizing the Massachusetts DPU to order another utility company to coordinate the restoration of utility services in Lawrence, Andover and North Andover. The incident resulted in the interruption of gas for approximately 7,500 gas meters, the majority of which served residences and approximately 700 of which served businesses, and the interruption of other utility service more broadly in the area. Columbia of Massachusetts has replaced the cast iron and bare steel gas pipeline system in the affected area and restored service to nearly all of the gas meters. See "- D. Other Matters - Greater Lawrence Pipeline Replacement" below for more information. On September 1, 2020, the Massachusetts Governor terminated the state of emergency declared following the Greater Lawrence Incident.

We have been subject to inquiries and investigations by government authorities and regulatory agencies regarding the Greater Lawrence Incident, including the Massachusetts DPU and the Massachusetts Attorney General's Office, as described below. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office for the District of Massachusetts to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident, and on July 2, 2020, the Company and Columbia of Massachusetts entered into an agreement with the Massachusetts Attorney General's Office (among other parties) to resolve the Massachusetts investigations, as described below.

NTSB Investigation. As previously disclosed, the NTSB concluded its investigation into the Greater Lawrence Incident. We have requested closure of one remaining safety recommendation and are awaiting response from the NTSB.

Massachusetts Investigations. Under Massachusetts law, the Massachusetts DPU is authorized to investigate potential violations of pipeline safety regulations and to assess a civil penalty of up to $218,647 for a violation of federal pipeline safety regulations. A separate violation occurs for each day of violation up to $2.2 million for a related series of violations. The Massachusetts DPU also is authorized to investigate potential violations of the Columbia of Massachusetts emergency response plan and to assess penalties of up to $250,000 per violation per day, or up to $20.0 million per related series of violations. Further, as a result of the declaration of emergency by the Governor, the Massachusetts DPU is authorized to investigate

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potential violations of the Massachusetts DPU's operational directives during the restoration efforts and assess penalties of up to $1.0 million per violation. The Massachusetts DPU conducted investigations of Columbia of Massachusetts pursuant to these authorities and approved a Settlement Agreement resolving its investigations on October 7, 2020 (defined and further described below).

On October 25, 2019, the Massachusetts DPU issued two orders opening public investigations into Columbia of Massachusetts with respect to the Greater Lawrence Incident. The Massachusetts DPU opened the first investigation under its authority to determine compliance with federal and state pipeline safety laws and regulations, and to investigate Columbia of Massachusetts' responsibility for and response to the Greater Lawrence Incident and its restoration efforts following the incident. The Massachusetts DPU opened the second investigation under its authority to determine whether a gas distribution company has violated established standards regarding acceptable performance for emergency preparedness and restoration of service to investigate efforts by Columbia of Massachusetts to prepare for and restore service following the Greater Lawrence Incident. These investigations were resolved by the Massachusetts DPU order dated October 7, 2020 approving the Settlement Agreement (defined and further described below).

In connection with its investigation related to the Greater Lawrence Incident, on February 4, 2020, the Massachusetts Attorney General's Office issued a request for documents primarily focused on the restoration work following the incident. This investigation was resolved by the Massachusetts DPU order dated October 7, 2020 approving the Settlement Agreement (defined and further described below).

On July 2, 2020, NiSource, Columbia of Massachusetts, Eversource and Eversource Gas Company of Massachusetts, a wholly-owned subsidiary of Eversource ("EGMA"), filed with the Massachusetts DPU a joint petition for the approval of the purchase and sale of the Massachusetts Business (the "Transaction") as contemplated by the Asset Purchase Agreement and a proposed multi-year rate plan. The Asset Purchase Agreement provides for various closing conditions, including the receipt of the approval of the Massachusetts DPU and the final resolution or termination of all pending actions, claims and investigations, lawsuits or other legal or administrative proceedings against Columbia of Massachusetts and its affiliates under the jurisdiction of the Massachusetts DPU and all future actions, claims and investigations, lawsuits or other legal or administrative proceedings against NiSource, Columbia of Massachusetts and their affiliates relating to the Greater Lawrence Incident under the jurisdiction of the Massachusetts DPU, each as determined by NiSource in its reasonable discretion (the "DPU Required Resolution").

The petition included and sought approval of a settlement agreement executed on July 2, 2020 (the "Settlement Agreement") among, NiSource, Columbia of Massachusetts, Eversource, EGMA, the Massachusetts Attorney General's Office ("Massachusetts AGO"), the Massachusetts Department of Energy Resources ("DOER"), and the Low-Income Weatherization and Fuel Assistance Program Network (together with NiSource, Columbia of Massachusetts, Eversource, EGMA, the Massachusetts AGO and the DOER, the "Settling Parties"). The Settlement Agreement was conditioned on its approval by the Massachusetts DPU no later than September 30, 2020; however, this deadline was extended to October 7, 2020. The Settlement Agreement was approved by the Massachusetts DPU on October 7, 2020, and the closing of the Transaction occurred on October 9, 2020.

Set forth below are certain of the descriptions of the provisions of the Settlement Agreement related to the DPU Required Resolution. The Settlement Agreement includes other provisions, including generally provisions related to ratemaking and activities of Eversource and EGMA to occur after the closing of the Transaction and other conditions, as further described in the Settlement Agreement.

Termination of Massachusetts DPU Regulatory Matters. Under the Settlement Agreement, the Settling Parties agreed that the terms of the Settlement Agreement achieve the DPU Required Resolution under the Asset Purchase Agreement. Further, under the Settlement Agreement, Columbia of Massachusetts took responsibility for the Greater Lawrence Incident and agreed not to contest facts in the record sufficient to support the Massachusetts DPU's investigations into pipeline safety and emergency response in the two public investigations that the Massachusetts DPU opened pursuant to the October 25, 2019 orders referenced above (DPU 19-140 and 19-141, respectively). If adjudicated, Columbia of Massachusetts could have been subject to the payment of penalties potentially up to the maximum allowed by law.

The Settling Parties also agreed that, upon the closing of the Transaction, (1) all pending actions, claims, investigations, lawsuits and proceedings against NiSource, Columbia of Massachusetts and their affiliates, and all of the respective directors, officers, employees, agents and representatives of NiSource and Columbia of Massachusetts and their affiliates (such entities and individuals, collectively referred to as the "Discharged Persons"), under the Massachusetts DPU's jurisdiction, shall be considered settled, resolved, and terminated; and (2) all future actions, claims, investigations, lawsuits and proceedings, whether known or unknown, against the Discharged Persons, in each case, relating to, arising out of, or in connection with the Greater Lawrence Incident (as defined in the Asset Purchase Agreement), under the jurisdiction of the Massachusetts DPU shall be considered settled, resolved, and terminated. This includes the Massachusetts DPU's investigations into pipeline safety and emergency response in DPU 19-140 and 19-141, respectively, as well as any other regulatory matters that could have been raised by the Massachusetts DPU relating to, arising out of, or in connection with the Greater Lawrence Incident.

The Settling Parties also agreed that, upon the closing of the Transaction, all pending actions, claims, investigations, lawsuits, and proceedings against the Discharged Persons, which are the subject of the Consent Order, shall be settled, resolved, and terminated. The "Consent Order" is a consent order the Massachusetts DPU issued on August 14, 2020 in DPU 19-140, which included Compliance Actions (as defined in the Consent Order) that corresponded to the entirety of cases pending before the Massachusetts DPU as of July 2, 2020. The Settling Parties further agreed, upon the closing of the Transaction, that the Consent Order (and the Massachusetts DPU's associated Compliance Actions) addresses all outstanding pipeline safety compliance investigations, inquiries, or ongoing matters, regardless of whether subject to notices of probable violations (NOPVs) or related to the Greater Lawrence Incident, existing as of the execution date of the Settlement Agreement.

Termination of Massachusetts AGO Matters. Under the Settlement Agreement, the Settling Parties agreed that, upon the closing of the Transaction, the Settlement Agreement shall constitute receipt from the Massachusetts AGO of an agreement, settlement, compromise, and consent: (1) to terminate with prejudice all pending actions, claims, lawsuits, investigations, or proceedings under the jurisdiction of the Massachusetts AGO against the Discharged Persons relating, arising out of, or in connection with, the Greater Lawrence Incident; and (2) not to commence on its own behalf any new action, claim, lawsuit, investigation or proceeding against any of the Discharged Persons relating, arising out of, or in connection with, the Greater Lawrence Incident.

Payment in Lieu of Penalties. Under the Settlement Agreement, the Settling Parties agreed that, at the closing of the Transaction, NiSource will make a payment in lieu of penalties in full settlement of all of the pending and potential claims, lawsuits, investigations or proceedings settled by and released by the Settlement Agreement in the amount of $56.0 million. This payment was withheld from the proceeds received from Eversource at the closing of the Transaction on October 9, 2020. See Note 6, "Assets and Liabilities Held for Sale," for additional information.

Energy Relief Fund. Under the Settlement Agreement, the Settling Parties agreed that the funds derived from the NiSource payment described above will be used to create an "Energy Relief Fund," comprised of two components, designated as the "Merrimack Valley Renewal Fund" and the "Arrearage Forgiveness Fund," in each case as further described in the Settlement Agreement. The Merrimack Valley Renewal Fund is jointly administered by the Massachusetts AGO and DOER. The Arrearage Forgiveness Fund is jointly administered by the Massachusetts AGO and Eversource.

U.S. Department of Justice Investigation. On February 26, 2020, the Company and Columbia of Massachusetts entered into agreements with the U.S. Attorney's Office to resolve the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident. Columbia of Massachusetts agreed to plead guilty in the United States District Court for the District of Massachusetts (the "Court") to violating the Natural Gas Pipeline Safety Act (the "Plea Agreement"), and the Company entered into a Deferred Prosecution Agreement (the "DPA").

On March 9, 2020, Columbia of Massachusetts entered its guilty plea pursuant to the Plea Agreement, which the Court accepted. Subsequently, Columbia of Massachusetts and the U.S. Attorney's Office modified the Plea Agreement. On June 23, 2020, the Court sentenced Columbia of Massachusetts in accordance with the terms of the modified Plea Agreement. Under the modified Plea Agreement, Columbia of Massachusetts is subject to the following terms, among others: (i) a criminal fine in the amount of $53,030,116, which has been paid; (ii) a three year probationary period that will terminate early upon a sale of Columbia of Massachusetts or a sale of its gas distribution business to a qualified third-party buyer consistent with certain requirements, but in no event before the end of the one-year mandatory period of probation; (iii) compliance with each of the NTSB recommendations stemming from the Greater Lawrence Incident; and (iv) employment of an in-house monitor until the end of the term of probation or until the sale of Columbia of Massachusetts or its gas distribution business, whichever is earlier. On October 13, 2020, the Court, upon agreement of the U.S. Attorney's Office and Columbia Gas of Massachusetts, modified the terms of probation by ending the term of the in-house monitor.

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Under the DPA, the U.S. Attorney's Office agreed to defer prosecution of the Company in connection with the Greater Lawrence Incident for a three-year period (which three-year period may be extended for twelve (12) months upon the U.S. Attorney's Office's determination of a breach of the DPA) subject to certain obligations of the Company, including, but not limited to, the following: (i) the Company will use reasonable best efforts to sell Columbia of Massachusetts or Columbia of Massachusetts' gas distribution business to a qualified third-party buyer consistent with certain requirements, and, upon the completion of any such sale, the Company will cease and desist any and all gas pipeline and distribution activities in the District of Massachusetts; (ii) the Company will forfeit and pay, within 30 days of the later of the sale becoming final or the date on which post-closing adjustments to the purchase price are finally determined in accordance with the agreement to sell Columbia of Massachusetts or its gas distribution business, a fine equal to the total amount of the profit or gain, if any, from any sale of Columbia of Massachusetts or its gas distribution business, with the amount of profit or gain determined as provided in the DPA; and (iii) the Company agrees as to each of the Company's subsidiaries involved in the distribution of gas through pipeline facilities in Massachusetts, Indiana, Ohio, Pennsylvania, Maryland, Kentucky and Virginia to implement and adhere to each of the recommendations from the NTSB stemming from the Greater Lawrence Incident. Pursuant to the DPA, if the Company complies with all of its obligations under the DPA, including, but not limited to those identified above, the U.S. Attorney's Office will not file any criminal charges against the Company related to the Greater Lawrence Incident. If Columbia of Massachusetts withdraws its plea for any reason, if the Court rejects any aspect of the Plea Agreement, or if Columbia of Massachusetts should fail to perform an obligation under the Plea Agreement prior to the sale of Columbia of Massachusetts or its gas distribution business, the U.S. Attorney's Office may, at its sole option, render the DPA null and void. The sale of the Massachusetts Business was completed on October 9, 2020. The Company is not required to forfeit or pay any funds within 30 days of the sale of the Massachusetts Business because the Company did not realize a profit or gain from the sale as provided in the DPA.

U.S. Congressional Activity. On September 30, 2019, the U.S. Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act authorizing PHMSA expired. There is no effect on PHMSA's authority. Action on past re-authorization bills has extended past the expiration date and action on this re-authorization is expected to continue into 2021. Pipeline safety jurisdiction resides with the U.S. Senate Commerce Committee and is divided between two committees in the U.S. House of Representatives (Energy and Commerce, and Transportation and Infrastructure). The Senate passed its bill on August 7, 2020. The House of Representatives has yet to reconcile its legislation and act. Certain legislative proposals, if enacted into law, may increase costs for natural gas industry companies, including the Company.

Private Actions. Various lawsuits, including several purported class action lawsuits, have been filed by various affected residents or businesses in Massachusetts state courts against the Company and/or Columbia of Massachusetts in connection with the Greater Lawrence Incident. A special judge has been appointed to hear all pending and future cases and the class actions have been consolidated into one class action. On January 14, 2019, the special judge granted the parties' joint motion to stay all cases until April 30, 2019 to allow mediation, and the parties subsequently agreed to extend the stay until July 25, 2019. The class action lawsuits allege varying causes of action, including those for strict liability for ultra-hazardous activity, negligence, private nuisance, public nuisance, premises liability, trespass, breach of warranty, breach of contract, failure to warn, unjust enrichment, consumer protection act claims, negligent, reckless and intentional infliction of emotional distress and gross negligence, and seek actual compensatory damages, plus treble damages, and punitive damages.

On July 26, 2019, the Company, Columbia of Massachusetts and NiSource Corporate Services Company, a subsidiary of the Company, entered into a term sheet with the class action plaintiffs under which they agreed to settle the class action claims in connection with the Greater Lawrence Incident. Columbia of Massachusetts agreed to pay $143 million into a settlement fund to compensate the settlement class and the settlement class agreed to release Columbia of Massachusetts and affiliates from all claims arising out of or related to the Greater Lawrence Incident. The following claims are not covered under the proposed settlement because they are not part of the consolidated class action: (1) physical bodily injury and wrongful death; (2) insurance subrogation, whether equitable, contractual or otherwise; and (3) claims arising out of appliances that are subject to the Massachusetts DPU orders. Emotional distress and similar claims are covered under the proposed settlement unless they are secondary to a physical bodily injury. The settlement class is defined under the term sheet as all persons and businesses in the three municipalities of Lawrence, Andover and North Andover, Massachusetts, subject to certain limited exceptions. The motion for preliminary approval and the settlement documents were filed on September 25, 2019. The preliminary approval court hearing was held on October 7, 2019 and the court issued an order granting preliminary approval of the settlement on October 11, 2019. The Court granted final approval of the settlement on March 12, 2020.

With respect to claims not included in the consolidated class action, many of the asserted wrongful death and bodily injury claims have settled, and we continue to discuss potential settlements with remaining claimants. In addition, the Commonwealth of Massachusetts is seeking reimbursement from Columbia of Massachusetts for its expenses incurred in connection with the Greater Lawrence Incident. The outcomes and impacts of such private actions are uncertain at this time.

Shareholder Derivative Lawsuit. On April 28, 2020, a shareholder derivative lawsuit was filed by the City of Detroit Police and Fire Retirement System in the United States District Court for the District of Delaware against certain of the Company's current and former directors, alleging breaches of fiduciary duty with respect to the pipeline safety management systems relating to the distribution of natural gas prior to the Greater Lawrence Incident and also including claims related to the Company's proxy statement disclosures regarding its safety systems. The remedies sought include damages for the alleged breaches of fiduciary duty, corporate governance reforms, and restitution of any unjust enrichment. The defendants have filed a motion to dismiss the lawsuit. The motion to dismiss is fully briefed. Because of the preliminary nature of this lawsuit, the Company is not able to estimate a loss or range of loss, if any, that may be incurred in connection with this matter at this time.

Financial Impact. Since the Greater Lawrence Incident, we have recorded expenses of approximately $1,036 million for third-party claims and fines, penalties and settlements associated with government investigations. We estimate that total costs related to third-party claims and fines, penalties and settlements associated with government investigations resulting from the incident will range from $1,036 million to $1,050 million, depending on the number, nature, final outcome and value of third-party claims. With regard to third-party claims, these costs include, but are not limited to, personal injury and property damage claims, damage to infrastructure, business interruption claims, and mutual aid payments to other utilities assisting with the restoration effort. These costs do not include costs of certain third-party claims and fines, penalties or settlements associated with government investigations that we are not able to estimate. These costs also do not include non-claims related and government investigation-related legal expenses resulting from the incident, the capital cost of the pipeline replacement and the payment in lieu of penalties, which are set forth in " - D. Other Matters - Greater Lawrence Incident Restoration," "- Greater Lawrence Incident Pipeline Replacement," and Note 6, "Assets and Liabilities Held for Sale," respectively.

The process for estimating costs associated with third-party claims relating to the Greater Lawrence Incident requires management to exercise significant judgment based on a number of assumptions and subjective factors. As more information becomes known, management's estimates and assumptions regarding the financial impact of the Greater Lawrence Incident may change.

The aggregate amount of third-party liability insurance coverage available for losses arising from the Greater Lawrence Incident is $800 million. We have collected the entire $800 million. Total expenses related to the incident have exceeded the total amount of insurance coverage available under our policies. Refer to "- D. Other Matters - Greater Lawrence Incident Restoration," below for a summary of third-party claims-related expense activity and associated insurance recoveries recorded since the Greater Lawrence Incident.

We are also party to certain other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, none of which we believe to be individually material at this time.

Due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim, proceeding or investigation related to the Greater Lawrence Incident or otherwise would not have a material adverse effect on our results of operations, financial position or liquidity. Certain matters in connection with the Greater Lawrence Incident have had or may have a material impact as described above. If one or more of such additional or other matters were decided against us, the effects could be material to our results of operations in the period in which we would be required to record or adjust the related liability and could also be material to our cash flows in the periods that we would be required to pay such liability.

C. Environmental Matters. Our operations are subject to environmental statutes and regulations related to air quality, water quality, hazardous waste and solid waste. We believe that we are in substantial compliance with the environmental regulations currently applicable to our operations.

It is management's continued intent to address environmental issues in cooperation with regulatory authorities in such a manner as to achieve mutually acceptable compliance plans. However, there can be no assurance that fines and penalties will not be incurred. Management expects a significant portion of environmental assessment and remediation costs to be recoverable through rates for certain of our companies.

As of September 30, 2020 and December 31, 2019, we had recorded a liability of $93.4 million and $104.4 million, respectively, to cover environmental remediation at various sites. The current portion of this liability is included in "Legal and environmental" in the Condensed Consolidated Balance Sheets (unaudited). The noncurrent portion is included in "Other noncurrent liabilities." We recognize costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated. The original estimates for remediation activities may differ materially from the amount ultimately expended. The actual future expenditures depend on many factors, including currently enacted laws and regulations, the nature and extent of impact and the method of remediation. These expenditures are not currently estimable at some sites. We periodically adjust our liability as information is collected and estimates become more refined.

Electric Operations' compliance estimates disclosed below are reflective of NIPSCO's Integrated Resource Plan submitted to the IURC on October 31, 2018. Refer to " - D. Other Matters - NIPSCO 2018 Integrated Resource Plan," below for additional information.

Air
Future legislative and regulatory programs could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Additionally, rules that require further GHG reductions or impose additional requirements for natural gas facilities could impose additional costs. NiSource will carefully monitor all GHG reduction proposals and regulations.

ACE Rule. On July 8, 2019, the EPA published the final ACE rule, which establishes emission guidelines for states to use when developing plans to limit carbon dioxide at coal-fired electric generating units based on heat rate improvement measures. The coal-fired units at NIPSCO's R.M. Schahfer Generating Station and Michigan City Generating Station are potentially affected sources, and compliance requirements for these units, which NIPSCO plans to retire by the end of 2023 and 2028, respectively, will be determined by future Indiana rulemaking. The ACE rule notes that states have "broad flexibility in setting standards of performance for designated facilities" and that a state may set a "business as usual" standard for sources that have a remaining useful life "so short that imposing any costs on the electric generating unit is unreasonable." State plans are due by 2022, and the EPA will have six months to determine completeness and then one additional year to determine whether to approve the submitted plan. States have the discretion to determine the compliance period for each source. As a result, NIPSCO will continue to monitor this matter and cannot estimate its impact at this time.

Waste
CERCLA. Our subsidiaries are potentially responsible parties at waste disposal sites under the CERCLA (commonly known as Superfund) and similar state laws. Under CERCLA, each potentially responsible party can be held jointly, severally and strictly liable for the remediation costs as the EPA, or state, can allow the parties to pay for remedial action or perform remedial action themselves and request reimbursement from the potentially responsible parties. Our affiliates have retained CERCLA environmental liabilities, including remediation liabilities, associated with certain current and former operations. These liabilities are not material to the Condensed Consolidated Financial Statements (unaudited).

MGP. A program has been instituted to identify and investigate former MGP sites where Gas Distribution Operations subsidiaries or predecessors may have liability. The program has identified 63 such sites where liability is probable as of September 30, 2020. After the sale of the Massachusetts Business, the retained number of identified sites is 54. Remedial actions at many of these sites are being overseen by state or federal environmental agencies through consent agreements or voluntary remediation agreements.

We utilize a probabilistic model to estimate our future remediation costs related to MGP sites. The model was prepared with the assistance of a third party and incorporates our experience and general industry experience with remediating MGP sites. We complete an annual refresh of the model in the second quarter of each fiscal year. No material changes to the estimated future remediation costs were noted as a result of the refresh completed as of June 30, 2020. Our total estimated liability related to the facilities subject to remediation was $88.3 million and $102.2 million at September 30, 2020 and December 31, 2019, respectively. The liability represents our best estimate of the probable cost to remediate the facilities. We believe that it is reasonably possible that remediation costs could vary by as much as $20 million in addition to the costs noted above. Remediation costs are estimated based on the best available information, applicable remediation standards at the balance sheet date and experience with similar facilities.

CCRs. On April 17, 2015, the EPA issued a final rule for regulation of CCRs. The rule regulates CCRs under the RCRA Subtitle D, which determines them to be nonhazardous. The rule is implemented in phases and requires increased groundwater monitoring, reporting, recordkeeping and posting of related information to the Internet. The rule also establishes requirements related to CCR management and disposal. The rule allows NIPSCO to continue its byproduct beneficial use program.

To comply with the rule, NIPSCO completed capital expenditures to modify its infrastructure and manage CCRs during 2019. The CCR rule also resulted in revisions to previously recorded legal obligations associated with the retirement of certain NIPSCO facilities. The actual asset retirement costs related to the CCR rule may vary substantially from the estimates used to record the increased asset retirement obligation due to the uncertainty about the requirements that will be established by environmental authorities, compliance strategies that will be used, and the preliminary nature of available data used to estimate costs. As allowed by the rule, NIPSCO will continue to collect data over time to determine the specific compliance solutions and associated costs and, as a result, the actual costs may vary. NIPSCO has filed initial CCR closure plans for R.M. Schahfer Generating Station and Michigan City Generating Station with the Indiana Department of Environmental Management.

Water
ELG. On November 3, 2015, the EPA issued a final rule to amend the ELG and standards for the Steam Electric Power Generating category. Based upon a study performed in 2016 of the final rule, capital compliance costs were expected to be approximately $170 million. On October 13, 2020, the EPA published a final rule that revises the ELG for certain water streams and considers coal unit retirement dates. NIPSCO does not anticipate material ELG compliance costs based on the preferred option announced as part of NIPSCO's 2018 Integrated Resource Plan (discussed below).

D**. Other Matters.**

NIPSCO 2018 Integrated Resource Plan. Multiple factors, but primarily economic ones, including low natural gas prices, advancing cost effective renewable technology and increasing capital and operating costs associated with existing coal plants, have led NIPSCO to conclude in its October 2018 Integrated Resource Plan submission that NIPSCO’s current fleet of coal generation facilities will be retired earlier than previous Integrated Resource Plans had indicated.

The Integrated Resource Plan evaluated demand-side and supply-side resource alternatives to reliably and cost effectively meet NIPSCO customers' future energy requirements over the ensuing 20 years. The preferred option within the Integrated Resource Plan retires the R.M. Schahfer Generating Station by the end of 2023 and the Michigan City Generating Station by the end of 2028. These stations represent 2,080 MW of generating capacity, equal to 72% of NIPSCO’s remaining generating capacity and 100% of NIPSCO's remaining coal-fired generating capacity.

In the second quarter of 2020, the MISO approved NIPSCO's plan to retire the R.M. Schahfer Generating Station in 2023. In accordance with ASC 980-360, the net book value of certain plant and equipment for the R.M. Schahfer Generating Station was reclassified from "Net utility plant" to "Other property, at cost, less accumulated depreciation" on the Condensed Consolidated Balance Sheets (unaudited). The December 2019 NIPSCO electric rate case order included approval to create a regulatory asset upon the retirement of the R.M. Schahfer Generating Station. The order allows for the recovery of and on the net book value of the station by the end of 2032. Refer to Note 7, "Property, Plant and Equipment" for further information.

In connection with the MISO's approval of NIPSCO's planned retirement of the R.M. Schahfer Generating Station, we recorded $4.6 million of plant retirement-related charges in the second quarter of 2020. These charges were comprised of write downs of certain capital projects that have been cancelled and materials and supplies inventory balances deemed obsolete due to the planned retirement. These charges are presented within "Operation and maintenance" on the Condensed Statements of Consolidated Income (Loss). As more information becomes available, the retirement date of the R.M. Schahfer Generating Station will be finalized, and additional plant retirement-related charges may be incurred.

In connection with the planned retirement of the Schahfer Generating Station and the Michigan City Generating Station, the current capacity replacement plan includes lower-cost, reliable, cleaner energy resources to be obtained through a combination of NIPSCO ownership and PPAs. To this effect, NIPSCO has entered into a number of agreements with counterparties, as described below.

In January 2019, NIPSCO executed a 20 year PPA, referred to as the Jordan Creek PPA, to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. The facility supplying the energy will have a nameplate wind capacity of approximately 400 MW. NIPSCO submitted the Jordan Creek PPA to the IURC for approval in February 2019 and the IURC approved the Jordan Creek PPA on June 5, 2019. Payments under the Jordan Creek PPA will not begin until the associated generation facility is constructed by the owner / seller, which is currently scheduled to be complete by the end of 2020. While NIPSCO is monitoring any possible impact the COVID-19 pandemic may have on the expected completion date of this project, we do not expect delays.

Also in January 2019, NIPSCO executed a BTA, referred to as the Rosewater BTA, with a developer to construct a renewable generation facility with a nameplate wind capacity of approximately 100 MW. Ownership of the facility will be transferred to a joint venture whose members include NIPSCO, the developer and an unrelated tax equity partner. NIPSCO and the tax equity partner are obligated to make cash contributions to the partnership at the date construction is substantially complete. The aforementioned joint venture is expected to be fully owned by NIPSCO after the wind PTCs are monetized from the project. NIPSCO's purchase requirement under the Rosewater BTA is dependent on satisfactory approval of the Rosewater BTA by the IURC, successful execution of an agreement with a tax equity partner and timely completion of construction. NIPSCO submitted the Rosewater BTA to the IURC for approval in February 2019, and the IURC approved the Rosewater BTA on August 7, 2019. The required FERC approvals for the project were received in December 2019. NIPSCO executed an equity capital contribution agreement with a tax equity partner in July 2020. Construction of the facility is scheduled to be completed by the end of 2020; however, this project could experience a construction delay due to the COVID-19 pandemic. While NIPSCO is continuing to monitor the impact the COVID-19 pandemic may have on the expected completion date of this project, we do not expect delays.

On October 1, 2019, NIPSCO announced the opening of its next round of RFP to consider potential resources to meet the future electric needs of its customers. The RFP closed on November 20, 2019, and NIPSCO continues to evaluate the results. NIPSCO is considering all sources in the RFP process and is expecting to obtain adequate resources to facilitate the retirement of the R.M. Schahfer Generation Station by the end of 2023. The planned replacement by the end of 2023 of approximately 1,400 MW from this coal-fired generation station could provide incremental capital investment opportunities for 2022 and 2023. Currently, half of the capacity in the replacement plan is targeted to be owned by joint ventures that will include NIPSCO and unrelated financial investors as the members. The remaining new capacity is expected to be primarily in the form of PPAs. NIPSCO has initiated the appropriate regulatory compliance filings related to the new capacity, starting with two solar PPAs filed with the IURC in July 2020. We expect to continue finalizing agreements with counterparties and initiating regulatory compliance filings into 2021.

In October 2019, NIPSCO executed a BTA, referred to as the Indiana Crossroads BTA, with a developer to construct an additional renewable generation facility with a nameplate wind capacity of approximately 300 MW. Ownership of the facility will be transferred to a joint venture whose members include NIPSCO, the developer and an unrelated tax equity partner. NIPSCO and the tax equity partner are obligated to make cash contributions to the partnership at the date construction is substantially complete. The aforementioned joint venture is expected to be fully owned by NIPSCO after the wind PTCs are monetized from the project. NIPSCO's purchase requirement under the Indiana Crossroads BTA is dependent on satisfactory approval of the Indiana Crossroads BTA by the IURC, successful execution of an agreement with a tax equity partner, and timely completion of construction. NIPSCO submitted the Indiana Crossroads BTA to the IURC for approval on October 22, 2019, and the IURC approved the Indiana Crossroads BTA on February 19, 2020. Required FERC filings are expected to be filed in the fourth quarter of 2020. Construction of the facility is expected to be completed by the end of 2021.

In June 2020, NIPSCO executed three additional 20 year PPAs to purchase 100% of the output from renewable generation facilities at a fixed price per MWh. The facilities supplying the energy will have a combined nameplate solar capacity of approximately 500 MW and 30 MW storage capacity. NIPSCO's purchase requirement under the PPAs is dependent on satisfactory approval of the PPAs by the IURC. NIPSCO submitted two of the PPAs to the IURC for approval in July 2020. An IURC order is anticipated by the end of the fourth quarter of 2020. NIPSCO plans to submit the third PPA to the IURC for approval in the fourth quarter of 2020. If approved by the IURC, payments under the PPAs will not begin until the associated generation facilities are constructed by the owner / seller, which is expected to be complete by the second quarter of 2023.

In October 2020, NIPSCO executed three solar BTAs with a developer to construct additional renewable generation facilities with a nameplate solar capacity of approximately 900 MW and 135 MW of storage capacity. Ownership of the facilities will be transferred to joint ventures whose members include NIPSCO and an unrelated tax equity partner. NIPSCO and the tax equity partner are obligated to make cash contributions to the partnerships at the date construction is substantially complete. The aforementioned joint ventures are expected to be fully owned by NIPSCO after the solar ITCs are monetized from the project. NIPSCO's purchase requirement under the BTAs is dependent on satisfactory approval of the BTAs by the IURC, successful execution of an agreement with a tax equity partner, and timely completion of construction. NIPSCO plans to submit the BTAs to the IURC for approval in the fourth quarter of 2020. Construction of the facility with a nameplate capacity of 265 MW is expected to be completed by the end of 2022. Construction of the facilities with a nameplate capacity of 635 MW and 135 of storage capacity are expected to be completed by the end of 2023.

On May 1, 2020, President Donald Trump issued an executive order (the “EO”) prohibiting any transaction initiated after that day that (i) involves bulk-power system equipment designed, developed, manufactured or supplied by persons owned by, controlled by or subject to the jurisdiction or direction of a foreign adversary and (ii) poses an unacceptable risk to national security. Implementing regulations from the U.S. Secretary of Energy are still pending. The EO also requires the U.S. Secretary of Energy to review the risk of existing bulk-power system equipment sourced from foreign adversaries and to establish a task force to review and recommend federal procurement policies and procedures consistent with the considerations identified in the EO. On July 8, 2020, the U.S. Department of Energy issued a Request for Information ("RFI"), seeking input from industry stakeholders to "understand the energy industry's current practices to identify and mitigate vulnerabilities in the supply chain" for components of bulk-power system equipment. The RFI identifies the following governments as "foreign adversaries": China, Cuba, Iran, North Korea, Russia and Venezuela. The RFI notes that the U.S. Secretary of Energy retains authority to amend this list at any time and such countries have been identified only for the purposes of the EO. In the future, certain bulk-power system equipment owned or operated by NiSource could possibly be considered to be sourced from a foreign adversary within the meaning of the EO.

Greater Lawrence Incident Restoration. In addition to the amounts estimated for third-party claims and fines, penalties and settlements associated with government investigations described above, since the Greater Lawrence Incident, we have recorded expenses of approximately $441 million for other incident-related costs. We estimate that total other incident-related costs will range from $445 million and $455 million, depending on the incurrence of costs associated with resolving outstanding third-party claims discussed above in " - B. Legal Proceedings." Such costs include certain consulting costs, legal costs, vendor costs, claims center costs, labor and related expenses incurred in connection with the incident, and insurance-related loss surcharges. The amounts set forth above do not include the capital cost of the pipeline replacement, which is set forth below.

As discussed in "- B. Legal Proceedings," the aggregate amount of third-party liability insurance coverage available for losses arising from the Greater Lawrence Incident is $800 million. We have collected the entire $800 million. Expenses related to the incident have exceeded the total amount of insurance coverage available under our policies.

The following table summarizes expenses incurred and insurance recoveries recorded since the Greater Lawrence Incident. This activity is presented within "Operation and maintenance" and "Other, net' in our Condensed Statements of Consolidated Income (Loss) (unaudited).

(in millions)	Total Costs Incurred through December 31, 2019	**Costs Incurred during the Three Months Ended September 30, 2020**	**Costs Incurred during the Nine Months Ended September 30, 2020**	Incident to Date
Third-party claims	$ 1,041	**$ (3)**	**$ (5)**	$ 1,036
Other incident-related costs	420	**5**	**21**	441
Total	1,461	**2**	**16**	1,477
Insurance recoveries recorded	(800)	**—**	**—**	(800)
Total costs incurred	$ 661	**$ 2**	**$ 16**	$ 677

Greater Lawrence Pipeline Replacement. In connection with the Greater Lawrence Incident, Columbia of Massachusetts, in cooperation with the Massachusetts Governor's office, replaced the entire affected 45-mile cast iron and bare steel pipeline system that delivers gas to approximately 7,500 gas meters, the majority of which serve residences and approximately 700 of which serve businesses impacted in the Greater Lawrence Incident. This system was replaced with plastic distribution mains and service lines, as well as enhanced safety features such as pressure regulation and excess flow valves at each premise.

We have invested approximately $258 million of capital spend for the pipeline replacement; this work was completed in 2019. We maintain property insurance for gas pipelines and other applicable property. Columbia of Massachusetts has filed a proof of loss with its property insurer for the pipeline replacement. In January 2020, we filed a lawsuit against the property insurer, seeking payment of our property claim. We are currently unable to predict the timing or amount of any insurance recovery under the property policy. This pipeline replacement cost is part of the Massachusetts Business that was classified as held for sale at September 30, 2020. The assets and liabilities of the Massachusetts Business have been recorded at fair value, less costs to sell, which has resulted in a loss being recorded as of September 30, 2020. The sale of the Massachusetts Business was completed on October 9, 2020. See Note 6, "Assets and Liabilities Held for Sale," for additional information.

State Income Taxes Related to Greater Lawrence Incident Expenses. As of December 31, 2018, expenses related to the Greater Lawrence Incident were $1,023 million. In the fourth quarter of 2019, we filed an application for Alternative Apportionment with the MA DOR to request an allocable approach to these expenses for purposes of Massachusetts state

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

income taxes, which, if approved, would result in a state deferred tax asset of approximately $50 million, net. The MA DOR issued a denial during the first quarter of 2020. We filed an application for abatement in the second quarter of 2020 and believe it is reasonably possible that the application will be accepted or an alternative method will be proposed by the MA DOR within the next three to six months.

Voluntary Separation Program. On August 5, 2020, we commenced a voluntary separation program for certain employees. Expense for the voluntary separation program will be recognized in the period when the employee accepts the offer, absent a retention period. For employees that have a retention period, expense will be recognized over the remaining service period. Employee acceptance under the voluntary separation program is determined by management based on facts and circumstances of the benefits being offered. The total severance expense for employees who were accepted under the voluntary separation program offered in August 2020 is approximately $38 million, which will be recognized over the remaining service period of the applicable employees. For the three and nine months ended September 30, 2020, we recognized $23.4 million in severance expense related to the program, all of which was outstanding at September 30, 2020. This activity is presented within "Operation and maintenance" in our Condensed Statements of Consolidated Income (Loss) (unaudited) and within "Accrued compensation and employee benefits" in our Condensed Consolidated Balance Sheets (unaudited).

Transition Services Agreement. In connection with the sale of the Massachusetts Business, NiSource and Eversource entered into a Transition Services Agreement (TSA). Under the TSA, NiSource will provide Eversource certain finance and accounting, gas operations, customer, human resources, information technology and other specific services, The duration of the TSA varies by service, generally lasting 12 to 24 months from the date of the sale. As the TSA commenced on October 9, 2020, we did not record any revenue for the TSA for the three and nine months ended September 30, 2020.

19. Accumulated Other Comprehensive Loss

The following tables display the components of Accumulated Other Comprehensive Loss:

Three Months Ended September 30, 2020 *(in millions)*	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of July 1, 2020	$ 3.6	$ (207.8)	$ (17.7)	$ (221.9)
Other comprehensive income before reclassifications	1.2	26.0	1.0	28.2
Amounts reclassified from accumulated other comprehensive income (loss)	0.2	—	(0.1)	0.1
Net current-period other comprehensive income	1.4	26.0	0.9	28.3
Balance as of September 30, 2020	**$ 5.0**	**$ (181.8)**	**$ (16.8)**	**$ (193.6)**

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

Nine Months Ended September 30, 2020 *(in millions)*	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of January 1, 2020	$ 3.3	$ (77.2)	$ (18.7)	$ (92.6)
Other comprehensive income (loss) before reclassifications	2.0	(104.6)	1.4	(101.2)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.3)	—	0.5	0.2
Net current-period other comprehensive income (loss)	1.7	(104.6)	1.9	(101.0)
Balance as of September 30, 2020	**$ 5.0**	**$ (181.8)**	**$ (16.8)**	**$ (193.6)**

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Three Months Ended September 30, 2019 *(in millions)*	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of July 1, 2019	$ 2.5	$ (62.8)	$ (20.5)	$ (80.8)
Other comprehensive income (loss) before reclassifications	0.9	(50.7)	0.2	(49.6)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.2)	0.1	0.2	0.1
Net current-period other comprehensive income (loss)	0.7	(50.6)	0.4	(49.5)
Balance as of September 30, 2019	$ 3.2	$ (113.4)	$ (20.1)	$ (130.3)

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

Nine Months Ended September 30, 2019 *(in millions)*	Gains and Losses on Securities[1]	Gains and Losses on Cash Flow Hedges[1]	Pension and OPEB Items[1]	Accumulated Other Comprehensive Loss[1]
Balance as of January 1, 2019	$ (2.4)	$ (13.0)	$ (21.8)	$ (37.2)
Other comprehensive income (loss) before reclassifications	5.9	(100.5)	0.7	(93.9)
Amounts reclassified from accumulated other comprehensive income (loss)	(0.3)	0.1	1.0	0.8
Net current-period other comprehensive income (loss)	5.6	(100.4)	1.7	(93.1)
Balance as of September 30, 2019	$ 3.2	$ (113.4)	$ (20.1)	$ (130.3)

[1]All amounts are net of tax. Amounts in parentheses indicate debits.

20. Other, Net

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2020**	2019	**2020**	2019
Interest income	**$ 1.3**	$ 2.1	**$ 4.4**	$ 5.4
AFUDC equity	**1.8**	2.9	**4.9**	7.1
Charitable contributions	**(0.3)**	(1.1)	**(0.9)**	(4.0)
Pension and other postretirement non-service cost	**0.6**	(2.8)	**6.4**	(8.7)
Sale of emission reduction credits	**4.6**	—	**4.6**	—
Miscellaneous	**—**	0.2	**0.5**	0.5
Total Other, net	**$ 8.0**	$ 1.3	**$ 19.9**	$ 0.3

21. Business Segment Information

At September 30, 2020, our operations are divided into two primary reportable segments. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, Indiana and Massachusetts. The sale of the Massachusetts Business was completed on October 9, 2020. Refer to Note 6, "Assets and Liabilities Held for Sale," for further details. The Electric Operations segment provides electric service in 20 counties in the northern part of Indiana.

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NiSource Inc.
Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The following table provides information about our business segments. We use operating income as our primary measurement for each of the reported segments and make decisions on finance, dividends and taxes at the corporate level on a consolidated basis. Segment revenues include intersegment sales to affiliated subsidiaries, which are eliminated in consolidation. Affiliated sales are recognized on the basis of prevailing market, regulated prices or at levels provided for under contractual agreements. Operating income is derived from revenues and expenses directly associated with each segment.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2020**	2019	**2020**	2019
Operating Revenues				
Gas Distribution Operations				
Unaffiliated	**$ 470.1**	$ 463.6	**$ 2,304.4**	$ 2,506.2
Intersegment	**3.0**	3.3	**9.0**	9.9
Total	**473.1**	466.9	**2,313.4**	2,516.1
Electric Operations				
Unaffiliated	**432.2**	467.7	**1,165.7**	1,304.9
Intersegment	**0.1**	0.2	**0.5**	0.6
Total	**432.3**	467.9	**1,166.2**	1,305.5
Corporate and Other				
Unaffiliated	**0.2**	0.2	**0.6**	0.6
Intersegment	**120.5**	116.9	**327.9**	342.2
Total	**120.7**	117.1	**328.5**	342.8
Eliminations	**(123.6)**	(120.4)	**(337.4)**	(352.7)
Consolidated Operating Revenues	**$ 902.5**	$ 931.5	**$ 3,470.7**	$ 3,811.7
Operating Income (Loss)				
Gas Distribution Operations	**$ (42.2)**	$ (48.6)	**$ 38.0**	$ 605.8
Electric Operations	**130.0**	140.7	**295.4**	321.4
Corporate and Other	**5.0**	(1.1)	**(0.7)**	1.5
Consolidated Operating Income	**$ 92.8**	$ 91.0	**$ 332.7**	$ 928.7

NiSource Inc.

EXECUTIVE SUMMARY

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (Management’s Discussion) analyzes our financial condition, results of operations and cash flows and those of our subsidiaries. It also includes management’s analysis of past financial results and certain potential factors that may affect future results, potential future risks and approaches that may be used to manage those risks. See "Note regarding forward-looking statements" at the beginning of this report for a list of factors that may cause results to differ materially.

Management’s Discussion is designed to provide an understanding of our operations and financial performance and should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

We are an energy holding company under the Public Utility Holding Company Act of 2005 whose subsidiaries are fully regulated natural gas and electric utility companies serving customers in six states, following the sale of our Massachusetts Business, which closed on October 9, 2020. See "Columbia of Massachusetts Asset Sale" below for additional information. We generate substantially all of our operating income through these rate-regulated businesses, which are summarized for financial reporting purposes into two primary reportable segments: Gas Distribution Operations and Electric Operations.

Refer to the “Business” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we address changing customer conservation patterns, develop more contemporary pricing structures and embark on long-term investment programs. These strategies are intended to improve reliability and safety, enhance customer service and reduce emissions while generating sustainable returns. Additionally, we continue to pursue regulatory and legislative initiatives that will allow residential customers not currently on our system to obtain gas service in a cost effective manner.

Columbia of Massachusetts Asset Sale: On February 26, 2020, NiSource and Columbia of Massachusetts entered into an Asset Purchase Agreement with Eversource (the "Asset Purchase Agreement"). Upon the terms and subject to the conditions set forth in the Asset Purchase Agreement, we sold the Massachusetts Business to Eversource for net proceeds of $1,112.6 million in cash, subject to adjustment for the final working capital amount. The sale was approved by the Massachusetts DPU on October 7, 2020, and closed on October 9, 2020. As a result of the sale, we have transitioned to executing the TSA with Eversource. For additional information, see Note 6, "Assets and Liabilities Held for Sale," and Note 18-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited).

Your Energy, Your Future: Our plan to replace 80% of our coal generation capacity by the end of 2023 and all of our coal generation by the end of 2028 with primarily renewable resources is well underway. In October 2020, we executed three BTAs for 900 MW solar nameplate capacity and 135 MW of storage capacity. The three projects were selected following a comprehensive review of bids submitted through the RFP process that NIPSCO underwent in late 2019. The projects complement previously executed BTAs and PPAs with a combined nameplate capacity of 400 MW and 1,300 MW, respectively. For additional information, see Note 18-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited).

NiSource Next: We have launched a comprehensive, multi-year program designed to deliver long-term safety, sustainable capability enhancements and cost optimization improvements. This program will advance the high priority we place on safety and risk mitigation, further enable our safety management system ("SMS"), and enhance the customer experience. NiSource Next is designed to leverage our current scale, utilize technology, define clear roles and accountability with our leaders and employees, and standardize our processes to focus on operational rigor, quality management and continuous improvement. An initial step in this program is the voluntary separation program that was announced in August 2020. Total severance expense for employees who were accepted under the voluntary separation program offered in August 2020 is approximately $38.0 million. The majority of these separation costs will be expensed in 2020. For additional information, see Note 18-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited). One of the expected benefits of the NiSource Next initiative, along with the sale of the Massachusetts Business, is a projected reduction in ongoing operation and maintenance costs by approximately 8% in 2021 compared to 2020.

COVID-19: The safety of our employees and customers, while providing essential services during the COVID-19 pandemic, is paramount. Since March 2020, we have taken a proactive, coordinated approach intended to prevent, mitigate and respond to

COVID-19 by utilizing our Incident Command System (ICS). The ICS includes members of our executive council, a medical review professional, and members of functional teams from across our company. The ICS monitors state-by-state conditions and determines steps to conduct our operations safely for employees and customers.

We have implemented procedures designed to protect our employees who work in the field and who continue to work in operational and corporate facilities, including social distancing, wearing face coverings, temperature checks and more frequent cleaning of equipment and facilities. We have also implemented work-from-home policies. We have minimized non-essential work that requires an employee to enter a customer premise and limited company vehicle occupancy to one person, where possible. We continue to employ physical and cyber-security measures to ensure that our operational and support systems remain functional. Our actions to date have mitigated the impact of COVID-19 on our employees. We have had a limited amount of known COVID-19 cases within our company. We will continue to follow CDC guidance and implement safety measures intended to ensure employee and customer safety during this pandemic.

Since the beginning of the COVID-19 pandemic, we have been helping our customers navigate this challenging time. We suspended disconnections soon after this outbreak began. While the suspension of disconnections has been lifted in some states, suspensions are likely to continue in other states through the end of the year. In all states, we plan to continue our payment assistance programs to help customers deal with the impact of COVID-19. Additionally, we continue to have dialogue with the state regulatory commissions for each of our operating companies regarding COVID-19. Regulatory deferrals have been allowed by the state regulatory commissions in all states in which we operate. For information on the state specific suspension of disconnections and COVID-19 regulatory filings, see Note 9, "Regulatory Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited). The CARES Act was enacted on March 27, 2020 and provides monetary-relief and financial aid to individuals, business, nonprofits, states and municipalities. We are continuing to promote multiple resources available to customers including benefits from the CARES Act, such as additional funding for both the Low-Income Home Energy Assistance Program and the Community Services Block Grant to help support income-qualified customers. We are sharing energy efficiency tips to help customers save energy at home and promoting our budget plan program, which allows customers to pay about the same amount each month.

While we have experienced lower revenue, higher expenses for personal protective equipment and supplies, and higher bad debt expense, COVID-19 has not materially impacted our results of operation as of September 30, 2020. Refer to "Results and Discussion of Segment Operation" in this Management's Discussion for additional segment specific information. We did experience lower cash flows from operations for the nine months ended September 30, 2020 in comparison to the same period in 2019 due, in part, to slower collections of customer accounts receivable; however, we believe we have sufficient liquidity as a result of the issuance of $1.0 billion notes in April 2020, the remaining cash proceeds received from the sale of the Massachusetts Business in October 2020, the available capacity under our short-term revolving credit facility and accounts receivable securitization facilities, and our anticipated ability to access capital markets. Additionally, we have reduced our expected 2020 capital investments by $145 million. We do not anticipate any other material changes to our capital construction programs or our renewable generation projects. While we have not experienced any significant issues in our supply chain, we are actively managing the materials, supplies, and contract services for our generation, transmission, distribution, and customer services functions.

Our future operating results and liquidity may be impacted by COVID-19, but the extent of the impact is uncertain as we approach the winter months and experience fluctuations in the number of confirmed COVID-19 cases. Such ongoing impact of COVID-19 includes, but is not limited to:

- Lower revenue and cash flow during the fourth quarter of 2020, in comparison to the fourth quarter of 2019, resulting from the decrease in commercial and industrial gas and electric demand as businesses comply with re-opening plans in each state and as businesses experience negative economic impact from COVID-19, potentially offset by higher residential demand.
- Lower revenue and cash flow during the fourth quarter of 2020, in comparison to the fourth quarter of 2019, due to the continuing suspension of late payment and reconnection fees in some jurisdictions.
- A decline in revenue in 2021 due to an increase in customer attrition rates, as well as lower revenue growth if customer additions slow due to a prolonged economic downturn.
- A continued increase in bad debt and decrease in cash flows in the fourth quarter of 2020 and into 2021 resulting from the suspension of shut-offs and the inability of our customers to pay for their gas and electric service due to job loss or other factors, partially offset by regulatory deferral.
- A continued delay in cash flows in 2020 as customers utilized the more flexible payment plans.

- An increase in internal labor costs from higher overtime in the fourth quarter of 2020.
- The impact of the employer payroll tax credit and payroll tax payment deferral under the CARES Act. We believe the deferral of payroll tax payments could provide a cash flow benefit in 2020 by delaying about $30.0 million of payroll tax payments. The IRS continues to provide additional guidance related to the employer tax credit. We do not expect the impact of employer payroll tax credits to be material.

Greater Lawrence Incident: For the three and nine months ended September 30, 2020, we have incurred $2.0 million and $16.0 million of third-party claims and other incident-related costs associated with the Greater Lawrence Incident, respectively. For additional information, see Note 18-B and D, "Legal Proceedings" and "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited).

We have invested approximately $258 million of capital spend for the pipeline replacement; this work was completed in 2019. We maintain property insurance for gas pipelines and other applicable property. Columbia of Massachusetts has filed a proof of loss with its property insurer for the pipeline replacement. In January 2020, we filed a lawsuit against the property insurer, seeking payment of our property claim. We are currently unable to predict the timing or amount of any insurance recovery under the property policy. This pipeline replacement cost is part of the Massachusetts Business that is classified as held for sale at September 30, 2020. The assets and liabilities of the Massachusetts Business have been recorded at fair value, less costs to sell, which has resulted in a loss being recorded as of September 30, 2020. The sale of the Massachusetts Business was completed on October 9, 2020. See Note 6, "Assets and Liabilities Held for Sale," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information.

Refer to Note 18-B and D, "Legal Proceedings" and "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited), "Summary of Consolidated Financial Results," and "Results and Discussion of Segment Operation - Gas Distribution Operations," in this Management's Discussion for additional information related to the Greater Lawrence Incident.

Summary of Consolidated Financial Results

A summary of our consolidated financial results for the three and nine months ended September 30, 2020 and 2019 are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions, except per share amounts)	**2020**	2019	2020 vs. 2019	**2020**	2019	2020 vs. 2019
Operating Revenues	**$ 902.5**	$ 931.5	$ (29.0)	**$ 3,470.7**	$ 3,811.7	$ (341.0)
Operating Expenses						
Cost of sales (excluding depreciation and amortization)	**143.1**	196.7	(53.6)	**793.9**	1,130.5	(336.6)
Other Operating Expenses	**666.6**	643.8	22.8	**2,344.1**	1,752.5	591.6
Total Operating Expenses	**809.7**	840.5	(30.8)	**3,138.0**	2,883.0	255.0
Operating Income	**92.8**	91.0	1.8	**332.7**	928.7	(596.0)
Total Other Deductions, net	**(330.6)**	(94.6)	(236.0)	**(508.6)**	(285.3)	(223.3)
Income Taxes	**(64.9)**	(10.2)	(54.7)	**(73.9)**	121.0	(194.9)
Net Income (Loss)	**(172.9)**	6.6	(179.5)	**(102.0)**	522.4	(624.4)
Preferred dividends	**(13.8)**	(13.8)	—	**(41.4)**	(41.4)	—
Net Income (Loss) Available to Common Shareholders	**(186.7)**	(7.2)	(179.5)	**(143.4)**	481.0	(624.4)
Basic Earnings (Loss) Per Share	**$ (0.49)**	$ (0.02)	$ (0.47)	**$ (0.37)**	$ 1.29	$ (1.66)
Basic Average Common Shares Outstanding	**383.8**	374.1	9.7	**383.5**	373.8	9.7

Our operations are affected by the cost of sales. Cost of sales (excluding depreciation and amortization) for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. Cost of sales (excluding depreciation and amortization) for the Electric Operations segment is comprised of the cost of coal, related handling costs, natural gas purchased for the internal generation of electricity at NIPSCO and the cost of power purchased from third-party generators of electricity. The majority of the cost of sales (excluding depreciation and amortization) are tracked costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in operating revenues.

NiSource Inc.

On a consolidated basis, we reported a net loss available to common shareholders of $186.7 million, or $0.49 per basic share for the three months ended September 30, 2020, compared to a net loss available to common shareholders of $7.2 million, or $0.02 per basic share for the same period in 2019. The increase in loss was primarily due to a loss on early extinguishment of debt in 2020. This was partially offset by higher income tax benefit in the third quarter of 2020 (see "Income Taxes" below).

For the nine months ended September 30, 2020, we reported a net loss available to common shareholders of $143.4 million, or $0.37 per basic share compared to net income available to common shareholders of $481.0 million, or $1.29 per basic share for the same period in 2019. The drivers for this decrease were consistent with that of the quarter-to-date period, with the addition of higher operating expenses due to insurance recoveries recorded in 2019, net of third-party claims and other costs, related to the Greater Lawrence Incident and a loss recorded for the classification as held for sale of the Massachusetts Business during 2020 (see Note 6, "Assets and Liabilities Held for Sale," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information).

Operating Income

For the three months ended September 30, 2020, we reported operating income of $92.8 million compared to operating income of $91.0 million for the same period in 2019.

For the nine months ended September 30, 2020, we reported operating income of $332.7 million compared to operating income of $928.7 million for the same period in 2019. The decrease in operating income was primarily due to the loss recorded for the classification as held for sale of the Massachusetts Business (see Note 6, "Assets and Liabilities Held for Sale," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information) and higher operating expenses due to insurance recoveries recorded in 2019, net of third-party claims and other costs, related to the Greater Lawrence Incident. In addition, COVID-19 impacted our results of operation as we have experienced a decrease in the commercial and industrial demand for gas and electric and incremental COVID-19 related expenses. We also experienced an increase in severance and outside services expenses related to the NiSource Next initiative. These expense increases were partially offset by new rates from regulatory proceedings, as well as an increase in the residential demand for electric primarily due to COVID-19.

Other Deductions, net

Other deductions, net reduced income by $330.6 million in the third quarter of 2020 compared to a reduction in income of $94.6 million in the prior year. This increase was primarily driven by a loss on early extinguishment of debt in 2020, partially offset by income from the sale of emission reduction credits in 2020. See Note 16, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information on the loss on early extinguishment of debt.

Other deductions, net reduced income by $508.6 million during the nine months ended September 30, 2020 compared to a reduction in income of $285.3 million in the prior year. The drivers for this change were consistent with that of the quarter-to-date period, partially offset by lower non-service pension costs driven by a decrease in the pension benefit obligations.

Income Taxes

For the three months ended September 30, 2020, the increase in income tax benefit from 2019 to 2020 is primarily attributable to the increased loss before income taxes in the third quarter of 2020, as well as a lower effective tax rate in 2020 due to the relative impact of permanent differences on lower pre-tax loss in 2019 compared to 2020.

For the nine months ended September 30, 2020, the change from an income tax expense to an income tax benefit from 2019 to 2020 is primarily attributable to the change from income before income taxes in 2019 to loss before income taxes in 2020, offset by a higher effective tax rate in 2020 due to increased amortization of excess deferred federal income tax liabilities, as specified in the TCJA in 2020 compared to 2019.

Refer to Note 14, "Income Taxes," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rate.

Capital Investment

For the nine months ended September 30, 2020, we invested $1,292.2 million in capital expenditures across our gas and electric utilities. These expenditures were primarily aimed at furthering the safety and reliability of our gas distribution system, system modernization projects and maintaining our existing electric generation fleet.

We continue to execute on an estimated $40 billion in total projected long-term regulated utility infrastructure investments and expect to invest a total of approximately $1.7 to $1.8 billion in capital during 2020 as we continue to focus on growth, safety and modernization projects across our operating area.

Liquidity
A primary focus of ours is to ensure the availability of adequate financing to fund our ongoing safety and infrastructure investment programs, which typically involves the issuance of debt and/or equity. During 2020, we took certain actions to enhance our liquidity. In April 2020, we terminated and repaid in full our existing $850.0 million term loan agreement and entered into a new $850.0 million term loan agreement. On October 14, 2020, this term loan was repaid in full with proceeds from the sale of the Massachusetts Business. Also, in April 2020, we completed the issuance and sale of $1.0 billion of senior unsecured notes resulting in approximately $987.8 million of net proceeds.

Through income generated from operating activities, amounts available under our short-term revolving credit facility, commercial paper program, accounts receivable securitization facilities, long-term debt agreements, remaining cash proceeds received from the sale of the Massachusetts Business in October 2020, and our ability to access the capital markets, we expect to have adequate capital available to fund our operating activities, capital expenditures, and the effects of COVID-19 through 2020 and beyond. As of September 30, 2020 and December 31, 2019, we had $1,591.4 million and $1,409.1 million, respectively, of net liquidity available, consisting of cash and available capacity under credit facilities. These factors and other impacts to the financial results are discussed in more detail within the following discussions of "Results and Discussion of Segment Operations" and "Liquidity and Capital Resources."

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information
Our operations are divided into two primary reportable segments: Gas Distribution Operations and Electric Operations.

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NiSource Inc.
Gas Distribution Operations

Financial and operational data for the Gas Distribution Operations segment for the three and nine months ended September 30, 2020 and 2019 are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2020**	2019	2020 vs. 2019	**2020**	2019	2020 vs. 2019
Operating Revenues	**$ 473.1**	$ 466.9	$ 6.2	**$ 2,313.3**	$ 2,516.1	$ (202.8)
Operating Expenses						
Cost of sales (excluding depreciation and amortization)	**63.0**	73.0	(10.0)	**559.6**	759.8	(200.2)
Operation and maintenance	**275.2**	289.9	(14.7)	**868.4**	680.9	187.5
Depreciation and amortization	**88.4**	102.6	(14.2)	**271.7**	299.4	(27.7)
Loss on classification as held for sale	**35.6**	—	35.6	**400.2**	—	400.2
Gain on sale of assets	**—**	—	—	**—**	(0.1)	0.1
Other taxes	**53.1**	50.0	3.1	**175.4**	170.3	5.1
Total Operating Expenses	**515.3**	515.5	(0.2)	**2,275.3**	1,910.3	365.0
Operating Income (Loss)	**$ (42.2)**	$ (48.6)	$ 6.4	**$ 38.0**	$ 605.8	$ (567.8)
Revenues						
Residential	**$ 310.1**	$ 289.7	$ 20.4	**$ 1,544.0**	$ 1,645.3	$ (101.3)
Commercial	**93.2**	91.6	1.6	**491.3**	545.9	(54.6)
Industrial	**42.9**	45.5	(2.6)	**166.2**	181.5	(15.3)
Off-System	**6.0**	16.9	(10.9)	**32.7**	60.4	(27.7)
Other	**20.9**	23.2	(2.3)	**79.1**	83.0	(3.9)
Total	**$ 473.1**	$ 466.9	$ 6.2	**$ 2,313.3**	$ 2,516.1	$ (202.8)
Sales and Transportation (MMDth)						
Residential	**15.5**	13.6	1.9	**173.8**	186.5	(12.7)
Commercial	**17.7**	17.4	0.3	**119.8**	131.8	(12.0)
Industrial	**131.9**	133.0	(1.1)	**402.9**	406.5	(3.6)
Off-System	**3.7**	8.5	(4.8)	**19.0**	24.6	(5.6)
Other	**0.1**	—	0.1	**0.3**	0.3	—
Total	**168.9**	172.5	(3.6)	**715.8**	749.7	(33.9)
Heating Degree Days	**91**	13	78	**3,259**	3,409	(150)
Normal Heating Degree Days	**71**	71	—	**3,531**	3,498	33
% Colder (Warmer) than Normal	**28 %**	(82)%		**(8)%**	(3)%	
Gas Distribution Customers						
Residential				**3,232,785**	3,167,742	65,043
Commercial				**281,316**	277,701	3,615
Industrial				**5,967**	5,974	(7)
Other				**3**	3	—
Total				**3,520,071**	3,451,420	68,651

Cost of sales (excluding depreciation and amortization) for the Gas Distribution Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. The cost of sales (excluding depreciation and amortization) are tracked costs that are passed through directly to the customer resulting in an equal and offsetting amount reflected in operating revenue. In addition, comparability of operation and maintenance expenses, depreciation and amortization, and other taxes may be impacted by regulatory, depreciation and tax trackers that allow for the recovery in rates of certain costs. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

NiSource Inc.
Gas Distribution Operations

Three Months Ended September 30, 2020 vs. September 30, 2019 Operating Income
For the three months ended September 30, 2020, Gas Distribution Operations reported an operating loss of $42.2 million, a decrease of $6.4 million from the comparable 2019 period.

Operating revenues for the three months ended September 30, 2020 were $473.1 million, an increase of $6.2 million from the same period in 2019. The change in operating revenues was primarily driven by:

- New rates from infrastructure replacement programs and Columbia of Ohio's CEP of $16.7 million.
- The effects of customer growth of $5.3 million.

Partially offset by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $10.0 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $2.6 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $1.2 million.

Operating expenses were $0.2 million lower for the three months ended September 30, 2020 compared to the same period in 2019. This change was primarily driven by:

- Lower third-party claims and other costs related to the Greater Lawrence Incident of $18.9 million.
- Lower employee and administrative expenses of $16.1 million.
- Lower depreciation and amortization of $14.1 million due to a $15.0 million decrease in depreciation and amortization as a result of classifying the Massachusetts Business as held for sale, offset by a $0.9 million increase in depreciation and amortization primarily due to higher capital expenditures placed in service.
- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $10.0 million.
- Lower outside service costs of $5.1 million primarily related to decreased consulting costs in 2020.

Partially offset by:

- Loss on classification as held for sale related to the Massachusetts Business of $35.6 million.
- Severance and outside services expenses related to the NiSource Next initiative of $18.8 million.
- Third-party consulting costs incurred for the separation and transition of the Massachusetts Business to Eversource of $11.0 million.

Nine Months Ended September 30, 2020 vs. September 30, 2019 Operating Income
For the nine months ended September 30, 2020, Gas Distribution Operations reported operating income of $38.0 million, a decrease of $567.8 million from the comparable 2019 period.

Operating revenues for the nine months ended September 30, 2020 were $2,313.3 million, a decrease of $202.8 million from the same period in 2019. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $200.2 million.
- Lower revenues from the effects of warmer weather in 2020 of $29.4 million.
- Lower regulatory, tax and depreciation trackers, which are offset in operating expense, of $10.9 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $7.0 million.
- The effects of decreased late payment and reconnection fees primarily related to COVID-19 of $4.3 million.

Partially Offset by:

- New rates from base rate proceedings, infrastructure replacement programs and Columbia of Ohio's CEP of $42.5 million.
- The effects of customer growth of $14.7 million.

NiSource Inc.
Gas Distribution Operations

Operating expenses were $365.0 million higher for the nine months ended September 30, 2020 compared to the same period in 2019. This change was primarily driven by:

- Loss on classification as held for sale related to the Massachusetts Business of $400.2 million.
- Insurance recoveries recorded in 2019, net of third-party claims and other costs, related to the Greater Lawrence Incident of $190.8 million.
- Severance and outside services expenses related to the NiSource Next initiative of $18.8 million.
- Third-party consulting costs incurred for the separation and transition of the Massachusetts Business to Eversource of $16.2 million.
- Increased property taxes of $7.8 million due to higher capital expenditures placed in service.
- Increased bad debt expense primarily related to COVID-19 of $6.7 million.
- Increased expenses primarily due to the impact of COVID-19 related materials & supplies, outside services, and sequestration expenses of $5.6 million.

Partially offset by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $200.2 million.
- Lower depreciation and amortization of $27.4 million due to a $35.0 million decrease in depreciation and amortization as a result of classifying the Massachusetts Business as held for sale, offset by a $7.6 million increase in depreciation and amortization primarily due to higher capital expenditures placed in service.
- Lower employee and administrative expenses of $26.0 million.
- Lower regulatory, tax and depreciation trackers, which are offset in operating revenue, of $10.9 million.
- Lower outside service costs of $10.9 million primarily related to decreased consulting costs in 2020.

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating degree days. Our composite heating degree days reported do not directly correlate to the weather-related dollar impact on the results of Gas Distribution Operations. Heating degree days experienced during different times of the year or in different operating locations may have more or less impact on volume and dollars depending on when and where they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating degree day comparison.

Weather in the Gas Distribution Operations service territories for the third quarter of 2020 was about 28% colder than normal and about 600% colder than 2019, leading to increased operating revenues of $2.3 million for the quarter ended September 30, 2020 compared to the same period in 2019.

Weather in the Gas Distribution Operations service territories for the nine months ended September 30, 2020 was about 8% warmer than normal and about 4% warmer than 2019, leading to decreased operating revenues of $29.4 million for the nine months ended September 30, 2020 compared to the same period in 2019.

Throughput

Total volumes sold and transported for the three months ended September 30, 2020 were 168.9 MMDth, compared to 172.5 MMDth for the same period in 2019. This decrease is due to decreased usage by industrial customers primarily due to COVID-19.

Total volumes sold and transported for the nine months ended September 30, 2020 were 715.8 MMDth, compared to 749.7 MMDth for the same period in 2019. This decrease is primarily attributable to warmer weather in 2020 compared to 2019 and decreased usage by commercial and industrial customers primarily due to COVID-19.

Economic Conditions

All of our Gas Distribution Operations companies have state-approved recovery mechanisms that provide a means for full recovery of prudently incurred gas costs. Gas costs are treated as pass-through costs and have no impact on operating income recorded in the period. The gas costs included in revenues are matched with the gas cost expense recorded in the period and the difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered gas cost to be included in future customer billings.

Certain Gas Distribution Operations companies continue to offer choice opportunities, where customers can choose to purchase gas from a third-party supplier, through regulatory initiatives in their respective jurisdictions. These programs serve to further reduce our exposure to gas prices.

Greater Lawrence Incident
Refer to Note 18-B, "Legal Proceedings," and D. "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) and "Executive Summary."

Columbia of Massachusetts Asset Sale
On February 26, 2020, we entered into an Asset Purchase Agreement with Eversource that provided for the sale of the Massachusetts Business to Eversource subject to terms and conditions set forth in the agreement. The sale of the Massachusetts Business was completed on October 9, 2020. For additional information, see Note 6, "Assets and Liabilities Held for Sale," in the Notes to Condensed Consolidated Financial Statements (unaudited).

NiSource Inc.
Electric Operations

Financial and operational data for the Electric Operations segment for the three and nine months ended September 30, 2020 and 2019 are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2020**	2019	2020 vs. 2019	**2020**	2019	2020 vs. 2019
Operating Revenues	**432.3**	$ 467.9	(35.6)	**1,166.2**	$ 1,305.5	$ (139.3)
Operating Expenses						
Cost of sales (excluding depreciation and amortization)	**80.1**	123.7	(43.6)	**234.3**	370.7	(136.4)
Operation and maintenance	**126.9**	118.4	8.5	**355.8**	363.9	(8.1)
Depreciation and amortization	**80.8**	70.4	10.4	**240.3**	207.8	32.5
Other taxes	**14.5**	14.7	(0.2)	**40.4**	41.7	(1.3)
Total Operating Expenses	**302.3**	327.2	(24.9)	**870.8**	984.1	(113.3)
Operating Income	**$ 130.0**	$ 140.7	$ (10.7)	**$ 295.4**	$ 321.4	$ (26.0)
Revenues						
Residential	**$ 168.3**	$ 148.7	$ 19.6	**$ 411.5**	$ 373.4	$ 38.1
Commercial	**135.4**	136.3	(0.9)	**365.4**	370.8	(5.4)
Industrial	**105.8**	151.8	(46.0)	**301.7**	471.2	(169.5)
Wholesale	**3.9**	3.5	0.4	**9.9**	9.0	0.9
Other	**18.9**	27.6	(8.7)	**77.7**	81.1	(3.4)
Total	**$ 432.3**	$ 467.9	$ (35.6)	**$ 1,166.2**	$ 1,305.5	$ (139.3)
Sales (Gigawatt Hours)						
Residential	**1,145.3**	1,103.2	42.1	**2,734.8**	2,628.7	106.1
Commercial	**996.0**	1,077.3	(81.3)	**2,706.5**	2,862.7	(156.2)
Industrial	**1,909.1**	2,145.5	(236.4)	**5,447.7**	6,525.7	(1,078.0)
Wholesale	**5.3**	0.3	5.0	**81.6**	7.9	73.7
Other	**24.4**	29.6	(5.2)	**74.1**	86.4	(12.3)
Total	**4,080.1**	4,355.9	(275.8)	**11,044.7**	12,111.4	(1,066.7)
Cooling Degree Days	**599**	720	(121)	**891**	940	(49)
Normal Cooling Degree Days	**556**	556	—	**795**	795	—
% Warmer (Colder) than Normal	**8 %**	29 %		**12 %**	18 %	
Electric Customers						
Residential				**417,703**	413,363	4,340
Commercial				**57,241**	56,906	335
Industrial				**2,160**	2,264	(104)
Wholesale				**723**	729	(6)
Other				**2**	2	—
Total				**477,829**	473,264	4,565

Cost of sales (excluding depreciation and amortization) for the Electric Operations segment is principally comprised of the cost of coal, related handling costs, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from third-party generators of electricity. The majority of the cost of sales (excluding depreciation and amortization) are tracked costs that are passed through directly to the customer resulting in an equal and offsetting amount reflected in operating revenue. In addition, comparability of operation and maintenance expenses and depreciation and amortization may be impacted by regulatory and depreciation trackers that allow for the recovery in rates of certain costs. Therefore, increases in these tracked operating expenses are offset by increases in operating revenues and have essentially no impact on net income.

NiSource Inc.
Electric Operations

Three Months Ended September 30, 2020 vs. September 30, 2019 Operating Income

For the three months ended September 30, 2020, Electric Operations reported operating income of $130.0 million, a decrease of $10.7 million from the comparable 2019 period.

Operating revenues for the three months ended September 30, 2020 were $432.3 million, a decrease of $35.6 million from the same period in 2019. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $43.6 million.
- Lower regulatory and depreciation trackers, which are offset in operating expense, of $5.0 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $4.4 million.

Partially offset by:

- New rates from the recent base rate proceeding and electric transmission projects of $12.4 million.
- The effects of increased residential usage primarily related to COVID-19 of $5.8 million.

Operating expenses were $24.9 million lower for the three months ended September 30, 2020 compared to the same period in 2019. This change was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $43.6 million.
- Lower regulatory and depreciation trackers, which are offset in operating revenues, of $5.0 million.
- Lower employee and administrative costs of $4.0 million.

Partially offset by:

- Increased depreciation of $15.5 million primarily attributable to higher depreciation rates from the recent rate case proceeding.
- Severance and outside services expenses related to the NiSource Next initiative of $7.4 million.
- Higher outside service costs of $3.3 million primarily related to higher generation-related maintenance.
- Increased materials and supplies costs of $1.7 million primarily related to higher generation-related maintenance.

Nine Months Ended September 30, 2020 vs. September 30, 2019 Operating Income

For the nine months ended September 30, 2020, Electric Operations reported operating income of $295.4 million, a decrease of $26.0 million from the comparable 2019 period.

Operating revenues for the nine months ended September 30, 2020 were $1,166.2 million, a decrease of $139.3 million from the same period in 2019. The change in operating revenues was primarily driven by:

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating expense, of $136.4 million.
- Lower regulatory and depreciation trackers, which are offset in operating expense, of $20.1 million.
- The effects of decreased commercial and industrial usage primarily related to COVID-19 of $17.5 million.

Partially offset by:

- New rates from the recent base rate proceeding and electric transmission projects of $20.7 million.
- The effects of increased residential usage primarily related to COVID-19 of $12.0 million.
- The effects of customer growth of $3.1 million.

Operating expenses were $113.3 million lower for the nine months ended September 30, 2020 compared to the same period in 2019. This change was primarily driven by:

NiSource Inc.
Electric Operations

- Lower cost of sales (excluding depreciation and amortization) billed to customers, which is offset in operating revenue, of $136.4 million.
- Lower regulatory and depreciation trackers, which are offset in operating revenues, of $20.1 million.
- Lower outside services costs of $18.3 million primarily related to lower generation-related maintenance.
- Lower employee and administrative costs of $8.5 million.

Partially offset by:

- Increased depreciation of $46.0 million primarily attributable to higher depreciation rates from the recent rate case proceeding.
- Severance and outside services expenses related to the NiSource Next initiative of $7.4 million.
- Increased expenses primarily due to the impact of COVID-19 related materials and supplies, outside services, and sequestration expenses of $5.2 million.
- Increased materials and supplies costs of $3.8 million
- Higher insurance expense of $2.4 million primarily driven by increased premiums.
- Increased environmental costs of $1.3 million.

Weather
In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal heating or cooling degree days. Our composite heating or cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. Heating or cooling degree days experienced during different times of the year may have more or less impact on volume and dollars depending on when they occur. When the detailed results are combined for reporting, there may be weather-related dollar impacts on operations when there is not an apparent or significant change in our aggregated composite heating or cooling degree day comparison.

Weather in the Electric Operations' territories for the third quarter of 2020 was about 8% warmer than normal and about 17% cooler than in 2019, which had an immaterial impact on operating revenues for the quarter ended September 30, 2020 compared to the same period in 2019.

Weather in the Electric Operations' territories for the nine months ended September 30, 2020 was about 12% warmer than normal and about 5% cooler than in 2019, which had an immaterial impact on operating revenues for the nine months ended September 30, 2020 compared to the same period in 2019.

Sales
Electric Operations sales for the third quarter of 2020 were 4,080.1 GWh, a decrease of 275.8 GWh compared to the same period in 2019. This decrease was primarily attributable to decreased usage by industrial and commercial customers due to COVID-19 and higher self-generation by industrial customers, partially offset by increased usage by residential customers primarily due to COVID-19.

Electric Operations sales for the nine months ended September 30, 2020 were 11,044.7 GWh, a decrease of 1,066.7 GWh compared to the same period in 2019. This decrease was primarily attributable to decreased usage by industrial and commercial customers due to COVID-19 and higher self-generation by industrial customers, partially offset by increased usage by residential customers primarily due to COVID-19.

Economic Conditions
NIPSCO has a state-approved recovery mechanism that provides a means for full recovery of prudently incurred fuel costs. Fuel costs are treated as pass-through costs and have no impact on operating income recorded in the period. The fuel costs included in revenues are matched with the fuel cost expense recorded in the period and the difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel cost to be included in future customer billings.

Electric Supply
NIPSCO 2018 Integrated Resource Plan. Multiple factors, but primarily economic ones, including low natural gas prices, advancing cost effective renewable technology and increasing capital and operating costs associated with existing coal plants,

NiSource Inc.
Electric Operations

have led NIPSCO to conclude in its October 2018 Integrated Resource Plan submission that NIPSCO's current fleet of coal generation facilities will be retired earlier than previous Integrated Resource Plan's had indicated.

The Integrated Resource Plan evaluated demand-side and supply-side resource alternatives to reliably and cost effectively meet NIPSCO customers' future energy requirements over the ensuing 20 years. The preferred option within the Integrated Resource Plan retires the R.M. Schahfer Generating Station by the end of 2023 and the Michigan City Generating Station by the end of 2028. These stations represent 2,080 MW of generating capacity, equal to 72% of NIPSCO's remaining capacity and 100% of NIPSCO's remaining coal-fired generating capacity. In the second quarter of 2020, the MISO approved NIPSCO's plan to retire the R.M. Schahfer Generating Station in 2023. The planned replacement by the end of 2023 of approximately 1,400 MW of retiring coal-fired generation station could provide incremental capital investment opportunities of approximately \$1.8 to \$2.0 billion, primarily in 2022 and 2023. Refer to Note 7, "Property, Plant and Equipment" and Note 18-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information.

The current replacement plan includes lower-cost, reliable, cleaner energy resources to be obtained through a combination of NIPSCO ownership and PPAs. We expect to secure additional agreements with counterparties and initiate regulatory compliance filings into 2021. Refer to Note 18-D, "Other Matters," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information on the NIPSCO Integrated Resource Plan.

Liquidity and Capital Resources

Greater Lawrence Incident: As discussed in the "Executive Summary" and Note 18, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited), due to the inherent uncertainty of litigation, there can be no assurance that the outcome or resolution of any particular claim related to the Greater Lawrence Incident will not continue to have an adverse impact on our cash flows. Through income generated from operating activities, amounts available under the short-term revolving credit facility, and our ability to access capital markets, we believe we have adequate capital available to fund the estimated future incremental costs associated with the Greater Lawrence Incident. Previous costs in excess of insurance recoveries were primarily funded through short-term borrowings. The sale of the Massachusetts Business was completed on October 9, 2020. On October 14, 2020, we used a portion of the proceeds from the Massachusetts Business sale to pay down these short-term borrowings. For more information, see Note 6, "Assets and Liabilities Held for Sale," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

Operating Activities

Net cash from operating activities for the nine months ended September 30, 2020 was $858.6 million, a decrease of $373.2 million compared to the nine months ended September 30, 2019. This decrease was primarily driven by year over year increase in net payments related to the Greater Lawrence Incident. During 2020, we paid approximately $222 million compared to insurance recoveries of $242 million, net of payments, during 2019. Additionally, we had lower accounts receivable collections in 2020 compared to 2019 due to the impact of COVID-19. Offsetting these cash outflows are lower spend on gas inventory due to warmer weather and lower usage in 2020, and an increase in cash from the recent NIPSCO Electric base rate proceeding.

Investing Activities

Net cash used for investing activities for the nine months ended September 30, 2020 was $1,399.9 million, an increase of $6.1 million compared to the nine months ended September 30, 2019. This increase was driven by increased net available-for-sale debt security purchases in 2020.

Our capital expenditures for the nine months ended September 30, 2020 were $1,292.2 million compared to $1,310.0 million for the comparable period in 2019. The decrease was driven primarily by 2019 spend related to the Greater Lawrence Pipeline Replacement and a year-over-year reduction in Electric TDSIC investments, partially offset by an increase in customer growth, NIPSCO Gas tracked investments and IT modernization projects. We project total 2020 capital expenditures to be approximately $1.7 to $1.8 billion.

Our cost of removal expenditures for the nine months ended September 30, 2020 were $102.1 million compared to $84.5 million for the comparable period in 2019. The increase was driven by additional cost of removal projects completed by NIPSCO and Columbia of Ohio.

Financing Activities

Common Stock and Preferred Stock. Refer to Note 5, "Equity," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock activity.

Long-term Debt. Refer to Note 16, "Long-Term Debt," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on long-term debt activity.

Short-term Debt. Refer to Note 17, "Short-Term Borrowings," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

Net Available Liquidity. As of September 30, 2020, an aggregate of $1,591.4 million of net liquidity was available, including cash and credit available under the revolving credit facility.

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The following table displays our liquidity position as of September 30, 2020 and December 31, 2019:

(in millions)	**September 30, 2020**	December 31, 2019
Current Liquidity		
Revolving Credit Facility	**$ 1,850.0**	$ 1,850.0
Accounts Receivable Program[(1)]	**231.2**	353.2
Less:		
Commercial Paper	**307.0**	570.0
Accounts Receivable Program Utilized	**231.2**	353.2
Letters of Credit Outstanding Under Credit Facility	**10.2**	10.2
Add:		
Cash and Cash Equivalents	**58.6**	139.3
Net Available Liquidity	**$ 1,591.4**	$ 1,409.1

[(1)]Represents the lesser of the seasonal limit or maximum borrowings supportable by the underlying receivables.

Debt Covenants. We are subject to financial covenants under our revolving credit facility and term loan agreement, which require us to maintain a debt to capitalization ratio that does not exceed 70%. As of September 30, 2020, the ratio was 66.2%.

Sale of Trade Accounts Receivables. Refer to Note 12, "Transfers of Financial Assets," in the Notes to Condensed Consolidated Financial Statements (unaudited) for information on the sale of trade accounts receivable.

Credit Ratings. The credit rating agencies periodically review our ratings, taking into account factors such as our capital structure and earnings profile. The following table includes our and certain of our subsidiaries' credit ratings and ratings outlook as of September 30, 2020. In February 2020, S&P changed the outlook of us and certain of our subsidiaries from Negative to Stable. There were no other changes to the below credit ratings or outlooks since December 31, 2019.

A credit rating is not a recommendation to buy, sell, or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization.

	S&P		Moody's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
NiSource	BBB+	Stable	Baa2	Stable	BBB	Stable
NIPSCO	BBB+	Stable	Baa1	Stable	BBB	Stable
Columbia of Massachusetts	BBB+	Stable	Baa2	Stable	Not rated	Not rated
Commercial Paper	A-2	Stable	P-2	Stable	F2	Stable

Certain of our subsidiaries have agreements that contain "ratings triggers" that require increased collateral if our credit rating or the credit ratings of certain of our subsidiaries are below investment grade. These agreements are primarily for insurance purposes and for the physical purchase or sale of power. As of September 30, 2020, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $74.6 million. In addition to agreements with ratings triggers, there are other agreements that contain "adequate assurance" or "material adverse change" provisions that could necessitate additional credit support such as letters of credit and cash collateral to transact business.

Equity. Our authorized capital stock consists of 620,000,000 shares, $0.01 par value, of which 600,000,000 are common stock and 20,000,000 are preferred stock. As of September 30, 2020, 383,114,130 shares of common stock and 440,000 shares of preferred stock were outstanding.

Contractual Obligations. Aside from the previously referenced issuances and repayments of long-term debt and payments associated with the Greater Lawrence Incident, there were no material changes during the nine months ended September 30, 2020 to our contractual obligations as of December 31, 2019.

Guarantees and Indemnities. We and certain of our subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries as a part of normal business. Refer to Note 18, "Other

Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on guarantees.

Off Balance Sheet Arrangements

We, along with certain of our subsidiaries, enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit.

Refer to Note 18, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

Market Risk Disclosures

Risk is an inherent part of our businesses. The extent to which we properly and effectively identify, assess, monitor and manage each of the various types of risk involved in our businesses is critical to our profitability. We seek to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal market risks that are involved in our businesses: commodity price risk, interest rate risk and credit risk. We manage risk through a multi-faceted process with oversight by the Risk Management Committee that requires constant communication, judgment and knowledge of specialized products and markets. Our senior management takes an active role in the risk management process and has developed policies and procedures that require specific administrative and business functions to assist in the identification, assessment and control of various risks. These may include, but are not limited to market, operational, financial, compliance and strategic risk types. In recognition of the increasingly varied and complex nature of the energy business, our risk management process, policies and procedures continue to evolve and are subject to ongoing review and modification.

Commodity Price Risk

We are exposed to commodity price risk as a result of our subsidiaries' operations involving natural gas and power. To manage this market risk, our subsidiaries use derivatives, including commodity futures contracts, swaps, forwards and options. We do not participate in speculative energy trading activity.

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited, since regulations allow recovery of prudently incurred purchased power, fuel and gas costs through the ratemaking process, including gains or losses on these derivative instruments. If states should explore additional regulatory reform, these subsidiaries may begin providing services without the benefit of the traditional ratemaking process and may be more exposed to commodity price risk.

Our subsidiaries are required to make cash margin deposits with their brokers to cover actual and potential losses in the value of outstanding exchange traded derivative contracts. The amount of these deposits, some of which is reflected in our restricted cash balance, may fluctuate significantly during periods of high volatility in the energy commodity markets.

Refer to Note 10, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of September 30, 2020 or December 31, 2019.

Interest Rate Risk

We are exposed to interest rate risk as a result of changes in interest rates on borrowings under our revolving credit agreement, commercial paper program, accounts receivable programs and term loan, which have interest rates that are indexed to short-term market interest rates. Based upon average borrowings and debt obligations subject to fluctuations in short-term market interest rates, an increase (or decrease) in short-term interest rates of 100 basis points (1%) would have increased (or decreased) interest expense by $3.2 million and $10.9 million for the three and nine months ended September 30, 2020, and $4.7 million and $14.7 million for the three and nine months ended September 30, 2019, respectively. We are also exposed to interest rate risk as a result of changes in benchmark rates that can influence the interest rates of future debt issuances.

Refer to Note 10, "Risk Management Activities," in the Notes to Condensed Consolidated Financial Statements (unaudited) for further information on our interest rate risk assets and liabilities as of September 30, 2020 and December 31, 2019.

Credit Risk

Due to the nature of the industry, credit risk is embedded in many of our business activities. Our extension of credit is governed by a Corporate Credit Risk Policy. In addition, Risk Management Committee guidelines are in place which document management approval levels for credit limits, evaluation of creditworthiness, and credit risk mitigation efforts. Exposures to credit risks are monitored by the risk management function, which is independent of commercial operations. Credit risk arises due to the possibility that a customer, supplier or counterparty will not be able or willing to fulfill its obligations on a transaction on or before the settlement date. For derivative-related contracts, credit risk arises when counterparties are obligated to deliver or purchase defined commodity units of gas or power to us at a future date per execution of contractual terms and conditions. Exposure to credit risk is measured in terms of both current obligations and the market value of forward positions net of any posted collateral such as cash and letters of credit.

We closely monitor the financial status of our banking credit providers. We evaluate the financial status of our banking partners through the use of market-based metrics such as credit default swap pricing levels, and also through traditional credit ratings provided by major credit rating agencies.

Although certain individual state regulatory commissions have instituted regulatory moratoriums in connection with COVID-19 that continue to impact our ability to pursue our credit risk mitigation practices for customer accounts receivable, we believe this to be temporary, and we expect to reinstate our common credit mitigation practices upon expiration of the state specific moratoriums. See the COVID-19 discussion in the introduction to the "Executive Summary" for risks that have been identified related to COVID-19 and refer to Note 9, "Regulatory Matters" in the Notes to Condensed Consolidated Financial Statements (unaudited) for state specific regulatory moratoriums.

Other Information

Critical Accounting Estimates

Refer to Note 3, "Revenue Recognition," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in determining allowance for credit losses related to COVID-19.

Refer to Note 13, "Goodwill," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in the annual goodwill impairment analysis performed as of May 1, 2020.

Refer to Note 18, "Other Commitments and Contingencies," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about management judgment used in the development of estimates related to the Greater Lawrence Incident.

Recently Issued Accounting Pronouncements

Refer to Note 2, "Recent Accounting Pronouncements," in the Notes to Condensed Consolidated Financial Statements (unaudited) for additional information about recently issued and adopted accounting pronouncements.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion regarding quantitative and qualitative disclosures about market risk see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures.”

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our chief executive officer and our chief financial officer are responsible for evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that financial information was processed, recorded and reported accurately.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 18-B, "Legal Proceedings," in the Notes to Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

Please refer to the risk factors set forth in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, as supplemented by the Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

NiSource Inc.

(4.1)	Form of 0.950% Notes due 2025 (incorporated by reference to Exhibit 4.1 of the NiSource Inc. Form 8-K filed on August 18, 2020).
(4.2)	Form of 1.700% Notes due 2031 (incorporated by reference to Exhibit 4.2 of the NiSource Inc. Form 8-K filed on August 18, 2020).
(10.1)	Settlement Agreement, dated July 2, 2020, by and among Bay State Gas Company d/b/a Columbia Gas of Massachusetts, NiSource Inc., Eversource Gas Company of Massachusetts, Eversource Energy, the Massachusetts Attorney General's Office, the Massachusetts Department of Energy Resources and the Low-Income Weatherization and Fuel Assistance Program Network (incorporated by reference to Exhibit 10.1 of the NiSource Inc. Form 8-K filed on July 6, 2020).
(10.2)	Amendment to Settlement Agreement by and among Bay State Gas Company d/b/a Columbia Gas of Massachusetts, NiSource Inc., Eversource Gas Company of Massachusetts, Eversource Energy, the Massachusetts Attorney General's Office, the Massachusetts Department of Energy Resources and the Low-Income Weatherization and Fuel Assistance Program Network, dated September 29, 2020.*
(10.3)	Letter Agreement by and among NiSource Inc., Bay State Gas Company d/b/a Columbia Gas of Massachusetts and Eversource Energy Relating to Asset Purchase Agreement, dated October 9, 2020.* **
(10.4)	NiSource Inc. Supplemental Executive Retirement Plan, as amended and restated effective November 1, 2020.*
(10.5)	Pension Restoration Plan for NiSource Inc. and Affiliates, as amended and restated effective November 1, 2020.*
(10.6)	Savings Restoration Plan for NiSource Inc. and Affiliates, as amended and restated effective November 1, 2020.*
(10.7)	NiSource Inc. Executive Severance Policy, as amended and restated effective October 19, 2020.*
(10.8)	NiSource Next Voluntary Separation Program, effective as of August 5, 2020.*
(10.9)	Letter Agreement dated October 19, 2020 by and between NiSource Inc. and Carrie Hightman.*
(31.1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(31.2)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
(32.1)	Certification of Chief Executive Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(32.2)	Certification of Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).*
(101.INS)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
(101.SCH)	Inline XBRL Schema Document
(101.CAL)	Inline XBRL Calculation Linkbase Document
(101.LAB)	Inline XBRL Labels Linkbase Document
(101.PRE)	Inline XBRL Presentation Linkbase Document
(101.DEF)	Inline XBRL Definition Linkbase Document
(104)	Cover page Interactive Data File (formatted as inline XBRL, and contained in Exhibit 101.)
*	Exhibit filed herewith.
**	Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. NiSource agrees to furnish supplementally a copy of any omitted schedules or exhibits to the SEC upon request.

SIGNATURE

NiSource Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		NiSource Inc.
		(Registrant)
Date: November 2, 2020	By:	/s/ Gunnar J. Gode
		Gunnar J. Gode Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)

Exhibit 10.2

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

	)
Petition of Eversource Energy, NiSource Inc., Eversource Gas Company of	)
Massachusetts and Bay State Gas Company for Approval of Purchase and Sale	) D.P.U. 20-59
of Assets Pursuant to General Laws Chapter 164, § 94 and § 96	)
	)
	)

AMENDMENT TO SETTLEMENT AGREEMENT

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

Petition of Eversource Energy, NiSource Inc., Eversource Gas Company of Massachusetts and Bay State Gas Company for Approval of Purchase and Sale of Assets Pursuant to General Laws Chapter 164, § 94 and § 96	D.P.U. 20-59

Amendment to settlement agreement

The Settling Parties hereby agree that Section 3.8 of the Settlement Agreement, under the subsection "Article III: Additional Conditions," is amended by striking the section in its entirety and replacing it with the following:

h. The provisions of this Settlement Agreement are not severable. This Settlement Agreement is conditioned on its approval in full by the Department no later than October 7, 2020 ("Requested Approval Date"), and any supporting information or evidence provided to the Department during any proceeding to investigate this settlement shall not interpreted to vary the express terms of this Settlement Agreement. Notwithstanding any of the foregoing provisions, the Attorney General may, in her sole discretion, or DOER may, in its sole discretion, rescind the Settlement Agreement in its entirety prior to the Department's issuance of an order approving the Settlement Agreement; provided that notice of such rescission must be filed, or submitted electronically, in writing with the Department. The Settling Parties agree that the Requested Approval Date of this Settlement Agreement may be extended upon the mutual consent of the Settling Parties and notification of such extension to the Department.

The signatories listed below represent that they are authorized on behalf of their principals to enter into this Amendment to the Settlement Agreement.

Maura Healey, **Commonwealth of Massachusetts**
Commonwealth of Massachusetts **department of Energy Resources**
Attorney General

/s/ Rebecca L. Tepper /s/ Robert H. Hoagland III

By: Rebecca L. Tepper By: Robert H. Hoaglund II
Chief, Office of Ratepayer Advocacy General Counsel
Office of the Attorney General Department of Energy Resources
One Ashburton Place 100 Cambridge Street, Suite 1020
Boston, MA 02108-1598 Boston, MA 02114
Tel: 617-727-2200 Tel: 617-626-7318

NiSource Inc. **Eversource Energy**

/s/ Donald E. Brown /s/ John M. Moreira

By: Donald E. Brown By: John M. Moreira
Executive Vice President, Senior Vice President & Treasurer
Chief Financial Officer Eversource Energy
801 E. 86th Avenue 800 Boylston Street
Merrillville, IN 46410 Boston, MA 02109

Bay State Gas Company d/b/a **Eversource Gas Company**
Columbia Gas of Massachusetts **of Massachusetts**

/s/ Carrie J. Hightman /s/ William J. Akley

By: Carrie J. Hightman By: William J. Akley
Chief Executive Officer President
4 Technology Drive 800 Boylston Street
Westborough, MA 01581 Boston, MA 02109

Low-Income Weatherization and
Fuel Assistance Program Network
By its Attorney,

/s/ Jerrold Oppenheim

Jerrold Oppenheim
57 Middle Street
Gloucester, MA 01930

Tel: 978-283-0897

Dated: September 29, 2020

EXHIBIT 10.3

LETTER AGREEMENT RELATING TO
ASSET PURCHASE AGREEMENT

This Letter Agreement, dated as of October 9, 2020 (this "**Letter Agreement**"), is by and among NiSource Inc., a Delaware corporation ("**Seller Parent**"), Bay State Gas Company, a Massachusetts corporation and indirect wholly-owned subsidiary of Seller Parent (the "**Company**" and, together with Seller Parent, "**Seller**"), and Eversource Energy, a Massachusetts voluntary association ("**Buyer**"). Capitalized terms used and not otherwise defined herein have the meanings set forth in the Purchase Agreement (as defined below).

WHEREAS, Seller Parent, the Company and Buyer are parties to that certain Asset Purchase Agreement, dated as of February 26, 2020 (the "**Purchase Agreement**"); and

WHEREAS, the parties hereto desire to make certain modifications to the Purchase Agreement as set forth in this Letter Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and among Seller Parent, the Company and Buyer as follows:

Section 1. Amendments. The Purchase Agreement is hereby amended as follows:

(a) Section 1.1 of the Purchase Agreement is amended to add the following defined terms:
"**June 30 Forgiveness Credits**" has the meaning given to it in the Settlement Agreement.
"**Settlement Agreement**" means the Settlement Agreement, executed on July 2, 2020, by and among Buyer, Seller, Eversource Gas Company of Massachusetts, the Massachusetts Attorney General's Office, the Massachusetts Department of Energy Resources and the Low-Income Weatherization and Fuel Assistance Program Network.

(b) Section 4.4 of the Purchase Agreement is amended to add the following after clause (j) thereof:

Notwithstanding anything to the contrary in Section 4.4(j) of this Agreement, but without in any manner qualifying or limiting Seller's representations, covenants and obligations under this Agreement (including Section 2.1(a) hereof), in the event that the Company does not have a valid legal description for any parcel of Owned Real Property set forth on Exhibit B attached hereto (collectively, the "**Exhibit B Owned Real Property**") as of the Closing Date, in lieu of delivering a Deed for any such parcel of Exhibit B Owned Real Property at the Closing, Seller shall (1) deliver a release deed in form and substance substantially similar to the form of release deed on Exhibit C attached hereto (the "**Release Deed**") for such parcel of Exhibit B Owned Real Property at the Closing, and (2) as applicable:

(i) with respect to any parcel of the Exhibit B Owned Real Property set forth on Exhibit B – Schedule I attached hereto, within sixty (60) days after the Closing Date, subject to extension as mutually agreed to by Seller Parent and Buyer acting reasonably and in good faith, Seller shall deliver to Buyer a Deed with a valid legal description for each such parcel of Exhibit B Owned Real Property;

(ii) with respect to any parcel of the Exhibit B Owned Real Property set forth on Exhibit B – Schedule II attached hereto, within one hundred twenty (120) days after the Closing Date, subject to extension as mutually agreed to by Seller Parent and Buyer acting reasonably and in good faith, Seller shall (A) use its reasonable best efforts to deliver to Buyer a Deed with a valid legal description for each such parcel of Exhibit B Owned Real Property and (B) in the event Seller has not delivered such a Deed for any such parcel of Exhibit B Owned Real Property within such one hundred twenty (120) day period, Seller shall, at its sole cost and expense, commence and use its reasonable best efforts to promptly prosecute to completion a quiet title action for such parcel of Exhibit B Owned Real Property, and promptly following the successful completion of such action for any such parcel of Exhibit B Owned Real Property, Seller shall deliver a Deed with a valid legal description for such parcel of Exhibit B Owned Real Property; and

(iii) with respect to any parcel of the Exhibit B Owned Real Property set forth on Exhibit B – Schedule III attached hereto, within one hundred twenty (120) days after the Closing Date, subject to extension as mutually agreed to by Seller Parent and Buyer acting reasonably and in good faith, Seller shall (A) use its reasonable best efforts to deliver to Buyer a Deed with a valid legal description for each such parcel of Exhibit B Owned Real Property (and concurrently with Seller's delivery of any such Deed to Buyer, Buyer shall return the corresponding Release Deed to Seller, along with written confirmation (which may be by e-mail) that such Release Deed has not been recorded) and (B) in the event Seller has not delivered such a Deed for any such parcel of Exhibit B Owned Real Property within such one hundred twenty (120) day period, Seller shall, at its sole cost and expense, commence and use its reasonable best efforts to promptly prosecute to completion a quiet title action for such parcel of Exhibit B Owned Real Property, and promptly following the successful completion of such action for any such parcel of Exhibit B Owned Real Property, Seller shall deliver a Deed with a valid legal description for such parcel of Exhibit B Owned Real Property (and concurrently with Seller's delivery of any such Deed to Buyer, Buyer shall return the corresponding Release Deed to Seller, along with written confirmation (which may be by e-mail) that such Release Deed has not been recorded).

Seller acknowledges and agrees that nothing herein shall in any manner modify the obligation of Seller to transfer, assign, convey and deliver to Buyer all Owned Real Property free and clear of all Encumbrances (except for Permitted Encumbrances).

(c) A new Section 4.5(f) is added to the Purchase Agreement, immediately following Section 4.5(e) as follows:

(f) Promptly (and in any event within ten (10) Business Days) after the completion of November 2020 billing cycles and the issuance of the June 30 Forgiveness Credits as contemplated by the Settlement Agreement, Buyer shall notify Seller Parent of the final amount of June 30 Forgiveness Credits. If the final amount of June 30 Forgiveness Credits is greater than fifteen million eight-hundred thousand dollars ($15,800,000) (representing the amount of Purchase Price withheld at the Closing in respect of such credits), then Seller Parent shall promptly (and in any event within five (5) Business Days following Buyer's delivery of notice of the final amount of June 30 Forgiveness Credits) pay to Buyer the amount of such surplus. If the final amount of June 30 Forgiveness Credits is less than fifteen million eight-hundred thousand dollars ($15,800,000), then Buyer shall promptly (and in any event within five (5) Business Days following Buyer's delivery of notice of the final amount of June 30 Forgiveness Credits) pay to Seller Parent the amount of such deficit, provided that the amount of such payment to Seller Parent shall in no event exceed eight hundred thousand dollars ($800,000).

(d) A new Section 7.7 is added to the Purchase Agreement, immediately following Section 7.6 of the Purchase Agreement, as follows:

Section 7.7. Surety Bonds. Prior to the Closing, each of Seller and Buyer will, in cooperation with the other, use its and cause its Affiliates to use their reasonable best efforts to obtain all Consents from any Third Parties who are not Governmental Bodies necessary or advisable to transfer the Surety Bond Rights and the Surety Bond Obligations to Buyer as of the Closing. With respect to any Surety Bond for which Consent is obtained prior to Closing in accordance with the immediately preceding sentence, (a) the definition of "Business Indebtedness" in this Agreement shall not include Surety Bond Obligations with respect to such Surety Bond, (b) the definition of "Purchased Assets" in this Agreement shall include Surety Bond Rights with respect to such Surety Bond and (c) the definition of "Assumed Liabilities" in this Agreement shall include Surety Bond Obligations with respect to such Surety Bond. All other surety bonds for which the Company is the principal shall remain "Business Indebtedness" and accordingly, "Excluded Liabilities." For purposes of this Agreement:

"**Surety Bond Obligations**" means all obligations and liabilities of the Company under the Surety Bonds to the extent that such obligations and liabilities arise from a performance failure of the obligor under the Surety Bonds that occurs after the Closing.

"**Surety Bond Rights**" means all rights of the Company under the Surety Bonds to the extent that such rights arise, or relate or are attributable to the period, from and after the Closing.

"**Surety Bonds**" means all surety bonds relating to the Business for which the Company is the principal that are (i) listed on Exhibit D hereto or (ii) entered into on or after the date hereof and prior to the Closing with Buyer's prior written consent.

(e) The references to "Section 8.3(f)" in Section 2.1(d)(xiii)(ii) of the Agreement and Section 2.1(d)(xvii) of the Agreement shall be deleted in their entirety and replaced with "Section 8.3(f) and Section 8.3(h)."

(f) Section 8.3 of the Agreement shall be amended by replacing clause (f) thereof with the following:

(f) Defined Benefit Pension Plan Transfers. In advance of Closing, Seller Parent and the Company (i) shall take all actions necessary to, with respect to all active employees with an accrued pension benefit in the Company Pension Plans who will not be Transferring Employees but whose employment will remain with Seller Parent or an Affiliate of Seller Parent after Closing, with respect to all employees with an accrued pension benefit in the Company Pension Plans who are on a Company-approved leave of absence or disability as of Closing, and with respect to all former employees who are not Former Business Employees, transfer all liabilities for all such accrued pension benefits in the Company Pension Plans to one or more of the Other Seller Pension Plans and (ii) shall take all actions necessary to, with respect to all Transferring Employees with an accrued pension benefit in one or more of the Other Seller Pension Plans, transfer all liabilities for all such accrued pension benefits in the Other Seller Pension Plans to the Company Pension Plans. Following the foregoing and as soon as practicable thereafter to effectuate the dual pension transfers in the previous sentence, Seller Parent and the Company shall take all actions necessary to transfer assets from the subtrust for the Company Pension Plans to the subtrust for the Other Seller Pension Plans and transfer assets from the subtrust for the Other Seller Pension Plans to the subtrust for the Company Pension Plans in accordance with Section 414(l) of the Code and Section 4044 of ERISA; provided, however, that (x) the amount of such transfers shall be adjusted as necessary to (A) reflect any administrative or investment expenses paid from one of the applicable trusts with respect to transferred pension obligations and (B) include interest accruing from

September 30, 2020 until the actual asset transfer date at an interest rate per annum equal to the 30-day LIBOR in effect on September 30, 2020 as reported in *The Wall Street Journal* and (y) the effective date of such transfers shall be September 30, 2020, regardless of the Closing Date. If a Non-Active Employee with an accrued pension benefit in the Company Pension Plans that is transferred to an Other Seller Pension Plan effective as of September 30, 2020 (as described in this clause (f)) returns to become a Transferring Employee, Seller Parent and the Company shall take all actions necessary to, with respect to such Transferring Employee, transfer all liabilities for such accrued pension benefit in the Other Seller Pension Plans to the Company Pension Plans effective as of the first day of the calendar month coincident with or following the date such Transferring Employee returns to active employment (each such transfer, a "**Non-Active Employee Pension Transfer**"). To effectuate each Non-Active Employee Pension Transfer, Seller Parent and the Company shall take all actions necessary to transfer assets from the trust for the Other Seller Pension Plans to the trust for the Company Pension Plans in accordance with Section 414(l) of the Code and Section 4044 of ERISA; provided, however, that the amount of such transfers shall be adjusted as necessary to (x) reflect any administrative or investment expenses paid from one of the applicable trusts with respect to transferred pension obligations and (y) to include interest accruing from the effective date of the pension transfer until the actual asset transfer date at an interest rate per annum equal to the 30-day LIBOR in effect on September 30, 2020 as reported in *The Wall Street Journal*. As of the Closing, Buyer shall assume sponsorship and all responsibility for the Company Pension Plans (except as specifically provided in the Transition Services Agreement). Buyer, the Company and Seller Parent shall take such actions as are necessary and reasonable to cause the transfer of sponsorship of the Company Pension Plans to Buyer as of the Closing and to effect the transfer of the related assets and benefit liabilities of the Company Pension Plans and their trust, including (I) transferring all assets attributable to the Company Pension Plans in the master trust for the Seller Pension Plans to a newly-created trust or an existing trust established by Buyer for the Company Pension Plans (provided that Seller Parent may retain such assets as it determines appropriate to pay administrative and investment expenses of the Company Pension Plans), (II) making all filings related to such action with respect to the Company Pension Plans required under the Code or ERISA, (III) implementing all appropriate communications with participants in the applicable Pension Plans, (IV) transferring appropriate records, (V) providing any notices required under any collective bargaining agreement or the governing documents relating to the applicable Pension Plans, and (VI) taking all such other actions as may be necessary and appropriate to implement the provisions of this Section 8.3(f) in a timely manner. Transferring Employees shall be eligible to continue to participate in the Company Pension Plans following the Closing in accordance with the terms of such Company Pension Plans. After the Closing, neither Seller Parent nor any of its Affiliates shall retain any liabilities related to the Company Pension Plans other than liabilities associated with the administration of the Company Pension Plans prior to the Closing Date.

(g) Section 8.3 of the Agreement shall be amended by re-lettering clause (h) thereof as clause (j) and inserting the following as clauses (h) and (i):

(h) Spin-off of NiSource Flexible Benefits Plan. Seller shall spin off to Buyer or to its Affiliates, and Buyer shall (or shall cause its Affiliates to) assume, that portion (such portion, the "**Eversource Gas Company/CMA Flexible Benefits Plan**") of the NiSource Flexible Benefits Plan that pertains solely to the Transferring Employees, including all assets and liabilities; provided, however, a Transferring Employee shall not participate in the Eversource Gas Company/CMA Flexible Benefits Plan as of the Closing Date with respect to elections for group health plan coverage sponsored by Buyer or its Affiliates to the extent he or she has elected COBRA continuation coverage for corresponding group health plan coverage under a plan sponsored by Seller or its Affiliates. In connection therewith, and without limiting the generality of the foregoing, Buyer shall, or shall cause its Affiliates to, maintain the Eversource Gas Company/CMA Flexible Benefits Plan as a cafeteria plan that includes, among other things, a healthcare flexible spending account program and a dependent care flexible spending account program as of the Closing (the "**Buyer FSA**") for the benefit of each Business Employee who becomes a Transferring Employee on or before December 31, 2020, and who, in the portion of the calendar year on or prior to the Closing Date, contributed to the corresponding flexible spending account of the NiSource Flexible Benefits Plan (the "**Seller FSA**," and such Transferring Employees who contributed to the Seller FSA, the "**FSA Participants**"). If the aggregate amount withheld from FSA Participants' compensation under the Seller FSA for the plan year in which the Closing occurs exceeds the aggregate amount of reimbursements paid to FSA Participants prior to the Closing Date under the Seller FSA for such plan year, Seller shall transfer (or cause to be transferred) to Buyer within thirty (30) days after the Closing Date a cash payment equal to such excess, if any. If the aggregate amount of reimbursements paid to FSA Participants under the Seller FSA prior to the Closing Date for the plan year in which the Closing occurs exceeds the aggregate amount withheld prior to the Closing Date from the FSA Participants' compensation under the Seller FSA for such plan year, Buyer shall transfer to Seller within thirty (30) days after the Closing Date a cash payment equal to such excess, if any. For the avoidance of doubt, Buyer shall (or shall cause its Affiliates to) assume and be solely responsible for all eligible claims for reimbursement by FSA Participants, whether incurred prior to, on or after the Closing Date, that have not been paid in full as of the Closing Date, which claims shall be paid pursuant to and under the terms of the Buyer FSA. The provisions of this Section 8.3(h) shall also apply to each Non-Active Employee who becomes a Transferring Employee on or before

December 31, 2020, provided that, with respect to each such Transferring Employee, the term "**Transferred Employee Employment Termination Date**" shall be substituted for the term "Closing Date" in each place in which it appears and shall mean the date as of which the Transferred Employee terminates employment with Seller or any of its Affiliates.

(i) Defined Contribution Plan Rollovers. Buyer shall, or shall cause its Affiliates to, maintain or establish, a defined contribution plan that is intended to be tax-qualified (the "**Buyer 401(k) Plan**") and in which the Continuing Employees shall be eligible to participate following the Closing Date, subject to satisfaction of eligibility provisions. Buyer shall, or shall cause its Affiliates to, cause the Buyer 401(k) Plan to accept rollover contributions (including promissory notes related to plan loans) on or around January 1, 2021, to the extent elected by Transferring Employees from any defined contribution plan maintained by Seller or any of its Affiliates that is intended to be tax-qualified.

(h) The following is added to the Purchase Agreement, immediately following Section 8.8 of the Purchase Agreement:

Section 8.9 Methane Emissions. Notwithstanding anything to the contrary contained herein, Seller shall bear 75%, and Buyer shall bear 25%, of any fines or other monetary penalties to the extent arising out of or related to the noncompliance with methane emission limits by the Business during calendar year 2020, as determined by the Massachusetts Department of Environmental Protection. Following the Closing, Buyer shall use commercially reasonable efforts to request and obtain an adjustment to methane emission limits and set asides applicable to the Business for 2020, and Seller shall use commercially reasonable efforts to cooperate with Buyer with respect to the foregoing; provided that nothing in this Section 8.9 shall require either Buyer or Seller to pay any consideration (monetary or otherwise) to, or to concede or provide any right to, any Third Party.

(i) A new Section 13.13(e) is added to the Purchase Agreement, immediately following Section 13.13(d) as follows:

(e) Without limiting the other covenants and obligations of the parties herein, including those contained in Sections 13.13(a)-(d) above, in the event that any Deed, Release Deed or assignment of Easement is rejected by the applicable filing or recording authority, then (i) Seller shall use its reasonable best efforts to correct and revise such instrument as necessary and appropriate to effectuate the transactions contemplated by this Agreement, (ii) Seller shall submit any such revised Deed, Release Deed or assignment of Easement to Buyer for its approval, not to be unreasonably withheld, conditioned or delayed, and (iii) Seller shall be responsible to pay any and all costs or expenses to the extent such costs or expenses are incurred as a result of such rejected filing or recording.

(j) Section 5.8(a) of the Seller Disclosure Letter is deleted in its entirety and replaced with Exhibit A to this Letter Agreement.

(k) Section 2.1(d) is amended to add the following new Section 2.1(d)(xix):

(xix) any Losses arising from any Encumbrance on the Purchased Assets resulting from the failure of Seller to comply with Massachusetts General Law, Chapter 62C, Section 51.

Section 2. Pre-TSA Costs. The Parties acknowledge that Seller has incurred and anticipates incurring costs and expenses in preparation to comply with its obligations under the Transition Services Agreement, including Section 2.3(d) of the Transition Services Agreement, and information technology system preparation costs to "ring fence" applications supporting the transition services (collectively, "**Pre-TSA Costs**"). Buyer hereby agrees to pay Seller $9,000,000 (nine million dollars) for Pre-TSA Costs, such amount to be paid to NiSource Corporate Services Company at the Closing in full and final satisfaction of Buyer's and its Affiliates' payment obligations with respect to Pre-TSA Costs, including any such obligations arising under Section 2.3(d) of the Transition Services Agreement. Seller shall bear any Pre-TSA Costs in excess of such amount.

Section 3. Assignment. Seller hereby consents to (i) Buyer's assignment, at or prior to the Closing, of Buyer's rights and interest to acquire the Purchased Assets and assume the Assumed Liabilities under the Purchase Agreement to Yankee Energy System, Inc., a Connecticut corporation ("**YES**"), and (ii) YES's assignment, in turn, of its rights and interest (a) to acquire the FCC License Assets to Eversource Energy Service Company, a Connecticut corporation and a direct wholly-owned subsidiary of Buyer, (b) to acquire the LNG Assets and assume the LNG Liabilities to Hopkinton LNG Corp., a Massachusetts corporation and an indirect wholly-owned subsidiary of Buyer, and (z) to acquire the Purchased Assets and assume the Assumed Liabilities (other than the Purchased Assets described in clause (y) of Section 2.1(a) of the Purchase Agreement, the FCC License Assets, the LNG Assets and the LNG Liabilities) to Eversource Gas Company of Massachusetts, a Massachusetts corporation; provided that, in each case, Buyer shall cause any such assignee to remain a wholly-owned direct or indirect subsidiary of Buyer through Closing; and provided further that no such assignment shall relieve Buyer of any of its obligations or liabilities under the Purchase Agreement. As used herein:

"**FCC License Assets**" means the Purchased Assets constituting Federal Communications Commission radio licenses, including those set forth in Section 5.3(b)(ii) of the Seller Disclosure Letter.

"**LNG Assets**" means the Owned Real Property on which the Company's liquefied natural gas and liquefied propane gas facilities, known as the Easton, Lawrence, Ludlow, Marshfield, Meadowlane, Northampton and West Springfield facilities, are situated and the following, to the extent included in the Purchased Assets, all structures, facilities, fixtures, systems, improvements and items of tangible personal property (including liquefied natural gas and liquefied propane gas) located on such Owned Real Property, or attached or appurtenant to such Owned Real Property.

"**LNG Liabilities**" means the Assumed Liabilities to the extent related to the LNG Assets.

Section 4. Miscellaneous.

(a) Except as expressly provided in this Letter Agreement, all of the terms and provisions of the Purchase Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the parties hereto. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Purchase Agreement or as a waiver of or consent to any further or future action on the part of any party hereto. On and after the date hereof, each reference in the Purchase Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, will be deemed a reference to the Purchase Agreement (including the Seller Disclosure Letter) as amended by this Letter Agreement.

(b) All issues and questions concerning the construction, validity, interpretation and enforceability of this Letter Agreement and any claim or legal proceeding relating to or arising out of the transactions contemplated by this Letter Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(c) This Letter Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(d) Headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Letter Agreement.

(e) This Letter Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(f) The amendments set forth in this Letter Agreement shall be effective as of the date set forth in the preamble to this Letter Agreement.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Letter Agreement to be executed as of the date first written above.

NISOURCE INC.

By: /s/ Donald E. Brown
Name: Donald E. Brown
Title: Executive Vice President and
Chief Financial Officer

BAY STATE GAS COMPANY

By: /s/ Donald E. Brown
Name: Donald E. Brown
Title: Executive Vice President and
Chief Financial Officer

IN WITNESS WHEREOF, the parties have caused this Letter Agreement to be executed as of the date first written above.

EVERSOURCE ENERGY

By: /s/ Philip J. Lembo
Name: Philip J. Lembo
Title: Executive Vice President and
Chief Financial Officer

Exhibit 10.4

NISOURCE INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

As Amended and Restated Effective November 1, 2020

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NISOURCE INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

As Amended and Restated Effective November 1, 2020

Article I.

Background and Purpose

i.Background. The NiSource Inc. Supplemental Executive Retirement Plan is maintained to provide deferred compensation for a select group of management or highly compensated employees of NiSource Inc. and participating affiliates. The history of the Plan's amendments and restatements is attached as Exhibit A.

ii.Purpose. The purpose of the Plan is to provide selected key executives and employees with additional security in order to aid the Company (as defined herein and including its predecessors) in retaining its present management and, should circumstances require it, to aid the Company in attracting additions to management. The Company, by providing such additional benefits, expects such key executives and employees to be available for consulting assignments to the Company after retirement, at the Company's request.

It is intended that the Plan be exempt from the reporting and disclosure requirements of Title I of the Employee Retirement Income Security Act of 1974 because it is an unfunded plan maintained by an employer for the purpose of providing benefits for a select group of management or highly compensated employees.

Article II.

Definitions

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural. The headings of Articles and Sections are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

i.Affiliate. Any corporation that is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company; any trade or business (whether or not incorporated) that is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Code Section 414(m)) that includes the Company; any leasing organization, to the extent that its employees are required to be treated as if they were employed by the Company pursuant to Code Section 414(n) and the regulations thereunder; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o). An entity shall be an Affiliate only with respect to the existing period as described in the preceding sentence.

ii. Benefits Committee. The NiSource Benefits Committee.

iii. Board. The Board of Directors of NiSource Inc.

iv. Code. The Internal Revenue of Code of 1986, as amended.

v. Company. NiSource Inc. and its subsidiaries and affiliates that adopt the Plan for the benefit of key employees, or its successor or successors.

vi. Compensation. As defined in the NiSource Pension Plan, but disregarding the definition of Taxable Compensation and the limitations required by Code Section 401(a)(17), or any successor Section. In addition, for purposes of the Plan, bonuses shall be considered in full as Compensation and not limited to 50% of base pay.

vii. Compensation Committee. The Compensation Committee of the Board, which has certain specific duties with respect to the Plan.

viii. Disability or Disabled. A Participant has a Disability or is Disabled if he or she has a condition that (a) causes a Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or an Affiliate or (b) causes a Participant to be eligible to receive Social Security disability payments.

ix. Early Retirement. Separation from Service for reasons other than death or Disability after the Participant has both attained age 55 and completed at least 10 years of Service, but before the Participant's Normal Retirement, except as otherwise provided.

x. Effective Date. November 1, 2020, the date on which the provisions of this amended and restated Plan become effective, except as otherwise provided herein. The original Effective Date of the Plan was December 23, 1982.

xi. Final Average Compensation. The result obtained by dividing the total Compensation paid to a Participant during a considered period by the number of months for which such Compensation was received. The considered period shall be the 60 consecutive calendar months within the last 120 months of service that produces the highest result.

xii. NiSource Pension Plan. The NiSource Salaried Pension Plan, as amended from time to time.

xiii. Normal Retirement. Separation from Service for reasons other than death or Disability after a Participant has: (1) attained age 62; or (2) attained age 60 and completed at least 25 years of Service, except as otherwise provided.

xiv. Participant. An employee or retiree participating in the Plan in accordance with the provisions of Article III.

xv. Pension Restoration Plan. Pension Restoration Plan for NiSource Inc. and Affiliates, as amended from time to time.

xvi. Plan. NiSource Inc. Supplemental Executive Retirement Plan.

xvii. Plan Administrator. The Benefits Committee, or such delegate of the Benefits Committee delegated to carry out the administrative functions of the Plan.

xviii. Post-2004 Benefit. The portion of a Participant's Supplemental Retirement Pension or Supplemental Retirement Account, as applicable, equal to the present value, determined as of a Participant's date of separation from Service after December 31, 2004, of the excess of such benefit or account balance to which a Participant would be entitled under the Plan if he or she voluntarily separated from Service without cause after December 31, 2004 over his or her Pre-2005 Benefit and received a full payment of benefits from the Plan on the earliest possible date allowed under the Plan following the separation from Service, pursuant to Articles IV and V, calculated from and after January 1, 2005 to the date of separation from Service.

xix. Pre-2005 Benefit. The portion of a Participant's Supplemental Retirement Pension or Supplemental Retirement Account, as applicable, equal to the present value of the benefit or account balance, determined as of December 31, 2004, to which a Participant would be entitled under the Plan if he or she voluntarily separated from Service without cause on December 31, 2004 and received a full payment of benefits from the Plan on the earliest possible date allowed under the Plan following separation from Service, pursuant to Articles IV and V, calculated as of December 31, 2004.

xx. Primary Social Security Benefit. The monthly amount available to a Participant at age 65 (or at Retirement, if later) under the provisions of Title II of the Social Security Act in effect at the time of separation from Service, assuming the following:

(1) The Participant attained age 65 in the year of Retirement, and

(2) The Participant earned maximum taxable wages under Code Section 3121(a)(1) in all years prior to the year of Retirement. A Participant's Primary Social Security Benefit will be deducted in accordance with Article IV, even though he or she may not be receiving or may not be eligible to receive Social Security benefits.

xxi. Qualified Pension Plan. The NiSource Pension Plan and any other tax-qualified defined benefit pension plan maintained by the Company or any Affiliate.

xxii. Retirement. A Participant's Normal or Early Retirement.

xxiii.Service. A Participant's or employee's employment or service with the Company, as defined in the NiSource Pension Plan, or such other employment or service date as determined by the Board.

Article III.

Eligibility and Participation

The Compensation Committee shall select which key employees of the Company will be eligible to participate in the Plan. In accordance with Article I, it is intended that officers and certain other employees be eligible for participation.

After the Compensation Committee approves participation for an individual, the Company or the Benefits Committee shall provide the individual with a notice of participation in the Plan and a description of the Plan.

Article IV.

Supplemental Retirement Pension

i.Applicability. This Article IV shall apply to each Participant or former Participant who first participated in the Plan prior to January 23, 2004.

ii.Supplemental Retirement Pension. Upon Normal Retirement, a Participant shall receive a monthly Supplemental Retirement Pension calculated on a single-life basis equal to the larger of (a) or (b) below, reduced in each case by the accrued benefit (stated in the form of a single-life pension and excluding any supplements related to eligibility for a Social Security benefit) the Participant is eligible to receive under (1) either the FAP Benefit or the AB I or AB II Benefit Option, as applicable, of the NiSource Pension Plan or other Qualified Pension Plan (as such terms are defined in the respective plan) and (2) the Pension Restoration Plan.

(1) The sum of:

(a) 1.7% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 30 years; plus

(b) 0.6% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 30 years.

(2) The sum of:

(a) 3% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 20 years; plus

(b) 0.5% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 20 years, to a maximum of 30 years;

(c) less 5% of the Participant's Primary Social Security Benefit, multiplied by the Participant's Service to a maximum of 20 years.

Upon Early Retirement, a Participant shall receive a monthly Supplemental Retirement Pension in a reduced amount (as described in Section 4.3 below).

iii.Reduction for Early Retirement. A Participant who experiences a separation from Service prior to Normal Retirement, but after Early Retirement, shall receive a monthly Supplemental Retirement Pension in an amount determined in accordance with Section 4.2 above, but reduced as follows: (1) by 6% for each of the first two (2) years and 4% for each of the next five years that commencement of the Participant's Supplemental Retirement Pension precedes the date that the Participant would attain age 62; or (2) if the Participant had completed 25 years of Service at the time of his or her separation, by 6% for the first year and 4% for each of the next four years that commencement of the Participant's Supplemental Retirement Pension precedes the date that the Participant would attain age 60, with a pro rata reduction for any fraction of a year.

Payment of the Participant's monthly reduced Supplemental Retirement Pension shall normally commence within 45 days following a separation from Service, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder. Notwithstanding the preceding sentence, a Participant may elect to defer the commencement of the portion of his or her reduced Supplemental Retirement Pension that constitutes the Pre-2005 Benefit to any date between Early Retirement and attainment of age 62 by a written election delivered to the Plan Administrator on or before the last day of the calendar year preceding the calendar year of Early Retirement. A Participant may elect to defer the commencement of the portion of his or her reduced Supplemental Retirement Pension that constitutes the Post-2004 Benefit to any date between Early Retirement and attainment of age 62 by a written election delivered to the Plan Administrator only if such election (i) constitutes a delay in payment or change in the form of payment, (ii) does not take effect until at least 12 months after the date on which the election is made, (iii) defers the first payment with respect to which such new election is effective for a period of not less than five years from the date such payment would otherwise have been made, and (iv) is not made less than 12 months prior to the date of the first scheduled payment.

iv.Separation from Service Prior to Early Retirement. Upon separation from Service prior to Early Retirement, a Participant shall receive a monthly Supplemental Retirement Pension, calculated on a single-life basis equal to the excess, if any, of the single-life pension the Participant would be eligible to receive under either the FAP Benefit option or the Account Balance Option of the NiSource Pension Plan, or any other Qualified Pension Plan, if the limitations required by Code Sections 401(a)(17) and 415, or any other limitation imposed by the Code, the limitation on bonuses to 50% of base pay and the potential limitations relating to Taxable Compensation were not applied, reduced by the single-life pension the Participant is eligible to receive under (1) either such option of the NiSource Pension Plan, or any other Qualified Pension Plan and (2) the Pension Restoration Plan.

Payment of the Pre-2005 Benefit to a Participant or his or her beneficiary in accordance with this Section shall commence on the same date as the pension under the NiSource Pension Plan or any other Qualified Pension Plan. Payment of the Post-2004 Benefit to a Participant or his or her beneficiary in accordance with this Section, shall commence within 45 days after (i) the Participant attains (or would have attained) age 62, if the Participant has not completed at least 25 years of Service, or (ii) if the Participant has completed at least 25 years of Service, the Participant attains (or would have attained) age 60, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

v. Supplemental Disability Pension. If a Participant becomes Disabled while in the active employment of the Company prior to age 65, the Participant shall be eligible for a monthly Supplemental Disability Pension commencing on the date the Disability begins and continuing to the first to occur of the Participant's death or attainment of age 65, calculated on a single-life basis, and equal to the larger of (a) or (b) below, reduced in each case by the basic benefit the Participant is eligible to receive under the long-term group disability insurance coverage provided under any long term disability plan maintained by the Company or any Affiliate.

(1) The sum of:

(a) 1.7% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 30 years, plus

(b) 0.6% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 30 years.

(2) The sum of:

(a) 3% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 20 years; plus

(b) 0.5% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 20 years, to a maximum of 30 years; less

(c) 5% of the Participant's Primary Social Security Benefit, multiplied by the Participant's Service to a maximum of 20 years.

After age 65, the Participant shall be eligible for a monthly Supplemental Retirement Pension in accordance with Section 4.2, based on Service the Participant would have had if the Participant had continued working for the Company or an Affiliate to age 65, the Participant's Final Average Compensation at the time he or she became Disabled, the Primary Social Security Benefit determined at the time the Participant became Disabled, and the single-life pension the Participant is entitled to receive at age 65 from the NiSource Pension Plan, or any other Qualified Pension Plan, and the Pension Restoration Plan, determined at the time he or she became Disabled.

vi. Supplemental Spouse Pension. Upon the death of a Participant in active employment or while receiving a Supplemental Disability Pension, his or her surviving spouse, if any, shall be eligible to receive a monthly Supplemental Spouse Pension equal to the greater of:

(1) 25% of the Participant's Final Average Compensation; or

(2) the monthly amount that would have been payable to such surviving spouse if the Participant had elected payment of his or her monthly Supplemental Retirement Pension in the form of a reduced 50% joint and survivor Pension, with his or her spouse as the contingent annuitant, terminated employment (on the date of his or her actual death) and then died immediately prior to the commencement of payments.

The Supplemental Spouse Pension shall commence in the month next following the month of the Participant's death and continue for the life of such spouse. In the event that the Supplemental Spouse Pension calculated under option (a) of this Section will provide a greater benefit to the spouse immediately following the Participant's death, but option (b) of this Section will provide a greater monthly benefit as of the date the Participant would have attained age 55, the amount of monthly Supplemental Spouse Pension payable to the surviving spouse shall be: (1) calculated and payable under option (a) during the period immediately following the Participant's death; and (2) recalculated and payable according to option (b) beginning on the date the Participant would have attained age 55. Beginning on the earliest date that the surviving spouse could have begun receiving a benefit under the NiSource Pension Plan, or any other Qualified Pension Plan, the Supplemental Spouse Pension payable under this Section shall be reduced by the amount of benefit under the NiSource Pension Plan, or any other Qualified Pension Plan, and the Pension Restoration Plan that the spouse is (or would have been) entitled to receive.

vii. Retiree Death Benefit. Upon the death of a Participant who has reached Retirement (including a former Participant who reached Retirement and was paid his or her benefits under this Plan), a lump sum death benefit equal to 50% of his or her retiree group life insurance coverage shall be paid to such Participant's spouse or other beneficiaries designated with respect to such coverage. The benefit shall be paid in the month next following the month of the Participant's death.

viii. Cost of Living Adjustment. For Participants in the FAP Benefit of the NiSource Pension Plan, the benefits payable under Sections 4.2 through 4.7 shall be increased in the same percentage and at the same time as cost of living adjustments are made to the pensions of salaried employees of the Company or an Affiliate under the NiSource Pension Plan, or any other Qualified Pension Plan.

ix. Separate Agreement. Notwithstanding prior provisions pertaining to Compensation and Service, each Participant who first becomes eligible to participate in the Plan on and after January 1, 2004 and prior to January 23, 2004 shall have his or her Supplemental Retirement Pension determined based upon his or her Service and Compensation as set forth in a separate, written agreement, if any, between the Company and such Participant.

Article V.

Supplemental Retirement Account

i. Applicability. This Article V shall apply to each Participant who first participates in the Plan on and after January 23, 2004.

ii. Supplemental Retirement Account. A Participant's Supplemental Retirement Account is a notional account equal to the sum of his or her Compensation Credits, Supplemental Credits, if any, and Interest Credits. Compensation Credits shall be credited to a Participant's Supplemental Retirement Account as of the last day of each Plan Year beginning on or after January 1, 2004 equal to five percent of the Participant's Compensation for such Plan Year. Supplemental Credits, if any, shall be credited pursuant to Section 5.3. Interest Credits shall be calculated in the same manner and shall be credited to a Participant's Supplemental Retirement Account at the same time as provided under the NiSource Pension Plan or any other Qualified Pension Plan.

iii. Supplemental Credits. The Compensation Committee, subject to approval of the Board, may authorize Supplemental Credits to a Participant's Supplemental Retirement Account in such amounts and at such times, and subject to such specific terms and provisions, as authorized by the Compensation Committee.

iv. Separation from Service. Upon separation from Service, for any reason other than death, with five or more years of Service, unless a shorter period is provided in a separate, written agreement between the Company and the Participant and approved by the Plan Administrator, a Participant shall receive the balance of his or her Supplemental Retirement Account distributed in accordance with Sections 6.1 and 6.2 within 45 days after such separation from Service, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

v. Death. Upon the death of a Participant prior to final distribution of his or her Supplemental Retirement Account after completing five or more years of Service, unless a shorter period is provided in a separate, written agreement between the Company and the Participant and approved by the Board, the Participant's beneficiary, designated in such manner as provided by the Plan Administrator, shall receive the balance of the Participant's Supplemental Retirement Account distributed in accordance with Sections 6.1 and 6.2. Such payment shall be made or commence within 45 days after such death.

Article VI.

Distributions

i. Pre-2005 Benefit. This Section 6.1 applies only to a Pre-2005 Benefit.

(1) Form of Payment. Notwithstanding Sections 4.2, 4.3 and 4.4, a Participant shall receive distribution of his or her Pre-2005 Benefit, pursuant to Articles IV or V, in the same form as his or her distribution under the NiSource Pension Plan,

computed in the same manner as in the NiSource Pension Plan, or under any other Qualified Pension Plan, computed in the same manner as in such Qualified Pension Plan. Any election under the NiSource Pension Plan or any other Qualified Pension Plan shall apply to his or her Pre-2005 Benefit pursuant to the preceding sentence only if it is made by written instrument delivered to the Plan Administrator at least 30 days prior to the date of such distribution. If such election is not so made at least 30 days prior to the date of distribution of his or her Pre-2005 Benefit, the Participant's Pre-2005 Benefit shall be paid as a 50% joint and survivor Pension if such Participant is married, or as a single-life Pension if such Participant is unmarried. If a Participant who makes an election pursuant to this subsection 6.1(a) at least 30 days prior to the date of distribution dies prior to distribution pursuant to such election, such election shall be revoked and the provisions of Article IV and subsection 6.1(b) shall apply.

(2) Small Benefit Amounts. At the discretion of the Plan Administrator, the present value of any Pre-2005 Benefit payable under the Plan that does not exceed $5,000 may be paid to the Participant or his or her surviving spouse or other designated beneficiary in quarterly, semi-annual or annual installments, or in a single lump sum.

ii. Post-2004 Benefit. This Section 6.2 applies only to a Post-2004 Benefit.

(1) Form of Payment. The Post-2004 Benefit shall be payable in a form available under the NiSource Pension Plan, computed in the same manner as in the NiSource Pension Plan, or under any other Qualified Pension Plan, computed in the same manner as in such Qualified Pension Plan, as elected by a Participant by written notice delivered to the Plan Administrator on or before December 31, 2005. Notwithstanding the preceding sentence, in the case of an employee who first becomes a Participant on or after January 1, 2005, the aforementioned election with respect to a Post-2004 Benefit shall be made by written notice delivered to the Plan Administrator within 30 days after the date the Participant first becomes eligible to participate in the Plan and such election shall be effective with respect to Compensation related to services to be performed subsequent to the election; provided, however, that a Participant shall not be considered first eligible if, on the date he or she becomes a Participant, he or she participates in any other nonqualified plan of the same category (account balance or nonaccount balance, as applicable), which is subject to Code Section 409A, maintained by the Company or any Affiliate. If payment in the form of an annuity is elected, the annuity type shall be elected by the Participant at the time he or she makes the election described in the first or second sentence of this paragraph from among those annuities available at that time under the NiSource Pension Plan or under any other Qualified Pension Plan. If a Participant fails to timely elect a form of distribution, the Participant's Post-2004 Benefit shall be payable in a lump sum.

If a Participant who makes an election pursuant to this subsection 6.2(a) dies prior to distribution pursuant to such election, such election shall be revoked and the provisions of Article IV and subsection 6.2(b) shall apply.

Any change in an election of a form of distribution available under the NiSource Pension Plan or any other Qualified Pension Plan shall apply to his or her Post-2004 Benefit pursuant to the preceding paragraph only if it is made by written instrument delivered to the Plan Administrator and if (i) such new election does not take effect until at least 12 months after the date on which the election is made, (ii) the first payment with respect to which such new election is effective is deferred for a period of not less than five (5) years from the date such payment would otherwise have been made, and (iii) such new election is not made less than 12 months prior to the date of the first scheduled payment; provided, however, that an election to change from one type of annuity payment to a different, actuarially equivalent, type of annuity payment shall not be considered a change to the method of payment for purposes of applying the restrictions in clauses (i), (ii) and (iii).

Notwithstanding the preceding paragraph of this Section 6.2(a), a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2006; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2006, and (ii) shall not cause an amount to be paid in calendar year 2006 that would not otherwise be payable in such year. Additionally, a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2007; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2007, and (ii) shall not cause an amount to be paid in calendar year 2007 that would not otherwise be paid in such year. Additionally, a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed by the preceding paragraph, on or before December 31, 2008; provided that such election (i) applies only to amounts that would not otherwise be payable before January 1, 2009, and (ii) shall not cause an amount to be paid in calendar year 2007 or 2008 that would not otherwise be paid in such years.

(2) Specified Employees. Notwithstanding any other provision of the Plan, in no event can a payment of a Post-2004 Benefit, pursuant to Article IV or Section 5.4, to a Participant who is a Specified Employee of the Company or an Affiliate, at a time during which the Company's capital stock or capital stock of an Affiliate is publicly traded on an established securities market, in the calendar year of his or her separation from Service be made before the date that is six months after the date of the Participant's separation from Service with the Company and all Affiliates, unless such separation is due to his or her death.

A Participant shall be deemed to be a Specified Employee for purposes of this paragraph (b) if he or she is in job category C2 or above with respect to the Company or any Affiliate that employs him or her; provided that if at any time the total number of employees in job category C2 and above is less than 50, a Specified Employee shall include any person who meets the definition of Key Employee set forth in Code Section 416(i) without reference to paragraph (5). A Participant shall be deemed to be a Specified Employee with respect to a calendar year if he or she is a Specified Employee on September 30th of the preceding calendar year. If a Specified Employee will receive payments hereunder in the form of installments or an annuity, the first payment made as of the date six months after the date of the Participant's separation from Service with the Company and all Affiliates shall be a lump sum, paid as soon as practicable after the end of such six-month period, that includes all payments that would otherwise have been made during such six-month period. From and after the end of such six month period, any such installment or annuity payments shall be made pursuant to the terms of the applicable installment or annuity form of payment.

Article VII.

Change in Control

i.Change in Control. A "Change in Control" shall be deemed to take place on the occurrence of either a "Change in Ownership," "Change in Effective Control" or a "Change of Ownership of a Substantial Portion of Assets," as defined below:

(1) Change in Ownership. A Change in Ownership of the Company occurs on the date that any one person, or more than one Person Acting as a Group (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. However, if any one person or more than one Person Acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a Change in Ownership of the Company, as applicable (or to cause a Change in Effective Control of the Company). An increase in the percentage of stock owned by any one person, or Persons Acting as a Group, as a result of a transaction in which the Company acquires its stock in exchange for property s be treated as an acquisition of stock. This paragraph (a) applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) and stock in the Company remains outstanding after the transaction.

(2) Change in Effective Control. A Change in Effective Control of the Company occurs on the date that either —

(a) Any one person, or more than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company; or

(b) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election,

In the absence of an event described in paragraph (i) or (ii), a Change in Effective Control of the Company will not have occurred.

Acquisition of additional control. If any one person, or more than one Person Acting as a Group, is considered to effectively control the Company, the acquisition of additional control of the Company by the same person or persons is not considered to cause a Change in Effective Control of the Company (or to cause a Change in Ownership of the Company).

(3) Change of Ownership of a Substantial Portion of Assets. A Change of Ownership of a Substantial Portion of Assets occurs on the date that any one person, or more than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

Transfers to a related person. There is no Change in Control when there is a transfer to an entity that is controlled by the shareholders of the Company immediately after the transfer. A transfer of assets by the Company is not treated as a Change of Ownership of a Substantial Portion of Assets if the assets are transferred to —

(a) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(b) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(c) A person, or more than one Person Acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or

(d) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in paragraph (iii).

A person's status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which the Company has no ownership interest before the transaction, but which is a majority-owned subsidiary of the Company after the transaction is not treated as a Change of Ownership of a Substantial Portion of Assets of the Company.

(4) Persons Acting as a Group. Persons shall not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of the same public offering. However, persons shall be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

ii. Potential Change in Control. A "Potential Change in Control" shall include any of the following:

(1) The delivery to the Company by any "person," as defined in Section 13(d)(3) of The Securities Exchange Act of 1934 (the "Act"), of a statement containing the information required by Schedule 13-D under the Act, or any amendment to any such statement, that shows that such person has acquired, directly or indirectly, the beneficial ownership of (1) more than twenty percent (20%) of any class of equity security of the Company entitled to vote as a class in the election or removal from office of directors, or (2) more than twenty percent (20%) of the voting power of any group of classes of equity securities of the Company entitled to vote as a single class in the election or removal from office of directors.

(2) The Company becomes aware that preliminary or definitive copies of a proxy statement and information statement or other information have been filed with the Securities and Exchange Commission pursuant to Rule 14a-6, Rule 14c-5 or Rule 14f-1 under the Act relating to a proposed change in control of the Company.

(3) The delivery to the Company pursuant to Rule 14d-3 under the Act of a Tender Offer Statement relating to equity securities of the Company.

(4) The Board adopts a resolution to the effect that for purposes of the Plan a Potential Change in Control has occurred.

iii. Additional Service and Compensation Upon Change in Control. With respect to a Participant who, pursuant to contract with the Company, is entitled to compensation from the Company for an additional 36 months in the event that after a Change in Control the Participant's employment is terminated by the Company or an Affiliate under circumstances described in the contract, such Participant's years of Service under Article II, and Supplemental Retirement Pension under Section 4.2 or Supplemental Retirement Account under Section 5.2, as applicable, shall be calculated as if the Participant had continued in employment with the Company for an additional 36 months at the rate of Compensation in effect immediately prior to his or her employment termination; provided that, in no event shall the counting of a Participant's Compensation during this 36-month period reduce his or her Final Average Compensation figure below its highest level prior to the Participant's separation from Service.

iv. Waiver of Service and Age Requirements Upon Change in Control. A Participant who separates from service within 24 months following a Change in Control for any reason other than a termination by the Company for Good Cause, but prior to Early Retirement, shall be eligible for the Supplemental Retirement Pension specified in Section 4.2, rather than the Supplemental Retirement Pension specified in Section 4.4, commencing at Normal Retirement. Notwithstanding the previous sentence, such a Participant may elect to begin receiving the portion of his or her Supplemental Retirement Pension that constitutes his or her Pre-2005 Benefit pursuant to this Section 7.4 at any time after attaining age 55 years, subject to the reduction specified in Section 4.3. Such election shall have no effect on the distribution of his or her Post-2004 Benefit at his or her Normal Retirement Date.

v. Funding of Plan Benefits Upon Potential Change in Control. Upon a Potential Change in Control, the Plan Administrator shall identify the amount by which the present value of all benefits earned to date under the Plan (after offsets) exceeds the then fair market value of the applicable Trust assets, calculated using the Pension Benefit Guaranty Corporation immediate annuity interest rate as of the date of the Potential Change in Control, the 1983 GAM mortality tables, and the most valuable optional payment form (the "Full Funding Amount"), and the Company shall contribute such Full Funding Amount to the Trust. Each Participant's benefits for purposes of calculating present value shall be the highest benefit the Participant would have under the Plan within the six months following a Potential Change in Control, assuming that the Participant's employment continues for six months at the same rate of Compensation, and that the Participant receives any benefit enhancement provided by the Plan, or any other agreement, upon a Change in Control.

vi. Plan Administration and Amendment Upon a Change in Control. Upon and after a Change in Control, the Company no longer shall have the power to appoint or remove members of the Benefits Committee or Compensation Committee, nor the power to approve legal counsel or actuaries employed by such committees. Upon and after a Change in Control, only the respective committee members shall have the power to appoint or remove members. If, at any time after a Change in Control, all members of the Benefits Committee or Compensation Committee have been removed or resigned, then all of the powers, rights and duties vested in such committee by Article IX below shall be vested in the trustee of the Trust.

vii. Plan Administrator Discretion to Pay Lump Sum After a Change in Control. Upon and after a Change in Control, the Plan Administrator may, in its sole discretion, distribute, or cause the trustee under the Trust to distribute, to a Participant or a surviving spouse, the present value (determined in accordance with the assumptions in Section 12.11) of the Participant's Pre-2005 Benefit, or the portion of Supplemental Disability Pension or the surviving spouse's Supplemental Spouse Pension attributable to his or her Pre-2005 Benefit, payable under the Plan in a lump sum payment. The Plan Administrator shall distribute, or cause the trustee under the Trust to distribute, the present value of the Participant's Post-2004 Benefit.

viii. Lump Sum Election. Each calendar year, a Participant shall have the right to elect to receive the present value (determined in accordance with the assumptions in Section 12.11) of the portion of the Participant's Supplemental Retirement Pension, the balance of the Participant's Supplemental Retirement Account, or the Participant's Supplemental Disability Pension that constitutes the Participant's Pre-2005 Benefit, in a lump sum if:

(1) a Change in Control occurs in the calendar year subsequent to the calendar year in which the election is made; and

(2) (1) within 24 months following the Change in Control any one of the payment triggering conditions set forth in the Change in Control and Termination Agreement between the Company and the Participant shall have occurred; or

(a) if no Change in Control and Termination Agreement is in effect between the Company and the Participant on the date of the Change in Control and within 24 months following the Change in Control the employment of the Participant with the Company is terminated by the Company for any reason other than Good Cause or the Participant terminates his or her employment with the Company for Good Reason.

Such election shall be irrevocable for the calendar year to which it applies. A distribution pursuant to this Section shall be made as soon as practicable following the Participant's separation from Service. Notwithstanding the preceding provisions of this Section, a Participant had the right to make the election set forth in this Section at any time during the first three (3) months of calendar year 2003 with respect to a Change in Control that occurred during the last nine (9) months of calendar year 2003. Any such election was irrevocable for calendar year 2003 and was subject to the other provisions of this Section.

ix. Definitions.

(1) "Good Cause" shall be deemed to exist if, and only if:

(a) the Participant engages in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance, in each case that results in substantial harm to the Company; or

(b) the Participant is convicted of a criminal violation involving fraud or dishonesty.

(2) "Good Reason" shall be deemed to exist if, and only if:

(a) there is a significant change in the nature or the scope of the Participant's authorities or duties;

(b) there is a significant reduction in the Participant's monthly rate of base salary, his or her opportunity to earn a bonus under an incentive bonus compensation plan maintained by the Company or his or her benefits; or

(c) the Company changes by 100 miles or more the principal location in which the Participant is required to perform services.

Article VIII.

Beneficiary Designation

i. Beneficiary Designation. Each Participant shall have the right, at any time, to designate one or more persons or an entity as Beneficiary (both primary as well as secondary) to whom benefits under the Plan shall be paid in the event of the Participant's death prior to complete distribution of the Participant's interest under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Benefits Committee and shall be effective only when filed with the Benefits Committee during the Participant's lifetime.

If the Participant designates multiple beneficiaries, he or she shall designate the percentage, in whole numbers, allocated to each such beneficiary.

ii. Changing Beneficiary. Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new designation with the Benefits Committee. The filing of a new designation shall cancel all designations previously filed.

iii. No Beneficiary Designation. If any Participant fails to designate a beneficiary in the manner provided above, if the designation is void or if the beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's beneficiary shall be the person in the first of the following classes in which there is a survivor:

(1) The Participant's spouse;

(2) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take, by right of representation, the share the parent would have taken if living;

(3) The Participant's estate.

Article IX.

Plan Administration

i. Allocation of Duties to Committees. The Plan shall be administered by the Benefits Committee, as delegated by the Compensation Committee. The Benefits Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration, except as otherwise reserved to the Compensation Committee herein, or by resolution or charter of the respective committees. Members of the Benefits Committee may be Participants under the Plan.

In its discretion, the Plan Administrator may delegate to any division or department of the Company the discretionary authority to make decisions regarding Plan administration, within limits and guidelines from time to time established by the Plan Administrator. The delegated discretionary authority shall be exercised by such division or department's senior officer, or his/her delegate. Within the scope of the delegated discretionary authority, such officer or person shall act in the place of the Plan Administrator and his/her decisions shall be treated as decisions of the Plan Administrator.

ii. Agents. The Plan Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

iii. Information Required by Plan Administrator. The Company shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Company as to an employee's or Participant's period or periods of employment, separation from Service and the reason therefore, reemployment and Compensation will be conclusive on all persons unless determined to the Plan Administrator's satisfaction to be incorrect. Participants and other persons entitled to benefits under the Plan also shall furnish the Plan Administrator with such evidence, data or information as the Plan Administrator considers necessary or desirable to administer the Plan.

iv. Binding Effect of Decisions. Subject to applicable law, and the provisions of Article X, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Benefits Committee and/or the Compensation Committee (or any duly authorized delegate of either such committee) and made in good faith shall be binding on all persons.

Article X.

Claims Procedure

i. Claim. Claims for benefits under the Plan shall be made in writing to the Plan Administrator. The Plan Administrator shall establish rules and procedures to be followed by Participants and Beneficiaries in filing claims for benefits, and for furnishing and verifying proof necessary to establish the right to benefits in accordance with the Plan, consistent with the remainder of this Article.

ii.Review of Claim. The Plan Administrator shall review all claims for benefits. Upon receipt by the Plan Administrator of such a claim, it shall determine all facts that are necessary to establish the right of the claimant to benefits under the provisions of the Plan and the amount thereof as herein provided within 90 days of receipt of such claim. If prior to the expiration of the initial 90 day period, the Plan Administrator determines additional time is needed to come to a determination on the claim, the Plan Administrator shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of 180 days from the date the application was received. If the Plan Administrator fails to notify the claimant in writing of the denial of the claim within 90 days after the Plan Administrator receives it, the claim shall be deemed denied.

iii.Notice of Denial of Claim. If the Plan Administrator wholly or partially denies a claim for benefits, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receiving the claim (unless extended as provided above), notify the claimant in writing of the denial of the claim. Such notification shall be written in a manner reasonably expected to be understood by such claimant and shall in all respects comply with the requirements of ERISA, including but not limited to inclusion of the following:

(1) the specific reason or reasons for denial of the claim;

(2) a specific reference to the pertinent Plan provisions upon which the denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and

(4) an explanation of the Plan's review procedure.

iv.Reconsideration of Denied Claim. Within 60 days of the receipt by the claimant of the written notice of denial of the claim, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant or duly authorized representative may file a written request with the Benefits Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. If the claimant or duly authorized representative fails to request such a reconsideration within such 60 day period, it shall be conclusively determined for all purposes of the Plan that the denial of such claim by the Benefits Committee is correct. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review documents relevant to the benefit claim and may submit issues and comments in writing.

The Benefits Committee shall render a decision on the claim appeal promptly, but not later than 60 days after receiving the claimant's request for review, unless, in the discretion of the Benefits Committee, special circumstances require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Benefits Committee shall notify the claimant in writing of any such extension. The notice of decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his duly authorized representative notifies the Benefits Committee within 90 days after the mailing or delivery to the claimant by the Benefits Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Benefits Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery.

Article XI.

Plan Amendment and Termination

i. Plan Amendment. The Compensation Committee or the Board shall have the authority to amend the Plan. The Compensation Committee or the Board shall have the exclusive authority to amend the Plan regarding eligibility for the Plan, the amount or level of benefits awarded under the Plan, and the time and form of payments for benefits from the Plan. In addition, the Compensation Committee or the Board shall also have the exclusive authority to make amendments that constitute a material increase in compensation, any change requiring action or consent by a committee of the Board pursuant to the rules of the Securities and Exchange Commission, the New York Stock Exchange or other applicable law, or such other material changes to the Plan such that approval of the Board is required. Unless otherwise determined by the Compensation Committee, the Benefits Committee shall have the authority to amend the Plan in all respects that are not exclusively reserved to the Compensation Committee or the Board.

The respective committee may at any time amend the Plan by written instrument, notice of which is given to all Participants, and to Beneficiaries receiving installment payments. Notwithstanding the preceding sentence, no amendment shall reduce the amount accrued in any Account prior to the date such notice of the amendment is given.

ii. Plan Termination. The Compensation Committee or the Company may terminate the Plan at any time, except that any benefits that are payable due to a Retirement, death, Disability, or other separation from Service occurring prior to the amendment or termination shall not be reduced or discontinued. No amendment or termination of the Plan shall directly or indirectly deprive any current or former Participant (or surviving spouse) of all or any portion of any Supplemental Retirement Benefit, Supplemental Disability Pension, Supplemental Spouse Pension, or Supplemental Retirement Account, the payment of which has commenced prior to the effective date of such amendment or termination, or which would be payable if the Participant experienced a separation from Service for any reason on such effective date.

Article XII.

Miscellaneous

i. Plan Financing. Except as set forth below in this Section and in Section 7.5, benefits under the Plan shall be paid from the general assets of the Company. To the extent any Participant or surviving spouse or other designated beneficiary acquires a right to receive payments hereunder, such right shall be no greater than the right of any other unsecured creditor of the Company. Notwithstanding the foregoing, the Company has entered into a trust agreement ("Trust Agreement") whereby the Company agrees to contribute to a trust ("Trust") for the purpose of accumulating assets to assist the Company in fulfilling its obligations to Participants and surviving spouses or other designated beneficiaries hereunder. Such Trust includes the provision that all assets of the Trust shall be subject to the creditors of the Company in the event of its insolvency.

ii. Non-Compete and Related Provisions. Benefits under the Plan may be forfeited if:

(1) A Participant, while employed by the Company or within a period of three years after the Participant's separation from Service for any reason, including Retirement (the "Restrictive Period"), engages in activity or employment that directly or indirectly competes with the business of the Company or its Affiliates, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of the Company or its Affiliates to terminate employment with the Company or its Affiliates, and become employed by, any person, firm, partnership, corporation, trust or other entity that provides commodities, products or services to customers of the Company or its Affiliates of the same type as commodities, products or services provided by the Company or its Affiliates (the "Restrictive Covenant"). The foregoing Restrictive Covenant shall not prohibit a Participant from owning directly or indirectly capital stock or similar securities which are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System which do not represent more than 1% of the outstanding capital stock of any such entity; or

(2) A Participant performs any action or makes any statement that is detrimental to the Company or its Affiliates, unless such action or statement is retracted to the Company's satisfaction after the Participant is notified regarding such action or statement.

iii. Nonguarantee of Employment. Participation in the Plan does not limit the right of the Company or an Affiliate to discharge any individual with or without cause.

iv. Nonalienation of Benefits. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate, or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof or rights to, which are expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony, or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

Notwithstanding the preceding paragraph, the benefit of any Participant shall be subject to and payable in the amount determined in accordance with any qualified domestic relations order, as that term is defined in Section 206(d)(3) of ERISA. The Plan Administrator shall provide for payment in a lump sum from a Participant's benefit to an alternate payee (as defined in Code Section 414(p)(8)) as soon as administratively practicable following receipt of such order. Any federal, state or local income tax associated with such payment shall be the responsibility of the alternate payee. The balance of a benefit that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

v. Indemnification.

(1) Limitation of Liability. Notwithstanding any other provision of the Plan or the Trust, none of the Company, any member of the Benefits Committee or Compensation Committee, nor an individual acting as an employee or agent of any of them, shall be liable to any Participant or former Participant, or any surviving spouse or other designated beneficiary of any Participant or former Participant, for any claim, loss, liability or expense incurred in connection with the Plan or the Trust, except when the same shall have been judicially determined to be due to the willful misconduct of such person.

(2) Indemnity. The Company shall indemnify and hold harmless each member of the Benefits Committee and the Compensation Committee, or any employee of the Company or any individual acting as an employee or agent of either of them (to the extent not indemnified or saved harmless under any liability insurance or any other indemnification arrangement with respect to the Plan or the Trust) from any and all claims, losses, liabilities, costs and expenses (including attorneys' fees) arising out of any actual or alleged act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto with respect to the administration of the Plan or the Trust, except that no indemnification or defense shall be provided to any person with respect to any conduct that has been judicially determined, or agreed by the parties, to have constituted willful misconduct on the part of such person, or to have resulted in his or her receipt of personal profit or advantage to which he or she is not entitled. In connection with the indemnification provided by the preceding sentence, expenses incurred in defending a civil or criminal action, suit or proceeding, or incurred in connection with a civil or criminal investigation, may be paid by the Company in advance of the final disposition of such action, suit, proceeding, or investigation, as authorized by the Plan

Administrator in the specific case, upon receipt of an undertaking by or on behalf of the party to be indemnified to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the Company pursuant to this paragraph.

vi. Severability. Each of the Sections contained in the Plan, and each provision in each Section, shall be enforceable independently of every other Section or provision in the Plan, and the invalidity or unenforceability of any Section or provision shall not invalidate or render unenforceable any other Section or provision contained herein. If any Section or provision in a Section is found invalid or unenforceable, it is the intent of the parties that a court of competent jurisdiction shall reform the Section or provision to produce its nearest enforceable economic equivalent.

vii. Action by Company. Any action required of, or permitted by, the Company under the Plan shall be by resolution of the respective committee identified herein, or by a person or persons authorized by resolution of the such committee.

viii. Protective Provisions. A Participant shall cooperate with the Company by furnishing any and all information requested by the Company and its Affiliates in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Company and its Affiliates may deem necessary and taking such other action as may be requested by the Company and its Affiliates.

ix. Governing Law. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Indiana, except as preempted by federal law.

x. Notice. Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed as given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Plan Administrator shall be directed to the Company's address. Mailed notice to a Participant, a surviving spouse or other designated beneficiary shall be directed to the individual's last known address in the Company's records.

xi. Successors. The provisions of the Plan shall bind and inure to the benefit of the Company, its Affiliates and their successors and assigns. The term successors as used herein shall include any corporate or other business entity that shall, whether by merger, consolidation, purchase, or otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

xii. Actuarial Assumptions. Unless otherwise provided in the Plan, all actuarial adjustments necessary to determine the amount, form or timing of any distribution shall be based on the same actuarial assumptions used for the pension a Participant is eligible to receive under the NiSource Pension Plan.

xiii. Tax Savings.

(1) Notwithstanding anything to the contrary contained in the Plan, (1) in the event that the Internal Revenue Service prevails in its claim that benefits under the Plan constitute taxable income to a Participant, his or her spouse or other designated beneficiary, for any taxable year, prior to the taxable year in which such benefits are distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company and the applicable Participant, his or her spouse or other designated beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the Pre-2005 Benefit, to the extent constituting taxable income, shall be immediately distributed to the Participant, his or her spouse or other designated beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or, if based upon an opinion of legal counsel satisfactory to the Company and the Participant, his or her spouse or other designated beneficiary, the Plan fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

(2) Notwithstanding anything to the contrary contained in the Plan, (1) in the event that the Internal Revenue Service prevails in its claim that benefits under the Plan constitute taxable income under Code Section 409A, and guidance and regulations thereunder, to a Participant, his or her spouse or other designated beneficiary, for any taxable year prior to the taxable year in which such benefits are distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company and the applicable Participant, his or her spouse or other designated beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the Post-2004 Benefit or Supplemental Spouse Pension, to the extent constituting taxable income, shall be immediately distributed to the Participant, his or her spouse or other designated beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or, if based upon an opinion of legal counsel satisfactory to the Company and the Participant, his or her spouse or other designated beneficiary, the Plan fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

[signature block follows on next page]

IN WITNESS WHEREOF, the Company has caused this amendment and restatement of the NiSource Inc. Supplemental Executive Retirement Plan to be executed in its name by its duly authorized officer, effective as of November 1, 2020.

NISOURCE INC.

By:

Its:

Date:

i.

History of the Plan

Northern Indiana Public Service Company adopted the Northern Indiana Public Service Company Supplemental Executive Retirement Plan effective as of December 23, 1982. The Plan was amended as of January 1, 1989. The Plan was subsequently adopted by NIPSCO Industries, Inc., the successor to Northern Indiana Public Service Company, effective as of January 1, 1991. The Plan was amended and restated, effective January 1, 1993 and September 1, 1994. Effective June 1, 2002, NiSource Inc., the parent company of NIPSCO Industries, Inc., assumed sponsorship of the Plan and the Plan was further amended and restated to make administrative and technical changes. The Plan was further amended, effective January 1, 2004, to reflect changes in the structure of benefits under the Plan. The Plan was again amended and restated, effective January 1, 2005, to comply with Internal Revenue Code Section 409A with respect to benefits earned under the Plan from and after January 1, 2005. Benefits under the Plan earned and vested prior to January 1, 2005 shall be administered without giving effect to Code Section 409A, and guidance and regulations thereunder. The Plan was again amended and restated, effective January 1, 2008, to incorporate special transition relief under Internal Revenue Service Notice 2007-86 to allow Participants to elect to change the time and form of payment of certain Post-2004 Benefits. The Plan was further amended and restated, effective January 1, 2010, to clarify how certain supplemental death benefits will be paid to Participants who have reached Retirement. The Plan was further amended and restated effective May 13, 2011 to transfer all administrative authority with respect to the Plan (including the authority to render decisions on claims and appeals and make administrative or ministerial amendments) from the Compensation Committee to the Benefits Committee. The Plan was amended and restated again, effective August 10, 2017, to revise the procedures for determining Disability under the Plan.

The Plan is amended and restated again, effective November 1, 2020 to clarify matters relating to the Compensation Committee and certain other matters.

Exhibit 10.5

PENSION RESTORATION PLAN

FOR NISOURCE INC. AND AFFILIATES

As Amended and Restated Effective November 1, 2020

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PENSION RESTORATION PLAN

FOR NISOURCE INC. AND AFFILIATES

As Amended and Restated Effective November 1, 2020

Article I.

BACKGROUND AND PURPOSE

i.**Background**. The Pension Restoration Plan for NiSource Inc. and Affiliates is maintained to provide deferred compensation for a select group of management or highly compensated employees of NiSource Inc. and participating affiliates. The history of the Plan's amendments and restatements is attached as Exhibit A.

ii.**Purpose**. The purpose of the Plan is to provide for the payment of pension restoration benefits to employees of the Employer, whose benefits under the Basic Plans are subject to the Limits, or affected by deferrals into the DCP, so that the total pension benefits of such employees will be determined on the same basis as is applicable to all other employees of the Employer. The Plan is adopted solely (1) for the purpose of providing benefits to Participants in the Plan and their Beneficiaries in excess of the Limits imposed on qualified plans by Code Sections 415 and 401(a)(17), and any other Code Sections, by restoring benefits to such Plan Participants and Beneficiaries that are not available under the Basic Plans as a result of the Limits, and (2) for the purpose of restoring benefits to Plan Participants and Beneficiaries that are no longer available under the Basic Plans as a result of the Participant's deferrals into, the DCP. The provisions of the Plan as stated herein apply only to Participants who actively participate in the Plan on or after the Effective Date. Any Participant who retired or otherwise terminated employment with the Company and Affiliates prior to the Effective Date shall have his or her rights determined under the provision of the Plan, as it existed when his or her employment relationship terminated.

Article II.

DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural. The headings of Articles and Sections are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

i.**AB Account**. The hypothetical account created for a Participant under the Plan who has an AB Benefit under a Basic Plan.

ii. **AB Benefit**. A Participant's AB I Benefit or AB II Benefit that is accrued for the benefit of the Participant under a Basic Plan.

iii. **Affiliate**. Any corporation that is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company; any trade or business (whether or not incorporated) that is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Code Section 414(m)) that includes the Company; any leasing organization, to the extent that its employees are required to be treated as if they were employed by the Company pursuant to Code Section 414(n) and the regulations thereunder; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o). An entity shall be an Affiliate only with respect to the existing period as described in the preceding sentence.

iv. **Basic Plans**. The tax-qualified defined benefit retirement plan(s) maintained by the Company and Affiliates listed on Exhibit B, attached hereto.

v. **Beneficiary**. The person, persons or entity entitled to receive any plan benefits payable after a Participant's death.

vi. **Benefits Committee**. The NiSource Benefits Committee.

vii. **Code**. The Internal Revenue Code of 1986, as amended.

viii. **Company**. NiSource Inc., a Delaware corporation.

ix. **Compensation Committee**. The Compensation Committee of the Board of Directors of the Company.

x. **DCP**. The Columbia Energy Group Deferred Compensation Plan, on or prior to December 31, 2003, and, thereafter, the NiSource Inc. Executive Deferred Compensation Plan.

xi. **Disability**. A condition that (a) causes a Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of the Company or an Affiliate or (b) causes a Participant to be eligible to receive Social Security disability payments.

xii. **Effective Date**. November 1, 2020, the date on which this amendment and restatement of the Plan is effective.

xiii. **Employee**. Any individual who is employed by an Employer on a basis that involves payment of salary, wages or commissions.

xiv. **Employer**. The Company or any Affiliate who maintains or adopts for its Eligible Employees a Basic Plan.

xv.**ERISA**. The Employee Retirement Income Security Act of 1974, as amended.

xvi.**Limits**. The limits imposed on the payment, accrual or calculation of tax-qualified retirement plans by Code Sections 415 and 401(a)(17) and any other Code Sections.

xvii.**Participant**. Any Employee who is participating in the Plan in accordance with its provisions.

xviii.**Plan**. The Pension Restoration Plan for NiSource Inc. and Affiliates (formerly known as the Pension Restoration Plan for the Columbia Energy Group, formerly known as the Pension Restoration Plan for The Columbia Gas System, Inc.), as set forth herein.

xix.**Plan Administrator**. The Benefits Committee or such delegate of the Benefits Committee delegated to carry out the administrative functions of the Plan.

Article III.

PARTICIPATION AND BENEFIT ACCRUAL

i.**Eligibility for Participation and Accrual of Benefit**. Except as provided in Section 3.2 below, each Employee of an Employer shall be eligible to participate in the Plan as of the date he or she is eligible to participate in a Basic Plan. For purposes of accruing a benefit under the Plan, each employee shall be eligible to accrue a benefit under the Plan for any plan year in which his or her benefits under a Basic Plan are affected by the Limits or by his or her deferrals under the DCP.

The Compensation Committee (or its delegate) shall determine the eligibility of each Employee to participate in the Plan based on information furnished by the Employer. Such determination shall be within the discretion of the Plan Administrator (or its delegate) and shall be conclusive and binding upon all persons as long as such determination is made pursuant to the Plan and applicable law.

ii.**Special Provisions for Participants with Basic Plan Benefits Accrued Prior to 2004.**

(1) Eligibility. As set forth in Exhibit A, prior to January 1, 2004, only Employees of Columbia Energy Group (or its predecessor) who had benefits under a Basic Plan affected by the Limits, or by his or her deferrals under the DCP, participated in the Plan. Pursuant to the extension of participation in the Plan as explained in Exhibit A, on or after January 1, 2004, each Employee meeting the participation requirements set forth in Section 3.1 shall participate in the Plan as of January 1, 2004, and shall be eligible to accrue a benefit under the Plan as of such date or, if later, as of the date that an Employee’s benefits under a Basic Plan are affected by the Limits or by his or her deferrals under the DCP.

(2) Benefit Accrual. With respect to any Participant who was first eligible to participate in the Plan on January 1, 2004 in accordance with this Section, but

who had accrued benefits under a Basic Plan prior to such date, such Participant shall have benefits under the Plan calculated in accordance with the Plan's general provisions, except that the Plan shall only consider the Participant's Credited Service, Point Service, Compensation or Accrued Benefit under the Basic Plan earned on or after the date participation in the Plan begins *(i.e.,* January 1, 2004), as further described in Section 4.2, Section 4.4(b), Section 4.5(b) Section 4.6(b) and Section 4.7(b).

iii.**Service Crediting**. A Participant's service used under the Basic Plan for purposes of determining eligibility for any retirement benefit shall also be used for similar purposes under the Plan. For any Participant described in Section 3.2, the Plan shall only consider such Participant's Credited Service (or, if applicable, Point Service) as of the date of participation in the Plan for purposes of calculating the benefit under the Plan; however, the Plan shall continue to consider such Participant's Credited Service (or, if applicable, Point Service) under the Basic Plan for purposes of determining early retirement eligibility or the application of the Pay-Based Credit scale for the Participant as described in Section 4.6.

Article IV.

DETERMINATION OF BENEFIT AMOUNT

i.**Amount of Benefit - General Principle**. The benefit payable under the Plan to a Participant (or to his or her Beneficiary under a Basic Plan) shall be equal to the excess (if any) of the benefit determined under subsection (a) below over the benefit determined under subsection (b) below:

(1) The benefit that would have been payable under a Basic Plan to a Participant, or to his or her Beneficiary, determined under a Basic Plan without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(2) The benefit actually payable to the Participant, or to his or her Beneficiary, determined under a Basic Plan after applying the Limits and considering deferrals into the DCP, if any.

To the extent that the AB Benefit provisions of the Basic Plan apply to a Participant, such Participant shall have an AB Account created and shall have his or her benefit under the Plan calculated in accordance with the provisions of this Article IV. Specifically, such Participant shall be subject to the conversion, Opening Balance, Pay-Based and Interest Credits and Protected Benefit provisions provided under this Article.

ii.**Amount of Benefit For Participant Who Accrued a Benefit under a Basic Plan Prior to Participating in the Plan on January 1, 2004**. Notwithstanding the foregoing, the calculation of the benefit payable under Section 4.1 above shall be limited for any Participant described in Section 3.2. For such Participants, the benefit payable under the Plan shall be determined as follows:

(1) FAP Participant. For a Participant whose Accrued Benefit under a Basic Plan is a FAP Benefit, the benefit payable under the Plan to the Participant, or to his or her Beneficiary under the Basic Plan, shall be equal to the excess (if any) of the benefit determined under paragraph (1) below over the benefit determined under paragraph (2) below:

(a) The benefit that would have been payable under a Basic Plan to a Participant, or to his or her Beneficiary determined under a Basic Plan, considering only the Participant's Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan, determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(b) The benefit actually payable to the Participant, or to his or her Beneficiary determined under a Basic Plan, calculated based upon the Participant's Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan, determined after applying the Limits and considering deferrals into the DCP, if any.

(2) AB Participant. For a Participant whose Accrued Benefit under a Basic Plan is an AB Benefit, the benefit payable under the Plan to the Participant, or to his or her Beneficiary under a Basic Plan, shall be equal to the excess (if any) of the benefit determined under paragraph (1) below over the benefit determined under paragraph (2) below:

(a) The benefit that would have been payable under a Basic Plan to a Participant or his or her Beneficiary, determined as if the Participant's Opening Balance under the Basic Plan was $0 as of the date the Participant first becomes eligible to participate in the Plan, and considering only the Participant's Pay-Based Credits, Interest Credits and Compensation from and after such date, and determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(b) The benefit actually payable under a Basic Plan to the Participant, or to his or her Beneficiary, determined as if the Participant's Opening Balance under the Basic Plan was $0 as of the date the Participant first becomes eligible to participate in the Plan, and considering only the Participant's Pay-Based Credits, Interest Credits and Compensation from and after such date, and determined after applying the Limits and considering deferrals into the DCP, if any.

iii. **Form of Benefit Accrual**. The form of benefit accrual for a Participant in the Plan shall be the form of benefit accrual applicable for such Participant under the relevant Basic Plan.

iv. **Conversion of Benefits.**

(1) In General. Upon the conversion of any Participant's Accrued Benefit in a Basic Plan from a FAP Benefit to an AB II Benefit or from an AB I Benefit to an AB II Benefit, any benefit under the Plan shall, except as provided below, also be converted upon such date according to the conversion procedures set forth in the relevant Basic Plan, including determination of an Opening Balance.

(2) Exception to the General Provision. Notwithstanding the foregoing, with respect to any Participant in the Plan who is described in Section 3.2, such Participant's benefit under the Plan shall be converted according to the conversion procedures in the relevant Basic Plan, provided that any consideration of Credited Service and Compensation in the calculation of the Participant's Opening Balance shall be limited to Credited Service and Compensation earned from and after the date the Participant first becomes eligible to participate in the Plan.

v. **Opening Balance**. For purposes of determining the Opening Balance for Participants in the Plan, the following provisions shall apply:

(1) In General. The Opening Balance shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. The Opening Balance under the Plan shall be determined as the excess of the Opening Balance determined in (1) below over the Opening Balance determined in (2) below:

(a) The Participant's Opening Balance under the Basic Plan determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(b) The Participant's Opening Balance under the Basic Plan determined after applying the Limits and considering deferrals into the DCP, if any.

(2) Exception to the General Provision. For the purpose of determining the Opening Balance for any Participant in the Plan who is described in Section 3.2, the Opening Balance under the Plan shall be determined in accordance with Section 4.5(a) above, but considering a calculation of the Opening Balance under the Basic Plan using only the Participant's Credited Service (or, if applicable, Point Service) and Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

vi. **Pay-Based Credits and Interest Credits**. For purposes of determining Pay-Based Credits and Interest Credits under the Plan, the following provisions shall apply:

(1) Pay-Based Credits Generally. Pay-Based Credits under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. Pay-Based Credits under the Plan shall be determined as the excess of the Pay-Based Credits determined in (1) below over the Pay-Based Credits determined in (2) below:

(a) The Participant's Pay-Based Credits under the Basic Plan determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(b) The Participant's Pay-Based Credits under the Basic Plan determined after applying the Limits and considering deferrals into the DCP, if any.

(2) Exception to the General Pay-Based Credits Provision. For the purpose of determining the Pay-Based Credits for any Participant in the Plan who is described in Section 3.2, the Pay-Based Credits under the Plan shall be determined in accordance with Section 4.6(a) above, but considering a calculation of Pay-Based Credits under the Basic Plan using only Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

(3) Interest Credits. Interest Credits under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan.

vii. **Protected Benefit**. Effective for any Participant terminating employment with the Employer on or after January 1, 2011, the benefit payable under the Plan may never be less than the benefit set forth in this section. For purposes of determining the Protected Benefit under the Plan, the following provisions shall apply:

(1) Protected Benefit Generally. The Protected Benefit under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. The Protected Benefit under the Plan shall be determined as the excess of the benefit determined in (1) below over the benefit determined in (2) below:

(a) The Protected Benefit under the Basic Plan for the Participant, or for his or her Beneficiary, determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.

(b) The Protected Benefit under the Basic Plan for the Participant, or for his or her Beneficiary, determined after applying the Limits and considering deferrals into the DCP, if any.

In accordance with the methodology provided in the applicable Basic Plan, a Participant with an AB Benefit shall be entitled to benefit under the Plan equal to the greater of (1) the AB Account under the Plan or (2) the sum of the AB Account under the Plan (determined without regard to the Opening Balance calculation) *plus* the portion of the FAP Benefit that is calculated in accordance with the Plan as of the date of conversion to the AB Benefit as set forth in Section 4.4.

(2) Exception to the General Protected Benefit Provision. For the purpose of determining the Protected Benefit for any Participant in the Plan who is described

in Section 3.2, the Protected Benefit under the Plan shall be determined in accordance with Section 4.7 above, but considering calculation of the Protected Benefit under the Basic Plan using only Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

Article V.

TIME AND METHOD OF PAYMENT OF BENEFIT

i. **Method of Payment.**

(1) The benefit earned under the Plan shall be payable to a Participant in a form available under the Basic Plan, as elected by the Participant by notice delivered to the Plan Administrator on or before December 31, 2005. Notwithstanding the preceding sentence, in the case of an Employee who becomes a Participant on or after January 1, 2005, the aforementioned election with respect to a benefit shall be made no later than January 31 of the calendar year after the calendar year in which the Participant first becomes eligible to participate in the Plan, and such election shall be effective with respect to Compensation related to services to be performed subsequent to the election; provided, however, that a Participant shall not be considered first eligible if, on the date he or she becomes a Participant, he or she participates in any other nonqualified plan of the same category that is subject to Code Section 409A, maintained by the Company or an Affiliate.

(2) If payment in the form of an annuity is elected, the annuity type shall be elected by the Participant at the time he or she makes the election described in the first or second sentence of subsection (a) above from among those annuities available at that time under the Basic Plan. If a benefit hereunder is paid in an annuity form other than a straight life annuity, the amount of the benefit under the Plan shall be reduced by the Basic Plan's factors in effect at the time of such election for payment in a form other than a straight life annuity. If payment in the form of a lump sum is elected, the lump sum amount payable will be calculated in the same manner and according to the same interest rates and mortality tables as under the Basic Plan at the time of such election.

(3) If the Participant fails to timely elect a form of payment as required under subsections (a) and (b) above, the Participant's benefit shall be payable in a lump sum.

ii. **Timing of Payment**.

(1) Subject to Section 5.4 hereof, a benefit payable in accordance with Section 5.1 will commence within 45 days after: (i) if the Participant qualifies for Early Retirement under a Basic Plan, when the Participant separates from service, or (ii) if the Participant does not qualify for Early Retirement under a Basic Plan, the later of when the Participant separates from service or attains (or would have

attained) age 65, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

(2) Automatic Cash-Out. Subject to Section 5.4 of the Plan and notwithstanding any other provision in the Plan, if the benefit payable to a Participant under the Plan at the time distribution begins, when combined with the benefits payable to the Participant under all other arrangements that are required to be considered a single nonqualified deferred compensation plan under Code Section 409A and applicable guidance thereunder, does not exceed the applicable dollar limit under Code Section 402(g)(1)(B), the Employer shall distribute the Participant's Plan benefit (and the Participant's entire interest under any other arrangement that is required to be aggregated with this Plan under Code Section 409A). The form of payment shall be a single lump sum.

iii. **Changes to the Form of Payment**. A Participant cannot change the form of payment of a benefit elected under Section 5.1 or this Section 5.3 unless (i) such election does not take effect until at least 12 months after the date on which the election is made, (ii) in the case of an election related to a payment not due to the Participant's Disability or death, the first payment with respect to which such new election is effective is deferred for a period of not less than five years from the date such payment would otherwise have been made, and (iii) any election related to a payment based upon a specific time or pursuant to a fixed schedule may not be made less than 12 months prior to the date of the first scheduled payment; provided, however, that an election to change from one type of annuity payment to a different, actuarially equivalent, type of annuity payment shall not be considered a change to the form of payment for purposes of applying the restrictions in clauses (i), (ii) and (iii).

Notwithstanding the preceding paragraphs of this Section 5.3, a Participant may change an election with respect to the form of payment of a benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2006; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2006, and (ii) shall not cause an amount to be paid in calendar year 2006 that would not otherwise be payable in such year.

iv. **Specified Employees**. Notwithstanding any other provision of the Plan, in no event can a payment of a benefit to a Participant who is a Specified Employee of the Company or an Affiliate, at a time during which the Company's capital stock or capital stock of an Affiliate is publicly traded on an established securities market, in the calendar year of his or her separation from service, be made before the date that is six months after the date of the Participant's separation from service with the Company and all Affiliates, unless such separation is due to his or her death.

A Participant shall be deemed to be a Specified Employee for purposes of this Section 5.4 if he or she is in a job category C2 or above with respect to the Company or Affiliate that employs him or her; provided if at any time the total number of Employees in job category C2 and above is less than 50, a Specified Employee shall include any person who meets the definition of Key Employee set forth in Code Section 416(i) without reference to paragraph (5).

A Participant shall be deemed to be a Specified Employee with respect to a calendar year if he or she is a Specified Employee on September 30th of the preceding calendar year. If a Specified Employee will receive payments hereunder in the form of installments or an annuity, the first payment made as of the date six months after the date of the Participant's separation from service with the Company and all Affiliates shall be a lump sum, paid as soon as practicable after the end of such six-month period, that includes all payments that would otherwise have been made during such six-month period.

From and after the end of such six month period, any such installment or annuity payments shall be made pursuant to the terms of the applicable installment or annuity form of payment.

v.**Interest and Mortality Assumptions**. Determinations under the Plan shall be based on the interest and mortality assumptions used in the applicable Basic Plan on the date of such determination.

Article VI.

ADMINISTRATION OF PLAN

i.**Allocation of Duties to Committees**. The Plan shall be administered by the Benefits Committee, as delegated by the Compensation Committee. The Benefits Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration, except as otherwise reserved to the Compensation Committee herein, or by resolution or charter of the respective committees.

In its discretion, the Plan Administrator may delegate to any division or department of the Company the discretionary authority to make decisions regarding Plan administration, within limits and guidelines from time to time established by the Plan Administrator. The delegated discretionary authority shall be exercised by such division or department's senior officer, or his/her delegate. Within the scope of the delegated discretionary authority, such officer or person shall act in the place of the Plan Administrator and his/her decisions shall be treated as decisions of the Plan Administrator.

ii.**Agents**. The Plan Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

iii.**Information Required by Plan Administrator**. The Company shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Company as to an employee's or Participant's period or periods of employment, separation from Service and the reason therefore, reemployment and Compensation will be conclusive on all persons unless determined to the Plan Administrator's satisfaction to be incorrect. Participants and other persons entitled to benefits under the Plan also shall furnish the Plan Administrator with such evidence, data or information as the Plan Administrator considers necessary or desirable to administer the Plan.

iv.**Binding Effect of Decisions**. Subject to applicable law, and the provisions of Article VIII, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Benefits Committee and/or the Compensation Committee (or any duly authorized delegate of either such committee) and made in good faith shall be binding on all persons.

Article VII.

CLAIMS PROCEDURE

i.**Claims Procedure**. Claims for benefits under the Plan shall be made in writing to the Plan Administrator. The Plan Administrator shall establish rules and procedures to be followed by Participants and Beneficiaries in filing claims for benefits, and for furnishing and verifying proof necessary to establish the right to benefits in accordance with the Plan, consistent with the remainder of this Article.

ii.**Review of Claim**. The Plan Administrator shall review all claims for benefits. Upon receipt by the Plan Administrator of such a claim, it shall determine all facts that are necessary to establish the right of the claimant to benefits under the provisions of the Plan and the amount thereof as herein provided within 90 days of receipt of such claim. If prior to the expiration of the initial 90 day period, the Plan Administrator determines additional time is needed to come to a determination on the claim, the Plan Administrator shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of 180 days from the date the application was received. If the Plan Administrator fails to notify the claimant in writing of the denial of the claim within 90 days after the Plan Administrator receives it, the claim shall be deemed denied.

iii.**Notice of Denial of Claim**. If the Plan Administrator wholly or partially denies a claim for benefits, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receiving the claim (unless extended as noted above), notify the claimant in writing of the denial of the claim. Such notification shall be written in a manner reasonably expected to be understood by such claimant and shall in all respects comply with the requirements of ERISA, including but not limited to inclusion of the following:

(1) the specific reason or reasons for denial of the claim;

(2) a specific reference to the pertinent Plan provisions upon which the denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and

(4) an explanation of the Plan's review procedure.

iv.**Reconsideration of Denied Claim**. Within 60 days of the receipt by the claimant of the written notice of denial of the claim, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant or duly authorized representative may file a written request with the Benefits Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. If the claimant or duly authorized representative fails to request such a reconsideration within such 60 day period, it shall be conclusively determined for all purposes of the Plan that the denial of such claim by the Benefits Committee is correct. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review documents relevant to the benefit claim and may submit issues and comments in writing.

The Benefits Committee shall render a decision on the claim appeal promptly, but not later than 60 days after receiving the claimant's request for review, unless, in the discretion of the Benefits Committee, special circumstances require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Benefits Committee shall notify the claimant in writing of any such extension. The notice of decision upon review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions upon which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his duly authorized representative notifies the Benefits Committee within 90 days after the mailing or delivery to the claimant by the Benefits Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Benefits Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery.

Article VIII.

PLAN AMENDMENT OR TERMINATION

i.**Plan Amendment**. While the Company intends to maintain the Plan in conjunction with the Basic Plans, the Company or the Compensation Committee reserves the right to amend the Plan at any time and from time to time with respect to eligibility for the Plan, the level of benefits awarded under the Plan and the time and form of payment for benefits from the Plan. The Compensation Committee or the Board shall have the authority to amend the Plan. The Compensation Committee or the Board shall have the exclusive authority to amend the Plan regarding eligibility for the Plan, the amount or level of benefits awarded under the Plan, and the time and form of payments for benefits from the Plan. In addition, the Compensation Committee or the Board shall also have the exclusive authority to make amendments that constitute a material increase in compensation, any change requiring action or consent by a committee of the Board pursuant to the rules of the Securities and Exchange Commission, the New York Stock Exchange or other applicable law, or such other material changes to the Plan such that approval of the Board is required. Unless otherwise determined by the Compensation Committee, the

Benefits Committee shall have the authority to amend the Plan in all respects that are not exclusively reserved to the Compensation Committee or the Board.

All amendments to the Plan must be made by written instrument, notice of which is given to all Participants and to Beneficiaries. Notwithstanding the preceding sentence, no amendment shall impair or alter such right to a benefit accrued under the Plan as of the effective date of such amendment to or with respect to any Employee who has become a Participant in the Plan before the effective date of such amendment or with respect to his or her Beneficiary.

ii.**Plan Termination**. The Compensation Committee or the Company may terminate the Plan at any time provided that termination of the Plan shall not impair or alter such right to a benefit accrued under the Plan as of the effective date of such termination to or with respect to any Employee who has become a Participant in the Plan before the effective date of such termination or with respect to his or her Beneficiary

Upon termination of the Plan, distribution of Plan benefits shall be made to Participants, surviving spouses and beneficiaries in the manner and at the time described in Article VI of the Plan. No additional benefits shall be earned after termination of the Plan other than the crediting of Interest until the date of distribution of a Participant's Supplemental Savings Account.

Article IX.

MISCELLANEOUS PROVISIONS

i.**Unsecured General Creditor**. Participants and Beneficiaries shall be unsecured general creditors, with no secured or preferential right to any assets of the Company, any other Employer, or any other party for payment of benefits under the Plan. Obligations of the Company and each other Employer under the Plan shall be an unfunded and unsecured promise to pay money in the future.

ii.**Income Tax Payout**. In the event that the Internal Revenue Service prevails in its claim that any amount of a Participant's benefit payable pursuant to the Plan and held in the general assets of the Company or any other Employer constitutes taxable income under Code Section 409A, and guidance and regulations thereunder, to a Participant or his or her Beneficiary for any taxable year prior to the taxable year in which such amount is distributed to him or her, or in the event that legal counsel satisfactory to the Company and the applicable Participant or his or her Beneficiary renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the amount of such benefit held in the general assets of the Company or any other Employer, to the extent constituting such taxable income, shall be immediately distributed to the Participant or his or her Beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or Beneficiary, based upon an opinion of legal counsel satisfactory to the Company and the Participant or his or her Beneficiary, fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim, to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

iii.**General Conditions**. Except as otherwise expressly provided herein, all terms and conditions of a Basic Plan applicable to a Basic Plan benefit shall also be applicable to a benefit payable hereunder. Any Basic Plan benefit shall be paid solely in accordance with the terms and conditions of the applicable Basic Plan and nothing in the Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of the Basic Plan. Defined terms used in the Plan that are not defined in this Plan but are defined in the Basic Plans shall have the meanings assigned to them in the Basic Plans.

iv.**No Guaranty of Benefits**. Nothing contained in the Plan shall constitute a guaranty by the Company or any other Employer or any other entity or person that the assets of the Company or any other Employer will be sufficient to pay any benefit hereunder.

v.**No Enlargement of Employee Rights**. No Participant or Beneficiary shall have any right to a benefit under the Plan except in accordance with the terms of the Plan. Establishment of the Plan shall not be construed to give any Participant or Beneficiary the right to be retained in the service of the Company or any Affiliate.

vi.**Nonalienation of Benefits**. No interest of any person or entity in, or right to receive a benefit under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a benefit be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance, and claims in bankruptcy proceedings.

Notwithstanding the preceding paragraph, the benefit of any Participant shall be subject to and payable in the amount determined in accordance with any qualified domestic relations order, as that term is defined in ERISA Section 206(d)(3). The Plan Administrator shall provide for payment of such benefit to an alternate payee (as defined in ERISA Section 206(d)(3)) as soon as administratively possible following receipt of such order. Any federal, state or local income tax associated with such payment shall be the responsibility of the alternate payee. The benefit that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

vii.**Applicable Law**. The Plan shall be construed and administered under the laws of the State of Indiana, except to the extent preempted by applicable federal law.

viii.**Incapacity of Recipient**. If any person entitled to a benefit payment under the Plan is deemed by the Plan Administrator to be incapable of personally receiving and giving a valid receipt for such payment, then, unless and until claim therefore shall have been made by a duly appointed guardian or other legal representative of such person, the Plan Administrator may provide for such payment or any part thereof to be made to any other person or institution then contributing toward or providing for the care and maintenance of such person. Any such payment shall be a payment for the account of such person and a complete discharge of any liability of the Company, any other Employer, the Plan Administrator and the Plan therefore.

ix.**Unclaimed Benefit**. Each Participant shall keep the Plan Administrator informed of his or her current address and the current address of his or her Beneficiaries. The Plan Administrator shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Plan Administrator within three years after the date on which payment of the Participant's benefit may first be made, payment may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed, or, within three years after the actual death of a Participant, the Plan Administrator is unable to locate any Beneficiary of the Participant, then the Plan Administrator shall have no further obligation to pay any benefit hereunder to such Participant, Beneficiary, or any other person and such benefit shall be irrevocably forfeited.

x.**Limitations on Liability**. Notwithstanding any of the preceding provisions of the Plan, none of the Company, any other Employer, any member of the Benefits Committee or the Compensation Committee or any delegate of such committees, or any individual acting as an employee, or agent at the direction of the Company or any other Employer, or any member of the Benefits Committee or the Compensation Committee or any delegate of such committees, shall be liable to any Participant, former Participant, Beneficiary, or any other person for any claim, loss, liability or expense incurred in connection with the Plan.

[Signature block follows on next page]

IN WITNESS WHEREOF, NiSource Inc. has caused this amended and restated Pension Restoration Plan for NiSource Inc. and Affiliates to be executed in its name, by its duly authorized officer, effective as of November 1, 2020.

NISOURCE INC.

By:

Its:

Date:

i.

History of the Plan

The Columbia Gas System, Inc. adopted The Pension Restoration Plan for The Columbia Gas System, Inc., as amended and restated effective March 1, 1997. The Plan was amended and restated, effective January 1, 2002, by Columbia Energy Group, successor to Columbia Gas System, Inc., and renamed the Pension Restoration Plan for the Columbia Energy Group. Effective January 1, 2004, NiSource Inc., the parent company of Columbia Energy Group, assumed sponsorship of the Pension Restoration Plan for Columbia Energy Group, renamed the Plan the Pension Restoration Plan for NiSource Inc. and Affiliates, and broadened the Plan to allow participation by employees of NiSource Inc. and Affiliated Companies from and after January 1, 2004. The Plan was further amended and restated, effective January 1, 2005, to comply with Internal Revenue Code Section 409A with respect to benefits earned under the Plan. The Plan was amended and restated again, effective January 1, 2008, to revise certain election procedures. The Plan was further amended and restated, effective January 1, 2010, to clarify the calculation of benefits under the Plan and to reflect Plan benefits parallel to the benefit structures under applicable Basic Plans, including the AB Benefit. The Plan was amended and restated again, effective May 13, 2011 to transfer all administrative authority with respect to the Plan (including the authority to render decisions on claims and appeals and make administrative or ministerial amendments) from the Compensation Committee to the Benefits Committee. The Plan was amended and restated again, effective August 10, 2017, to revise the procedures for determining Disability under the Plan.

The Plan is amended and restated again, effective November 1, 2020 to clarify matters relating to the Compensation Committee and certain other matters.

ii.

Basic Plans

NiSource Salaried Pension Plan

NiSource Subsidiary Pension Plan

Columbia Energy Group Pension Plan

Bay State Gas Company Pension Plan

Exhibit 10.6

SAVINGS RESTORATION PLAN
FOR NISOURCE INC. AND AFFILIATES
As Amended and Restated Effective November 1, 2020

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SAVINGS RESTORATION PLAN

FOR NISOURCE INC. AND AFFILIATES

ARTICLE I.

BACKGROUND AND PURPOSE

i..**Background.** The Savings Restoration Plan for NiSource, Inc. and Affiliates is maintained to provide deferred compensation for a select group of management or highly compensated employees of NiSource, Inc. and participating affiliates. The history of the Plan's amendments and restatements is attached as Exhibit A.

ii..**Purpose**. The purpose of the Plan is to provide for the payment of savings restoration benefits to employees of NiSource Inc. and Affiliates, whose benefits under the Basic Plan are subject to the Limits or affected by deferrals into the DCP, so that the total savings plan benefits of such employees shall be determined on the same basis as is applicable to all other employees of the Company. The Plan is adopted solely (1) for the purpose of providing benefits to Participants in the Plan and their Beneficiaries in excess of the Limits imposed on qualified plans by Code Section 401(a)(17) and any other Code Sections, by restoring benefits to such Plan Participants and Beneficiaries that are no longer available under the Basic Plan as a result of the Limits, and (2) for the purpose of restoring benefits to Plan Participants and Beneficiaries that are no longer available under the Basic Plan as a result of the Participant's deferrals into the DCP.

ARTICLE II.

DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural. Defined terms used in the Plan that are not defined in this Article or elsewhere in the Plan but are defined in the Basic Plan shall have the meanings assigned to them in the Basic Plan. The headings of Articles and Sections are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

i..**Account.** The device used by an Employer to measure and determine the amount to be paid under the Plan. Each Account shall be divided into a Pre-2005 Account containing contributions to the Plan earned and vested prior to January 1, 2005, and a Post-2004 Account containing contributions to the Plan earned and/or vested on or after January 1, 2005.

ii..**Affiliate**. Any corporation that is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company; any trade or business (whether or not incorporated) that is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Code Section 414(m)) that includes the Company; any leasing organization, to the extent that its employees are required to be treated as if they were employed by the Company pursuant to Code Section 414(n) and the regulations thereunder; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o). An entity shall be an Affiliate only with respect to the existing period as described in the preceding sentence.

iii..**Basic Plan**. The NiSource Inc. Retirement Savings Plan, as amended and restated effective January 1, 2018, and as further amended from time to time (or as amended and restated for any prior period to the extent the provisions of the Plan refer to such prior period for the Basic Plan).

iv..**Beneficiary**. The person, persons or entity entitled to receive any Plan benefits payable after a Participant's death, as elected by a Participant under the Basic Plan.

v..**Benefits Committee**. The NiSource Benefits Committee.

vi..**Board**. The Board of Directors of NiSource Inc.

vii..**Code**. The Internal Revenue Code of 1986, as amended from time to time.

viii..**Company**. NiSource Inc.

ix..**Compensation**. Compensation as defined under the Basic Plan for purposes of determining Pre-Tax Contributions, Roth Contributions, and Matching Contributions under the Basic Plan. For purposes of calculating Employer credits to Participant Accounts under this Plan, Compensation may exceed the Compensation Limit under Code Section 401(a)(17)(B) and shall not be impacted by any other Limit.

x..**Compensation Committee**. The Compensation Committee of the Board of Directors of the Company.

xi..**DCP**. The Columbia Energy Group Deferred Compensation Plan on or prior to December 31, 2003, and, thereafter, the NiSource Inc. Executive Deferred Compensation Plan, as further amended from time to time.

xii..**Disability**. A condition that (a) causes a Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or an Affiliate or (b) causes a Participant to be eligible to receive Social Security disability payments.

xiii..**Effective Date**. November 1, 2020, the date on which the provisions of this amended and restated Plan become effective, except as otherwise provided herein.

xiv..**Eligible Employee**. An employee who is one of a select group of management or highly compensated employees of the Employer who satisfy the criteria established by the Compensation Committee in accordance with this Plan.

xv..**Employer**. The Company or any Affiliate that maintains or adopts the Basic Plan for the benefit of its eligible Employees.

xvi..**ERISA**. The Employee Retirement Income Security Act of 1974, as amended.

xvii..**In-Service Withdrawal**. A distribution from a Participant's Pre-2005 Account before that Participant's Separation from Service made in accordance with the Participant's written election under Article V of this Plan.

xviii..**Limits**. The limits imposed on tax qualified retirement plans by Code Sections 415 and 401(a)(17) and any other Code Sections.

xix..**Participant**. Any Eligible Employee who is participating in the Plan in accordance with its provisions.

xx..**Plan**. The Savings Restoration Plan for NiSource Inc. and Affiliates (formerly known as the Savings Restoration Plan for the Columbia Energy Group, and before that as the Thrift Restoration Plan for the Columbia Energy Group), as set forth herein and as amended from time to time.

xxi..**Plan Administrator**. The Benefits Committee or such delegate of the Benefits Committee delegated to carry out the administrative functions of the Plan.

xxii..**Plan Year**. The 12-month period commencing each January 1 and ending the following December 31.

xxiii..**Post-2004 Account**. The portion of a Participant's Account equal to the excess of (1) the balance of the Participant's Account determined as of a Participant's date of Separation from Service after December 31, 2004, over (2) the Pre-2005 Account, to which the Participant would be entitled under the Plan if he voluntarily separated from service without cause as of such date and received a full payment of benefits from the Plan on the earliest possible date allowed under the Plan following his Separation from Service.

xxiv..**Pre-2005 Account**. The portion of a Participant's Account determined as of December 31, 2004, adjusted to reflect earnings (or losses) credited to such balance from and after such date.

xxv..**Separation from Service**. A termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, consistent with Code Section 409A and the guidance promulgated thereunder.

xxvi..**Specified Employee**. A Participant who is in job scope level C2 or above with respect to any Employer that employs him or her; provided that if at any time the total number of employees in job category C2 and above is less than 50, a Specified Employee shall include any employee who meets the definition of “key employee” set forth in Code Section 416(i) (without reference to paragraph 5 of Code Section 416(i)). A Participant shall be deemed to be a Specified Employee with respect to a Separation from Service that occurs during a calendar year if he or she is a Specified Employee on September 30 of the preceding calendar year. The Benefits Committee shall determine which Participants are Specified Employees in accordance with the guidance promulgated under Code Section 409A.

xvii.. **Unforeseeable Emergency**. A severe financial hardship to a Participant resulting from an illness or accident of the Participant, the Participant’s spouse or a dependent (as defined in Code Section 152(a)), of the Participant, loss of the Participant’s property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

xviii.. **Valuation Date**. The close of business of each business day.

ARTICLE III.

ELIGIBILITY AND PARTICIPATION

i.. **Eligibility**. On and after January 1, 2012, eligibility to participate in the Plan shall be limited to an employee in job scope level C2 or above. On and after October 22, 2012, eligibility to participate in this Plan additionally shall include any employee in job scope level D1 or D2 who completed an election form under the DCP in 2011 to make deferrals related to services performed in the Plan Year beginning January 1, 2012; provided however, that such an employee will be eligible to receive only the Profit Sharing Contribution Credits described in Section 4.2(b) and the Next-Gen Contribution Credits described in Section 4.2(c), to the extent described in such subsections, and will remain eligible to participate in this Plan and receive such contributions after the 2012 Plan Year only if he or she completes an election form under the DCP in each successive Plan Year after 2012 and otherwise remains eligible to continue to participate in the DCP in each successive Plan Year after 2012.

ii.. **Participation**. The Plan Administrator shall inform each Employee of his or her eligibility to participate in the Plan as soon as practicable but before the earliest date such Employee’s participation could become effective. An Eligible Employee becomes a Participant when the Employer credits the Participant’s Account with the Employer credits described in Article IV of this Plan.

iii.. **Continuation of Participation**. A Participant shall remain a Participant so long as his or her Account has not been fully distributed to him or her.

iv.. **Amendment of Eligibility Criteria.** The Compensation Committee may, in its discretion, change the criteria for eligibility for any reason, provided, however, that no change in the criteria for eligibility shall be effective unless such changes are (a) within guidelines established by the Compensation Committee or (b) approved by the Compensation Committee.

Eligibility for participation in one year does not guarantee eligibility to participate in any future year.

ARTICLE IV.

ACCOUNTS

i..**<u>Account.</u>** The Employer credits, as described in Sections 4.2 and 4.3, and earnings thereon, shall be credited to the Participant's Account. The Account shall be a bookkeeping device utilized for the sole purpose of determining the benefits payable under the Plan and shall not constitute a separate fund of assets.

ii..**<u>Employer Credits.</u>**

(1) <u>Matching Contribution Credits</u>. The amount of Employer credits related to Matching Contributions for a Participant eligible to receive such contributions under Section 3.1 shall equal (1) minus (2) below:

(a) The total amount of Matching Contributions that would otherwise have been contributed to the Basic Plan for the Participant during all years in which the Participant participated in the Basic Plan without regard to the Limits;

(b) The actual amount of Matching Contributions that have been contributed to the Basic Plan for the Participant.

In addition to making the credits related to Matching Contributions described above, the Employer also will make the following true-up credit. If (i) the allocation period under the Basic Plan is shorter than the Plan Year, and (ii) on the last day of the Plan Year, the amount of Matching Contributions under the Basic Plan is less than the amount of Matching Contributions that would have been made had the allocation period for Matching Contributions been the Plan Year, then the Employer will make an additional credit to a Participant's Account. This credit will be in the amount necessary to make the Employer credit related to Matching Contributions equal to the amount of Employer credits related to Matching Contributions that would have been made had the allocation period been the Plan Year. Notwithstanding the foregoing, an Employer shall make this true-up credit only for Participants who are employed with the Employer on the last day of the Plan Year and Participants who experienced a Separation from Service before the last day of the Plan Year due to death, Disability, or retirement.

(2) <u>Profit Sharing Contribution Credits</u>. Employer credits pursuant to this Section 4.2(b) shall be reflected in the Plan for all Participants in the Plan on or after such date, including the following: (1) those who received

Profit Sharing Contributions to the Basic Plan for 2010 or later that were subject to the Limits, or (2) those who otherwise had Profit Sharing Contributions limited or adjusted under the Basic Plan on or after January 1, 2011. The amount of Employer credits related to Profit Sharing Contributions for a Participant shall equal (1) minus (2) below:

(a) The total amount of Profit Sharing Contributions that otherwise would have been contributed to the Basic Plan for the Participant during all years in which the Participant participated in the Basic Plan, as determined by Compensation as defined under this Plan without regards to the Limits;

(b) The actual amount of Profit Sharing Contributions that have been contributed to the Basic Plan for the Participant.

Notwithstanding the foregoing, a Participant who is in job scope level D1 or D2 shall receive an amount of Employer credits related to Profit Sharing Contributions equal to the difference between (1) minus (2) below:

(c) The total amount of Profit Sharing Contributions that otherwise would have been contributed to the Basic Plan for the Participant during all years in which the Participant participated in the Basic Plan, had Profit Sharing Contributions been calculated using this Plan's definition of Compensation;

(d) The actual amount of Profit Sharing Contributions that have been contributed to the Basic Plan for the Participant.

This amount shall be credited to any applicable Participant regardless of whether such Participant has signed a written agreement to participate in this Plan.

(3) Next-Gen Contribution Credits. With respect to a Participant who is classified by the Employer as an "exempt employee" and who is hired or rehired on or after January 1, 2010, the amount of Employer credits for a Participant shall equal (1) minus (2) below:

(a) The total amount of the Employer Contribution that otherwise would have been contributed to the Basic Plan in an amount equal to 3% of the Participant's Compensation (as defined under this Plan) without regard to the Limits;

(b) The actual amount of the Employer Contribution under the Basic Plan that was contributed to the Participant in an amount equal to

3% of the Participant's Compensation (as defined under the Basic Plan).

This amount shall be credited to any applicable Participant in addition to any amounts he or she may be entitled to under Sections 4.2(a) and 4.2 (b) of this Plan and regardless of whether such Participant has signed a written agreement to participate in this Plan.

Notwithstanding the foregoing, a Participant who is in job scope level D1 or D2 shall receive an amount of Employer credits equal to the difference between (1) minus (2) below:

1. The total amount of the Employer Contribution that otherwise would have been contributed to the Basic Plan in an amount equal to 3% of the Participant's Compensation (as defined under this Plan);

2. The actual amount of the Employer Contribution under the Basic Plan that was contributed to the Participant in an amount equal to 3% of the Participant's Compensation (as defined under the Basic Plan).

This amount shall be credited to any applicable Participant regardless of whether such Participant has signed a written agreement to participate in this Plan.

a. **Timing of Credits; Withholding**. The Employer credits shall be made to the Participant's Account annually, at such time determined by the Plan Administrator. Any withholding of taxes or other amounts that is required by federal, state, or local law shall be withheld from the Participant's nondeferred Compensation to the maximum extent possible and any remaining amount shall reduce the amount credited to the Participant's Account.

b. **Determination of Account**. Each Participant's Account as of each Valuation Date shall consist of the balance of the Account as of the immediately preceding Valuation Date, adjusted as follows:

1. New Employer Credits. The Account shall be increased by any Employer credits made in accordance with Sections 4.2 or 4.3, as applicable, since such preceding Valuation Date.

2. Distributions. The Account shall be reduced by any benefits distributed from the Account to the Participant since such preceding Valuation Date.

3. Valuation of Account. The Account shall be increased or decreased by the aggregate earnings, gains and losses on such Account since such preceding

Valuation Date, based on the manner in which the Participant's Account has been hypothetically allocated among the investment options selected by the Participant.

c. **Statement of Account**. The Plan Administrator shall give to each Participant a statement showing the balance in the Participant's Account periodically at such times as may be determined by the Plan Administrator, in written or electronic form.

ARTICLE V.

INVESTMENTS

d. **Investment Options**. Amounts credited hereunder to the Account of a Participant shall be invested as such Participant elects among the investment choices provided to the Participant.

The investment options shall be determined by the Plan Administrator from time to time in its sole and absolute discretion. As necessary, the Plan Administrator may, in its sole discretion, discontinue, substitute or add an investment option. Each such action will take effect on such date established by the Plan Administrator.

e. **Election of Investment Options**. A Participant, in connection with his or her payment election under Article VI of this Plan, shall elect one or more of the previously described investment options, as applicable, to be used to determine the amounts to be credited or debited to his or her Account. If a Participant does not elect any investment options, the Participant's Account shall automatically be allocated into the lowest-risk investment option, as determined by the Plan Administrator, in its sole discretion. The Participant may (but is not required to) elect to add or delete one or more investment options to be used to determine the amounts to be credited or debited to his or her Account, or to change the portion of his or her Account allocated to each previously or newly elected investment option. If an election is made in accordance with the previous sentence, it shall apply as of the first business day deemed reasonably practicable by the Plan Administrator, in its sole discretion, and shall continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence. Notwithstanding the foregoing, the Plan Administrator, in its sole discretion, may impose limitations on the frequency with which one or more of the investment options elected in accordance with this Section may be added or deleted by such Participant; furthermore, the Plan Administrator, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account allocated to each previously or newly elected investment option.

f. **Allocation of Investment Options**. In making any election related to investment options, the Participant shall specify, in increments specified by the Plan Administrator, the percentage of his or her Account or investment option, as applicable, to be allocated or reallocated.

g. **No Actual Investment**. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the investment options are to be used for measurement purposes only, and a Participant's election of any such investment option, the allocation of his or her Account thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account shall not be considered or construed in any manner as an actual investment of his or her Account in any such investment option. In the event that the Company, in its own discretion, decides to invest funds in any or all of the investments on which the investment options are based, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company; the Participant shall at all times remain an unsecured creditor of the Company.

ARTICLE VI.

PAYMENTS AND DISTRIBUTIONS

h. **Distributions/Events Generally**. Participants generally will not be entitled to receive a distribution of their Account balance until they experience a Separation from Service with the Employer for any reason. A Participant may receive a distribution before Separation from Service, however, in accordance with this Article VI, upon (1) an Unforeseeable Emergency that occurs before Separation from Service, or (2) a year that has been designated by the Participant only with respect to his Pre-2005 Account balance that occurs before Separation from Service. The distribution events and payment terms provided in this Article VI are summarized in Exhibit B.

i. **In-Service Withdrawals**. This section applies only to a Participant's Pre-2005 Account balance.

4. General Payments. Subject to the limitations of paragraph (b) below, a Participant, by filing a written request with the Plan Administrator, may, while employed by an Employer or an Affiliate, elect to withdraw 33%, 67% or 100% of his or her Pre-2005 Account.

5. Limitation on In-Service Withdrawals. Any In-Service Withdrawal under paragraph (a) of this Section 6.2 shall be subject to a 10% early distribution penalty. In addition, the following conditions shall apply to In-Service Withdrawals:

    1. Only one In-Service Withdrawal shall be permitted in any 12-month period.

    2. In-Service Withdrawals shall require suspension of Employer credits (but not credits of earnings or losses) under the Plan for a period of time varying with the percentage of the value of the Participant's Pre-2005 Account that is withdrawn, according to the following schedule:

Percentage	Suspension
Up to 33%	2 months
34 - 67%	4 months
68 - 100%	6 months

This suspension shall not affect a Participant's participation in the Basic Plan nor the basis for determining the Employer contributions or Participant Pre-tax Contributions under the Basic Plan.

j. **Distributions After Separation from Service.**

6. Generally. If a Participant experiences a Separation from Service, the provisions of this Section 6.3 shall apply to the distribution of the Participant's Account.

7. Pre-2005 Account.

1. Form of Payment of Pre-2005 Account. The Pre-2005 Account payable under the Plan to a Participant or his or her spouse, Beneficiary, or legal representative shall be paid in the same form under which the Basic Plan benefit is payable to the Participant or his or her spouse, Beneficiary, or legal representative. The Participant's election under the Basic Plan of any optional form of payment of his or her Basic Plan benefit (with the valid consent of his or her surviving spouse where required under the Basic Plan) shall also be applicable to the payment of his or her Pre-2005 Account under the Plan.

2. Timing of Payment of Pre-2005 Account. Payment of the Pre-2005 Account under the Plan to a Participant or his or her spouse, Beneficiary, or legal representative under the Plan shall commence on the same date as payment of the benefit to the Participant or his or her spouse, Beneficiary, or legal representative under the Basic Plan commences. Any election under the Basic Plan made by the Participant with respect to the commencement of payment of his or her benefit under the Basic Plan shall also be applicable with respect to the commencement of payment of his or her Pre-2005 Account under the Plan.

3. Approval by Plan Administrator. Notwithstanding the provisions of paragraphs (i) and (ii) above, an election made by the Participant under the Basic Plan with respect to the form of payment of his or her Pre-2005 Account thereunder (with the valid consent of his or her surviving spouse where required under the Basic Plan), or the date for commencement of payment thereof,

shall not be effective with respect to the form of payment or date for commencement of payment of his or her Pre-2005 Account under the Plan unless such election is expressly approved in writing by the Plan Administrator. If the Plan Administrator shall not approve such election in writing, then the form of payment or date for commencement of payment of the Participant's Pre-2005 Account under the Plan shall be selected by the Plan Administrator at its sole discretion.

8. Post-2004 Account.

4. Form of Payment of Post-2004 Account. The Post-2004 Account shall be payable in a form elected by a Participant no later than December 31, 2005. In the case of an Eligible Employee who becomes a Participant on or after January 1, 2005, an election with respect to the form of payment of a Post-2004 Account shall be made at such time prescribed by the Plan Administrator, which shall end no later than December 31st of the year preceding the Plan Year in which the Participant is first eligible to participate in the Plan.

Payment shall be made in the form elected, from among the following options:

i. If elected before January 1, 2014, the payment options are the following: lump sum, monthly installments, semi-annual installments, and annual installments. Installment payments shall be substantially equal and shall be made over the period of time elected, not greater than 15 years.

ii. If elected on or after January 1, 2014, and before November 1, 2020, the payment options are the following: lump sum or annual installments. Installment payments shall be substantially equal and shall be made over the period of time elected, not greater than 15 years.

iii. If elected on and after November 1, 2020, the payment option shall be one lump sum.

iv. If a Participant has not made a timely and valid election as to the form of payment, payment shall be made in one lump sum.

5. Timing of Payment of Post-2004 Account. Payment of a Post-2004 Account in accordance with this Section 6.3 shall commence within 45 days after the Participant's date of Separation from

Service, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

6. Modifications to Time and Form of Payment. A Participant cannot change the time or form of payment of a Post-2004 Account under this Subsection 6.3(c) unless (A) such election does not take effect until at least 12 months after the date the election is made, (B) in the case of an election related to a payment not related to the Participant's Disability or death, the first payment with respect to which such new election is effective is deferred for a period of not less than five years from the date such payment would otherwise have been made, and (C) any election related to a payment based upon a specific time or pursuant to a fixed schedule may not be made less than 12 months prior to the date of the first scheduled payment.

7. Time of Payment for Specified Employees. Notwithstanding any other provision of the Plan, in no event can a payment of a Post-2004 Account to a Participant who is a Specified Employee, at a time during which the Company's capital stock or capital stock of an Affiliate is publicly traded on an established securities market, in the calendar year of his or her Separation from Service be made before the date that is six months after the date of the Participant's Separation from Service, unless such Separation from Service is due to death.

k. **Unforeseeable Emergency Distributions.**

9. Pre-2005 Account. Upon a finding that a Participant has suffered an Unforeseeable Emergency, the Plan Administrator may, in its sole discretion, make distributions from the Participant's Pre-2005 Account. The amount of such a distribution shall be limited to the amount reasonably necessary to meet the Participant's needs resulting from the Unforeseeable Emergency.

Any distribution pursuant to this Subsection shall be payable in a lump sum. The distribution shall be paid within 30 days after the determination of an Unforeseeable Emergency.

10. Post-2004 Account. Upon a finding that a Participant has suffered an Unforeseeable Emergency, the Plan Administrator may, in its sole discretion, make distributions from the Participant's Post-2004 Account and/or suspend Employer credits entirely in accordance with the guidance under Code Section 409A. The amount of such distribution shall be limited to the amount necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of

the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). Any distribution pursuant to this Subsection shall be payable in a lump sum. The distribution shall be paid within 30 days after the determination of an Unforeseeable Emergency.

l. **Automatic Cash-Out**. Subject to Section 6.3(c)(4) of the Plan and notwithstanding any other provision in the Plan, if (1) at the time a distribution begins, the sum of the Participant's Pre-2005 Account and Post-2004 Account does not exceed the applicable dollar limit under code Section 402(g)(1)(B), and (2) this sum is the entirety of the Participant's interest in the Plan and all other arrangements that are considered a single nonqualified deferred compensation plan under Code Section 409A and applicable guidance thereunder, the Employer shall distribute the Participant's entire Pre-2005 Account and Post-2004 Account (and the Participant's entire interest under any other arrangement that is required to be aggregated with this Plan under Code Section 409A). The form of payment of both the Pre-2005 Account and Post-2004 Account shall be a single lump sum.

m. **Special Payment Election by December 31, 2006, for Code Section 409A Transition Relief.** Notwithstanding Section 6.3(c), a Participant may change an election with respect to the time and form of payment of a Post-2004 Account, without regard to the restrictions imposed under paragraph (3) of Section 6.3(c), on or before December 31, 2006; provided that such election (A) applies only to amounts that would not otherwise be payable in calendar year 2006, and (B) shall not cause an amount to be paid in calendar year 2006 that would not otherwise be payable in such year.

n. **Withholding for Taxes**. To the extent required by the law in effect at the time payments are made, an Employer shall withhold from the payments made hereunder any taxes required to be withheld by the federal or any state or local government, including any amounts which the Employer determines is reasonably necessary to pay any generation-skipping transfer tax which is or may become due. A Beneficiary, however, may elect not to have withholding of federal income tax pursuant to Code Section 3405(a)(2).

ARTICLE VII.

BENEFICIARY DESIGNATION

o. **Beneficiary Designation**. Each Participant's Beneficiary (both primary as well as secondary) to whom benefits under the Plan shall be paid in the event of the Participant's death prior to complete distribution of the Participant's Account, shall be the Beneficiary that the Participant has selected under the Basic Plan. A Participant may designate a Beneficiary or change a prior Beneficiary designation only by designating or changing a Beneficiary under the Basic Plan.

p. **No Beneficiary Designation**. If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the person identified in accordance with the procedures under the Basic Plan.

ARTICLE VIII.

PLAN ADMINISTRATION

q. **Allocation of Duties to Committees**. The Plan shall be administered by the Benefits Committee, as delegated by the Compensation Committee. The Benefits Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration, except as otherwise reserved to the Compensation Committee herein, or by resolution or charter of the respective committees.

In its discretion, the Plan Administrator may delegate to any division or department of the Company the discretionary authority to make decisions regarding Plan administration, within limits and guidelines from time to time established by the Plan Administrator. The delegated discretionary authority shall be exercised by such division or department's senior officer, or his/her delegate. Within the scope of the delegated discretionary authority, such officer or person shall act in the place of the Plan Administrator and his/her decisions shall be treated as decisions of the Plan Administrator.

r. **Agents**. The Plan Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

s. **Information Required by Plan Administrator.** The Company shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Company as to an employee's or Participant's period or periods of employment, separation from Service and the reason therefore, reemployment and Compensation will be conclusive on all persons unless determined to the Plan Administrator's satisfaction to be incorrect. Participants and other persons entitled to benefits under the Plan also shall furnish the Plan Administrator with such evidence, data or information as the Plan Administrator considers necessary or desirable to administer the Plan.

t. **Binding Effect of Decisions**. Subject to applicable law, and the provisions of Article VIII, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Benefits Committee and/or the Compensation Committee (or any duly authorized delegate of either such committee) and made in good faith shall be binding on all persons.

ARTICLE IX.

CLAIMS PROCEDURE

u. **Claim**. Claims for benefits under the Plan shall be made in writing to the Plan Administrator. The Plan Administrator shall establish rules and procedures to be followed by Participants and Beneficiaries in filing claims for benefits, and for furnishing and verifying proof necessary to establish the right to benefits in accordance with the Plan, consistent with the remainder of this Article.

v. **Review of Claim**. The Plan Administrator shall review all claims for benefits. Upon receipt by the Plan Administrator of such a claim, it shall determine all facts that are necessary to establish the right of the claimant to benefits under the provisions of the Plan and the amount thereof as herein provided within 90 days of receipt of such claim. If prior to the expiration of the initial 90 day period, the Plan Administrator determines additional time is needed to come to a determination on the claim, the Plan Administrator shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of 180 days from the date the application was received. If the Plan Administrator fails to notify the claimant in writing of the denial of the claim within 90 days after the Plan Administrator receives it, the claim shall be deemed denied.

w. **Notice of Denial of Claim**. If the Plan Administrator wholly or partially denies a claim for benefits, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receiving the claim (unless extended as noted above), notify the claimant in writing of the denial of the claim. Such notification shall be written in a manner reasonably expected to be understood by such claimant and shall in all respects comply with the requirements of ERISA, including but not limited to inclusion of the following:

11. the specific reason or reasons for denial of the claim;

12. a specific reference to the pertinent Plan provisions upon which the denial is based;

13. a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and

14. an explanation of the Plan's review procedure.

x. **Reconsideration of Denied Claim**. Within 60 days of the receipt by the claimant of the written notice of denial of the claim, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant or duly authorized representative may file a written request with the Benefits Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. If the claimant or duly authorized representative fails to request such a reconsideration within such 60 day period, it shall be conclusively determined for all purposes of the Plan that the denial of such claim by the Benefits Committee is correct. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review documents relevant to the benefit claim and may submit issues and comments in writing.

The Benefits Committee shall render a decision on the claim appeal promptly, but not later than 60 days after receiving the claimant's request for review, unless, in the discretion of the Benefits Committee, special circumstances require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Benefits Committee shall notify the claimant in writing of any such extension. The notice of decision upon review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions upon which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his duly authorized representative notifies the Benefits Committee within 90 days after the mailing or delivery to the claimant by the Benefits Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Benefits Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery.

y. **Employer to Supply Information**. To enable the Benefits Committee to perform its functions, each Employer shall supply fully and timely information to the Benefits Committee of all matters relating to the retirement, death, or other cause for Separation from Service of all Participants, and such other pertinent facts as the Benefits Committee may require.

ARTICLE X.

PLAN AMENDMENT AND TERMINATION

z. **Plan Amendment**. While the Company intends to maintain the Plan in conjunction with the Basic Plan, the Company or the Compensation Committee reserves the right to amend the Plan at any time and from time to time with respect to eligibility for the Plan, the level of benefits awarded under the Plan and the time and form of payment for benefits from the Plan. The Benefits Committee, the Compensation Committee, or the Board shall have the authority to amend the Plan as described herein. The Compensation Committee or the Board shall have the exclusive authority to amend the Plan regarding eligibility for the Plan, the amount or level of benefits awarded under the Plan, and the time and form of payments for benefits from the Plan. In addition, the Compensation Committee or the Board shall also have the exclusive authority to make amendments that constitute a material increase in Compensation, any change requiring action or consent by a committee of the Board pursuant to the rules of the Securities and Exchange Commission, the New York Stock Exchange or other applicable law, or such other material changes to the Plan such that approval of the Board is required. Unless otherwise determined by the Compensation Committee, the Benefits Committee shall have the authority to amend the Plan in all respects that are not exclusively reserved to the Compensation Committee or the Board.

The respective committee may at any time amend the Plan by written instrument, notice of which is given to all Participants and to Beneficiaries. Notwithstanding the preceding sentence, no amendment shall reduce the amount accrued in any Account prior to the date such notice of the amendment is given.

aa. **Partial Plan Termination**. The Compensation Committee or the Company at any time may partially terminate the Plan provided that such partial termination of the Plan shall not impair or alter any Participant's or Beneficiary's right to the applicable Participant's Account balance as of the effective date of such partial termination. If such a partial termination occurs, no additional Employer credits shall be made after the date of such partial termination other than the crediting of earnings (or losses) until the date of distribution of Participant Account balances. Further, the Plan shall otherwise continue to be administered with respect to Account balances credited before the effective date of such partial termination, and distribution shall be made at such times as specified under this Plan.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

ab. **Unfunded Plan.** The Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Nothing contained in the Plan shall constitute a guaranty by the Company or any other Employer or any other entity or person that the assets of the Company or any other Employer shall be sufficient to pay any benefit hereunder.

ac. **Company and Employer Obligations**. The obligation to make benefit payments to any Participant under the Plan shall be a joint and several liability of the Company and the Employer that employed the Participant.

ad. **Unsecured General Creditor**. Participants and Beneficiaries shall be unsecured general creditors, with no secured or preferential right to any assets of the Company, any other Employer, or any other party for payment of benefits under the Plan. Any life insurance policies, annuity contracts or other property purchased by the Employer in connection with the Plan shall remain its general, unpledged and unrestricted assets. Obligations of the Company and each other Employer under the Plan shall be an unfunded and unsecured promise to pay money in the future.

ae. **Trust Fund**. Subject to Section 12.3, the Company may establish separate subtrusts for deferrals by employees of each Employer, pursuant to a trust agreement entered into with such trustees as the Benefits Committee may approve, for the purpose of providing for the payment of benefits owed under the Plan. At its discretion, each Employer may contribute deferrals under the Plan for its employees to the subtrust established with respect to such Employer under such trust agreement. To the extent any benefits provided under the Plan are paid from any such subtrust, the Employer shall have no further obligation to pay them. If not paid from a subtrust, such benefits shall remain the obligation of the Employer. Although such subtrusts may be irrevocable, their assets shall be held for payment of all the Company's general creditors in the event of insolvency or bankruptcy.

af. **Nonalienation of Benefits**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate, or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof or rights to, which are expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony, or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

Notwithstanding the preceding paragraph, the Account of any Participant shall be subject to and payable in the amount determined in accordance with any qualified domestic relations order, as that term is defined in Section 206(d)(3) of ERISA. The Plan Administrator shall provide for payment of such portion of an Account to an alternate payee (as defined in Section 206(d)(3) of ERISA) as soon as administratively possible following receipt of such order. Any federal, state or local income tax associated with such payment shall be the responsibility of the alternate payee. The balance of any Account that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

ag. **Indemnification.**

15. Limitation of Liability. Notwithstanding any other provision of the Plan or any trust established under the Plan, none of the Company, any other Employer, any member of the Benefits Committee or the Compensation Committee, nor any individual acting as an employee, or agent or delegate of any of them, shall be liable to any Participant, former Participant, Beneficiary, or any other person for any claim, loss, liability or expense incurred in connection with the Plan or any trust established under the Plan, except when the same shall have been judicially determined to be due to the willful misconduct of such person.

16. Indemnity. The Company shall indemnify and hold harmless each member of the Benefits Committee and the Compensation Committee, or any employee of the Company or any individual acting as an employee or agent of either of them (to the extent not indemnified or saved harmless under any liability insurance or any other indemnification arrangement with respect to the Plan or any trust established under the Plan) from any and all claims, losses, liabilities, costs and expenses (including attorneys' fees) arising out of any actual or alleged act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto with respect to the administration of the Plan or any trust established under the Plan, except that no indemnification or defense shall be provided to any person with

respect to any conduct that has been judicially determined, or agreed by the parties, to have constituted willful misconduct on the part of such person, or to have resulted in his or her receipt of personal profit or advantage to which he or she is not entitled. In connection with the indemnification provided by the preceding sentence, expenses incurred in defending a civil or criminal action, suit or proceeding, or incurred in connection with a civil or criminal investigation, may be paid by the Company in advance of the final disposition of such action, suit, proceeding, or investigation, as authorized by the Benefits Committee or the Compensation Committee in the specific case, upon receipt of an undertaking by or on behalf of the party to be indemnified to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the Company pursuant to this paragraph.

ah. **No Enlargement of Employee Rights**. No Participant or Beneficiary shall have any right to a benefit under the Plan except in accordance with the terms of the Plan. The Plan shall not constitute a contract of employment between an Employer and the Participant. Nothing in the Plan shall give any Participant or Beneficiary the right to be retained in the service of an Employer or to interfere with the right of an Employer to discipline or discharge a Participant at any time.

ai. **Protective Provisions**. A Participant shall cooperate with his Employer by furnishing any and all information requested by the Employer in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Employer may deem necessary and taking such other action as may be requested by the Employer.

aj. **Governing Law**. The Plan shall be construed and administered under the laws of the State of Indiana, except to the extent preempted by applicable federal law.

ak. **Validity**. In case any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

al. **Notice**. Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed as given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Benefits Committee shall be directed to the Company's address. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in the applicable Employer's records.

am. **Successors**. The provisions of the Plan shall bind and inure to the benefit of the Employers and their successors and assigns. The term successors as used herein shall include any corporate or other business entity that shall, whether by merger, consolidation, purchase, or otherwise, acquire all or substantially all of the business and assets of an Employer, and successors of any such corporation or other business entity.

an. **Incapacity of Recipient**. If any person entitled to a benefit payment under the Plan is deemed by the Plan Administrator to be incapable of personally receiving and giving a valid receipt for such payment, then the Plan Administrator may direct payment to the duly appointed guardian, conservator or other similar legal representative of the Participant or Beneficiary to whom payment is due. In the absence of such a legal representative, the Plan Administrator may, in its sole and absolute discretion, make payment to a person having the care and custody of a minor, incompetent or person incapable of handling the disposition of property upon proof satisfactory to the Plan Administrator of incompetency, status as a minor, or incapacity. Such distribution shall completely discharge the Company, any other Employer, the Plan Administrator, and the Plan from all liability with respect to such benefit.

ao. **Unclaimed Benefit**. Each Participant shall keep the Plan Administrator informed of his or her current address and the current address of his or her Beneficiaries. The Plan Administrator shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Plan Administrator within three years after the date on which payment of the Participant's benefit may first be made, payment may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed or within three years after the actual death of a Participant, the Plan Administrator is unable to locate any Beneficiary of the Participant, then the Plan Administrator shall have no further obligation to pay any benefit hereunder to such Participant, Beneficiary, or any other person and such benefit shall be irrevocably forfeited.

ap. **Tax Compliance and Payouts.**

17. It is intended that the Plan comply with the provisions of Code Section 409A of the Code, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. This Plan shall be construed, administered, and governed in a manner that affects such intent, and neither any Participant, Beneficiary, nor Plan Administrator shall not take any action that would be inconsistent with such intent.

18. Although the Plan Administrator shall use its best efforts to avoid the imposition of taxation, interest and penalties under Code Section 409A, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Company, the other Affiliates, the Plan Administrator, the Retirement Committee, nor any designee shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, Beneficiary or other taxpayer as a result of the Plan.

19. Notwithstanding anything to the contrary contained herein, (1) in the event that the Internal Revenue Service prevails in its claim that any amount of a Pre-2005 Account, payable pursuant to the Plan and held in the general assets of the Company or any other Employer, constitutes taxable income to a Participant or his or her Beneficiary for a taxable year prior to the

taxable year in which such amount is distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company, and the applicable Participant or his or her Beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the amount of such Pre-2005 Account held in the general assets of the Company or any other Employer, to the extent constituting taxable income, shall be immediately distributed to the Participant or his or her Beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or Beneficiary, based upon an opinion of legal counsel satisfactory to the Company and the Participant or his or her Beneficiary, fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim, to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

20. Notwithstanding anything to the contrary contained herein, (1) in the event that the Internal Revenue Service prevails in its claim that any amount of a Post-2004 Account, payable pursuant to the Plan and held in the general assets of the Company or any other Employer, constitutes taxable income under Code Section 409A, and guidance and regulations thereunder, to a Participant or his or her Beneficiary for a taxable year prior to the taxable year in which such amount is distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company, and the applicable Participant or his or her Beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the amount of such Post-2004 Account held in the general assets of the Company or any other Employer, to the extent constituting such taxable income, shall be immediately distributed to the Participant or his or her Beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or Beneficiary, based upon an opinion of legal counsel satisfactory to the Company and the Participant or his or her Beneficiary, fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim, to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

aq. **General Conditions**. Except as otherwise expressly provided herein, all terms and conditions of the Basic Plan applicable to a Basic Plan benefit shall also be applicable to a benefit payable hereunder. Any Basic Plan benefit shall be paid solely in accordance with the terms and conditions of the Basic Plan and nothing in the Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of the Basic Plan.

[signature block follows on next page]

IN WITNESS WHEREOF, NiSource Inc. has caused this amended and restated Savings and Restoration Plan for NiSource Inc. and Affiliates to be executed in its name, by its duly authorized officer, effective as of November 1, 2020.

NISOURCE INC.

By:__________

Its:__________

Date:__________

i.

History of the Plan

Prior to January 1, 2004, Columbia Energy Group sponsored the Savings Restoration Plan for Columbia Energy Group for eligible executives of Columbia Energy Group and certain Affiliates. Effective January 1, 2004, NiSource Inc., the parent company of Columbia Energy Group, assumed sponsorship of the Savings Restoration Plan for Columbia Energy Group, renamed the Plan the Savings Restoration Plan for NiSource Inc. and Affiliates, and broadened the Plan to include all employees of NiSource Inc. and Affiliates.

The Plan was amended and restated effective January 1, 2004, and amended effective January 1, 2005. The Plan was then amended and restated again effective January 1, 2005, to comply with Code Section 409A, and guidance and regulations thereunder, with respect to benefits earned under the Plan from and after January 1, 2005. Benefits under the Plan earned and vested prior to January 1, 2005 shall be administered without giving effect to Code Section 409A, and guidance and regulations thereunder. The provisions of the Plan as set forth herein apply only to Participants who actively participate in the Plan on or after January 1, 2005. Any Participant who retired or otherwise terminated employment with the Company and all Affiliates prior to January 1, 2005 shall have his or her rights determined under the provision of the Plan as it existed when his or her employment relationship terminated.

The Plan was further amended and restated, effective January 1, 2008, to provide for mandatory lump sum payments of small account balances in accordance with Code Section 409A. The Plan was amended and restated again, effective January 1, 2010, to contain provisions that eliminate mid-year enrollment into the Plan and to allow Participants who make Roth Contributions to a Basic Plan to participate in this Plan. The plan was further amended and restated, effective January 1, 2010, to restore certain Employer Contributions given to Participants who are classified as “exempt employees” by the Employer and who are hired or rehired on or after January 1, 2010.

The Plan was amended and restated again, effective May 13, 2011, to restore Profit Sharing Contributions that otherwise would have been contributed to Participants under the Basic Plan (if not subject to the Limits, defined below) and to transfer all administrative authority with respect to the Plan (including the authority to render decisions on claims and appeals and make administrative or ministerial amendments) from the Compensation Committee to the Benefits Committee. The Plan was again amended and restated, effective January 1, 2012, to (1) remove the ability of participants to make elective deferrals to the Plan; (2) change eligibility to receive Employer credits under the Plan to those employees who are in job scope level C2 and above; (3) provide for investment options in addition to the fixed interest credits currently available for the crediting of earnings on Accounts under the Plan; and (4) clarify other administrative matters related to the Plan. The Plan was amended and restated again, effective October 22, 2012, to allow certain grandfathered participants in the DCP to receive employer credits to be made under this Plan in 2013 and beyond related to any Profit Sharing Contributions and Next-Gen Contributions that otherwise would have been credited to their accounts under the Basic Plan but were not credited because their DCP deferrals are excluded from Basic Plan compensation for purposes of such contributions. The Plan was amended and restated again, effective August 10, 2017, to revise the procedures for determining Disability under the Plan.

The Plan is amended and restated as of November 1, 2020, to revise the form of payment of Plan benefits on a prospective basis and to clarify matters relating to the Compensation Committee.

ii.

Summary of Payment Terms
(Attached)

Savings Restoration Plan for NiSource, Inc. and Affiliates -- Summary of Payment Terms

<table>
<tr><th></th><th>Pre-2005 Account</th><th>Post-2004 Account</th></tr>
<tr><td>After Separation from Service</td><td><u>Form</u>: In the same form the Participant elects for payment of his or her 401(k) Plan account

<u>Time</u>: At the same time the Participant elects for payment of his or her 401(k) Plan account</td><td><u>Form</u>:
A. In the form elected by the Participant, if a timely, valid election was made
Elected before January 1, 2014:
• lump sum <u>or</u>
• installments over the period chosen, not greater than 15 years ---
◦ monthly installments,
◦ semi-annual installments, or
◦ annual installments
Elected on or after January 1, 2014 and before November 1, 2020:
• lump sum <u>or</u>
• annual installments over the period chosen, not greater than 15 years
For participants first becoming eligible for participation on or after November 1, 2020: lump sum
B. If a timely and valid election was not made, lump sum
<u>Time</u>:
• Participant is not a Specified Employee – within 45 days after Separation from Service
• Participant is a Specified Employee – after six months have elapsed from the date of Separation from Service (unless Separation from Service is due to death)</td></tr>
<tr><td></td><td>Pre-2005 Account</td><td>Post-2004 Account</td></tr>
<tr><td>In-Service Withdrawal <u>Not</u> Due to Unforeseeable Emergency</td><td><u>Form</u>: Lump sum (33%, 67%, or 100%, with 10% penalty)

<u>Time</u>: When requested</td><td>Not available</td></tr>
<tr><td>In-Service Withdrawal Due to Unforeseeable Emergency</td><td><u>Form</u>: Lump sum (limited to the amount reasonably necessary to meet the need)

<u>Time</u>: Within 30 days of determination of unforeseeable emergency</td><td><u>Form</u>: Lump sum (limited to the amount reasonably necessary to meet the need)

<u>Time</u>: Within 30 days of determination of unforeseeable emergency</td></tr>
<tr><td></td><td colspan="2"><u>Form</u>: Lump sum</td></tr>
</table>

Automatic Cashout	Time: If at the time a benefit becomes payable, the balance in the combined Pre-2005 and Post-2004 Accounts, and any other non-qualified account balance plan account, is not greater than the currently-effective 401(k) elective deferral limit, the Plan will pay out the aggregated benefit in one lump sum.

Exhibit 10.7

NiSource

POLICY SUBJECT: Executive Severance Policy (for Employee Job Level D2 and above, including Executives)

REVISED: October 19, 2020

1. Purpose. NiSource Inc. ("NiSource") originally established this policy (as amended and restated herein, the "Policy") in June 2002 to provide severance benefits to certain terminated employees of NiSource and its subsidiaries or affiliate entities (the "Company") that are Job Level D2 and above, which includes executive officers, (the "Policy"). Benefits under this Policy shall be in lieu of any benefits available under the NiSource Severance Policy (for Job Level E and below) or any other severance plan, program or policy maintained by the Company, (e.g., the NiSource Next - Voluntary Separation Program). For employees that have a Change in Control and Termination Agreement with NiSource ("CIC Agreement"), no benefit will be payable under the Policy if the relevant termination of employment results in eligibility for a payment under the CIC agreement. The Policy is amended and restated effective October 19, 2020.

2. Administration. The Policy is administered by the Compensation Committee of the Board of Directors of NiSource or its successor ("Committee"). The Committee has the complete discretion and authority with respect to the Policy and its application. The Committee reserves the right to interpret, prescribe, amend and rescind rules and regulations relating to the Policy, determine the terms and provisions of severance benefits and make all other determinations it deems necessary or advisable for the administration of the Policy. The determination of the Committee in all matters regarding the Policy shall be conclusive and binding on all persons. The Committee hereby delegates to the Chief Human Resources Officer (the "CHRO"), or his or her delegate, the authority to develop and implement administrative guidelines regarding the operation of the Policy and render decisions on initial claims for benefits under the Policy.

3. Scope. The Policy will apply to all full-time or part-time regular, non-union employees of the Company whose job level, as established by the Company, is level D2 (or its equivalent) or above ("Participants"), which includes employees of each of its subsidiaries or affiliated entities (collectively, "Affiliates" and each an "Affiliate"). For the purposes of this Policy, the determination of whether an individual is a full-time or part-time employee of an Affiliate shall be made pursuant to the normal practices and policies of such Affiliate.

4. Eligibility for Severance Pay. A Participant becomes eligible to receive severance pay ("Severance Pay") only if he or she is terminated by the Company for any of the following reasons, provided that such termination event constitutes a "separation from

service" as defined under Section 409A of the Internal Revenue Code of 1986, as amended, and applicable guidance thereunder ("Code Section 409A"), and further provided the conditions described in Section 5 below are met:

(a) The Participant's position is eliminated due to a reduction in force or other restructuring.

(b) The Participant's position is moved to a principal employment location outside of a 50 mile radius from the Participant's principal employment location on the date of termination of employment and such move would result in the Participant having a commute more than 20 miles longer, and provided that the Participant chooses not to relocate to the new location for such position, and such events are considered a "good reason" termination under Code Section 409A.

(c) The Participant's employment is constructively terminated. Constructive termination shall be defined in a manner consistent with the guidance for a "good reason" termination under Code Section 409A, and means (1) the scope of the Participant's position is changed materially (other than in the case of a rotational assignment or its equivalent) or (2) the Participant's base pay is reduced by a material amount or (3) the Participant's opportunity to earn a bonus under any Company short-term cash incentive compensation plan is materially reduced or is eliminated, and, in any such event, the Participant chooses not to remain employed in such position. If a Participant does not assert constructive termination within 14 days of being informed of a change described in (1), (2) or (3) above, in a written instrument delivered to the CHRO, such change will not be deemed a constructive termination. Following any such notice from the Participant, the Company shall have 30 days to cure the change that gives rise to constructive termination and, if uncured during such 30 day period, the Participant must terminate his or her employment within 30 days following the expiration of the 30-day cure period. The decision as to whether such a change constitutes constructive termination shall be made by the Committee or its delegate, not the Participant. If the Participant disagrees, the Participant must follow the claims procedure set forth in Section 15.

5. <u>Conditions to Receipt of Benefits</u>.

(a) Severance Pay is not available to a Participant otherwise eligible for Severance Pay who transfers to another position within the Company.

(b) Severance Pay is not available to a Participant whose position is eliminated due to (1) the sale of the Affiliate or assets of the Affiliate which employs the Participant on the date of termination or (2) the outsourcing of work, where in either such event the purchaser of the Affiliate or assets of the Affiliate or the outsourcing service provider makes an offer of employment to the Participant that, if it were the Company, would not constitute "constructive termination" as described in Section 4(c).

(c) Severance Pay is not available to a Participant whose position is eliminated due to the spin-off of any Affiliate, if the spun-off entity makes an offer of employment to the Participant that, if it were an Affiliate making such an offer, would not constitute “constructive termination” as described in Section 4(c).

(d) A Participant must execute and not revoke the release described in Section 6 below.

(e) During the statutory consideration period under any severance agreement or release described in Section 6, or during such other period as is otherwise agreed to by the Company and the Participant, he or she may be required to complete unfinished business projects and be available for discussions regarding matters relative to the Participant’s duties.

(f) A Participant must return all Company property and information.

(g) A Participant must agree to pay all outstanding amounts owed to the Company and authorize the withholding of any outstanding amounts owed from his or her final paycheck and/or Severance Pay.

6. Amount of Severance Pay. The amount of Severance Pay to which a Participant is eligible to receive under the Policy is 52 weeks of base salary at the rate in effect on the date of termination, but excluding the impact of any reduction in base salary giving rise to a constructive termination event under clause (2) of Section 4(c).

Subject to Code Section 409A, a Participant who is receiving benefits under a short term disability plan will be eligible for Severance Pay at the end of the period of payment of short term disability if, and only if, (1) he or she is not then eligible for benefits under a long term disability plan, (2) he or she has been given medical release or approval to work again, and (3) he or she is not offered employment with the Company that, in the discretion of the Committee, is comparable to that held by the Participant at the time the applicable period of short term disability commenced. A Participant will not be eligible for Severance Pay at the end of the period of payment of long term disability.

Severance Pay will be paid to a Participant in one lump sum cash payment as soon as practicable after the date of the Participant’s termination of employment, but in no event later than the 15^{th} day of the 3^{rd} month after such date, provided that the Participant has executed a valid release of the Company and its respective officers, directors and employees, from any and all actions, suits, proceedings, claims and demands relating to the Participant’s employment and the termination thereof, and the applicable revocation period has expired within this period, with such release becoming effective during the time period specified in the release but not no later than 60 days following the Participant’s employment termination date. Severance Pay shall be reduced by applicable amounts necessary to comply with federal, state and local income tax withholding requirements.

A Participant eligible for Severance Pay pursuant to this Policy may seek other employment with the Company. The time period to seek other employment will run concurrently with any statutory period of consideration to execute a severance agreement or a release and will not exceed 45 days. If a Participant accepts other employment with the Company, such Participant shall not receive Severance Pay as provided by Section 5(a).

7. Benefits.

(a) Welfare Benefits. A Participant eligible for Severance Pay shall be eligible to receive, at the time of payment of Severance Pay, a lump sum payment equivalent to 130% of 52-weeks of COBRA (as defined in Section 4980B of the Internal Revenue Code of 1986, as amended, and Sections 601-609 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any successor sections) continuation coverage premiums for the medical, dental, and vision coverage in which the Participant was enrolled immediately before his or her employment end date. Receipt of this lump sum payment does not constitute election of, or enrollment in, COBRA continuation coverage. To elect COBRA continuation coverage, a Participant must follow the enrollment instructions included in the COBRA election notice that such Participant receives shortly after the date of the Participant's termination of employment.

(b) Outplacement Services. A Participant eligible for Severance Pay shall be eligible to receive outplacement services as selected by the Company at its expense, for a period commencing on the date of termination of employment and continuing until the earlier to occur of the Participant accepting other employment or 12 months thereafter.

8. No Re-employment. A Participant who receives benefits pursuant to the Policy shall not be eligible for re-employment, unless the Committee or its delegate provides the Participant with a written waiver of this Section.

9. Independent Contractor Status. A Participant who receives benefits pursuant to the Policy shall not be eligible at any time after termination of employment to enter into a consulting or independent contractor relationship with the Company pursuant to which relationship he or she shall perform the same or similar services, upon the same or similar terms and conditions, as were applicable to such Participant on the date of termination of employment, unless the Committee or its delegate provides the Participant with a written waiver of this Section.

10. Death of Participant. If a Participant dies prior to receiving Severance Pay and the benefits set forth in Section 7(a) to which he or she is eligible under the Policy, payment will be made to the representative of his or her estate.

11. Amendment or Termination.

(a) The Policy may be amended or terminated by the Committee at any time during its term when, in its judgment, such amendment or termination is necessary or desirable. No such termination or amendment will affect the rights of any Participant who has terminated employment prior to such termination or amendment and who, based on such termination, is then eligible for Severance Pay or other benefits under the Policy at the time of such amendment or termination. No agent or other employee, other than an officer of the Company acting on behalf of the Committee, has the authority to change or waive any provision of the Policy.

(b) Any duties delegated by the Committee to a particular officer are hereby delegated to any successor officer who assumes the duties of that officer as part of a corporate function or business realignment.

(c) Severance benefits under the Policy are not intended to be a vested right.

12. Governing Law and Venue. The terms of the Policy shall, to the extent not preempted by applicable federal law, be governed by, and construed and enforced in accordance with, the laws of the State of Indiana, including all matters of construction, validity and performance. In order to benefit Participants under this Policy by establishing a uniform application of law with respect to the administration of the Plan, the provisions of this Section 12 shall apply. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Policy shall be brought in any court of the State of Indiana and of the United States for the Northern District of Indiana. The Company, each Participant, and any related parties irrevocably and unconditionally consent to the exclusive jurisdiction of such courts in any such litigation related to this Policy and any transactions contemplated hereby. Such parties irrevocably and unconditionally waive any objection that venue is improper or that such litigation has been brought in an inconvenient forum.

13. Miscellaneous Provisions.

(a) Severance Pay and other benefits pursuant to the Policy shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge prior to actual receipt by a Participant, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge prior to such receipt shall be void and the Company shall not be liable in any manner for, or subject to, the debts, contracts, liabilities, engagements or torts, of any person eligible for any Severance Pay or other benefits under the Policy.

(b) Nothing contained in the Policy shall confer upon any individual the right to be retained in the service of the Company, nor limit the Company's right to discharge or otherwise deal with any individual without regard to the existence of the Policy.

(c) The Policy shall at all times be entirely unfunded. No provision shall at any time be made with respect to segregating assets of the Company for payment of any Severance Pay or other benefits hereunder. No employee or any other person shall have any interest in any particular assets of the Company by reason of the right to receive Severance Pay or other benefits under the Policy, and any such employee or any other person shall have only the rights of a general unsecured creditor with respect to any rights under the Policy.

14. Claims Procedure. A claim for benefits under the Policy shall be submitted in writing to the CHRO, or his or her delegate at the address provided in Section 16. If a claim for benefits under the Policy by a Participant or his or her beneficiary is denied, either in whole or in part, the CHRO or his or her delegate, will let the claimant know in writing within 90 days. If the claimant does not hear within 90 days, the claimant may treat the claim as if it had been denied. A notice of a denial of a claim will refer to a specific reason or reasons for the denial of the claim; will have specific references to the Policy provisions upon which the denial is based; will describe any additional material or information necessary for the claimant to perfect the claim and explain why such material information is necessary; and will have an explanation of the Policy's review procedure.

The claimant will have 60 days after the date of the denial to ask for a review and a hearing. The claimant must file a written request with the Committee for a review. During this time the claimant may review pertinent documents and may submit issues and comments in writing. The Participant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim for benefits. The Committee will have another 60 days in which to consider the claimant's request for review. If special circumstances require an extension of time for processing, the Committee may have an additional 60 days to answer the claimant. The claimant will receive a written notice if the extra days are needed. The claimant may submit in writing any document, issues and comments he or she may wish. The decision of the Committee will tell the claimant the specific reasons for its actions, and refer the claimant to the specific Policy provisions upon which its decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his or her duly authorized representative notifies the Committee within 90 days after the mailing or delivery to the claimant by the Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery

15. Rights Under ERISA. Each Participant in the Policy is entitled to certain rights and protection under the ERISA. ERISA provides that all Participants shall be entitled to:

(a) Examine, without charge, at the Company's office all documents governing the Policy, and a copy of the latest annual report (Form 5500 Series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(b) Obtain copies of all documents governing the operation of the Policy and copies of the latest annual report (Form 5500 Series) upon written request to the Committee. The Companymay make a reasonable charge for the copies.

(c) Receive a summary of the Policy's annual financial report. The Committee is required by law to furnish each Participant with a copy of the summary annual report.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate the Policy, called "fiduciaries" of the Policy, have a duty to do so prudently and in the interest of the Participants and beneficiaries. No one, including the Company, may fire a Participant or otherwise discriminate against a Participant in any way to prevent him or her from obtaining a benefit or exercising his or her rights under ERISA, If a Participant's claim for a benefit is denied in whole or in part, he or she must receive a written explanation of the reason for the denial. A Participant has the right to have the Committee review and reconsider his or her claim. Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests from the Committee a copy of the Policy or the latest annual report and does not receive either within thirty (30) days, he or she may file suit in a federal court. In such a case the court may require the Committee to provide the materials and pay the Participant up to $110 a day until the Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Committee. If a Participant has a claim for benefits, which is denied or ignored, in whole or in part, and if the claims procedures under the Policy have been exhausted, he or she may file suit in a state or federal court. If a Participant is discriminated against for asserting his or her rights, he or she may ask assistance from the United States Department of Labor, or he or she may file suit in a federal court. The court will decide who should pay the court costs and legal fees. If the Participant is successful, the court may order the person he or she has sued to pay these costs and fees. If the Participant loses, the court may order him or her to pay these costs and fees, for example, if it finds his or her claim to be frivolous. If a Participant has questions about the Policy, he or she should contact the Committee. If a Participant has any questions about this statement or about his or her rights under ERISA, he or she should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor (listed in your telephone directory), or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

17. Policy Facts.

Plan Sponsor: Address:	NiSource Inc. 801 E, 86th Avenue Merrillville, Indiana 46410
Plan Name:	NiSource Executive Severance Policy (for Employee Job Level D2 and above, including Executives)
Plan Number537	537537
Type of Plan:	Severance PolicyWelfare Benefits Plan
Type of Administration	Self-Administered
Policy Year:	Calendar year
Employer Identification Number (EIN):	35-2108964
Policy Administrator:	Compensation Committee of the Board of Directors of NiSource Inc.
Business Address and Phone Number:	801 E. 86th Avenue Merrillville, Indiana 46410 877-647-5990
Agent for Service of Legal Process:	CHRO
(Address)	801 E. 86th Avenue Merrillville, Indiana 46410
Service of legal process may also be made upon the Compensation Committee of the Board of Directors of NiSource Inc.	

18. <u>Code Section 409A.</u>

The payments to the Participants pursuant to this Policy are intended to be exempt from Code Section 409A to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and each payment hereunder shall be considered a separate payment.

Exhibit 10.8

NiSource Next

Voluntary Separation Program

Effective as of August 5, 2020

NiSource Next

Voluntary Separation Program

Effective as of August 5, 2020

SECTION 1.

INTRODUCTION

i. Purpose

NiSource Inc. has established the NiSource Next Voluntary Separation Program (the "Plan"), a special limited program under the NiSource Inc. Severance Policy, to provide severance benefits to eligible employees who voluntarily terminate employment with NiSource Inc. and its subsidiaries and affiliates (hereinafter collectively the "Company") upon the satisfaction of certain conditions. By participating in the Plan, Participants will not be eligible for any other severance or separation pay benefits as the Participants will be deemed to be participating exclusively in this Plan and will be considered as voluntarily resigning so as to be ineligible for any other separation or severance pay. It is the intent of the Company that the Plan, as set forth herein, constitute an "employee welfare benefit plan" within the meaning of Section 3(1) of the Employee Retirement Income Act of 1974 ("ERISA").

ii. Effective Date, Plan Year.

The effective date of the Plan is August 5, 2020 (the "Effective Date"). A "plan year" is the 12-month period beginning on January 1 and ending on the following December 31. The Plan shall be in effect from the Effective Date until terminated by the Company.

iii. Administration.

The Plan is administered by the NiSource Benefits Committee (the "Committee"). The Committee, as the Plan administrator, is the named fiduciary responsible for the overall operation of the Plan. The Committee has complete discretionary authority to construe and interpret the provisions of the Plan and make factual determinations thereunder, including the power to determine the rights or eligibility of employees or Participants and any other persons, and the amounts of their severance benefits under the Plan, and to remedy ambiguities, inconsistencies or omissions. The Committee, from time to time, may adopt such rules and regulations as may be necessary or desirable for the proper and efficient administration of the Plan and as are consistent with the terms of the Plan. The Committee, from time to time, also may allocate or delegate in writing to any other person or persons (who may but need not be employees of the Company) such powers, rights and duties as the Committee may consider necessary or advisable to properly carry out the administration of the Plan. Each member of the Committee shall be entitled, without further act on such member's part, to indemnity from the Company to the fullest extent permitted under applicable law, in connection with or arising out of any action, suit or proceeding with respect to the administration of the Plan in which such member may be involved by reason of such member being or having been a member of the Committee, whether or not such member continues to be a member of the Committee at the time of the action, suit or proceeding.

iv. Plan Supplements.

This document must be used in conjunction with the Plan supplement attached hereto that applies to the specific employee group described therein (each a "Supplement"). Together, this document and the applicable Supplement constitute the Plan with respect to the employee group described in the Supplement.

SECTION 2.

ELIGIBILITY

Each domestic employee (including employees who are U.S. expatriates) of the Company shall become eligible to become a Participant in the Plan as of the date the employee meets all of the following requirements:

(1) the employee is employed by the Company on a regular, active, full-time or part-time basis, including employees who are on an approved leave of absence, excluding any employee categorized by the Company as "temporary," "seasonal," or "intern", or any similar term or category, and excluding any employees of Columbia Gas of Massachusetts; and

(2) the employee meets the requirements for participation in the Plan as set forth in the Plan and any applicable Supplement.

For all purposes of the Plan, an individual shall be an "employee" of or be "employed" by the Company for any plan year only if such individual is treated by the Company for such plan year as its employee for purposes of employment taxes and wage withholding for federal income taxes, regardless of any subsequent reclassification by the Company, any governmental agency or court.

An employee shall cease to be an eligible employee in the Plan as of the date on which the employee ceases to meet the foregoing requirements of this Section 2. Eligible employees remain eligible for a specified period of time as determined by the Committee.

SECTION 3.

PARTICIPATION AND PLAN BENEFITS

i. Participation

Subject to the conditions and limitations of subsection 3.2 of the Plan and any applicable Supplement, an eligible employee meeting the requirements of Section 2 shall become a Participant entitled to receive a severance benefit determined under subsection 3.3 of the Plan, provided that the employee:

(1) is employed by a function or department or other classification specified in a Supplement and meets all requirements and conditions described therein;

(2) elects to voluntarily terminate employment with the Company in accordance with terms and conditions to be determined by the Committee or the Company, properly and timely applies for acceptance, and is accepted for such termination by the Committee;

(3) executes (or the executor of the employee's estate in the event of the employee's death) a release and any other separation agreement, which may include restrictive covenants, as provided by the Company and, if appropriate, a deduction authorization, as described in subsection 4.1;

(4) is not otherwise excluded from participation due to the business needs of the Company, including due to any participation caps established for any department or function; and

(5) is certified in writing by the Committee as accepted for severance benefits under the Plan.

Upon such certification by the Committee, an employee shall be considered a "Participant" in the Plan. No individuals other than Participants shall be eligible to receive any severance benefits under the Plan.

ii. Benefits Not Payable.

Notwithstanding any other provision of the Plan or any Supplement, a Participant to whom any of the circumstances described below apply shall not be eligible to receive any severance benefits under the Plan.

(1) A Participant whose employment with the Company is terminated, and who is offered a comparable position with a successor employer to commence promptly following termination. A "successor employer" is any entity that assumes operations or functions formerly carried out by the Company (such as the acquirer of all or any part of the Company or assets of the Company or any entity to which a Company operation or function has been outsourced), or any entity making the employment offer at the request of the Company.

(2) A Participant who has been notified by the Company of a future termination of employment date determined by the Company in its sole

discretion (the "Specified Termination Date") under circumstances which would otherwise entitle the Participant to receive a severance benefit under the Plan, and who voluntarily terminates employment with the Company for any reason prior to such date; provided, however, that in the event a Participant's employment terminates prior to the Participant's Specified Termination Date by reason of the Participant's death, the requirement of this Section 3.2(b) shall not be applicable.

(3) Unless otherwise determined by the Company, a Participant who has entered into a retention agreement or who is providing transition or similar services and who voluntarily terminates employment with the Company for any reason prior to the expiration of such retention agreement or the end date for such transition or similar services. Notwithstanding the foregoing, a Participant who enters into a retention agreement at the time an offering is made pursuant to an applicable Supplement shall not be able to receive a benefit under the Plan. An employee who is providing transition services in connection with the transaction between Columbia Gas of Massachusetts and Eversource Energy shall be eligible to participate in the Plan, provided that such employee otherwise meets the requirements of the Plan and an applicable Supplement and such employee remains employed with the Company through the end date of the transition services period, as determined by the Company.

(4) A Participant who is on an approved leave of absence who fails to return to work prior to their Specified Termination Date.

(5) A Participant who is terminated for cause, as determined by the Company. "Cause" means (1) a violation of the NiSource, Inc. Code of Business Conduct, (2) failure by the Participant to perform such Participant's duties, obligations and responsibilities, or (3) the conviction of the Participant for commission of a felony.

(6) A Participant who fails to timely execute, revokes, or violates, a release or the terms of any separation or other agreement provided by the Company.

(7) A Participant who fails to return to the Company all Company property and information.

(8) A Participant who does not agree to pay all outstanding amounts owed to the Company and authorize the Company to withhold any outstanding amounts from such Participant's final paycheck and/or severance benefit.

The Committee shall have sole discretion to determine whether any of the foregoing circumstances apply to a Participant.

iii. Amount of Benefits.

The amount of a Participant's severance benefits under this Plan shall be determined in accordance with the provisions of the Supplement that applies to the Participant as determined by the Committee.

iv. Benefit Limitation.

It is intended that the payments made to Participant's under this Plan will not exceed the equivalent prescribed under Department of Labor Regulations § 2510.3-2(b)(2)) during the year immediately preceding the termination of the Participant's service.

v. Offset for Other Benefits.

The amount of any severance benefits payable to a Participant under the Plan shall be reduced on a dollar-for-dollar basis by any severance, separation or termination pay benefits that the Company pays or is required to pay to such Participant through insurance or otherwise under any plan of the Company, under any federal or state law, including, without limitation, the U.S. Worker Adjustment and Retraining Notification Act or any state or local "pay in lieu of notice" law or regulation, or under any contract of the Company.

SECTION 4.

PAYMENT OF BENEFITS

i. Release and Deduction Authorization.

No severance benefits under the Plan shall be payable to any Participant until:

(1) such Participant and the Company have executed a release (in a form approved by the Company) of all of such Participant's then existing rights and legal claims against the Company and all affiliates and any of their benefit plans (excluding claims for vested retirement benefits under any tax-qualified plan or worker's compensation benefits) by the Release Deadline, including any other agreement determined to be appropriate by the Company, such as an agreement not to disparage the Company, its affiliates, their employees or their businesses, not to disclose confidential or proprietary information and not to solicit customers or employees of such entities or to engage in competition with such entities; and

(2) if appropriate, such Participant has executed a deduction authorization for amounts to be deducted from severance benefits in accordance with subsection 7.11 of the Plan;

and the payment of severance benefits under the Plan shall be subject to the terms and conditions of such agreements. If a Participant violates any of the provisions of the release or other separation agreement, the Participant shall forfeit such Participant's eligibility to receive any severance benefits under the Plan, and the Company may recover any portion of the severance benefits already paid to such Participant. The terms and conditions of a Participant's release and separation agreement and deduction authorization with respect to the payment of severance benefits are incorporated by this reference and form a part of the Plan as applied to such Participant.

ii. Release Deadline.

A Participant must submit the release described in Section 4.1 as instructed in the release agreement by no earlier than the Participant's termination of employment. The Participant shall have an established and maximum period of time ("Release Deadline") in which to consider the release, which shall be set forth in the release.

iii. Time and Form of Payment.

Subject to the provisions of Section 4.1, all payments made pursuant to subsection 3.3 of the Plan shall be paid in a lump sum (unless otherwise noted in a Supplement) and completed no later than two and one-half months after the end of the taxable year in which the Participant's voluntary termination of employment occurs.

In the event of a Participant's death before full payment of the Participant's severance benefits payable pursuant to subsection 3.3 of the Plan, any amount remaining to be paid shall be paid in a lump sum to the to the representative of such Participant's estate.

SECTION 5.

FINANCING PLAN BENEFITS

All severance benefits payable under this Plan shall be paid directly by the Company out of its general assets. Except to the extent required by applicable law, the Company shall not be required to segregate on its books or otherwise any amount to be used for the payment of severance benefits under this Plan.

SECTION 6.

REEMPLOYMENT

A Participant who receives severance benefits pursuant to the Plan shall not be eligible for re-employment or engagement as a service provider (as an independent contractor, consultant, or otherwise) with the Company for a period of two (2) years following such Participant's termination of employment pursuant to the Plan, unless the Company provides the Participant with a written waiver of this Section.

SECTION 7.

MISCELLANEOUS

i. Information to be Furnished by Participants.

Each Participant must furnish to the Committee such documents, evidence, data or other information as the Committee considers necessary or desirable for the purpose of administering the Plan. Benefits under the Plan for each Participant are provided on the condition that the Participant furnish full, true and complete data, evidence or other information, and that the Participant will promptly sign any document related to the Plan requested by the Committee.

ii. Employment Rights.

The Plan does not constitute a contract of employment or affect the terminable-at-will character of the employment relationship, and participation in the Plan will not give a Participant or employee the right to be rehired or retained in the employ of the Company on a full-time, part-time or any other basis or to be retrained by the Company, nor will participation in the Plan give any Participant any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. The payment of severance benefits under the Plan does not extend a Participant's employment beyond the date such employment is terminated under circumstances which entitle the Participant to severance benefits under the Plan.

iii. Committee's Decision Final.

Any interpretation of the Plan and any decision on any matter within the discretion of the Committee made by the Committee in good faith is binding on all persons. Any mistake of fact or misstatement of fact shall be corrected when it becomes known and the Committee shall make such adjustment on account thereof as it considers equitable and practicable. The Committee may recover overpayments of benefits made to any Participant or a Participant's estate. The Committee shall not be liable in any manner for any determination of fact made in good faith.

iv. Evidence.

Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the Committee considers pertinent and reliable, and signed, made or presented by the proper party or parties.

v. Uniform Rules.

In administering the Plan, the Committee will apply uniform rules to all Participants similarly situated.

vi. Gender and Number.

Where the context admits, words in the masculine gender shall include the feminine and neutral genders, the plural shall include the singular and the singular shall include the plural.

vii. Controlling Laws and Venue.

The terms of the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Indiana, including all matters of construction, validity and performance to the extent not preempted by applicable federal law. In order to benefit Participants under this Plan by establishing a uniform application of law with respect to the administration of the Plan, the provisions of this Section 7.7 shall apply. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Plan shall be brought in a state and/or federal courts located in the state of the Company office to which such claimant was last assigned. The Company, each Participant, and any related parties irrevocably and unconditionally consent to the exclusive jurisdiction of such courts in any such litigation related to this Plan and any transactions contemplated hereby. Such parties irrevocably and unconditionally waive any objection that venue is improper or that such litigation has been brought in an inconvenient forum.

viii. Interests Not Transferable.

Severance benefits pursuant to the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment pledge, encumbrance or charge prior to actual receipt by a Participant, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge prior to such receipt shall be void and the Company shall not be liable in any manner for, or subject to the debts, contracts, liabilities, engagements or torts of, any person entitled to any severance benefits under the Plan.

ix. Facility of Payment.

When any person entitled to severance benefits under the Plan is under legal disability or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her affairs, the Committee may cause such person's severance benefits to be paid to such person's legal representative for his or her benefit, or to be applied for the benefit of such person in any other manner consistent with applicable law that the Committee may determine.

x. Severability.

In the event any provision of the Plan shall be held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provisions had never been contained in the Plan.

xi. Withholding and Deduction.

The Company will deduct and withhold from any amounts payable under this Plan all federal, state, city and local taxes as shall be legally required, as well as any other amounts authorized or required by Company policy including, but not limited to, withholding for garnishments and judgments or other court orders and deduction of amounts due to the Company as a result of any outstanding travel and entertainment advances, relocation and moving payments, tax make-up benefits, or, other amounts due to the Company for any other reason and as allowed by law.

xii. Effect on Other Plans or Agreements.

Payments or benefits provided to a Participant under any annual bonus, employer stock, stock appreciation rights, deferred compensation, savings, retirement or other employee benefit plan are governed solely by the terms of such plan, and the benefits paid under the Plan shall not be treated as compensation for purposes of the Plan or any other employee benefit plan except to the extent specifically provided therein. Any obligations or duties of a Participant pursuant to any non-competition or other agreement with the Company shall not be affected by the receipt of severance benefits under this Plan.

xiii. Participating Employers.

Controlled group members of the Company may become participating employers under the Plan if so designated by the Committee on behalf of the Company.

xiv. Code Section 409A.

The Plan is intended to comply with Section 409A of the U.S. Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time ("Code Section 409A") and the interpretative guidance thereunder, or to be exempt therefrom, including through the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and shall be administered, construed, and interpreted with such intent.

For purposes of the Plan, a Participant's employment with the Company shall be deemed to be terminated when the Participant has a "separation from service" within the meaning of Code Section 409A, and references to termination of employment shall be deemed to refer to such a separation from service. Each payment under the Plan or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A. To the extent any reimbursements or in-kind benefit payments under the Plan are subject to Code Section 409A, such reimbursements and in-kind benefit payments will be made in accordance with Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).

Payment of any severance benefits that are not exempt under Section 409A shall be delayed until the Release Deadline, irrespective of when the Participant executes the release; provided, that where the Participant's termination from employment and the release deadline occur in two separate calendar years, payment may not be made before January 1 of the second year.

Notwithstanding anything in the Plan to the contrary, to the extent a Participant is considered a "specified employee" (as defined in Code Section 409A) and would be entitled to a payment during the six-month period beginning on the Executive's date of termination that is not otherwise excluded under Code Section 409A under the exception for short-term deferrals, separation pay arrangements, reimbursements, in-kind distributions, or any otherwise applicable exemption, the payment will not be made to the Participant until the earlier of the six-month anniversary of the Participant's date of termination or the Participant's death and will be accumulated and paid on the first day of the seventh month following the date of termination.

The Company may amend the Plan to the minimum extent necessary to satisfy the applicable provisions of Code Section 409A.

The Company cannot guarantee that the severance benefits provided pursuant to the Plan will satisfy all applicable provisions of Code Section 409A.

SECTION 8.

CLAIMS PROCEDURE

The claims and review procedures described in this Section 8 must be exhausted before a legal action is brought with respect to the Plan.

A claimant who believes that such claimant is entitled to a benefit under the Plan must file a written claim for such benefit with the Committee within six months of the earlier of: (i) the claimant's termination of employment; or (ii) the expiration of the Application Deadline that applies to such claimant. The Committee, including a delegate or subcommittee thereof (the "Claims Administrator") shall notify in writing any claimant whose claim for benefits under the Plan has been denied in whole or part within 90 days after receipt of the claim for benefits, or within 180 days of receipt of such claim if the claimant is notified in writing by the Claims Administrator that an extension of time is required for processing the claim and the reason therefore. Such notice of extension shall be furnished to the claimant before the end of the initial ninety (90) day period indicating the date by which the Claim Administrator expects to make a decision. If a claim is neither granted nor denied within 90 days or 180 days, as the case may be, the claim will be considered denied, and the claimant may pursue the review procedure set forth below. Each notice of denial of an application shall be in writing and shall contain the following information: (a) the specific reason or reasons for the denial; (b) specific reference to the pertinent Plan provisions upon which the denial is based; (c) a description of any additional material or information necessary for the applicant to perfect the application and an explanation of why such material or information is necessary; and (d) an explanation of the Plan's review procedures (as described below), including the Participant's right to bring a civil action under ERISA Section 502(a) following a final benefit determination on appeal.

In the event a claim for benefits is denied in whole or in part, the claimant or the claimant's duly authorized representative may request a review of such denial by the Claims Administrator. Each such request for review must be in writing signed by the claimant or the claimant's duly authorized representative, must specify that it is a request for review of a denied claim and must be filed with the Claims Administrator no later than 60 days after receipt by the claimant of the denial of the claim or, if a claim is neither granted nor denied, then within 60 days of the expiration of the applicable 90 or 180-day period described in the previous paragraph. In pursuing such appeal, the claimant or the claimant's duly authorized representative may obtain free of charge, reasonable access to and copies of all documents, records or other information relevant to the claim. The claimant may submit in writing any documents, issues and comments the claimant may wish.

The Claims Administrator will have 60 days in which to consider the claimant's request for review, except that under special circumstances that require an extension of time for processing, the Claims Administrator may have an additional 60 days to answer the claimant. The claimant will receive a written notice if the extra days are needed. The Claims Administrator will notify the claimant of its decision on review in writing. Such notification will be written in a manner calculated to be understood by the claimant and will contain the following: (a) the specific reason or reasons for the adverse determination, (b) reference to the specific Plan provisions on which the benefit determination is based, (c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits, and (d) a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following the final benefit determination on appeal. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or the claimant's duly authorized representative notifies the Claims Administrator within 90 days after the mailing or delivery to the claimant by the Claims Administrator of its determination on appeal that claimant intends to institute legal proceedings challenging the determination of the Claims Administrator and actually institutes such legal proceedings within 180 days after such mailing or delivery.

If a member of the Committee or the Claims Administrator is also a Participant in the Plan, such member may not decide or determine any matter or question concerning distributions of any kind to be made to such member or the nature or mode of settlement of such member's severance benefits unless such decision or determination could be made by such member under the Plan if such member were not serving on the Committee or as Claims Administrator. If an appeal is filed by a claimant who reports directly to or has a familial relationship with a Committee member or Claim Administrator, the relevant member shall recuse himself or herself from participating in discussion and decision of such appeal.

SECTION 9.

AMENDMENT AND TERMINATION

i. Amendment and Termination.

The Company reserves the right, acting through the Committee or otherwise, to amend the Plan at any time and to alter, reduce or eliminate any benefit under the Plan (in whole or in part) at any time or to terminate the Plan at any time, as to any class or classes of covered employees, including current employees, former employees, their spouses, dependents and beneficiaries, all without notice. Notwithstanding the foregoing, any such amendment or termination of the Plan shall not reduce the amount of severance benefits payable to any Participant who has met all requirements for such payment under the terms of the Plan and is receiving or is entitled to receive severance benefits under the Plan.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed this 7th day of August, 2020.

NiSource Inc.

By: /s/ Kenneth E. Keener

Its: SVP, CHRO

OFFERING ONE - SUPPLEMENT

OFFICER AND DIRECTOR LEVEL EMPLOYEES

A. Eligible Group

In addition to other criteria set forth in the Plan, in order to be covered by this Supplement, an employee must meet all of the following criteria provided the employee executes and does not revoke a release agreement (in a form approved by the Company):

1. The employee is actively employed by the Company as of August 5, 2020, and remains actively employed with the Company until the employee's Specified Termination Date.

2. On July 1, 2020, the employee was employed as an officer or employee director of the Company; provided that, any officer and employee director to whom the following applies shall be excluded from participation in the Plan under this Supplement:

    1. Any officer that is a "named executive officer" as defined in Item 402(a) of Regulation SK shall not be eligible to participate in the Plan.

    2. Officers and employee directors who serve as Generation People Leaders.

    3. Directors who serve as Electric T&D Engineering People Leaders.

    4. Directors (including Managing Directors) who serve as Electric System Reliability People Leaders.

3. By 11:59 p.m. Central Time on August 21, 2020 (the "Application Deadline") the employee must have applied to voluntarily terminate employment with the Company and to participate in the Plan and not have revoked such application prior to 11:59 p.m. Central Time on August 21, 2020.

4. The employee is notified by the Committee of such employee's approval to participate in the Plan.

Coverage under this Supplement shall be subject to such participation caps on any department or function as may be established by the Company. In the event the number of employees applying for participation under the Plan exceeds any such cap within a specific department or function, the order of priority for participation in the Plan for that department or function will be determined based on such employees with the greatest number of full and partial years of continuous employment by the Company, commencing on such employee's most recent date of hire by the Company, and ending on August 5, 2020.

In addition, the Company may impose such other limitations on employees covered under this Supplement as it deems appropriate.

B. Severance Benefits

1. Severance Pay

A Participant who is covered by this Supplement and who meets all requirements of the Plan will be entitled to fifteen (15) months of base salary ("Severance Pay").

A "month of base salary" shall be equal to 1/12th of the Participant's annual base salary at the rate in effect at the Participant's date of termination of employment. A Participant's "annual base salary" shall mean the amount a Participant is entitled to receive as wages or salary on an annualized basis payable by the Company as consideration for the Participant's services, including any elective deferral contributions made by the Participant pursuant to Sections 125 or 401(k) of the Internal Revenue Code, and including deferred base salary under any nonqualified deferred compensation plan sponsored by the Company, but excluding all items that are not base salary, such as any bonuses, commissions, overtime pay, fringe benefits and incentive compensation.

2. Medical, Dental and Vision Benefits.

A Participant entitled to Severance Pay shall receive, at the time of payment of Severance Pay, a lump sum payment equivalent to 130% of twelve (12) months of COBRA (as defined in Section 4980B of the Internal Revenue Code of 1986, as amended, and Sections 601-609 of ERISA) continuation coverage premiums under the Company's health plan, vision plan, and dental plan, to the extent the Participant and members of the Participant's family were actively participating in such plans as of the Participant's date of termination of employment. Such amounts shall be determined by reference to the premium rates in effect for the coverage the Participant has in effect as of the date of the Participant's termination of employment. Such payment shall be in lieu of any subsidized COBRA coverage the Company may offer and any COBRA coverage elected by the Participant shall be included as part of the period during which the Participant may elect continued group health coverage under COBRA.

3. Outplacement Services.

A Participant entitled to Severance Pay shall receive outplacement services, selected by the Company at its expense, for a period commencing on the date of termination of employment and continuing until the earlier to occur of the Participant accepting other employment or six (6) months thereafter.

Exhibit 10.9

October 19, 2020

Carrie Hightman

Dear Carrie:

This Letter Agreement confirms our decision concerning your employment status with NiSource, Inc. (the “Company”) and its affiliated entities (collectively, “Affiliates” and each an “Affiliate”) and sets forth our mutual agreement with respect to all matters relating to your separation from the Company and its Affiliates.

1. Transition Period

You will step down from your role as Chief Executive Officer, Columbia Gas of Massachusetts, effective as of the closing of the sale of substantially all of the assets of Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“CMA”) and certain related assets to Eversource Energy. You will continue to serve as Executive Vice President and Chief Legal Officer through January 29, 2021 or your earlier termination of employment by the Company without Cause (as defined herein) (the “Separation Date”). On the Separation Date or, if applicable, the earlier termination of your employment, you shall relinquish the duties of Executive Vice President and Chief Legal Officer of the Company and any other position you hold with the Company or any of its Affiliates.

Through the Separation Date or, if applicable, the earlier termination of your employment, you will continue to be paid your current base salary and participate in all employee benefit plans of the Company and any of its Affiliates in which you currently participate through the Separation Date. If you do not resign and are not discharged for Cause prior to your Separation Date, you timely sign and do not revoke this Letter Agreement in the 7-day revocation period and you have signed the Supplemental Release (as defined herein) and not revoked it during the 7-day revocation period, you will be eligible to receive the severance payment described in the Severance Payments section below. For purposes of this paragraph, "Cause" shall mean: a) violation of the Code of Business Conduct; b) your failure to perform your duties, obligations and responsibilities; c) violation of the terms of this Letter Agreement; or d) your conviction for commission of a felony.

2. Business Transition

You agree to cooperate fully to ensure a smooth transition. As part of your transition services before and after the Separation Date, you agree, at the request of the Company's counsel, to prepare for, and provide testimony at trial or deposition in any litigation in which the Company or any of its Affiliates are involved. Your employment, retention and compensation under this Letter Agreement will not be dependent on the outcome of any litigation or the content of any testimony that you provide therein (other than the truthfulness thereof).

3. Severance Benefits

In accordance with the terms of the Severance Policy for Employee Job Level D2 and Above (Certain Directors and above) (the "Policy"), you will be eligible to receive severance payments and benefits pursuant to the Severance Policy for Employee Job Level D2 and Above (Certain Directors and above) (the "Policy"). Provided you have not accepted employment with another Affiliate,
you do not resign and are not discharged for Cause prior to your Separation Date, you have timely signed this Letter Agreement and not revoked it during the 7-day revocation period and you have signed the Supplemental Release and not revoked it during the 7-day revocation period, you will receive no later than sixty (60) days after the Separation Date (a) a lump sum payment in the amount of $500,000 (which is equal to 52 weeks of pay) and (b) a lump sum payment equivalent to 130% of 12 months of COBRA (as described in Paragraph 5), for use by you to pay for continuation coverage premiums for the medical, dental, and vision coverage in which the you were enrolled immediately before your employment end date. For the avoidance of doubt, receipt of the COBRA lump sum payment does not constitute election of, or enrollment in, COBRA continuation coverage. Legally mandated deductions for social security and federal, state and local taxes will be withheld from each lump sum.

4. Other Benefits

Your eligibility to participate in any benefit programs of the Company or any of its Affiliates will be in accordance with the terms of such programs.

Regardless of whether you execute this Letter Agreement, you will: (a) receive a lump sum payment for any accrued and unused vacation pay to which you are entitled as of the Separation Date; and (b) be paid out vacation and floating holidays that have been banked by you (subject to the 640 hour banking maximum). Such payments will be included in your final regular paycheck as an active employee. In either case, the payment will be subject to legally-mandated deductions for social security and federal, state and local taxes.

5. <u>COBRA Coverage</u>

The termination of your employment is a qualifying event for purposes of COBRA (as defined in Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"), and Sections 601-609 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any successor sections). The Company will notify you and/or your dependents of the insurance coverage which you may continue on a self-pay basis, as provided by COBRA, upon termination of your employment. To elect COBRA continuation coverage, you must follow the enrollment instructions included in that COBRA election notice.

6. <u>NiSource Re-Employment</u>

Notwithstanding Section 8 of the Policy, you shall be eligible for re-employment with the Company; provided that, if you seek re-employment with the Company or any of its Affiliates and are subsequently re-hired within 12 months of your Separation Date, then a pro-rata portion of your severance payment must be repaid as of the rehire date as a condition of re-employment.

If you are rehired and your position is subsequently eliminated, management reserves the right to base any severance payments on your rehire date.

7. <u>Return of Property</u>

You agree to return to the Company and its Affiliates any and all of its property and information, including but not limited to, keys, employee identification or security access cards, telephones, computing equipment, and credit cards on or before your Separation Date.

8. <u>Confidentiality</u>

You acknowledge that during your employment by the Company you had access to confidential information and confidential financial data of the Company and its Affiliates.

You further acknowledge that during your employment you may have developed confidential business information for the Company and one or more of its Affiliates, may have made inventions, and/or may have established relationships with the Company's and one or more of its Affiliates' customers and potential customers.

In order to preserve the property, inventions, business, and goodwill of the Company and each of its Affiliates, you agree that during and after your employment, all knowledge and information not known to the public respecting the Company's or any of its Affiliates' inventions, designs, products, services, machinery, methods, systems, improvements, forecasts, strategic and other plans, financial data, and other confidential information, including customer information such as names and addresses of customers and potential customers, pricing information relating to any services performed or products sold by the Company or any of its Affiliates , and all information relating to the special and particular business needs of the Company or any of its Affiliates or their customers and potential customers, shall remain the exclusive property of the Company and each of its Affiliates, respectively, and shall be regarded by you as strictly confidential and shall not be directly or indirectly used or disclosed without the Company's written permission.

Moreover, you agree that upon termination of your employment, you will promptly deliver to the Company all documentation and other materials relating to the Company's business or the business of any of its Affiliates which are in your possession or under your control, including customer and potential customer lists, product lists, and marketing material, whether in written or electronic data form; and you will delete, destroy or discard all copies of such confidential information remaining in your possession.

You further acknowledge and agree that the Company's remedy in the form of monetary damages for any breach by you of any of the provisions of this section may be inadequate and that, in addition to any monetary damages for such breach, the Company shall be entitled to institute and maintain any appropriate proceeding or proceedings, including an action for specific performance and/or injunction.

9. Release of Claims

In consideration of the payments and benefits described herein, the sufficiency of which is hereby acknowledged, you, your heirs, executors and administrators, do hereby knowingly and voluntarily fully, finally and unconditionally release and forever discharge, to the full extent permitted by law, the Company, and its parent, sister and subsidiary corporations and all their affiliates, partners, shareholders, related entities, their employee benefits plans and the plans' trustees, administrators, and fiduciaries, divisions, predecessors, successors and assigns, representatives, current and former employees, officers, directors and agents and attorneys, in their personal and corporate capacities (collectively referred throughout the remainder of this Letter Agreement as the "the Released Parties"), of and from any and all liabilities, actions, causes of action, claims, rights, obligations, charges, damages, costs, attorneys' fees, suits, re-employment rights and demands of any and every kind, nature and character, known and unknown, asserted and unasserted, liquidated and unliquidated, absolute and contingent, in law or in equity, enforceable under any local, state, or federal statute or ordinance, or under the common laws of the United States, against the Released Parties occurring or arising prior to you signing this Letter Agreement, including but not limited to, all claims relating to the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, and the Older Workers Benefits Protection Act ("OWBPA"), 29 U.S.C.§ 621 et seq.; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S. C. § 2000e et seq.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 et seq. (excluding claims for vested benefits); the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq.; the Fair Labor Standards Act, as amended, 29 U.S.C. § 201 et seq. (excluding claims for unpaid wages); the Civil Rights Act of 1866, 42 U.S.C. § 1981 et seq.; the Worker Adjustment Retraining Notification Act, 29 U.S.C. 2101§ et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Corporate and Criminal Fraud Accountability Act of 2002, 18 U.S.C. §1514A; the Family and Medical Leave Act 29 U.S.C. §2601 et seq; and the State of Indiana's civil rights statutes or any other state or local statute or common law doctrine; any and all claims relative to any agreement relating to your employment with the Released Parties, including any claims under the doctrines of defamation, libel, slander, invasion of privacy, intentional infliction of emotional distress, whistleblowing, interference with contractual relations, retaliatory discharge, breach of contract, wrongful discharge, breach of implied contract or implied covenant of good faith or fair dealing, and any other statute, authority or law, providing a cause of action relating to your employment by or the termination of your employment with the Released Parties; provided, however, that you do not release: (i) any vested benefits or payments to which you are entitled under the terms of any applicable benefit plans of the Company or its Affiliates, (ii) any claim to unemployment insurance or workers' compensation benefits, where applicable, (iii) your rights under this Letter Agreement or (iv) any other claim the law precludes you from waiving by agreement.

You acknowledge and agree that this release is being given only in exchange for consideration to which you are not otherwise entitled.

You represent that you have read and understand the terms of this Release of Claims. You understand that this Release of Claims is applicable to any claims arising prior to the date of this Letter Agreement.

10. Rights Reserved

This Letter Agreement shall not apply to rights or claims that may arise after the effective date of this Letter Agreement, and nothing in this paragraph or this Letter Agreement:

a. Limits any right you may have to enforce this Letter Agreement;

b. Limits any right you have that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished by private agreement, including claims for (i) unemployment or workers' compensation, (ii) vested rights under ERISA, or (iii) reimbursement of expenses under the Company's expense reimbursement policies;

c. Limits or affects your right to challenge the validity of this Letter Agreement under the ADEA or the OWBPA;

d. Prevents you from, confidentially or otherwise (without informing the Company), filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, Occupational Safety and Health Administration or any other any federal, state or local agency charged with the enforcement of any laws; or

e. Limits your ability under any federal or state trade secret law, without exposure to criminal or civil liability, to disclose trade secrets: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Notwithstanding your reservation of the foregoing rights, you understand and agree that by signing this Letter Agreement, you are waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit brought by you or on your behalf, except for any right you may have to receive a payment from a government agency (not the Company or any of its Affiliates) for information provided to the government agency.

11. <u>Affirmations</u>

You affirm that you have not filed, caused to be filed, and are not presently a party to any claim, complaint, or action against any of the Released Parties in any forum or form, or if there are such claims, complaints or actions pending, you agree to withdraw and/or dismiss all such claims, complaints or actions that may be legally withdrawn and/or legally dismissed prior to the receipt of the severance payment. You also affirm that you are not aware of any other claim you may have against the Released Parties. You further affirm that you have reported all hours worked as of the date of this Letter Agreement and have been paid and/or have received all leave (paid or unpaid), compensation, wages, bonuses, commission, and/ or benefits to which you may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commission and/or benefits are due to you, except as provided in this Letter Agreement. You also affirm that you have no known workplace injuries or occupational diseases. You also represent that you are not aware of any facts on which a claim under the Fair Labor Standards Act, the Attorney Fees in Wage Action Act, or under applicable state minimum wage or leave laws could be brought. Notwithstanding the foregoing, nothing herein is intended to limit any rights you may have pursuant to paragraph 11 of this Letter Agreement.

12. Non-Disparagement

You agree not to make any false or disparaging comments concerning the Company or any of its Affiliates, their management or employees, or their operations, whether orally or in writing, and whether concerning your employment with or separation from the Company or otherwise, to any third party. The Company, in turn, agrees to refer all prospective employment reference inquiries to its third party administrator to verify your last position held and dates of employment, and not to provide any additional information to prospective employers concerning you or your employment, except as specifically authorized by you. Notwithstanding the foregoing, nothing herein is intended to limit any rights you may have pursuant to paragraph 11 of this Letter Agreement.

13. Outstanding Charges and Expenses

You hereby agree to pay the Company and any of its Affiliates any outstanding amounts owed to the Company or any of its Affiliates, and further agree that by signing this Letter Agreement you hereby authorize the Company to deduct any outstanding charges from your final pay check and/or severance payment, as permitted by applicable law.

14. Outplacement Assistance

You will be eligible for a defined package of Company-paid reasonable outplacement assistance services through the consultant of the Company's choice for a period commencing on the date of your termination of employment and continuing until the earlier to occur of you accepting other employment or twelve months thereafter.

15. Governing Law

This Letter Agreement shall be construed in accordance with the laws of the State of Indiana, including all matters of construction, validity and performance, to the extent not preempted by federal law, and that any action brought by any party hereunder may be instituted and maintained only in the appropriate court having jurisdiction over Lake County, Indiana.

16. Severability

In the event that one or more of the provisions contained in this Letter Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, you and the Company shall have the option to cancel it.

17. Executive Severance Policy Incorporated By Reference

You acknowledge and agree that this Letter Agreement is subject to the terms and conditions of the Policy in effect as of the date of this Letter Agreement. The Policy is available upon request.

18. Supplemental Release

In addition to complying with the terms of this Letter Agreement, as an additional condition precedent to your receipt of the severance benefits set forth in paragraph 3, you also must provide a separately duly signed Waiver and Release Agreement, in the form attached hereto as Exhibit A (the "Supplemental Release"), after the Separation Date, and before the expiration of twenty-one (21) calendar days after such date and not revoke it. The Company shall provide you with a copy of the Supplemental Release on or around the Separation Date.

19. Section 409A of the Internal Revenue Code

The payments pursuant to this Letter Agreement are intended to be exempt from Section 409A of the Code, to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and each payment hereunder shall be considered a separate payment. In furtherance of this intent, this Letter Agreement shall be interpreted, operated and administered in a manner consistent with these intentions.

20. Complete Agreement

You acknowledge that in accepting this Letter Agreement, you have not relied upon any representation or promise other than those expressly stated in this Letter Agreement.

This Letter Agreement and the documents specifically referred to herein constitute the complete understanding between you and the Company relating to your separation and replaces any and all prior agreements, promises, representations or inducements, no matter their form, concerning your employment with the Company. No promises or agreements made subsequent to the execution of this Letter Agreement by these parties shall be binding unless reduced to writing and signed by authorized representatives of these parties.

21. **Important Information**

You acknowledge and agree that:

a. **You have 21 days from your receipt of this Letter Agreement within which to review and consider signing the Letter Agreement (the "Consideration Period") and any changes made to the Letter Agreement, whether material or immaterial, do not restart the Consideration Period;**

b. **You have been and are hereby advised in writing to consult with an attorney of your choice prior to signing this Letter Agreement;**

c. **You have read and fully understand the terms of this Letter Agreement and have knowingly, voluntarily and of your own free will agreed to those terms for the purpose of fully and finally compromising and settling any and all claims, disputed or otherwise, of any kind or nature that you ever had or may now have against any Released Party arising out of your employment by, and/or separation of employment from, the Company or any of its Affiliates, and arising out of any other matter, whether known or unknown to you at the time of execution of this Letter Agreement, to the extent permitted by law;**

d. **Your acceptance of the terms and conditions outlined in this Letter Agreement is in lieu of any and all other severance programs offered by the Company and any of its Affiliates and you knowingly and voluntarily waive participation in all other severance programs offered by the Company or any of its Affiliates.**

e. **You are not waiving any claims that may arise after the execution of this Letter Agreement under the Age Discrimination in Employment Act, or otherwise; and**

f. **The Company's performance under this Letter Agreement constitutes full and complete payment of all amounts due to you from the Company and provides additional consideration to which**

you are not otherwise entitled as a result of your separation from the Company's employ.

22. Revocation Period

You understand and agree that you have seven days following your execution of this Letter Agreement (the "Revocation Period") to revoke it, and that if you elect to revoke it, this Letter Agreement shall be null and void in its entirety. To effectively revoke this Letter Agreement, you must do so in writing and deliver your notice of revocation, so that it arrives prior to the close of business on the last day of the Revocation Period, to: Ken Keener, SVP & Chief Human Resource Officer, 290 W. Nationwide Boulevard, Columbus, OH 43215.

23. Acceptance and Effective Date

To accept this Letter Agreement, you must sign and date both copies of the Letter Agreement in the space provided below to signify your acceptance, and return the Letter Agreement to Ken Keener, SVP & Chief Human Resource Officer, 290 W. Nationwide Boulevard, Columbus, OH 43215, prior to the close of business (i.e., 5:00 p.m. Eastern time) on the last day of the Consideration Period. This Letter Agreement shall become effective and irrevocable automatically upon the expiration of the Revocation Period if it is not revoked in the manner discussed in the preceding paragraph.

Very truly yours,

Ken Keener
SVP & Chief Human Resource Officer

Acceptance:

I acknowledge that I have read and understand the provisions of this Letter Agreement and represent that the execution of this Letter Agreement constitutes my knowing and voluntary act, made without coercion or intimidation. I understand and agree that this Letter Agreement is not enforceable or binding upon me, my heirs, executors, and administrators unless or until such time that it is signed by me and a representative of the Company below.

/s/ Carrie Hightman

Carrie Hightman

October 19, 2020

Date

/s/ [signature]

WITNESS

FOR THE COMPANY:

/s/ Ken Keener

Ken Keener, SVP & Chief Human Resource Officer
NOTE: TO BE SIGNED AFTER THE EMPLOYEE SIGNS ABOVE.

October 19, 2020

Date

EXHIBIT A
SUPPLEMENTAL RELEASE OF CLAIMS

This Waiver and Release Agreement ("Release") is executed by _____________ ("you") on this ____ day of ________________, 2021.

1. Release of Claims.

In consideration of the payments and benefits described in the Letter Agreement, dated as of October 16 220, between NiSource, Inc. (the "Company") and you (the "Letter Agreement"), the sufficiency of which is hereby acknowledged, you, your heirs, executors and administrators, do hereby knowingly and voluntarily fully, finally and unconditionally release and forever discharge, to the full extent permitted by law, the Company, and its parent, sister and subsidiary corporations and all their affiliates, partners, shareholders, related entities, their employee benefits plans and the plans' trustees, administrators, and fiduciaries, divisions, predecessors, successors and assigns, representatives, current and former employees, officers, directors and agents and attorneys, in their personal and corporate capacities (collectively referred throughout the remainder of this Release as the "the Released Parties"), of and from any and all liabilities, actions, causes of action, claims, rights, obligations, charges, damages, costs, attorneys' fees, suits, re-employment rights and demands of any and every kind, nature and character, known and unknown, asserted and unasserted, liquidated and unliquidated, absolute and contingent, in law or in equity, enforceable under any local, state, or federal statute or ordinance, or under the common laws of the United States, against the Released Parties occurring or arising prior to you signing this Letter Agreement, including but not limited to, all claims relating to the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, and the Older Workers Benefits Protection Act ("OWBPA"), 29 U.S.C.§ 621 et seq.; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S. C. § 2000e et seq.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 et seq. (excluding claims for vested benefits); the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 et seq.; the Fair Labor Standards Act, as amended, 29 U.S.C. § 201 et seq. (excluding claims for unpaid wages); the Civil Rights Act of 1866, 42 U.S.C. § 1981 et seq.; the Worker Adjustment Retraining Notification Act, 29 U.S.C. 2101§ et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Corporate and Criminal Fraud Accountability Act of 2002, 18 U.S.C. §1514A; the Family and Medical Leave Act 29 U.S.C. §2601 et seq; and the State of Indiana's civil rights statutes or any other state or local statute or common law doctrine; any and all claims relative to any agreement relating to your employment with the Released Parties, including any claims under the doctrines of defamation, libel, slander, invasion of privacy, intentional infliction of emotional distress, whistleblowing, interference with contractual relations, retaliatory discharge, breach of contract, wrongful discharge, breach of implied contract or implied covenant of good faith or fair dealing, and any other statute, authority or law, providing a cause of action relating to your employment by or the termination of your employment with the Released Parties; provided, however, that you do not release: (i) any vested benefits or payments to which you are entitled under the terms of any applicable benefit plans of the Company or its affiliates, (ii) any claim to unemployment insurance or workers' compensation benefits, where applicable, (iii) your rights under the Letter Agreement or (iv) any other claim the law precludes you from waiving by agreement.

You acknowledge and agree that this Release is being given only in exchange for consideration to which you are not otherwise entitled.

You represent that you have read and understand the terms of this Release. You understand that this Release is applicable to any claims arising prior to the date of this Release.

2. Rights Reserved

This Release shall not apply to rights or claims that may arise after the effective date of this Release, and nothing in this paragraph or this Release:

a. Limits any right you may have to enforce the Letter Agreement;

b. Limits any right you have that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished by private agreement, including claims for (i) unemployment or workers' compensation, (ii) vested rights under ERISA, or (iii) reimbursement of expenses under the Company's expense reimbursement policies;

c. Limits or affects your right to challenge the validity of the Letter Agreement or this Release under the ADEA or the OWBPA;

d. Prevents you from, confidentially or otherwise (without informing the Company), filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, Occupational Safety and Health Administration or any other any federal, state or local agency charged with the enforcement of any laws; or

e. Limits your ability under any federal or state trade secret law, without exposure to criminal or civil liability, to disclose trade secrets: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Notwithstanding your reservation of the foregoing rights, you understand and agree that by signing this Release, you are waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit brought by you or on your behalf, except for any right you may have to receive a payment from a government agency (not the Company or any of its affiliates) for information provided to the government agency.

3. Affirmations

You affirm that you have not filed, caused to be filed, and are not presently a party to any claim, complaint, or action against any of the Released Parties in any forum or form, or if there are such claims, complaints or actions pending, you agree to withdraw and/or dismiss all such claims, complaints or actions that may be legally withdrawn and/or legally dismissed prior to the receipt of the severance payment. You also affirm that you are not aware of any other claim you may have against the Released Parties. You further affirm that you have reported all hours worked as of your Separation Date (as defined in the Letter Agreement) and have been paid and/or have received all leave (paid or unpaid), compensation, wages, bonuses, commission, and/ or benefits to which you may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commission and/or benefits are due to you, except as provided in this Letter Agreement. You also affirm that you have no known workplace injuries or occupational diseases. You also represent that you are not aware of any facts on which a claim under the Fair Labor Standards Act, the Attorney Fees in Wage Action Act, or under applicable state minimum wage or leave laws could be brought. Notwithstanding the foregoing, nothing herein is intended to limit any rights you may have pursuant to paragraph 3 of this Release.

4. Governing Law

This Release shall be construed in accordance with the laws of the State of Indiana, including all matters of construction, validity and performance, to the extent not preempted by federal law, and that any action brought by any party hereunder may be instituted and maintained only in the appropriate court having jurisdiction over Lake County, Indiana.

5. Severability

In the event that one or more of the provisions contained in this Release shall for any reason be held to be invalid, illegal or unenforceable in any respect, you and the Company shall have the option to cancel it.

6. **Important Information**

You acknowledge and agree that:

a. You have 21 days from your receipt of this Release within which to review and consider signing the Release (the "Consideration Period") and any changes made to the Release, whether material or immaterial, do not restart the Consideration Period;

b. You have been and are hereby advised in writing to consult with an attorney of your choice prior to signing this Release;

c. You have read and fully understand the terms of this Release and have knowingly, voluntarily and of your own free will agreed to those terms for the purpose of fully and finally compromising and settling any and all claims, disputed or otherwise, of any kind or nature that you ever had or may now have against any Released Party arising out of your employment by, and/or separation of employment from, the Company or any of its affiliates, and arising out of any other matter, whether known or unknown to you at the time of execution of this Release, to the extent permitted by law;

d. Your acceptance of the terms and conditions outlined in the Letter Agreement is in lieu of any and all other severance programs offered by the Company and any of its affiliates and you knowingly and voluntarily waive participation in all other severance programs offered by the Company or any of its affiliates.

e. You are not waiving any claims that may arise after the execution of this Release under the Age Discrimination in Employment Act, or otherwise; and

f. The Company's performance under the Letter Agreement constitutes full and complete payment of all amounts due to you from the Company and provides additional consideration to which you are not otherwise entitled as a result of your separation from the Company's employ.

7. Revocation Period

You understand and agree that you have seven days following your execution of this Release (the "Revocation Period") to revoke it, and that if you elect to revoke it, the Letter Agreement and this Release shall be null and void in its entirety. To effectively revoke this Release, you must do so in writing and deliver your notice of revocation, so that it arrives prior to the close of business on the last day of the Revocation Period, to: Ken Keener, SVP & Chief Human Resource Officer, 290 W. Nationwide Boulevard, Columbus, OH 43215.

8. Acceptance and Effective Date

To accept this Release, you must sign and date both copies of the Release in the space provided below to signify your acceptance, and return the Release to Ken Keener, SVP & Chief Human Resource Officer, 290 W. Nationwide Boulevard, Columbus, OH 43215 prior to the close of business (i.e., 5:00 p.m. Eastern time) on the last day of the Consideration Period. This Release shall become effective and irrevocable automatically upon the expiration of the Revocation Period if it is not revoked in the manner discussed in the preceding paragraph.

Very truly yours,

Ken Keener
SVP & Chief Human Resource Officer

Acceptance:

I acknowledge that I have read and understand the provisions of this Release and represent that the execution of this Release constitutes my knowing and voluntary act, made without coercion or intimidation. I understand and agree that this Release is not enforceable or binding upon me, my heirs, executors, and administrators unless or until such time that it is signed by me and a representative of the Company below.

TO BE SIGNED AFTER THE SEPARATION DATE

____
Carrie Hightman

____
Date

____
WITNESS

FOR THE COMPANY:

____
Ken Keener, SVP & Chief Human Resource Officer
NOTE: TO BE SIGNED AFTER THE EMPLOYEE SIGNS ABOVE.

____
Date

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph Hamrock, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended September 30, 2020;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2020

By: /s/ Joseph Hamrock

Joseph Hamrock
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald E. Brown, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended September 30, 2020;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2020

By: /s/ Donald E. Brown

Donald E. Brown
Executive Vice President, Chief Financial Officer, and
President of NiSource Corporate Services

Exhibit 32.1

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NiSource Inc. (the “Company”) on Form 10-Q for the quarter ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joseph Hamrock, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Hamrock

Joseph Hamrock
President and Chief Executive Officer

Date: November 2, 2020

Exhibit 32.2

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald E. Brown, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald E. Brown

Donald E. Brown
Executive Vice President, Chief Financial Officer, and President of
NiSource Corporate Services

Date: November 2, 2020

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-002:

Please supply copies of the Company's balance sheets for each month/quarter for the last two years.

Response:

Please see GAS-ROR-002 Attachment A, which provides the monthly Company balance sheets from December 2019 through November 2021.

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Dec - 2019
FDW Standard Report - For Internal Use Only

	Month: *Dec - 2019*	Previous Month	Variance	Month: *Dec - 2019*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,755,558,490.42	$2,720,771,019.43	$34,787,470.99	$2,755,558,490.42	$2,470,071,060.77	$285,487,429.65
Construction Work In Progress	$45,731,782.15	$68,940,447.82	($23,208,665.67)	$45,731,782.15	$47,472,392.48	($1,740,610.33)
Total Utility Plant	**$2,801,290,272.57**	**$2,789,711,467.25**	**$11,578,805.32**	**$2,801,290,272.57**	**$2,517,543,453.25**	**$283,746,819.32**
Accum Prov - Amort and Depr	($489,551,440.66)	($502,691,310.01)	$13,139,869.35	($489,551,440.66)	($463,846,358.44)	($25,705,082.22)
Net Utility Plant	**$2,311,738,831.91**	**$2,287,020,157.24**	**$24,718,674.67**	**$2,311,738,831.91**	**$2,053,697,094.81**	**$258,041,737.10**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,312,470,704.16**	**$2,287,752,029.49**	**$24,718,674.67**	**$2,312,470,704.16**	**$2,054,428,967.06**	**$258,041,737.10**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,283,227.94	$20,214,952.11	$68,275.83	$20,283,227.94	$19,968,120.31	$315,107.63
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$4,752,561.03	$3,679,392.88	$1,073,168.15	$4,752,561.03	$634,282.07	$4,118,278.96
Other Property and Investments	**$25,044,135.46**	**$23,902,691.48**	**$1,141,443.98**	**$25,044,135.46**	**$20,610,748.87**	**$4,433,386.59**
Current and Accrued Assets						
Cash	$2,099,204.84	$410,181.45	$1,689,023.39	$2,099,204.84	$3,928,067.44	($1,828,862.60)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,205.46	($205.46)
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$43,010,056.07	$38,501,029.93	$4,509,026.14	$43,010,056.07	$44,704,353.21	($1,694,297.14)
AR from Associated Cos	$802,216.99	$111,007.59	$691,209.40	$802,216.99	$153,583.67	$648,633.32
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,163,837.48	$1,158,550.74	$5,286.74	$1,163,837.48	$1,040,236.81	$123,600.67
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$48,078,559.27	$59,220,987.16	($11,142,427.89)	$48,078,559.27	$60,321,626.56	($12,243,067.29)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$6,152,017.74	$5,092,243.25	$1,059,774.49	$6,152,017.74	$4,717,578.59	$1,434,439.15
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$2,838,327.35	$1,353,762.91	$1,484,564.44	$2,838,327.35	$234,291.47	$2,604,035.88
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$104,399,769.74**	**$106,103,313.03**	**($1,703,543.29)**	**$104,399,769.74**	**$115,355,493.21**	**($10,955,723.47)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$279,043,933.40	$285,794,016.00	($6,750,082.60)	$279,043,933.40	$292,807,239.64	($13,763,306.24)
Preliminary Surveys	$4,427,002.87	$4,817,638.69	($390,635.82)	$4,427,002.87	$1,766,047.14	$2,660,955.73
Clearing Accounts	$0.00	$1,296.33	($1,296.33)	$0.00	$0.00	$0.00

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Dec - 2019
FDW Standard Report - For Internal Use Only

	Month: *Dec - 2019*	Previous Month	Variance	Month: *Dec - 2019*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,334,213.24	$5,507,955.49	($1,173,742.25)	$4,334,213.24	$5,012,465.63	($678,252.39)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$122,916,021.00	$124,000,822.00	($1,084,801.00)	$122,916,021.00	$130,360,758.00	($7,444,737.00)
Unrecovered Purchase Gas Costs	($830,838.41)	$1,775,504.93	($2,606,343.34)	($830,838.41)	$5,792,437.98	($6,623,276.39)
Deferred Debits	**$409,890,332.10**	**$421,897,233.44**	**($12,006,901.34)**	**$409,890,332.10**	**$435,738,948.39**	**($25,848,616.29)**
Assets and Other Debits	**$2,851,804,941.46**	**$2,839,655,267.44**	**$12,149,674.02**	**$2,851,804,941.46**	**$2,626,134,157.53**	**$225,670,783.93**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$52,889,827.00	$52,889,827.00	$0.00	$52,889,827.00	$52,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$885,402,388.17	$859,124,191.53	$26,278,196.64	$885,402,388.17	$788,379,727.86	$97,022,660.31
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$983,420,015.17**	**$957,141,818.53**	**$26,278,196.64**	**$983,420,015.17**	**$886,397,354.86**	**$97,022,660.31**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$785,515,000.00	$785,515,000.00	$0.00	$785,515,000.00	$705,515,000.00	$80,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$785,515,000.00**	**$785,515,000.00**	**$0.00**	**$785,515,000.00**	**$705,515,000.00**	**$80,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$27,187,702.09	$27,087,751.28	$99,950.81	$27,187,702.09	$28,879,266.00	($1,691,563.91)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$142,035.04	$143,664.60	($1,629.56)	$142,035.04	$113,922.28	$28,112.76
Accum Prov - Pension & Benefit	$2,553,240.14	$5,935,103.46	($3,381,863.32)	$2,553,240.14	$6,164,095.93	($3,610,855.79)
Accum Misc Operating Provision	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,882,977.27**	**$33,166,519.34**	**($3,283,542.07)**	**$29,882,977.27**	**$35,157,284.21**	**($5,274,306.94)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$46,517,293.00	$43,680,534.54	$2,836,758.46	$46,517,293.00	$51,512,287.03	($4,994,994.03)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$156,860,863.31	$153,810,659.99	$3,050,203.32	$156,860,863.31	$85,227,080.96	$71,633,782.35
Customer Deposits	$3,522,509.11	$3,406,498.11	$116,011.00	$3,522,509.11	$3,341,168.69	$181,340.42
Taxes Accrued	$11,769,563.75	$18,053,167.79	($6,283,604.04)	$11,769,563.75	$17,076,471.21	($5,306,907.46)
Interest Accrued	$289,931.85	$287,134.10	$2,797.75	$289,931.85	$320,692.87	($30,761.02)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$438,583.95	$156,499.49	$282,084.46	$438,583.95	$501,506.84	($62,922.89)
Misc Current & Accrued Liab	$63,957,232.81	$67,027,441.26	($3,070,208.45)	$63,957,232.81	$60,809,351.05	$3,147,881.76
Obligation Cap Lease - Current	$2,788,851.75	$2,513,265.92	$275,585.83	$2,788,851.75	$1,088,458.01	$1,700,393.74
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$286,144,829.53**	**$288,935,201.20**	**($2,790,371.67)**	**$286,144,829.53**	**$219,877,016.66**	**$66,267,812.87**
Deferred Credits						
Customer Adv. for Construction	$4,206,255.94	$4,225,187.75	($18,931.81)	$4,206,255.94	$4,954,204.27	($747,948.33)
Acc Defd Investment Tax Credit	$1,529,762.00	$1,554,726.00	($24,964.00)	$1,529,762.00	$1,829,330.00	($299,568.00)
Other Deferred Credits	$5,655,894.91	$5,658,059.91	($2,165.00)	$5,655,894.91	$5,734,277.43	($78,382.52)

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Dec - 2019
FDW Standard Report - For Internal Use Only

	Month: *Dec - 2019*	Previous Month	Variance	Month: *Dec - 2019*	December of Previous Year	Variance
Other Regulatory Liabilities	$241,381,620.95	$248,143,965.02	($6,762,344.07)	$241,381,620.95	$267,658,578.41	($26,276,957.46)
Accum Defer Inc Tax - Oth Prop	$506,796,456.70	$510,408,337.70	($3,611,881.00)	$506,796,456.70	$492,715,525.70	$14,080,931.00
Accum Defer Inc Tax - Other	$7,272,128.99	$4,906,451.99	$2,365,677.00	$7,272,128.99	$6,295,585.99	$976,543.00
Deferred Credits	**$766,842,119.49**	**$774,896,728.37**	**($8,054,608.88)**	**$766,842,119.49**	**$779,187,501.80**	**($12,345,382.31)**
Total Liabilities and Equity	**$2,851,804,941.46**	**$2,839,655,267.44**	**$12,149,674.02**	**$2,851,804,941.46**	**$2,626,134,157.53**	**$225,670,783.93**

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Jan - 2020
FDW Standard Report - For Internal Use Only

	Month: *Jan - 2020*	Previous Month	Variance	Month: *Jan - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,780,829,527.24	$2,755,558,490.42	$25,271,036.82	$2,780,829,527.24	$2,755,558,490.42	$25,271,036.82
Construction Work In Progress	$52,901,455.47	$45,731,782.15	$7,169,673.32	$52,901,455.47	$45,731,782.15	$7,169,673.32
Total Utility Plant	**$2,833,730,982.71**	**$2,801,290,272.57**	**$32,440,710.14**	**$2,833,730,982.71**	**$2,801,290,272.57**	**$32,440,710.14**
Accum Prov - Amort and Depr	($504,219,450.57)	($489,551,440.66)	($14,668,009.91)	($504,219,450.57)	($489,551,440.66)	($14,668,009.91)
Net Utility Plant	**$2,329,511,532.14**	**$2,311,738,831.91**	**$17,772,700.23**	**$2,329,511,532.14**	**$2,311,738,831.91**	**$17,772,700.23**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,330,243,404.39**	**$2,312,470,704.16**	**$17,772,700.23**	**$2,330,243,404.39**	**$2,312,470,704.16**	**$17,772,700.23**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,355,167.79	$20,283,227.94	$71,939.85	$20,355,167.79	$20,283,227.94	$71,939.85
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$4,938,707.45	$4,752,561.03	$186,146.42	$4,938,707.45	$4,752,561.03	$186,146.42
Other Property and Investments	**$25,302,221.73**	**$25,044,135.46**	**$258,086.27**	**$25,302,221.73**	**$25,044,135.46**	**$258,086.27**
Current and Accrued Assets						
Cash	$2,041,018.20	$2,099,204.84	($58,186.64)	$2,041,018.20	$2,099,204.84	($58,186.64)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$19,753,321.13	$43,010,056.07	($23,256,734.94)	$19,753,321.13	$43,010,056.07	($23,256,734.94)
AR from Associated Cos	$309,774.60	$802,216.99	($492,442.39)	$309,774.60	$802,216.99	($492,442.39)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,154,707.78	$1,163,837.48	($9,129.70)	$1,154,707.78	$1,163,837.48	($9,129.70)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$34,942,447.56	$48,078,559.27	($13,136,111.71)	$34,942,447.56	$48,078,559.27	($13,136,111.71)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$4,540,338.35	$6,152,017.74	($1,611,679.39)	$4,540,338.35	$6,152,017.74	($1,611,679.39)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,067,508.44	$2,838,327.35	$229,181.09	$3,067,508.44	$2,838,327.35	$229,181.09
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$66,064,666.06**	**$104,399,769.74**	**($38,335,103.68)**	**$66,064,666.06**	**$104,399,769.74**	**($38,335,103.68)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$278,228,346.24	$279,043,933.40	($815,587.16)	$278,228,346.24	$279,043,933.40	($815,587.16)
Preliminary Surveys	$4,807,778.71	$4,427,002.87	$380,775.84	$4,807,778.71	$4,427,002.87	$380,775.84
Clearing Accounts	$773.52	$0.00	$773.52	$773.52	$0.00	$773.52

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	Month: *Jan - 2020*	Previous Month	Variance	Month: *Jan - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,377,682.63	$4,334,213.24	$43,469.39	$4,377,682.63	$4,334,213.24	$43,469.39
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$118,345,968.00	$122,916,021.00	($4,570,053.00)	$118,345,968.00	$122,916,021.00	($4,570,053.00)
Unrecovered Purchase Gas Costs	($3,683,757.79)	($830,838.41)	($2,852,919.38)	($3,683,757.79)	($830,838.41)	($2,852,919.38)
Deferred Debits	**$402,076,791.31**	**$409,890,332.10**	**($7,813,540.79)**	**$402,076,791.31**	**$409,890,332.10**	**($7,813,540.79)**
Assets and Other Debits	**$2,823,687,083.49**	**$2,851,804,941.46**	**($28,117,857.97)**	**$2,823,687,083.49**	**$2,851,804,941.46**	**($28,117,857.97)**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$52,889,827.00	$52,889,827.00	$0.00	$52,889,827.00	$52,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$909,580,240.27	$885,402,388.17	$24,177,852.10	$909,580,240.27	$885,402,388.17	$24,177,852.10
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,007,597,867.27**	**$983,420,015.17**	**$24,177,852.10**	**$1,007,597,867.27**	**$983,420,015.17**	**$24,177,852.10**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$785,515,000.00	$785,515,000.00	$0.00	$785,515,000.00	$785,515,000.00	$0.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$785,515,000.00**	**$785,515,000.00**	**$0.00**	**$785,515,000.00**	**$785,515,000.00**	**$0.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$27,015,536.49	$27,187,702.09	($172,165.60)	$27,015,536.49	$27,187,702.09	($172,165.60)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$164,246.04	$142,035.04	$22,211.00	$164,246.04	$142,035.04	$22,211.00
Accum Prov - Pension & Benefit	$2,486,207.15	$2,553,240.14	($67,032.99)	$2,486,207.15	$2,553,240.14	($67,032.99)
Accum Misc Operating Provision	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,665,989.68**	**$29,882,977.27**	**($216,987.59)**	**$29,665,989.68**	**$29,882,977.27**	**($216,987.59)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$39,055,879.79	$46,517,293.00	($7,461,413.21)	$39,055,879.79	$46,517,293.00	($7,461,413.21)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$125,772,037.74	$156,860,863.31	($31,088,825.57)	$125,772,037.74	$156,860,863.31	($31,088,825.57)
Customer Deposits	$3,490,127.11	$3,522,509.11	($32,382.00)	$3,490,127.11	$3,522,509.11	($32,382.00)
Taxes Accrued	$18,342,094.49	$11,769,563.75	$6,572,530.74	$18,342,094.49	$11,769,563.75	$6,572,530.74
Interest Accrued	$226,561.16	$289,931.85	($63,370.69)	$226,561.16	$289,931.85	($63,370.69)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$495,709.45	$438,583.95	$57,125.50	$495,709.45	$438,583.95	$57,125.50
Misc Current & Accrued Liab	$49,418,808.86	$63,957,232.81	($14,538,423.95)	$49,418,808.86	$63,957,232.81	($14,538,423.95)
Obligation Cap Lease - Current	$2,747,307.95	$2,788,851.75	($41,543.80)	$2,747,307.95	$2,788,851.75	($41,543.80)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$239,548,526.55**	**$286,144,829.53**	**($46,596,302.98)**	**$239,548,526.55**	**$286,144,829.53**	**($46,596,302.98)**
Deferred Credits						
Customer Adv. for Construction	$4,166,105.04	$4,206,255.94	($40,150.90)	$4,166,105.04	$4,206,255.94	($40,150.90)
Acc Defd Investment Tax Credit	$1,504,798.00	$1,529,762.00	($24,964.00)	$1,504,798.00	$1,529,762.00	($24,964.00)
Other Deferred Credits	$5,651,234.91	$5,655,894.91	($4,660.00)	$5,651,234.91	$5,655,894.91	($4,660.00)

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	Month: *Jan - 2020*	Previous Month	Variance	Month: *Jan - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$236,954,227.35	$241,381,620.95	($4,427,393.60)	$236,954,227.35	$241,381,620.95	($4,427,393.60)
Accum Defer Inc Tax - Oth Prop	$508,649,074.70	$506,796,456.70	$1,852,618.00	$508,649,074.70	$506,796,456.70	$1,852,618.00
Accum Defer Inc Tax - Other	$4,434,259.99	$7,272,128.99	($2,837,869.00)	$4,434,259.99	$7,272,128.99	($2,837,869.00)
Deferred Credits	**$761,359,699.99**	**$766,842,119.49**	**($5,482,419.50)**	**$761,359,699.99**	**$766,842,119.49**	**($5,482,419.50)**
Total Liabilities and Equity	**$2,823,687,083.49**	**$2,851,804,941.46**	**($28,117,857.97)**	**$2,823,687,083.49**	**$2,851,804,941.46**	**($28,117,857.97)**

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	Month: *Feb - 2020*	Previous Month	Variance	Month: *Feb - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,808,763,864.41	$2,780,829,527.24	$27,934,337.17	$2,808,763,864.41	$2,755,558,490.42	$53,205,373.99
Construction Work In Progress	$45,527,030.77	$52,901,455.47	($7,374,424.70)	$45,527,030.77	$45,731,782.15	($204,751.38)
Total Utility Plant	**$2,854,290,895.18**	**$2,833,730,982.71**	**$20,559,912.47**	**$2,854,290,895.18**	**$2,801,290,272.57**	**$53,000,622.61**
Accum Prov - Amort and Depr	($509,045,720.22)	($504,219,450.57)	($4,826,269.65)	($509,045,720.22)	($489,551,440.66)	($19,494,279.56)
Net Utility Plant	**$2,345,245,174.96**	**$2,329,511,532.14**	**$15,733,642.82**	**$2,345,245,174.96**	**$2,311,738,831.91**	**$33,506,343.05**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,345,977,047.21**	**$2,330,243,404.39**	**$15,733,642.82**	**$2,345,977,047.21**	**$2,312,470,704.16**	**$33,506,343.05**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,423,347.48	$20,355,167.79	$68,179.69	$20,423,347.48	$20,283,227.94	$140,119.54
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,124,853.87	$4,938,707.45	$186,146.42	$5,124,853.87	$4,752,561.03	$372,292.84
Other Property and Investments	**$25,556,547.84**	**$25,302,221.73**	**$254,326.11**	**$25,556,547.84**	**$25,044,135.46**	**$512,412.38**
Current and Accrued Assets						
Cash	$2,294,929.88	$2,041,018.20	$253,911.68	$2,294,929.88	$2,099,204.84	$195,725.04
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$38,265,292.79	$19,753,321.13	$18,511,971.66	$38,265,292.79	$43,010,056.07	($4,744,763.28)
AR from Associated Cos	$267,711.74	$309,774.60	($42,062.86)	$267,711.74	$802,216.99	($534,505.25)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,178,016.74	$1,154,707.78	$23,308.96	$1,178,016.74	$1,163,837.48	$14,179.26
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$22,503,254.73	$34,942,447.56	($12,439,192.83)	$22,503,254.73	$48,078,559.27	($25,575,304.54)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,197,600.02	$4,540,338.35	$657,261.67	$5,197,600.02	$6,152,017.74	($954,417.72)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,237,819.97	$3,067,508.44	$170,311.53	$3,237,819.97	$2,838,327.35	$399,492.62
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$73,200,175.87**	**$66,064,666.06**	**$7,135,509.81**	**$73,200,175.87**	**$104,399,769.74**	**($31,199,593.87)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$277,504,361.76	$278,228,346.24	($723,984.48)	$277,504,361.76	$279,043,933.40	($1,539,571.64)
Preliminary Surveys	$5,248,353.10	$4,807,778.71	$440,574.39	$5,248,353.10	$4,427,002.87	$821,350.23
Clearing Accounts	($2,383.62)	$773.52	($3,157.14)	($2,383.62)	$0.00	($2,383.62)

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	Month: *Feb - 2020*	Previous Month	Variance	Month: *Feb - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,383,166.27	$4,377,682.63	$5,483.64	$4,383,166.27	$4,334,213.24	$48,953.03
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$117,827,422.00	$118,345,968.00	($518,546.00)	$117,827,422.00	$122,916,021.00	($5,088,599.00)
Unrecovered Purchase Gas Costs	($8,996,613.68)	($3,683,757.79)	($5,312,855.89)	($8,996,613.68)	($830,838.41)	($8,165,775.27)
Deferred Debits	**$395,964,305.83**	**$402,076,791.31**	**($6,112,485.48)**	**$395,964,305.83**	**$409,890,332.10**	**($13,926,026.27)**
Assets and Other Debits	**$2,840,698,076.75**	**$2,823,687,083.49**	**$17,010,993.26**	**$2,840,698,076.75**	**$2,851,804,941.46**	**($11,106,864.71)**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$52,889,827.00	$52,889,827.00	$0.00	$52,889,827.00	$52,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$942,256,448.64	$909,580,240.27	$32,676,208.37	$942,256,448.64	$885,402,388.17	$56,854,060.47
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,040,274,075.64**	**$1,007,597,867.27**	**$32,676,208.37**	**$1,040,274,075.64**	**$983,420,015.17**	**$56,854,060.47**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$785,515,000.00	$785,515,000.00	$0.00	$785,515,000.00	$785,515,000.00	$0.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$785,515,000.00**	**$785,515,000.00**	**$0.00**	**$785,515,000.00**	**$785,515,000.00**	**$0.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$26,842,644.33	$27,015,536.49	($172,892.16)	$26,842,644.33	$27,187,702.09	($345,057.76)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$154,220.50	$164,246.04	($10,025.54)	$154,220.50	$142,035.04	$12,185.46
Accum Prov - Pension & Benefit	$2,200,007.01	$2,486,207.15	($286,200.14)	$2,200,007.01	$2,553,240.14	($353,233.13)
Accum Misc Operating Provision	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,196,871.84**	**$29,665,989.68**	**($469,117.84)**	**$29,196,871.84**	**$29,882,977.27**	**($686,105.43)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$36,533,765.09	$39,055,879.79	($2,522,114.70)	$36,533,765.09	$46,517,293.00	($9,983,527.91)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$118,050,145.16	$125,772,037.74	($7,721,892.58)	$118,050,145.16	$156,860,863.31	($38,810,718.15)
Customer Deposits	$3,570,109.11	$3,490,127.11	$79,982.00	$3,570,109.11	$3,522,509.11	$47,600.00
Taxes Accrued	$26,676,002.92	$18,342,094.49	$8,333,908.43	$26,676,002.92	$11,769,563.75	$14,906,439.17
Interest Accrued	$237,385.53	$226,561.16	$10,824.37	$237,385.53	$289,931.85	($52,546.32)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$321,833.09	$495,709.45	($173,876.36)	$321,833.09	$438,583.95	($116,750.86)
Misc Current & Accrued Liab	$36,986,210.00	$49,418,808.86	($12,432,598.86)	$36,986,210.00	$63,957,232.81	($26,971,022.81)
Obligation Cap Lease - Current	$2,718,690.57	$2,747,307.95	($28,617.38)	$2,718,690.57	$2,788,851.75	($70,161.18)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$225,094,141.47**	**$239,548,526.55**	**($14,454,385.08)**	**$225,094,141.47**	**$286,144,829.53**	**($61,050,688.06)**
Deferred Credits						
Customer Adv. for Construction	$4,158,509.19	$4,166,105.04	($7,595.85)	$4,158,509.19	$4,206,255.94	($47,746.75)
Acc Defd Investment Tax Credit	$1,479,834.00	$1,504,798.00	($24,964.00)	$1,479,834.00	$1,529,762.00	($49,928.00)
Other Deferred Credits	$5,651,234.91	$5,651,234.91	$0.00	$5,651,234.91	$5,655,894.91	($4,660.00)

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Other Regulatory Liabilities	$231,975,773.01	$236,954,227.35	($4,978,454.34)	$231,975,773.01	$241,381,620.95	($9,405,847.94)
Accum Defer Inc Tax - Oth Prop	$510,501,693.70	$508,649,074.70	$1,852,619.00	$510,501,693.70	$506,796,456.70	$3,705,237.00
Accum Defer Inc Tax - Other	$6,850,942.99	$4,434,259.99	$2,416,683.00	$6,850,942.99	$7,272,128.99	($421,186.00)
Deferred Credits	**$760,617,987.80**	**$761,359,699.99**	**($741,712.19)**	**$760,617,987.80**	**$766,842,119.49**	**($6,224,131.69)**
Total Liabilities and Equity	**$2,840,698,076.75**	**$2,823,687,083.49**	**$17,010,993.26**	**$2,840,698,076.75**	**$2,851,804,941.46**	**($11,106,864.71)**

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	Month: *Mar - 2020*	Previous Month	Variance	Month: *Mar - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,829,470,441.77	$2,808,763,864.41	$20,706,577.36	$2,829,470,441.77	$2,755,558,490.42	$73,911,951.35
Construction Work In Progress	$45,748,244.96	$45,527,030.77	$221,214.19	$45,748,244.96	$45,731,782.15	$16,462.81
Total Utility Plant	**$2,875,218,686.73**	**$2,854,290,895.18**	**$20,927,791.55**	**$2,875,218,686.73**	**$2,801,290,272.57**	**$73,928,414.16**
Accum Prov - Amort and Depr	($512,518,898.93)	($509,045,720.22)	($3,473,178.71)	($512,518,898.93)	($489,551,440.66)	($22,967,458.27)
Net Utility Plant	**$2,362,699,787.80**	**$2,345,245,174.96**	**$17,454,612.84**	**$2,362,699,787.80**	**$2,311,738,831.91**	**$50,960,955.89**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,363,431,660.05**	**$2,345,977,047.21**	**$17,454,612.84**	**$2,363,431,660.05**	**$2,312,470,704.16**	**$50,960,955.89**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,488,802.69	$20,423,347.48	$65,455.21	$20,488,802.69	$20,283,227.94	$205,574.75
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,483,955.66	$5,124,853.87	$359,101.79	$5,483,955.66	$4,752,561.03	$731,394.63
Other Property and Investments	**$25,981,104.84**	**$25,556,547.84**	**$424,557.00**	**$25,981,104.84**	**$25,044,135.46**	**$936,969.38**
Current and Accrued Assets						
Cash	$1,752,172.19	$2,294,929.88	($542,757.69)	$1,752,172.19	$2,099,204.84	($347,032.65)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$511,817.84	$0.00	$511,817.84	$511,817.84	$0.00	$511,817.84
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$14,524,287.94	$38,265,292.79	($23,741,004.85)	$14,524,287.94	$43,010,056.07	($28,485,768.13)
AR from Associated Cos	$94,417,102.81	$267,711.74	$94,149,391.07	$94,417,102.81	$802,216.99	$93,614,885.82
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,160,890.86	$1,178,016.74	($17,125.88)	$1,160,890.86	$1,163,837.48	($2,946.62)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$15,951,537.81	$22,503,254.73	($6,551,716.92)	$15,951,537.81	$48,078,559.27	($32,127,021.46)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$2,618,353.88	$5,197,600.02	($2,579,246.14)	$2,618,353.88	$6,152,017.74	($3,533,663.86)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$2,254,889.46	$3,237,819.97	($982,930.51)	$2,254,889.46	$2,838,327.35	($583,437.89)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$133,446,602.79**	**$73,200,175.87**	**$60,246,426.92**	**$133,446,602.79**	**$104,399,769.74**	**$29,046,833.05**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,824,655.39	$277,504,361.76	($679,706.37)	$276,824,655.39	$279,043,933.40	($2,219,278.01)
Preliminary Surveys	$5,586,568.49	$5,248,353.10	$338,215.39	$5,586,568.49	$4,427,002.87	$1,159,565.62
Clearing Accounts	$6,463.01	($2,383.62)	$8,846.63	$6,463.01	$0.00	$6,463.01

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	Month: *Mar - 2020*	Previous Month	Variance	Month: *Mar - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,364,909.80	$4,383,166.27	($18,256.47)	$4,364,909.80	$4,334,213.24	$30,696.56
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$116,565,540.00	$117,827,422.00	($1,261,882.00)	$116,565,540.00	$122,916,021.00	($6,350,481.00)
Unrecovered Purchase Gas Costs	($9,475,727.81)	($8,996,613.68)	($479,114.13)	($9,475,727.81)	($830,838.41)	($8,644,889.40)
Deferred Debits	**$393,872,408.88**	**$395,964,305.83**	**($2,091,896.95)**	**$393,872,408.88**	**$409,890,332.10**	**($16,017,923.22)**
Assets and Other Debits	**$2,916,731,776.56**	**$2,840,698,076.75**	**$76,033,699.81**	**$2,916,731,776.56**	**$2,851,804,941.46**	**$64,926,835.10**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$52,889,827.00	$55,000,000.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$956,893,315.95	$942,256,448.64	$14,636,867.31	$956,893,315.95	$885,402,388.17	$71,490,927.78
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,109,910,942.95**	**$1,040,274,075.64**	**$69,636,867.31**	**$1,109,910,942.95**	**$983,420,015.17**	**$126,490,927.78**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$785,515,000.00	$110,000,000.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$26,663,278.53	$26,842,644.33	($179,365.80)	$26,663,278.53	$27,187,702.09	($524,423.56)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$179,448.84	$154,220.50	$25,228.34	$179,448.84	$142,035.04	$37,413.80
Accum Prov - Pension & Benefit	$2,526,956.42	$2,200,007.01	$326,949.41	$2,526,956.42	$2,553,240.14	($26,283.72)
Accum Misc Operating Provision	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,369,683.79**	**$29,196,871.84**	**$172,811.95**	**$29,369,683.79**	**$29,882,977.27**	**($513,293.48)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$32,177,137.82	$36,533,765.09	($4,356,627.27)	$32,177,137.82	$46,517,293.00	($14,340,155.18)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$25,847,672.63	$118,050,145.16	($92,202,472.53)	$25,847,672.63	$156,860,863.31	($131,013,190.68)
Customer Deposits	$3,500,556.11	$3,570,109.11	($69,553.00)	$3,500,556.11	$3,522,509.11	($21,953.00)
Taxes Accrued	$28,842,218.07	$26,676,002.92	$2,166,215.15	$28,842,218.07	$11,769,563.75	$17,072,654.32
Interest Accrued	$249,406.60	$237,385.53	$12,021.07	$249,406.60	$289,931.85	($40,525.25)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	($165,654.57)	$321,833.09	($487,487.66)	($165,654.57)	$438,583.95	($604,238.52)
Misc Current & Accrued Liab	$30,213,250.89	$36,986,210.00	($6,772,959.11)	$30,213,250.89	$63,957,232.81	($33,743,981.92)
Obligation Cap Lease - Current	$2,812,513.10	$2,718,690.57	$93,822.53	$2,812,513.10	$2,788,851.75	$23,661.35
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$123,477,100.65**	**$225,094,141.47**	**($101,617,040.82)**	**$123,477,100.65**	**$286,144,829.53**	**($162,667,728.88)**
Deferred Credits						
Customer Adv. for Construction	$4,101,310.56	$4,158,509.19	($57,198.63)	$4,101,310.56	$4,206,255.94	($104,945.38)
Acc Defd Investment Tax Credit	$1,454,870.00	$1,479,834.00	($24,964.00)	$1,454,870.00	$1,529,762.00	($74,892.00)
Other Deferred Credits	$5,550,035.46	$5,651,234.91	($101,199.45)	$5,550,035.46	$5,655,894.91	($105,859.45)

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	Month: *Mar - 2020*	Previous Month	Variance	Month: *Mar - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$228,009,310.46	$231,975,773.01	($3,966,462.55)	$228,009,310.46	$241,381,620.95	($13,372,310.49)
Accum Defer Inc Tax - Oth Prop	$512,354,309.70	$510,501,693.70	$1,852,616.00	$512,354,309.70	$506,796,456.70	$5,557,853.00
Accum Defer Inc Tax - Other	$6,989,212.99	$6,850,942.99	$138,270.00	$6,989,212.99	$7,272,128.99	($282,916.00)
Deferred Credits	**$758,459,049.17**	**$760,617,987.80**	**($2,158,938.63)**	**$758,459,049.17**	**$766,842,119.49**	**($8,383,070.32)**
Total Liabilities and Equity	**$2,916,731,776.56**	**$2,840,698,076.75**	**$76,033,699.81**	**$2,916,731,776.56**	**$2,851,804,941.46**	**$64,926,835.10**

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	Month: *Apr - 2020*	Previous Month	Variance	Month: *Apr - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,831,536,709.29	$2,829,470,441.77	$2,066,267.52	$2,831,536,709.29	$2,755,558,490.42	$75,978,218.87
Construction Work In Progress	$54,626,029.82	$45,748,244.96	$8,877,784.86	$54,626,029.82	$45,731,782.15	$8,894,247.67
Total Utility Plant	**$2,886,162,739.11**	**$2,875,218,686.73**	**$10,944,052.38**	**$2,886,162,739.11**	**$2,801,290,272.57**	**$84,872,466.54**
Accum Prov - Amort and Depr	($517,239,836.25)	($512,518,898.93)	($4,720,937.32)	($517,239,836.25)	($489,551,440.66)	($27,688,395.59)
Net Utility Plant	**$2,368,922,902.86**	**$2,362,699,787.80**	**$6,223,115.06**	**$2,368,922,902.86**	**$2,311,738,831.91**	**$57,184,070.95**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,369,654,775.11**	**$2,363,431,660.05**	**$6,223,115.06**	**$2,369,654,775.11**	**$2,312,470,704.16**	**$57,184,070.95**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,486,039.00	$20,488,802.69	($2,763.69)	$20,486,039.00	$20,283,227.94	$202,811.06
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,671,351.82	$5,483,955.66	$187,396.16	$5,671,351.82	$4,752,561.03	$918,790.79
Other Property and Investments	**$26,165,737.31**	**$25,981,104.84**	**$184,632.47**	**$26,165,737.31**	**$25,044,135.46**	**$1,121,601.85**
Current and Accrued Assets						
Cash	$1,086,893.66	$1,752,172.19	($665,278.53)	$1,086,893.66	$2,099,204.84	($1,012,311.18)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$375,954.75	$511,817.84	($135,863.09)	$375,954.75	$0.00	$375,954.75
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$73,251,996.45	$14,524,287.94	$58,727,708.51	$73,251,996.45	$43,010,056.07	$30,241,940.38
AR from Associated Cos	$22,533,237.87	$94,417,102.81	($71,883,864.94)	$22,533,237.87	$802,216.99	$21,731,020.88
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,162,473.42	$1,160,890.86	$1,582.56	$1,162,473.42	$1,163,837.48	($1,364.06)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$19,297,046.83	$15,951,537.81	$3,345,509.02	$19,297,046.83	$48,078,559.27	($28,781,512.44)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$1,949,558.83	$2,618,353.88	($668,795.05)	$1,949,558.83	$6,152,017.74	($4,202,458.91)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,930,373.30	$2,254,889.46	($324,516.16)	$1,930,373.30	$2,838,327.35	($907,954.05)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$121,843,085.11**	**$133,446,602.79**	**($11,603,517.68)**	**$121,843,085.11**	**$104,399,769.74**	**$17,443,315.37**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,245,854.10	$276,824,655.39	($578,801.29)	$276,245,854.10	$279,043,933.40	($2,798,079.30)
Preliminary Surveys	$5,954,952.94	$5,586,568.49	$368,384.45	$5,954,952.94	$4,427,002.87	$1,527,950.07
Clearing Accounts	$6,817.30	$6,463.01	$354.29	$6,817.30	$0.00	$6,817.30

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	Month: *Apr - 2020*	Previous Month	Variance	Month: *Apr - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,973,650.46	$4,364,909.80	($391,259.34)	$3,973,650.46	$4,334,213.24	($360,562.78)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$116,354,470.00	$116,565,540.00	($211,070.00)	$116,354,470.00	$122,916,021.00	($6,561,551.00)
Unrecovered Purchase Gas Costs	($12,094,973.94)	($9,475,727.81)	($2,619,246.13)	($12,094,973.94)	($830,838.41)	($11,264,135.53)
Deferred Debits	**$390,440,770.86**	**$393,872,408.88**	**($3,431,638.02)**	**$390,440,770.86**	**$409,890,332.10**	**($19,449,561.24)**
Assets and Other Debits	**$2,908,104,368.39**	**$2,916,731,776.56**	**($8,627,408.17)**	**$2,908,104,368.39**	**$2,851,804,941.46**	**$56,299,426.93**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$961,853,600.62	$956,893,315.95	$4,960,284.67	$961,853,600.62	$885,402,388.17	$76,451,212.45
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,114,871,227.62**	**$1,109,910,942.95**	**$4,960,284.67**	**$1,114,871,227.62**	**$983,420,015.17**	**$131,451,212.45**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$26,496,167.61	$26,663,278.53	($167,110.92)	$26,496,167.61	$27,187,702.09	($691,534.48)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$162,286.54	$179,448.84	($17,162.30)	$162,286.54	$142,035.04	$20,251.50
Accum Prov - Pension & Benefit	$2,440,004.30	$2,526,956.42	($86,952.12)	$2,440,004.30	$2,553,240.14	($113,235.84)
Accum Misc Operating Provision	$189,913.76	$0.00	$189,913.76	$189,913.76	$0.00	$189,913.76
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,288,372.21**	**$29,369,683.79**	**($81,311.58)**	**$29,288,372.21**	**$29,882,977.27**	**($594,605.06)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$23,118,171.51	$32,177,137.82	($9,058,966.31)	$23,118,171.51	$46,517,293.00	($23,399,121.49)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$24,445,997.85	$25,847,672.63	($1,401,674.78)	$24,445,997.85	$156,860,863.31	($132,414,865.46)
Customer Deposits	$3,506,188.11	$3,500,556.11	$5,632.00	$3,506,188.11	$3,522,509.11	($16,321.00)
Taxes Accrued	$28,721,819.33	$28,842,218.07	($120,398.74)	$28,721,819.33	$11,769,563.75	$16,952,255.58
Interest Accrued	$261,599.04	$249,406.60	$12,192.44	$261,599.04	$289,931.85	($28,332.81)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$138,080.60	($165,654.57)	$303,735.17	$138,080.60	$438,583.95	($300,503.35)
Misc Current & Accrued Liab	$27,590,015.28	$30,213,250.89	($2,623,235.61)	$27,590,015.28	$63,957,232.81	($36,367,217.53)
Obligation Cap Lease - Current	$2,733,983.23	$2,812,513.10	($78,529.87)	$2,733,983.23	$2,788,851.75	($54,868.52)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$110,515,854.95**	**$123,477,100.65**	**($12,961,245.70)**	**$110,515,854.95**	**$286,144,829.53**	**($175,628,974.58)**
Deferred Credits						
Customer Adv. for Construction	$4,069,402.63	$4,101,310.56	($31,907.93)	$4,069,402.63	$4,206,255.94	($136,853.31)
Acc Defd Investment Tax Credit	$1,429,906.00	$1,454,870.00	($24,964.00)	$1,429,906.00	$1,529,762.00	($99,856.00)
Other Deferred Credits	$5,544,785.52	$5,550,035.46	($5,249.94)	$5,544,785.52	$5,655,894.91	($111,109.39)

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	Month: *Apr - 2020*	Previous Month	Variance	Month: *Apr - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$225,696,564.77	$228,009,310.46	($2,312,745.69)	$225,696,564.77	$241,381,620.95	($15,685,056.18)
Accum Defer Inc Tax - Oth Prop	$514,206,934.70	$512,354,309.70	$1,852,625.00	$514,206,934.70	$506,796,456.70	$7,410,478.00
Accum Defer Inc Tax - Other	$6,966,319.99	$6,989,212.99	($22,893.00)	$6,966,319.99	$7,272,128.99	($305,809.00)
Deferred Credits	**$757,913,913.61**	**$758,459,049.17**	**($545,135.56)**	**$757,913,913.61**	**$766,842,119.49**	**($8,928,205.88)**
Total Liabilities and Equity	**$2,908,104,368.39**	**$2,916,731,776.56**	**($8,627,408.17)**	**$2,908,104,368.39**	**$2,851,804,941.46**	**$56,299,426.93**

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	Month: *May - 2020*	Previous Month	Variance	Month: *May - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,845,883,335.51	$2,831,536,709.29	$14,346,626.22	$2,845,883,335.51	$2,755,558,490.42	$90,324,845.09
Construction Work In Progress	$57,480,882.09	$54,626,029.82	$2,854,852.27	$57,480,882.09	$45,731,782.15	$11,749,099.94
Total Utility Plant	**$2,903,364,217.60**	**$2,886,162,739.11**	**$17,201,478.49**	**$2,903,364,217.60**	**$2,801,290,272.57**	**$102,073,945.03**
Accum Prov - Amort and Depr	($521,888,715.22)	($517,239,836.25)	($4,648,878.97)	($521,888,715.22)	($489,551,440.66)	($32,337,274.56)
Net Utility Plant	**$2,381,475,502.38**	**$2,368,922,902.86**	**$12,552,599.52**	**$2,381,475,502.38**	**$2,311,738,831.91**	**$69,736,670.47**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,382,207,374.63**	**$2,369,654,775.11**	**$12,552,599.52**	**$2,382,207,374.63**	**$2,312,470,704.16**	**$69,736,670.47**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,509,986.16	$20,486,039.00	$23,947.16	$20,509,986.16	$20,283,227.94	$226,758.22
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,859,564.02	$5,671,351.82	$188,212.20	$5,859,564.02	$4,752,561.03	$1,107,002.99
Other Property and Investments	**$26,377,896.67**	**$26,165,737.31**	**$212,159.36**	**$26,377,896.67**	**$25,044,135.46**	**$1,333,761.21**
Current and Accrued Assets						
Cash	$1,135,528.97	$1,086,893.66	$48,635.31	$1,135,528.97	$2,099,204.84	($963,675.87)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$317,961.65	$375,954.75	($57,993.10)	$317,961.65	$0.00	$317,961.65
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$16,793,100.70	$73,251,996.45	($56,458,895.75)	$16,793,100.70	$43,010,056.07	($26,216,955.37)
AR from Associated Cos	$71,345,902.04	$22,533,237.87	$48,812,664.17	$71,345,902.04	$802,216.99	$70,543,685.05
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,174,184.01	$1,162,473.42	$11,710.59	$1,174,184.01	$1,163,837.48	$10,346.53
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$22,302,639.40	$19,297,046.83	$3,005,592.57	$22,302,639.40	$48,078,559.27	($25,775,919.87)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$1,328,279.97	$1,949,558.83	($621,278.86)	$1,328,279.97	$6,152,017.74	($4,823,737.77)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,816,105.94	$1,930,373.30	($114,267.36)	$1,816,105.94	$2,838,327.35	($1,022,221.41)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$116,469,252.68**	**$121,843,085.11**	**($5,373,832.43)**	**$116,469,252.68**	**$104,399,769.74**	**$12,069,482.94**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$275,805,984.43	$276,245,854.10	($439,869.67)	$275,805,984.43	$279,043,933.40	($3,237,948.97)
Preliminary Surveys	$6,265,984.67	$5,954,952.94	$311,031.73	$6,265,984.67	$4,427,002.87	$1,838,981.80
Clearing Accounts	$10,113.22	$6,817.30	$3,295.92	$10,113.22	$0.00	$10,113.22

Columbia Gas of Pennsylvania
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	Month: *May - 2020*	Previous Month	Variance	Month: *May - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,963,052.21	$3,973,650.46	($10,598.25)	$3,963,052.21	$4,334,213.24	($371,161.03)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$116,148,753.00	$116,354,470.00	($205,717.00)	$116,148,753.00	$122,916,021.00	($6,767,268.00)
Unrecovered Purchase Gas Costs	($11,091,150.36)	($12,094,973.94)	$1,003,823.58	($11,091,150.36)	($830,838.41)	($10,260,311.95)
Deferred Debits	**$391,102,737.17**	**$390,440,770.86**	**$661,966.31**	**$391,102,737.17**	**$409,890,332.10**	**($18,787,594.93)**
Assets and Other Debits	**$2,916,157,261.15**	**$2,908,104,368.39**	**$8,052,892.76**	**$2,916,157,261.15**	**$2,851,804,941.46**	**$64,352,319.69**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$961,568,704.82	$961,853,600.62	($284,895.80)	$961,568,704.82	$885,402,388.17	$76,166,316.65
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,114,586,331.82**	**$1,114,871,227.62**	**($284,895.80)**	**$1,114,586,331.82**	**$983,420,015.17**	**$131,166,316.65**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$26,320,843.29	$26,496,167.61	($175,324.32)	$26,320,843.29	$27,187,702.09	($866,858.80)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$145,452.54	$162,286.54	($16,834.00)	$145,452.54	$142,035.04	$3,417.50
Accum Prov - Pension & Benefit	$2,354,410.05	$2,440,004.30	($85,594.25)	$2,354,410.05	$2,553,240.14	($198,830.09)
Accum Misc Operating Provision	$487,150.31	$189,913.76	$297,236.55	$487,150.31	$0.00	$487,150.31
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,307,856.19**	**$29,288,372.21**	**$19,483.98**	**$29,307,856.19**	**$29,882,977.27**	**($575,121.08)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$30,680,732.46	$23,118,171.51	$7,562,560.95	$30,680,732.46	$46,517,293.00	($15,836,560.54)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$26,603,805.66	$24,445,997.85	$2,157,807.81	$26,603,805.66	$156,860,863.31	($130,257,057.65)
Customer Deposits	$3,520,089.11	$3,506,188.11	$13,901.00	$3,520,089.11	$3,522,509.11	($2,420.00)
Taxes Accrued	$26,644,763.12	$28,721,819.33	($2,077,056.21)	$26,644,763.12	$11,769,563.75	$14,875,199.37
Interest Accrued	$274,131.37	$261,599.04	$12,532.33	$274,131.37	$289,931.85	($15,800.48)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$211,965.99	$138,080.60	$73,885.39	$211,965.99	$438,583.95	($226,617.96)
Misc Current & Accrued Liab	$27,893,790.92	$27,590,015.28	$303,775.64	$27,893,790.92	$63,957,232.81	($36,063,441.89)
Obligation Cap Lease - Current	$2,711,211.18	$2,733,983.23	($22,772.05)	$2,711,211.18	$2,788,851.75	($77,640.57)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$118,540,489.81**	**$110,515,854.95**	**$8,024,634.86**	**$118,540,489.81**	**$286,144,829.53**	**($167,604,339.72)**
Deferred Credits						
Customer Adv. for Construction	$4,041,122.56	$4,069,402.63	($28,280.07)	$4,041,122.56	$4,206,255.94	($165,133.38)
Acc Defd Investment Tax Credit	$1,404,942.00	$1,429,906.00	($24,964.00)	$1,404,942.00	$1,529,762.00	($124,820.00)
Other Deferred Credits	$5,516,801.29	$5,544,785.52	($27,984.23)	$5,516,801.29	$5,655,894.91	($139,093.62)

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	Month: *May - 2020*	Previous Month	Variance	Month: *May - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$224,565,317.79	$225,696,564.77	($1,131,246.98)	$224,565,317.79	$241,381,620.95	($16,816,303.16)
Accum Defer Inc Tax - Oth Prop	$515,742,946.70	$514,206,934.70	$1,536,012.00	$515,742,946.70	$506,796,456.70	$8,946,490.00
Accum Defer Inc Tax - Other	$6,936,452.99	$6,966,319.99	($29,867.00)	$6,936,452.99	$7,272,128.99	($335,676.00)
Deferred Credits	**$758,207,583.33**	**$757,913,913.61**	**$293,669.72**	**$758,207,583.33**	**$766,842,119.49**	**($8,634,536.16)**
Total Liabilities and Equity	**$2,916,157,261.15**	**$2,908,104,368.39**	**$8,052,892.76**	**$2,916,157,261.15**	**$2,851,804,941.46**	**$64,352,319.69**

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	Month: *Jun - 2020*	Previous Month	Variance	Month: *Jun - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,872,538,371.75	$2,845,883,335.51	$26,655,036.24	$2,872,538,371.75	$2,755,558,490.42	$116,979,881.33
Construction Work In Progress	$59,862,441.97	$57,480,882.09	$2,381,559.88	$59,862,441.97	$45,731,782.15	$14,130,659.82
Total Utility Plant	**$2,932,400,813.72**	**$2,903,364,217.60**	**$29,036,596.12**	**$2,932,400,813.72**	**$2,801,290,272.57**	**$131,110,541.15**
Accum Prov - Amort and Depr	($526,177,224.88)	($521,888,715.22)	($4,288,509.66)	($526,177,224.88)	($489,551,440.66)	($36,625,784.22)
Net Utility Plant	**$2,406,223,588.84**	**$2,381,475,502.38**	**$24,748,086.46**	**$2,406,223,588.84**	**$2,311,738,831.91**	**$94,484,756.93**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,406,955,461.09**	**$2,382,207,374.63**	**$24,748,086.46**	**$2,406,955,461.09**	**$2,312,470,704.16**	**$94,484,756.93**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,548,565.42	$20,509,986.16	$38,579.26	$20,548,565.42	$20,283,227.94	$265,337.48
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$6,049,418.23	$5,859,564.02	$189,854.21	$6,049,418.23	$4,752,561.03	$1,296,857.20
Other Property and Investments	**$26,606,330.14**	**$26,377,896.67**	**$228,433.47**	**$26,606,330.14**	**$25,044,135.46**	**$1,562,194.68**
Current and Accrued Assets						
Cash	$940,849.94	$1,135,528.97	($194,679.03)	$940,849.94	$2,099,204.84	($1,158,354.90)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$229,469.17	$317,961.65	($88,492.48)	$229,469.17	$0.00	$229,469.17
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$17,191,569.88	$16,793,100.70	$398,469.18	$17,191,569.88	$43,010,056.07	($25,818,486.19)
AR from Associated Cos	$26,486,170.79	$71,345,902.04	($44,859,731.25)	$26,486,170.79	$802,216.99	$25,683,953.80
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,171,607.15	$1,174,184.01	($2,576.86)	$1,171,607.15	$1,163,837.48	$7,769.67
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$24,934,792.65	$22,302,639.40	$2,632,153.25	$24,934,792.65	$48,078,559.27	($23,143,766.62)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$1,931,219.27	$1,328,279.97	$602,939.30	$1,931,219.27	$6,152,017.74	($4,220,798.47)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,457,908.91	$1,816,105.94	($358,197.03)	$1,457,908.91	$2,838,327.35	($1,380,418.44)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$74,599,137.76**	**$116,469,252.68**	**($41,870,114.92)**	**$74,599,137.76**	**$104,399,769.74**	**($29,800,631.98)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,257,211.35	$275,805,984.43	$451,226.92	$276,257,211.35	$279,043,933.40	($2,786,722.05)
Preliminary Surveys	$6,039,183.57	$6,265,984.67	($226,801.10)	$6,039,183.57	$4,427,002.87	$1,612,180.70
Clearing Accounts	$11,392.39	$10,113.22	$1,279.17	$11,392.39	$0.00	$11,392.39

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	Month: *Jun - 2020*	Previous Month	Variance	Month: *Jun - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,950,717.36	$3,963,052.21	($12,334.85)	$3,950,717.36	$4,334,213.24	($383,495.88)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$117,260,308.00	$116,148,753.00	$1,111,555.00	$117,260,308.00	$122,916,021.00	($5,655,713.00)
Unrecovered Purchase Gas Costs	($9,897,292.82)	($11,091,150.36)	$1,193,857.54	($9,897,292.82)	($830,838.41)	($9,066,454.41)
Deferred Debits	**$393,621,519.85**	**$391,102,737.17**	**$2,518,782.68**	**$393,621,519.85**	**$409,890,332.10**	**($16,268,812.25)**
Assets and Other Debits	**$2,901,782,448.84**	**$2,916,157,261.15**	**($14,374,812.31)**	**$2,901,782,448.84**	**$2,851,804,941.46**	**$49,977,507.38**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$956,045,703.95	$961,568,704.82	($5,523,000.87)	$956,045,703.95	$885,402,388.17	$70,643,315.78
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,109,063,330.95**	**$1,114,586,331.82**	**($5,523,000.87)**	**$1,109,063,330.95**	**$983,420,015.17**	**$125,643,315.78**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$26,158,483.88	$26,320,843.29	($162,359.41)	$26,158,483.88	$27,187,702.09	($1,029,218.21)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$122,307.25	$145,452.54	($23,145.29)	$122,307.25	$142,035.04	($19,727.79)
Accum Prov - Pension & Benefit	$2,769,514.69	$2,354,410.05	$415,104.64	$2,769,514.69	$2,553,240.14	$216,274.55
Accum Misc Operating Provision	$790,766.39	$487,150.31	$303,616.08	$790,766.39	$0.00	$790,766.39
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,841,072.21**	**$29,307,856.19**	**$533,216.02**	**$29,841,072.21**	**$29,882,977.27**	**($41,905.06)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$35,127,315.48	$30,680,732.46	$4,446,583.02	$35,127,315.48	$46,517,293.00	($11,389,977.52)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$11,534,215.17	$26,603,805.66	($15,069,590.49)	$11,534,215.17	$156,860,863.31	($145,326,648.14)
Customer Deposits	$3,357,092.11	$3,520,089.11	($162,997.00)	$3,357,092.11	$3,522,509.11	($165,417.00)
Taxes Accrued	$23,489,457.83	$26,644,763.12	($3,155,305.29)	$23,489,457.83	$11,769,563.75	$11,719,894.08
Interest Accrued	$232,527.09	$274,131.37	($41,604.28)	$232,527.09	$289,931.85	($57,404.76)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$76,761.98	$211,965.99	($135,204.01)	$76,761.98	$438,583.95	($361,821.97)
Misc Current & Accrued Liab	$30,139,040.38	$27,893,790.92	$2,245,249.46	$30,139,040.38	$63,957,232.81	($33,818,192.43)
Obligation Cap Lease - Current	$2,689,572.89	$2,711,211.18	($21,638.29)	$2,689,572.89	$2,788,851.75	($99,278.86)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$106,645,982.93**	**$118,540,489.81**	**($11,894,506.88)**	**$106,645,982.93**	**$286,144,829.53**	**($179,498,846.60)**
Deferred Credits						
Customer Adv. for Construction	$4,026,125.47	$4,041,122.56	($14,997.09)	$4,026,125.47	$4,206,255.94	($180,130.47)
Acc Defd Investment Tax Credit	$1,379,980.00	$1,404,942.00	($24,962.00)	$1,379,980.00	$1,529,762.00	($149,782.00)
Other Deferred Credits	$6,963,862.50	$5,516,801.29	$1,447,061.21	$6,963,862.50	$5,655,894.91	$1,307,967.59

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	Month: *Jun - 2020*	Previous Month	Variance	Month: *Jun - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$223,846,270.09	$224,565,317.79	($719,047.70)	$223,846,270.09	$241,381,620.95	($17,535,350.86)
Accum Defer Inc Tax - Oth Prop	$517,532,251.70	$515,742,946.70	$1,789,305.00	$517,532,251.70	$506,796,456.70	$10,735,795.00
Accum Defer Inc Tax - Other	$6,968,572.99	$6,936,452.99	$32,120.00	$6,968,572.99	$7,272,128.99	($303,556.00)
Deferred Credits	**$760,717,062.75**	**$758,207,583.33**	**$2,509,479.42**	**$760,717,062.75**	**$766,842,119.49**	**($6,125,056.74)**
Total Liabilities and Equity	**$2,901,782,448.84**	**$2,916,157,261.15**	**($14,374,812.31)**	**$2,901,782,448.84**	**$2,851,804,941.46**	**$49,977,507.38**

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	Month: *Jul - 2020*	Previous Month	Variance	Month: *Jul - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,886,807,379.24	$2,872,538,371.75	$14,269,007.49	$2,886,807,379.24	$2,755,558,490.42	$131,248,888.82
Construction Work In Progress	$76,783,353.28	$59,862,441.97	$16,920,911.31	$76,783,353.28	$45,731,782.15	$31,051,571.13
Total Utility Plant	**$2,963,590,732.52**	**$2,932,400,813.72**	**$31,189,918.80**	**$2,963,590,732.52**	**$2,801,290,272.57**	**$162,300,459.95**
Accum Prov - Amort and Depr	($530,400,333.90)	($526,177,224.88)	($4,223,109.02)	($530,400,333.90)	($489,551,440.66)	($40,848,893.24)
Net Utility Plant	**$2,433,190,398.62**	**$2,406,223,588.84**	**$26,966,809.78**	**$2,433,190,398.62**	**$2,311,738,831.91**	**$121,451,566.71**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,433,922,270.87**	**$2,406,955,461.09**	**$26,966,809.78**	**$2,433,922,270.87**	**$2,312,470,704.16**	**$121,451,566.71**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,589,437.05	$20,548,565.42	$40,871.63	$20,589,437.05	$20,283,227.94	$306,209.11
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$6,235,564.65	$6,049,418.23	$186,146.42	$6,235,564.65	$4,752,561.03	$1,483,003.62
Other Property and Investments	**$26,833,348.19**	**$26,606,330.14**	**$227,018.05**	**$26,833,348.19**	**$25,044,135.46**	**$1,789,212.73**
Current and Accrued Assets						
Cash	$837,711.77	$940,849.94	($103,138.17)	$837,711.77	$2,099,204.84	($1,261,493.07)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$229,469.17	($229,469.17)	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$23,156,253.16	$17,191,569.88	$5,964,683.28	$23,156,253.16	$43,010,056.07	($19,853,802.91)
AR from Associated Cos	$30,166.07	$26,486,170.79	($26,456,004.72)	$30,166.07	$802,216.99	($772,050.92)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,173,359.67	$1,171,607.15	$1,752.52	$1,173,359.67	$1,163,837.48	$9,522.19
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$31,057,150.22	$24,934,792.65	$6,122,357.57	$31,057,150.22	$48,078,559.27	($17,021,409.05)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$2,198,200.49	$1,931,219.27	$266,981.22	$2,198,200.49	$6,152,017.74	($3,953,817.25)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,168,803.66	$1,457,908.91	($289,105.25)	$1,168,803.66	$2,838,327.35	($1,669,523.69)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$59,877,195.04**	**$74,599,137.76**	**($14,721,942.72)**	**$59,877,195.04**	**$104,399,769.74**	**($44,522,574.70)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,516,384.92	$276,257,211.35	$259,173.57	$276,516,384.92	$279,043,933.40	($2,527,548.48)
Preliminary Surveys	$6,115,728.89	$6,039,183.57	$76,545.32	$6,115,728.89	$4,427,002.87	$1,688,726.02
Clearing Accounts	$15,976.06	$11,392.39	$4,583.67	$15,976.06	$0.00	$15,976.06

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	Month: *Jul - 2020*	Previous Month	Variance	Month: *Jul - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,927,994.56	$3,950,717.36	($22,722.80)	$3,927,994.56	$4,334,213.24	($406,218.68)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$117,799,515.00	$117,260,308.00	$539,207.00	$117,799,515.00	$122,916,021.00	($5,116,506.00)
Unrecovered Purchase Gas Costs	($6,952,121.67)	($9,897,292.82)	$2,945,171.15	($6,952,121.67)	($830,838.41)	($6,121,283.26)
Deferred Debits	**$397,423,477.76**	**$393,621,519.85**	**$3,801,957.91**	**$397,423,477.76**	**$409,890,332.10**	**($12,466,854.34)**
Assets and Other Debits	**$2,918,056,291.86**	**$2,901,782,448.84**	**$16,273,843.02**	**$2,918,056,291.86**	**$2,851,804,941.46**	**$66,251,350.40**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$951,187,903.49	$956,045,703.95	($4,857,800.46)	$951,187,903.49	$885,402,388.17	$65,785,515.32
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,104,205,530.49**	**$1,109,063,330.95**	**($4,857,800.46)**	**$1,104,205,530.49**	**$983,420,015.17**	**$120,785,515.32**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$25,986,821.83	$26,158,483.88	($171,662.05)	$25,986,821.83	$27,187,702.09	($1,200,880.26)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$118,912.66	$122,307.25	($3,394.59)	$118,912.66	$142,035.04	($23,122.38)
Accum Prov - Pension & Benefit	$2,845,479.85	$2,769,514.69	$75,965.16	$2,845,479.85	$2,553,240.14	$292,239.71
Accum Misc Operating Provision	$1,209,863.42	$790,766.39	$419,097.03	$1,209,863.42	$0.00	$1,209,863.42
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,161,077.76**	**$29,841,072.21**	**$320,005.55**	**$30,161,077.76**	**$29,882,977.27**	**$278,100.49**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$40,107,549.14	$35,127,315.48	$4,980,233.66	$40,107,549.14	$46,517,293.00	($6,409,743.86)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$21,881,210.96	$11,534,215.17	$10,346,995.79	$21,881,210.96	$156,860,863.31	($134,979,652.35)
Customer Deposits	$3,355,770.11	$3,357,092.11	($1,322.00)	$3,355,770.11	$3,522,509.11	($166,739.00)
Taxes Accrued	$20,257,342.66	$23,489,457.83	($3,232,115.17)	$20,257,342.66	$11,769,563.75	$8,487,778.91
Interest Accrued	$242,813.09	$232,527.09	$10,286.00	$242,813.09	$289,931.85	($47,118.76)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$31,588.13	$76,761.98	($45,173.85)	$31,588.13	$438,583.95	($406,995.82)
Misc Current & Accrued Liab	$37,464,249.84	$30,139,040.38	$7,325,209.46	$37,464,249.84	$63,957,232.81	($26,492,982.97)
Obligation Cap Lease - Current	$2,791,349.07	$2,689,572.89	$101,776.18	$2,791,349.07	$2,788,851.75	$2,497.32
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$126,131,873.00**	**$106,645,982.93**	**$19,485,890.07**	**$126,131,873.00**	**$286,144,829.53**	**($160,012,956.53)**
Deferred Credits						
Customer Adv. for Construction	$4,002,880.89	$4,026,125.47	($23,244.58)	$4,002,880.89	$4,206,255.94	($203,375.05)
Acc Defd Investment Tax Credit	$1,357,507.00	$1,379,980.00	($22,473.00)	$1,357,507.00	$1,529,762.00	($172,255.00)
Other Deferred Credits	$6,940,335.61	$6,963,862.50	($23,526.89)	$6,940,335.61	$5,655,894.91	$1,284,440.70

Columbia Gas of Pennsylvania
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	Month: *Jul - 2020*	Previous Month	Variance	Month: *Jul - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$223,385,113.42	$223,846,270.09	($461,156.67)	$223,385,113.42	$241,381,620.95	($17,996,507.53)
Accum Defer Inc Tax - Oth Prop	$519,321,555.70	$517,532,251.70	$1,789,304.00	$519,321,555.70	$506,796,456.70	$12,525,099.00
Accum Defer Inc Tax - Other	$7,035,417.99	$6,968,572.99	$66,845.00	$7,035,417.99	$7,272,128.99	($236,711.00)
Deferred Credits	**$762,042,810.61**	**$760,717,062.75**	**$1,325,747.86**	**$762,042,810.61**	**$766,842,119.49**	**($4,799,308.88)**
Total Liabilities and Equity	**$2,918,056,291.86**	**$2,901,782,448.84**	**$16,273,843.02**	**$2,918,056,291.86**	**$2,851,804,941.46**	**$66,251,350.40**

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	Month: *Aug - 2020*	Previous Month	Variance	Month: *Aug - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,937,913,237.18	$2,886,807,379.24	$51,105,857.94	$2,937,913,237.18	$2,755,558,490.42	$182,354,746.76
Construction Work In Progress	$50,866,818.81	$76,783,353.28	($25,916,534.47)	$50,866,818.81	$45,731,782.15	$5,135,036.66
Total Utility Plant	**$2,988,780,055.99**	**$2,963,590,732.52**	**$25,189,323.47**	**$2,988,780,055.99**	**$2,801,290,272.57**	**$187,489,783.42**
Accum Prov - Amort and Depr	($535,906,926.82)	($530,400,333.90)	($5,506,592.92)	($535,906,926.82)	($489,551,440.66)	($46,355,486.16)
Net Utility Plant	**$2,452,873,129.17**	**$2,433,190,398.62**	**$19,682,730.55**	**$2,452,873,129.17**	**$2,311,738,831.91**	**$141,134,297.26**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,453,605,001.42**	**$2,433,922,270.87**	**$19,682,730.55**	**$2,453,605,001.42**	**$2,312,470,704.16**	**$141,134,297.26**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,628,798.91	$20,589,437.05	$39,361.86	$20,628,798.91	$20,283,227.94	$345,570.97
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$6,421,711.07	$6,235,564.65	$186,146.42	$6,421,711.07	$4,752,561.03	$1,669,150.04
Other Property and Investments	**$27,058,856.47**	**$26,833,348.19**	**$225,508.28**	**$27,058,856.47**	**$25,044,135.46**	**$2,014,721.01**
Current and Accrued Assets						
Cash	$862,594.70	$837,711.77	$24,882.93	$862,594.70	$2,099,204.84	($1,236,610.14)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$25,464,021.54	$23,156,253.16	$2,307,768.38	$25,464,021.54	$43,010,056.07	($17,546,034.53)
AR from Associated Cos	$71,087.47	$30,166.07	$40,921.40	$71,087.47	$802,216.99	($731,129.52)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,187,504.56	$1,173,359.67	$14,144.89	$1,187,504.56	$1,163,837.48	$23,667.08
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$38,230,231.06	$31,057,150.22	$7,173,080.84	$38,230,231.06	$48,078,559.27	($9,848,328.21)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,564,365.74	$2,198,200.49	$3,366,165.25	$5,564,365.74	$6,152,017.74	($587,652.00)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$292,444.36	$1,168,803.66	($876,359.30)	$292,444.36	$2,838,327.35	($2,545,882.99)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$71,927,799.43**	**$59,877,195.04**	**$12,050,604.39**	**$71,927,799.43**	**$104,399,769.74**	**($32,471,970.31)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$277,002,907.84	$276,516,384.92	$486,522.92	$277,002,907.84	$279,043,933.40	($2,041,025.56)
Preliminary Surveys	$6,216,391.58	$6,115,728.89	$100,662.69	$6,216,391.58	$4,427,002.87	$1,789,388.71
Clearing Accounts	$17,248.46	$15,976.06	$1,272.40	$17,248.46	$0.00	$17,248.46

Columbia Gas of Pennsylvania
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	Month: *Aug - 2020*	Previous Month	Variance	Month: *Aug - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,877,277.97	$3,927,994.56	($50,716.59)	$3,877,277.97	$4,334,213.24	($456,935.27)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$118,479,938.00	$117,799,515.00	$680,423.00	$118,479,938.00	$122,916,021.00	($4,436,083.00)
Unrecovered Purchase Gas Costs	($2,115,829.39)	($6,952,121.67)	$4,836,292.28	($2,115,829.39)	($830,838.41)	($1,284,990.98)
Deferred Debits	**$403,477,934.46**	**$397,423,477.76**	**$6,054,456.70**	**$403,477,934.46**	**$409,890,332.10**	**($6,412,397.64)**
Assets and Other Debits	**$2,956,069,591.78**	**$2,918,056,291.86**	**$38,013,299.92**	**$2,956,069,591.78**	**$2,851,804,941.46**	**$104,264,650.32**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$946,082,774.15	$951,187,903.49	($5,105,129.34)	$946,082,774.15	$885,402,388.17	$60,680,385.98
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,099,100,401.15**	**$1,104,205,530.49**	**($5,105,129.34)**	**$1,099,100,401.15**	**$983,420,015.17**	**$115,680,385.98**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$25,814,423.77	$25,986,821.83	($172,398.06)	$25,814,423.77	$27,187,702.09	($1,373,278.32)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$102,976.60	$118,912.66	($15,936.06)	$102,976.60	$142,035.04	($39,058.44)
Accum Prov - Pension & Benefit	$2,767,270.17	$2,845,479.85	($78,209.68)	$2,767,270.17	$2,553,240.14	$214,030.03
Accum Misc Operating Provision	$1,511,188.29	$1,209,863.42	$301,324.87	$1,511,188.29	$0.00	$1,511,188.29
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,195,858.83**	**$30,161,077.76**	**$34,781.07**	**$30,195,858.83**	**$29,882,977.27**	**$312,881.56**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$38,538,747.32	$40,107,549.14	($1,568,801.82)	$38,538,747.32	$46,517,293.00	($7,978,545.68)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$58,731,848.17	$21,881,210.96	$36,850,637.21	$58,731,848.17	$156,860,863.31	($98,129,015.14)
Customer Deposits	$3,342,439.11	$3,355,770.11	($13,331.00)	$3,342,439.11	$3,522,509.11	($180,070.00)
Taxes Accrued	$17,061,766.07	$20,257,342.66	($3,195,576.59)	$17,061,766.07	$11,769,563.75	$5,292,202.32
Interest Accrued	$252,755.92	$242,813.09	$9,942.83	$252,755.92	$289,931.85	($37,175.93)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$33,417.11	$31,588.13	$1,828.98	$33,417.11	$438,583.95	($405,166.84)
Misc Current & Accrued Liab	$46,411,616.13	$37,464,249.84	$8,947,366.29	$46,411,616.13	$63,957,232.81	($17,545,616.68)
Obligation Cap Lease - Current	$2,674,810.68	$2,791,349.07	($116,538.39)	$2,674,810.68	$2,788,851.75	($114,041.07)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$167,047,400.51**	**$126,131,873.00**	**$40,915,527.51**	**$167,047,400.51**	**$286,144,829.53**	**($119,097,429.02)**
Deferred Credits						
Customer Adv. for Construction	$3,954,073.71	$4,002,880.89	($48,807.18)	$3,954,073.71	$4,206,255.94	($252,182.23)
Acc Defd Investment Tax Credit	$1,335,034.00	$1,357,507.00	($22,473.00)	$1,335,034.00	$1,529,762.00	($194,728.00)
Other Deferred Credits	$6,932,106.27	$6,940,335.61	($8,229.34)	$6,932,106.27	$5,655,894.91	$1,276,211.36

Columbia Gas of Pennsylvania
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	Month: *Aug - 2020*	Previous Month	Variance	Month: *Aug - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$223,718,889.62	$223,385,113.42	$333,776.20	$223,718,889.62	$241,381,620.95	($17,662,731.33)
Accum Defer Inc Tax - Oth Prop	$521,110,865.70	$519,321,555.70	$1,789,310.00	$521,110,865.70	$506,796,456.70	$14,314,409.00
Accum Defer Inc Tax - Other	$7,159,961.99	$7,035,417.99	$124,544.00	$7,159,961.99	$7,272,128.99	($112,167.00)
Deferred Credits	**$764,210,931.29**	**$762,042,810.61**	**$2,168,120.68**	**$764,210,931.29**	**$766,842,119.49**	**($2,631,188.20)**
Total Liabilities and Equity	**$2,956,069,591.78**	**$2,918,056,291.86**	**$38,013,299.92**	**$2,956,069,591.78**	**$2,851,804,941.46**	**$104,264,650.32**

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As of Sep - 2020
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	Month: *Sep - 2020*	Previous Month	Variance	Month: *Sep - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,961,074,476.11	$2,937,913,237.18	$23,161,238.93	$2,961,074,476.11	$2,755,558,490.42	$205,515,985.69
Construction Work In Progress	$55,366,326.66	$50,866,818.81	$4,499,507.85	$55,366,326.66	$45,731,782.15	$9,634,544.51
Total Utility Plant	**$3,016,440,802.77**	**$2,988,780,055.99**	**$27,660,746.78**	**$3,016,440,802.77**	**$2,801,290,272.57**	**$215,150,530.20**
Accum Prov - Amort and Depr	($538,084,817.42)	($535,906,926.82)	($2,177,890.60)	($538,084,817.42)	($489,551,440.66)	($48,533,376.76)
Net Utility Plant	**$2,478,355,985.35**	**$2,452,873,129.17**	**$25,482,856.18**	**$2,478,355,985.35**	**$2,311,738,831.91**	**$166,617,153.44**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,479,087,857.60**	**$2,453,605,001.42**	**$25,482,856.18**	**$2,479,087,857.60**	**$2,312,470,704.16**	**$166,617,153.44**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,649,333.06	$20,628,798.91	$20,534.15	$20,649,333.06	$20,283,227.94	$366,105.12
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,697,240.53	$6,421,711.07	($724,470.54)	$5,697,240.53	$4,752,561.03	$944,679.50
Other Property and Investments	**$26,354,920.08**	**$27,058,856.47**	**($703,936.39)**	**$26,354,920.08**	**$25,044,135.46**	**$1,310,784.62**
Current and Accrued Assets						
Cash	$683,842.47	$862,594.70	($178,752.23)	$683,842.47	$2,099,204.84	($1,415,362.37)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$27,577,019.61	$25,464,021.54	$2,112,998.07	$27,577,019.61	$43,010,056.07	($15,433,036.46)
AR from Associated Cos	$91,798.98	$71,087.47	$20,711.51	$91,798.98	$802,216.99	($710,418.01)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,163,649.05	$1,187,504.56	($23,855.51)	$1,163,649.05	$1,163,837.48	($188.43)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$42,620,447.77	$38,230,231.06	$4,390,216.71	$42,620,447.77	$48,078,559.27	($5,458,111.50)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,121,732.30	$5,564,365.74	($442,633.44)	$5,121,732.30	$6,152,017.74	($1,030,285.44)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$296,672.27	$292,444.36	$4,227.91	$296,672.27	$2,838,327.35	($2,541,655.08)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$77,810,712.45**	**$71,927,799.43**	**$5,882,913.02**	**$77,810,712.45**	**$104,399,769.74**	**($26,589,057.29)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,527,178.60	$277,002,907.84	($475,729.24)	$276,527,178.60	$279,043,933.40	($2,516,754.80)
Preliminary Surveys	$6,497,906.48	$6,216,391.58	$281,514.90	$6,497,906.48	$4,427,002.87	$2,070,903.61
Clearing Accounts	$13,511.76	$17,248.46	($3,736.70)	$13,511.76	$0.00	$13,511.76

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	Month: *Sep - 2020*	Previous Month	Variance	Month: *Sep - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,861,451.27	$3,877,277.97	($15,826.70)	$3,861,451.27	$4,334,213.24	($472,761.97)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$120,095,549.00	$118,479,938.00	$1,615,611.00	$120,095,549.00	$122,916,021.00	($2,820,472.00)
Unrecovered Purchase Gas Costs	$490,249.92	($2,115,829.39)	$2,606,079.31	$490,249.92	($830,838.41)	$1,321,088.33
Deferred Debits	**$407,485,847.03**	**$403,477,934.46**	**$4,007,912.57**	**$407,485,847.03**	**$409,890,332.10**	**($2,404,485.07)**
Assets and Other Debits	**$2,990,739,337.16**	**$2,956,069,591.78**	**$34,669,745.38**	**$2,990,739,337.16**	**$2,851,804,941.46**	**$138,934,395.70**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$937,029,754.89	$946,082,774.15	($9,053,019.26)	$937,029,754.89	$885,402,388.17	$51,627,366.72
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,090,047,381.89**	**$1,099,100,401.15**	**($9,053,019.26)**	**$1,090,047,381.89**	**$983,420,015.17**	**$106,627,366.72**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$25,636,355.08	$25,814,423.77	($178,068.69)	$25,636,355.08	$27,187,702.09	($1,551,347.01)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$123,574.03	$102,976.60	$20,597.43	$123,574.03	$142,035.04	($18,461.01)
Accum Prov - Pension & Benefit	$2,745,876.55	$2,767,270.17	($21,393.62)	$2,745,876.55	$2,553,240.14	$192,636.41
Accum Misc Operating Provision	$1,825,919.83	$1,511,188.29	$314,731.54	$1,825,919.83	$0.00	$1,825,919.83
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,331,725.49**	**$30,195,858.83**	**$135,866.66**	**$30,331,725.49**	**$29,882,977.27**	**$448,748.22**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$38,844,986.37	$38,538,747.32	$306,239.05	$38,844,986.37	$46,517,293.00	($7,672,306.63)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$93,966,608.93	$58,731,848.17	$35,234,760.76	$93,966,608.93	$156,860,863.31	($62,894,254.38)
Customer Deposits	$3,359,566.11	$3,342,439.11	$17,127.00	$3,359,566.11	$3,522,509.11	($162,943.00)
Taxes Accrued	$12,983,078.37	$17,061,766.07	($4,078,687.70)	$12,983,078.37	$11,769,563.75	$1,213,514.62
Interest Accrued	$262,659.87	$252,755.92	$9,903.95	$262,659.87	$289,931.85	($27,271.98)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$38,425.36	$33,417.11	$5,008.25	$38,425.36	$438,583.95	($400,158.59)
Misc Current & Accrued Liab	$57,081,927.88	$46,411,616.13	$10,670,311.75	$57,081,927.88	$63,957,232.81	($6,875,304.93)
Obligation Cap Lease - Current	$2,979,776.60	$2,674,810.68	$304,965.92	$2,979,776.60	$2,788,851.75	$190,924.85
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$209,517,029.49**	**$167,047,400.51**	**$42,469,628.98**	**$209,517,029.49**	**$286,144,829.53**	**($76,627,800.04)**
Deferred Credits						
Customer Adv. for Construction	$3,939,022.28	$3,954,073.71	($15,051.43)	$3,939,022.28	$4,206,255.94	($267,233.66)
Acc Defd Investment Tax Credit	$1,312,561.00	$1,335,034.00	($22,473.00)	$1,312,561.00	$1,529,762.00	($217,201.00)
Other Deferred Credits	$6,977,366.50	$6,932,106.27	$45,260.23	$6,977,366.50	$5,655,894.91	$1,321,471.59

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	Month: *Sep - 2020*	Previous Month	Variance	Month: *Sep - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$222,993,190.82	$223,718,889.62	($725,698.80)	$222,993,190.82	$241,381,620.95	($18,388,430.13)
Accum Defer Inc Tax - Oth Prop	$522,900,171.70	$521,110,865.70	$1,789,306.00	$522,900,171.70	$506,796,456.70	$16,103,715.00
Accum Defer Inc Tax - Other	$7,205,887.99	$7,159,961.99	$45,926.00	$7,205,887.99	$7,272,128.99	($66,241.00)
Deferred Credits	**$765,328,200.29**	**$764,210,931.29**	**$1,117,269.00**	**$765,328,200.29**	**$766,842,119.49**	**($1,513,919.20)**
Total Liabilities and Equity	**$2,990,739,337.16**	**$2,956,069,591.78**	**$34,669,745.38**	**$2,990,739,337.16**	**$2,851,804,941.46**	**$138,934,395.70**

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	Month: *Oct - 2020*	Previous Month	Variance	Month: *Oct - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$2,990,499,704.79	$2,961,074,476.11	$29,425,228.68	$2,990,499,704.79	$2,755,558,490.42	$234,941,214.37
Construction Work In Progress	$54,286,872.58	$55,366,326.66	($1,079,454.08)	$54,286,872.58	$45,731,782.15	$8,555,090.43
Total Utility Plant	**$3,044,786,577.37**	**$3,016,440,802.77**	**$28,345,774.60**	**$3,044,786,577.37**	**$2,801,290,272.57**	**$243,496,304.80**
Accum Prov - Amort and Depr	($541,812,215.76)	($538,084,817.42)	($3,727,398.34)	($541,812,215.76)	($489,551,440.66)	($52,260,775.10)
Net Utility Plant	**$2,502,974,361.61**	**$2,478,355,985.35**	**$24,618,376.26**	**$2,502,974,361.61**	**$2,311,738,831.91**	**$191,235,529.70**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,503,706,233.86**	**$2,479,087,857.60**	**$24,618,376.26**	**$2,503,706,233.86**	**$2,312,470,704.16**	**$191,235,529.70**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,676,508.64	$20,649,333.06	$27,175.58	$20,676,508.64	$20,283,227.94	$393,280.70
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,931,262.95	$5,697,240.53	$234,022.42	$5,931,262.95	$4,752,561.03	$1,178,701.92
Other Property and Investments	**$26,616,118.08**	**$26,354,920.08**	**$261,198.00**	**$26,616,118.08**	**$25,044,135.46**	**$1,571,982.62**
Current and Accrued Assets						
Cash	$956,135.21	$683,842.47	$272,292.74	$956,135.21	$2,099,204.84	($1,143,069.63)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$49,957,614.10	$27,577,019.61	$22,380,594.49	$49,957,614.10	$43,010,056.07	$6,947,558.03
AR from Associated Cos	$105,293.06	$91,798.98	$13,494.08	$105,293.06	$802,216.99	($696,923.93)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,173,850.47	$1,163,649.05	$10,201.42	$1,173,850.47	$1,163,837.48	$10,012.99
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$45,253,908.41	$42,620,447.77	$2,633,460.64	$45,253,908.41	$48,078,559.27	($2,824,650.86)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,696,386.81	$5,121,732.30	$574,654.51	$5,696,386.81	$6,152,017.74	($455,630.93)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$503,791.55	$296,672.27	$207,119.28	$503,791.55	$2,838,327.35	($2,334,535.80)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$103,902,529.61**	**$77,810,712.45**	**$26,091,817.16**	**$103,902,529.61**	**$104,399,769.74**	**($497,240.13)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$277,005,732.49	$276,527,178.60	$478,553.89	$277,005,732.49	$279,043,933.40	($2,038,200.91)
Preliminary Surveys	$7,112,916.64	$6,497,906.48	$615,010.16	$7,112,916.64	$4,427,002.87	$2,685,913.77
Clearing Accounts	($286,252.74)	$13,511.76	($299,764.50)	($286,252.74)	$0.00	($286,252.74)

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	Month: *Oct - 2020*	Previous Month	Variance	Month: *Oct - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,846,735.42	$3,861,451.27	($14,715.85)	$3,846,735.42	$4,334,213.24	($487,477.82)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$120,439,818.00	$120,095,549.00	$344,269.00	$120,439,818.00	$122,916,021.00	($2,476,203.00)
Unrecovered Purchase Gas Costs	$1,007,669.05	$490,249.92	$517,419.13	$1,007,669.05	($830,838.41)	$1,838,507.46
Deferred Debits	**$409,126,618.86**	**$407,485,847.03**	**$1,640,771.83**	**$409,126,618.86**	**$409,890,332.10**	**($763,713.24)**
Assets and Other Debits	**$3,043,351,500.41**	**$2,990,739,337.16**	**$52,612,163.25**	**$3,043,351,500.41**	**$2,851,804,941.46**	**$191,546,558.95**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$937,894,682.95	$937,029,754.89	$864,928.06	$937,894,682.95	$885,402,388.17	$52,492,294.78
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,090,912,309.95**	**$1,090,047,381.89**	**$864,928.06**	**$1,090,912,309.95**	**$983,420,015.17**	**$107,492,294.78**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$25,462,309.66	$25,636,355.08	($174,045.42)	$25,462,309.66	$27,187,702.09	($1,725,392.43)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$105,023.84	$123,574.03	($18,550.19)	$105,023.84	$142,035.04	($37,011.20)
Accum Prov - Pension & Benefit	$2,565,937.94	$2,745,876.55	($179,938.61)	$2,565,937.94	$2,553,240.14	$12,697.80
Accum Misc Operating Provision	$2,177,902.16	$1,825,919.83	$351,982.33	$2,177,902.16	$0.00	$2,177,902.16
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,311,173.60**	**$30,331,725.49**	**($20,551.89)**	**$30,311,173.60**	**$29,882,977.27**	**$428,196.33**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$42,040,869.93	$38,844,986.37	$3,195,883.56	$42,040,869.93	$46,517,293.00	($4,476,423.07)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$135,366,648.36	$93,966,608.93	$41,400,039.43	$135,366,648.36	$156,860,863.31	($21,494,214.95)
Customer Deposits	$3,470,654.11	$3,359,566.11	$111,088.00	$3,470,654.11	$3,522,509.11	($51,855.00)
Taxes Accrued	$11,363,285.87	$12,983,078.37	($1,619,792.50)	$11,363,285.87	$11,769,563.75	($406,277.88)
Interest Accrued	$272,315.89	$262,659.87	$9,656.02	$272,315.89	$289,931.85	($17,615.96)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$70,046.13	$38,425.36	$31,620.77	$70,046.13	$438,583.95	($368,537.82)
Misc Current & Accrued Liab	$63,091,594.99	$57,081,927.88	$6,009,667.11	$63,091,594.99	$63,957,232.81	($865,637.82)
Obligation Cap Lease - Current	$3,130,983.96	$2,979,776.60	$151,207.36	$3,130,983.96	$2,788,851.75	$342,132.21
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$258,806,399.24**	**$209,517,029.49**	**$49,289,369.75**	**$258,806,399.24**	**$286,144,829.53**	**($27,338,430.29)**
Deferred Credits						
Customer Adv. for Construction	$3,854,956.74	$3,939,022.28	($84,065.54)	$3,854,956.74	$4,206,255.94	($351,299.20)
Acc Defd Investment Tax Credit	$1,290,088.00	$1,312,561.00	($22,473.00)	$1,290,088.00	$1,529,762.00	($239,674.00)
Other Deferred Credits	$6,959,111.59	$6,977,366.50	($18,254.91)	$6,959,111.59	$5,655,894.91	$1,303,216.68

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	Month: *Oct - 2020*	Previous Month	Variance	Month: *Oct - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$223,662,497.60	$222,993,190.82	$669,306.78	$223,662,497.60	$241,381,620.95	($17,719,123.35)
Accum Defer Inc Tax - Oth Prop	$524,689,479.70	$522,900,171.70	$1,789,308.00	$524,689,479.70	$506,796,456.70	$17,893,023.00
Accum Defer Inc Tax - Other	$7,350,483.99	$7,205,887.99	$144,596.00	$7,350,483.99	$7,272,128.99	$78,355.00
Deferred Credits	**$767,806,617.62**	**$765,328,200.29**	**$2,478,417.33**	**$767,806,617.62**	**$766,842,119.49**	**$964,498.13**
Total Liabilities and Equity	**$3,043,351,500.41**	**$2,990,739,337.16**	**$52,612,163.25**	**$3,043,351,500.41**	**$2,851,804,941.46**	**$191,546,558.95**

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	Month: *Nov - 2020*	Previous Month	Variance	Month: *Nov - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,022,167,221.64	$2,990,499,704.79	$31,667,516.85	$3,022,167,221.64	$2,755,558,490.42	$266,608,731.22
Construction Work In Progress	$46,888,432.53	$54,286,872.58	($7,398,440.05)	$46,888,432.53	$45,731,782.15	$1,156,650.38
Total Utility Plant	**$3,069,055,654.17**	**$3,044,786,577.37**	**$24,269,076.80**	**$3,069,055,654.17**	**$2,801,290,272.57**	**$267,765,381.60**
Accum Prov - Amort and Depr	($544,680,567.51)	($541,812,215.76)	($2,868,351.75)	($544,680,567.51)	($489,551,440.66)	($55,129,126.85)
Net Utility Plant	**$2,524,375,086.66**	**$2,502,974,361.61**	**$21,400,725.05**	**$2,524,375,086.66**	**$2,311,738,831.91**	**$212,636,254.75**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,525,106,958.91**	**$2,503,706,233.86**	**$21,400,725.05**	**$2,525,106,958.91**	**$2,312,470,704.16**	**$212,636,254.75**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,715,048.10	$20,676,508.64	$38,539.46	$20,715,048.10	$20,283,227.94	$431,820.16
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$5,767,982.25	$5,931,262.95	($163,280.70)	$5,767,982.25	$4,752,561.03	$1,015,421.22
Other Property and Investments	**$26,491,376.84**	**$26,616,118.08**	**($124,741.24)**	**$26,491,376.84**	**$25,044,135.46**	**$1,447,241.38**
Current and Accrued Assets						
Cash	$1,844,813.26	$956,135.21	$888,678.05	$1,844,813.26	$2,099,204.84	($254,391.58)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$73,263,718.58	$49,957,614.10	$23,306,104.48	$73,263,718.58	$43,010,056.07	$30,253,662.51
AR from Associated Cos	$179,337.60	$105,293.06	$74,044.54	$179,337.60	$802,216.99	($622,879.39)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,181,787.08	$1,173,850.47	$7,936.61	$1,181,787.08	$1,163,837.48	$17,949.60
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$42,207,426.91	$45,253,908.41	($3,046,481.50)	$42,207,426.91	$48,078,559.27	($5,871,132.36)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,462,362.51	$5,696,386.81	($234,024.30)	$5,462,362.51	$6,152,017.74	($689,655.23)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,955,668.34	$503,791.55	$1,451,876.79	$1,955,668.34	$2,838,327.35	($882,659.01)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$126,350,664.28**	**$103,902,529.61**	**$22,448,134.67**	**$126,350,664.28**	**$104,399,769.74**	**$21,950,894.54**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$276,712,481.83	$277,005,732.49	($293,250.66)	$276,712,481.83	$279,043,933.40	($2,331,451.57)
Preliminary Surveys	$6,809,205.41	$7,112,916.64	($303,711.23)	$6,809,205.41	$4,427,002.87	$2,382,202.54
Clearing Accounts	$57,193.85	($286,252.74)	$343,446.59	$57,193.85	$0.00	$57,193.85

Columbia Gas of Pennsylvania
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	Month: *Nov - 2020*	Previous Month	Variance	Month: *Nov - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,978,651.40	$3,846,735.42	$131,915.98	$3,978,651.40	$4,334,213.24	($355,561.84)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$119,226,959.00	$120,439,818.00	($1,212,859.00)	$119,226,959.00	$122,916,021.00	($3,689,062.00)
Unrecovered Purchase Gas Costs	$1,241,436.79	$1,007,669.05	$233,767.74	$1,241,436.79	($830,838.41)	$2,072,275.20
Deferred Debits	**$408,025,928.28**	**$409,126,618.86**	**($1,100,690.58)**	**$408,025,928.28**	**$409,890,332.10**	**($1,864,403.82)**
Assets and Other Debits	**$3,085,974,928.31**	**$3,043,351,500.41**	**$42,623,427.90**	**$3,085,974,928.31**	**$2,851,804,941.46**	**$234,169,986.85**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$949,168,494.79	$937,894,682.95	$11,273,811.84	$949,168,494.79	$885,402,388.17	$63,766,106.62
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,102,186,121.79**	**$1,090,912,309.95**	**$11,273,811.84**	**$1,102,186,121.79**	**$983,420,015.17**	**$118,766,106.62**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$25,287,514.95	$25,462,309.66	($174,794.71)	$25,287,514.95	$27,187,702.09	($1,900,187.14)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$106,379.87	$105,023.84	$1,356.03	$106,379.87	$142,035.04	($35,655.17)
Accum Prov - Pension & Benefit	$2,435,534.99	$2,565,937.94	($130,402.95)	$2,435,534.99	$2,553,240.14	($117,705.15)
Accum Misc Operating Provision	$2,490,910.81	$2,177,902.16	$313,008.65	$2,490,910.81	$0.00	$2,490,910.81
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,320,340.62**	**$30,311,173.60**	**$9,167.02**	**$30,320,340.62**	**$29,882,977.27**	**$437,363.35**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$38,705,351.81	$42,040,869.93	($3,335,518.12)	$38,705,351.81	$46,517,293.00	($7,811,941.19)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$162,472,025.30	$135,366,648.36	$27,105,376.94	$162,472,025.30	$156,860,863.31	$5,611,161.99
Customer Deposits	$3,500,935.11	$3,470,654.11	$30,281.00	$3,500,935.11	$3,522,509.11	($21,574.00)
Taxes Accrued	$13,612,883.80	$11,363,285.87	$2,249,597.93	$13,612,883.80	$11,769,563.75	$1,843,320.05
Interest Accrued	$281,884.01	$272,315.89	$9,568.12	$281,884.01	$289,931.85	($8,047.84)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$140,867.70	$70,046.13	$70,821.57	$140,867.70	$438,583.95	($297,716.25)
Misc Current & Accrued Liab	$68,165,461.16	$63,091,594.99	$5,073,866.17	$68,165,461.16	$63,957,232.81	$4,208,228.35
Obligation Cap Lease - Current	$3,086,178.53	$3,130,983.96	($44,805.43)	$3,086,178.53	$2,788,851.75	$297,326.78
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$289,965,587.42**	**$258,806,399.24**	**$31,159,188.18**	**$289,965,587.42**	**$286,144,829.53**	**$3,820,757.89**
Deferred Credits						
Customer Adv. for Construction	$3,843,731.79	$3,854,956.74	($11,224.95)	$3,843,731.79	$4,206,255.94	($362,524.15)
Acc Defd Investment Tax Credit	$1,267,615.00	$1,290,088.00	($22,473.00)	$1,267,615.00	$1,529,762.00	($262,147.00)
Other Deferred Credits	$6,946,447.69	$6,959,111.59	($12,663.90)	$6,946,447.69	$5,655,894.91	$1,290,552.78

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	Month: *Nov - 2020*	Previous Month	Variance	Month: *Nov - 2020*	December of Previous Year	Variance
Other Regulatory Liabilities	$222,396,189.31	$223,662,497.60	($1,266,308.29)	$222,396,189.31	$241,381,620.95	($18,985,431.64)
Accum Defer Inc Tax - Oth Prop	$526,478,785.70	$524,689,479.70	$1,789,306.00	$526,478,785.70	$506,796,456.70	$19,682,329.00
Accum Defer Inc Tax - Other	$7,055,108.99	$7,350,483.99	($295,375.00)	$7,055,108.99	$7,272,128.99	($217,020.00)
Deferred Credits	**$767,987,878.48**	**$767,806,617.62**	**$181,260.86**	**$767,987,878.48**	**$766,842,119.49**	**$1,145,758.99**
Total Liabilities and Equity	**$3,085,974,928.31**	**$3,043,351,500.41**	**$42,623,427.90**	**$3,085,974,928.31**	**$2,851,804,941.46**	**$234,169,986.85**

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Dec - 2020
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	Month: *Dec - 2020*	Previous Month	Variance	Month: *Dec - 2020*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,041,590,481.48	$3,022,167,221.64	$19,423,259.84	$3,041,590,481.48	$2,755,558,490.42	$286,031,991.06
Construction Work In Progress	$43,992,077.61	$46,888,432.53	($2,896,354.92)	$43,992,077.61	$45,731,782.15	($1,739,704.54)
Total Utility Plant	**$3,085,582,559.09**	**$3,069,055,654.17**	**$16,526,904.92**	**$3,085,582,559.09**	**$2,801,290,272.57**	**$284,292,286.52**
Accum Prov - Amort and Depr	($535,533,696.67)	($544,680,567.51)	$9,146,870.84	($535,533,696.67)	($489,551,440.66)	($45,982,256.01)
Net Utility Plant	**$2,550,048,862.42**	**$2,524,375,086.66**	**$25,673,775.76**	**$2,550,048,862.42**	**$2,311,738,831.91**	**$238,310,030.51**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,550,780,734.67**	**$2,525,106,958.91**	**$25,673,775.76**	**$2,550,780,734.67**	**$2,312,470,704.16**	**$238,310,030.51**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,751,219.06	$20,715,048.10	$36,170.96	$20,751,219.06	$20,283,227.94	$467,991.12
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,305,515.98	$5,767,982.25	$9,537,533.73	$15,305,515.98	$4,752,561.03	$10,552,954.95
Other Property and Investments	**$36,065,081.53**	**$26,491,376.84**	**$9,573,704.69**	**$36,065,081.53**	**$25,044,135.46**	**$11,020,946.07**
Current and Accrued Assets						
Cash	$1,846,823.69	$1,844,813.26	$2,010.43	$1,846,823.69	$2,099,204.84	($252,381.15)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$111,116,332.88	$73,263,718.58	$37,852,614.30	$111,116,332.88	$43,010,056.07	$68,106,276.81
AR from Associated Cos	$268,307.17	$179,337.60	$88,969.57	$268,307.17	$802,216.99	($533,909.82)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,214,644.63	$1,181,787.08	$32,857.55	$1,214,644.63	$1,163,837.48	$50,807.15
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$34,531,497.79	$42,207,426.91	($7,675,929.12)	$34,531,497.79	$48,078,559.27	($13,547,061.48)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,021,560.26	$5,462,362.51	($440,802.25)	$5,021,560.26	$6,152,017.74	($1,130,457.48)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,688,036.76	$1,955,668.34	$1,732,368.42	$3,688,036.76	$2,838,327.35	$849,709.41
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$157,942,753.18**	**$126,350,664.28**	**$31,592,088.90**	**$157,942,753.18**	**$104,399,769.74**	**$53,542,983.44**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$228,744,963.58	$276,712,481.83	($47,967,518.25)	$228,744,963.58	$279,043,933.40	($50,298,969.82)
Preliminary Surveys	$4,574,196.04	$6,809,205.41	($2,235,009.37)	$4,574,196.04	$4,427,002.87	$147,193.17
Clearing Accounts	$0.00	$57,193.85	($57,193.85)	$0.00	$0.00	$0.00

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	Month: *Dec - 2020*	Previous Month	Variance	Month: *Dec - 2020*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,151,476.04	$3,978,651.40	$172,824.64	$4,151,476.04	$4,334,213.24	($182,737.20)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$119,156,394.00	$119,226,959.00	($70,565.00)	$119,156,394.00	$122,916,021.00	($3,759,627.00)
Unrecovered Purchase Gas Costs	($4,202,420.69)	$1,241,436.79	($5,443,857.48)	($4,202,420.69)	($830,838.41)	($3,371,582.28)
Deferred Debits	**$352,424,608.97**	**$408,025,928.28**	**($55,601,319.31)**	**$352,424,608.97**	**$409,890,332.10**	**($57,465,723.13)**
Assets and Other Debits	**$3,097,213,178.35**	**$3,085,974,928.31**	**$11,238,250.04**	**$3,097,213,178.35**	**$2,851,804,941.46**	**$245,408,236.89**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$52,889,827.00	$55,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$971,987,434.78	$949,168,494.79	$22,818,939.99	$971,987,434.78	$885,402,388.17	$86,585,046.61
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,125,005,061.78**	**$1,102,186,121.79**	**$22,818,939.99**	**$1,125,005,061.78**	**$983,420,015.17**	**$141,585,046.61**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$785,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$785,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,900,682.49	$25,287,514.95	($386,832.46)	$24,900,682.49	$27,187,702.09	($2,287,019.60)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$109,678.44	$106,379.87	$3,298.57	$109,678.44	$142,035.04	($32,356.60)
Accum Prov - Pension & Benefit	$2,628,257.44	$2,435,534.99	$192,722.45	$2,628,257.44	$2,553,240.14	$75,017.30
Accum Misc Operating Provision	$2,922,869.92	$2,490,910.81	$431,959.11	$2,922,869.92	$0.00	$2,922,869.92
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,561,488.29**	**$30,320,340.62**	**$241,147.67**	**$30,561,488.29**	**$29,882,977.27**	**$678,511.02**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$44,013,087.35	$38,705,351.81	$5,307,735.54	$44,013,087.35	$46,517,293.00	($2,504,205.65)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$185,008,659.77	$162,472,025.30	$22,536,634.47	$185,008,659.77	$156,860,863.31	$28,147,796.46
Customer Deposits	$3,479,442.11	$3,500,935.11	($21,493.00)	$3,479,442.11	$3,522,509.11	($43,067.00)
Taxes Accrued	$23,568,771.88	$13,612,883.80	$9,955,888.08	$23,568,771.88	$11,769,563.75	$11,799,208.13
Interest Accrued	$283,175.62	$281,884.01	$1,291.61	$283,175.62	$289,931.85	($6,756.23)
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$271,374.68	$140,867.70	$130,506.98	$271,374.68	$438,583.95	($167,209.27)
Misc Current & Accrued Liab	$61,938,674.41	$68,165,461.16	($6,226,786.75)	$61,938,674.41	$63,957,232.81	($2,018,558.40)
Obligation Cap Lease - Current	$2,663,606.77	$3,086,178.53	($422,571.76)	$2,663,606.77	$2,788,851.75	($125,244.98)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$321,226,792.59**	**$289,965,587.42**	**$31,261,205.17**	**$321,226,792.59**	**$286,144,829.53**	**$35,081,963.06**
Deferred Credits						
Customer Adv. for Construction	$3,793,774.87	$3,843,731.79	($49,956.92)	$3,793,774.87	$4,206,255.94	($412,481.07)
Acc Defd Investment Tax Credit	$1,245,058.00	$1,267,615.00	($22,557.00)	$1,245,058.00	$1,529,762.00	($284,704.00)

Columbia Gas of Pennsylvania
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	Month: *Dec - 2020*	Previous Month	Variance	Month: *Dec - 2020*	December of Previous Year	Variance
Other Deferred Credits	$6,553,645.37	$6,946,447.69	($392,802.32)	$6,553,645.37	$5,655,894.91	$897,750.46
Other Regulatory Liabilities	$220,866,696.76	$222,396,189.31	($1,529,492.55)	$220,866,696.76	$241,381,620.95	($20,514,924.19)
Accum Defer Inc Tax - Oth Prop	$485,726,079.70	$526,478,785.70	($40,752,706.00)	$485,726,079.70	$506,796,456.70	($21,070,377.00)
Accum Defer Inc Tax - Other	$6,719,580.99	$7,055,108.99	($335,528.00)	$6,719,580.99	$7,272,128.99	($552,548.00)
Deferred Credits	**$724,904,835.69**	**$767,987,878.48**	**($43,083,042.79)**	**$724,904,835.69**	**$766,842,119.49**	**($41,937,283.80)**
Total Liabilities and Equity	**$3,097,213,178.35**	**$3,085,974,928.31**	**$11,238,250.04**	**$3,097,213,178.35**	**$2,851,804,941.46**	**$245,408,236.89**

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	Month: *Jan - 2021*	Previous Month	Variance	Month: *Jan - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,059,480,748.34	$3,041,590,481.48	$17,890,266.86	$3,059,480,748.34	$3,041,590,481.48	$17,890,266.86
Construction Work In Progress	$43,611,514.94	$43,992,077.61	($380,562.67)	$43,611,514.94	$43,992,077.61	($380,562.67)
Total Utility Plant	**$3,103,092,263.28**	**$3,085,582,559.09**	**$17,509,704.19**	**$3,103,092,263.28**	**$3,085,582,559.09**	**$17,509,704.19**
Accum Prov - Amort and Depr	($540,281,737.82)	($535,533,696.67)	($4,748,041.15)	($540,281,737.82)	($535,533,696.67)	($4,748,041.15)
Net Utility Plant	**$2,562,810,525.46**	**$2,550,048,862.42**	**$12,761,663.04**	**$2,562,810,525.46**	**$2,550,048,862.42**	**$12,761,663.04**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,563,542,397.71**	**$2,550,780,734.67**	**$12,761,663.04**	**$2,563,542,397.71**	**$2,550,780,734.67**	**$12,761,663.04**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,782,352.64	$20,751,219.06	$31,133.58	$20,782,352.64	$20,751,219.06	$31,133.58
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,635,282.81	$15,305,515.98	$329,766.83	$15,635,282.81	$15,305,515.98	$329,766.83
Other Property and Investments	**$36,425,981.94**	**$36,065,081.53**	**$360,900.41**	**$36,425,981.94**	**$36,065,081.53**	**$360,900.41**
Current and Accrued Assets						
Cash	$2,741,679.95	$1,846,823.69	$894,856.26	$2,741,679.95	$1,846,823.69	$894,856.26
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$448,775.96	$253,000.00	$195,775.96	$448,775.96	$253,000.00	$195,775.96
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$127,549,534.38	$111,116,332.88	$16,433,201.50	$127,549,534.38	$111,116,332.88	$16,433,201.50
AR from Associated Cos	$448,835.18	$268,307.17	$180,528.01	$448,835.18	$268,307.17	$180,528.01
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,231,624.82	$1,214,644.63	$16,980.19	$1,231,624.82	$1,214,644.63	$16,980.19
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$25,376,710.83	$34,531,497.79	($9,154,786.96)	$25,376,710.83	$34,531,497.79	($9,154,786.96)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$4,232,061.00	$5,021,560.26	($789,499.26)	$4,232,061.00	$5,021,560.26	($789,499.26)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$4,971,558.16	$3,688,036.76	$1,283,521.40	$4,971,558.16	$3,688,036.76	$1,283,521.40
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$167,003,330.28**	**$157,942,753.18**	**$9,060,577.10**	**$167,003,330.28**	**$157,942,753.18**	**$9,060,577.10**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$227,483,923.61	$228,744,963.58	($1,261,039.97)	$227,483,923.61	$228,744,963.58	($1,261,039.97)
Preliminary Surveys	$5,123,190.22	$4,574,196.04	$548,994.18	$5,123,190.22	$4,574,196.04	$548,994.18
Clearing Accounts	$14,292.83	$0.00	$14,292.83	$14,292.83	$0.00	$14,292.83

Columbia Gas of Pennsylvania
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Regulated - Account FERC Hierarchy
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	Month: *Jan - 2021*	Previous Month	Variance	Month: *Jan - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,121,799.91	$4,151,476.04	($29,676.13)	$4,121,799.91	$4,151,476.04	($29,676.13)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$117,020,626.00	$119,156,394.00	($2,135,768.00)	$117,020,626.00	$119,156,394.00	($2,135,768.00)
Unrecovered Purchase Gas Costs	($11,147,353.13)	($4,202,420.69)	($6,944,932.44)	($11,147,353.13)	($4,202,420.69)	($6,944,932.44)
Deferred Debits	**$342,616,479.44**	**$352,424,608.97**	**($9,808,129.53)**	**$342,616,479.44**	**$352,424,608.97**	**($9,808,129.53)**
Assets and Other Debits	**$3,109,588,189.37**	**$3,097,213,178.35**	**$12,375,011.02**	**$3,109,588,189.37**	**$3,097,213,178.35**	**$12,375,011.02**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$107,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,002,160,929.92	$971,987,434.78	$30,173,495.14	$1,002,160,929.92	$971,987,434.78	$30,173,495.14
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,155,178,556.92**	**$1,125,005,061.78**	**$30,173,495.14**	**$1,155,178,556.92**	**$1,125,005,061.78**	**$30,173,495.14**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$895,515,000.00	$0.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$895,515,000.00**	**$0.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,730,369.88	$24,900,682.49	($170,312.61)	$24,730,369.88	$24,900,682.49	($170,312.61)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$123,039.72	$109,678.44	$13,361.28	$123,039.72	$109,678.44	$13,361.28
Accum Prov - Pension & Benefit	$2,500,208.66	$2,628,257.44	($128,048.78)	$2,500,208.66	$2,628,257.44	($128,048.78)
Accum Misc Operating Provision	$2,922,869.92	$2,922,869.92	$0.00	$2,922,869.92	$2,922,869.92	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$30,276,488.18**	**$30,561,488.29**	**($285,000.11)**	**$30,276,488.18**	**$30,561,488.29**	**($285,000.11)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$42,558,448.66	$44,013,087.35	($1,454,638.69)	$42,558,448.66	$44,013,087.35	($1,454,638.69)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$172,933,043.30	$185,008,659.77	($12,075,616.47)	$172,933,043.30	$185,008,659.77	($12,075,616.47)
Customer Deposits	$3,450,725.11	$3,479,442.11	($28,717.00)	$3,450,725.11	$3,479,442.11	($28,717.00)
Taxes Accrued	$32,338,322.82	$23,568,771.88	$8,769,550.94	$32,338,322.82	$23,568,771.88	$8,769,550.94
Interest Accrued	$288,162.13	$283,175.62	$4,986.51	$288,162.13	$283,175.62	$4,986.51
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$629,903.20	$271,374.68	$358,528.52	$629,903.20	$271,374.68	$358,528.52
Misc Current & Accrued Liab	$49,464,864.64	$61,938,674.41	($12,473,809.77)	$49,464,864.64	$61,938,674.41	($12,473,809.77)
Obligation Cap Lease - Current	$2,575,680.22	$2,663,606.77	($87,926.55)	$2,575,680.22	$2,663,606.77	($87,926.55)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$304,239,150.08**	**$321,226,792.59**	**($16,987,642.51)**	**$304,239,150.08**	**$321,226,792.59**	**($16,987,642.51)**
Deferred Credits						
Customer Adv. for Construction	$3,725,958.87	$3,793,774.87	($67,816.00)	$3,725,958.87	$3,793,774.87	($67,816.00)
Acc Defd Investment Tax Credit	$1,223,607.00	$1,245,058.00	($21,451.00)	$1,223,607.00	$1,245,058.00	($21,451.00)

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	Month: *Jan - 2021*	Previous Month	Variance	Month: *Jan - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,536,130.54	$6,553,645.37	($17,514.83)	$6,536,130.54	$6,553,645.37	($17,514.83)
Other Regulatory Liabilities	$219,130,235.09	$220,866,696.76	($1,736,461.67)	$219,130,235.09	$220,866,696.76	($1,736,461.67)
Accum Defer Inc Tax - Oth Prop	$487,829,022.70	$485,726,079.70	$2,102,943.00	$487,829,022.70	$485,726,079.70	$2,102,943.00
Accum Defer Inc Tax - Other	$5,934,039.99	$6,719,580.99	($785,541.00)	$5,934,039.99	$6,719,580.99	($785,541.00)
Deferred Credits	**$724,378,994.19**	**$724,904,835.69**	**($525,841.50)**	**$724,378,994.19**	**$724,904,835.69**	**($525,841.50)**
Total Liabilities and Equity	**$3,109,588,189.37**	**$3,097,213,178.35**	**$12,375,011.02**	**$3,109,588,189.37**	**$3,097,213,178.35**	**$12,375,011.02**

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Regulated - Account FERC Hierarchy
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	Month: *Feb - 2021*	Previous Month	Variance	Month: *Feb - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,069,754,349.91	$3,059,480,748.34	$10,273,601.57	$3,069,754,349.91	$3,041,590,481.48	$28,163,868.43
Construction Work In Progress	$48,225,887.64	$43,611,514.94	$4,614,372.70	$48,225,887.64	$43,992,077.61	$4,233,810.03
Total Utility Plant	**$3,117,980,237.55**	**$3,103,092,263.28**	**$14,887,974.27**	**$3,117,980,237.55**	**$3,085,582,559.09**	**$32,397,678.46**
Accum Prov - Amort and Depr	($546,009,557.06)	($540,281,737.82)	($5,727,819.24)	($546,009,557.06)	($535,533,696.67)	($10,475,860.39)
Net Utility Plant	**$2,571,970,680.49**	**$2,562,810,525.46**	**$9,160,155.03**	**$2,571,970,680.49**	**$2,550,048,862.42**	**$21,921,818.07**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,572,702,552.74**	**$2,563,542,397.71**	**$9,160,155.03**	**$2,572,702,552.74**	**$2,550,780,734.67**	**$21,921,818.07**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,830,555.54	$20,782,352.64	$48,202.90	$20,830,555.54	$20,751,219.06	$79,336.48
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,965,049.64	$15,635,282.81	$329,766.83	$15,965,049.64	$15,305,515.98	$659,533.66
Other Property and Investments	**$36,803,951.67**	**$36,425,981.94**	**$377,969.73**	**$36,803,951.67**	**$36,065,081.53**	**$738,870.14**
Current and Accrued Assets						
Cash	$3,258,634.48	$2,741,679.95	$516,954.53	$3,258,634.48	$1,846,823.69	$1,411,810.79
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$448,775.96	$448,775.96	$0.00	$448,775.96	$253,000.00	$195,775.96
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$134,723,289.56	$127,549,534.38	$7,173,755.18	$134,723,289.56	$111,116,332.88	$23,606,956.68
AR from Associated Cos	$311,102.00	$448,835.18	($137,733.18)	$311,102.00	$268,307.17	$42,794.83
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,226,833.82	$1,231,624.82	($4,791.00)	$1,226,833.82	$1,214,644.63	$12,189.19
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$15,299,547.69	$25,376,710.83	($10,077,163.14)	$15,299,547.69	$34,531,497.79	($19,231,950.10)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$3,364,020.91	$4,232,061.00	($868,040.09)	$3,364,020.91	$5,021,560.26	($1,657,539.35)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$5,435,744.03	$4,971,558.16	$464,185.87	$5,435,744.03	$3,688,036.76	$1,747,707.27
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$164,070,498.45**	**$167,003,330.28**	**($2,932,831.83)**	**$164,070,498.45**	**$157,942,753.18**	**$6,127,745.27**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$227,395,102.14	$227,483,923.61	($88,821.47)	$227,395,102.14	$228,744,963.58	($1,349,861.44)
Preliminary Surveys	$5,699,918.05	$5,123,190.22	$576,727.83	$5,699,918.05	$4,574,196.04	$1,125,722.01
Clearing Accounts	$158,845.63	$14,292.83	$144,552.80	$158,845.63	$0.00	$158,845.63

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	Month: *Feb - 2021*	Previous Month	Variance	Month: *Feb - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,103,362.40	$4,121,799.91	($18,437.51)	$4,103,362.40	$4,151,476.04	($48,113.64)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$114,444,597.00	$117,020,626.00	($2,576,029.00)	$114,444,597.00	$119,156,394.00	($4,711,797.00)
Unrecovered Purchase Gas Costs	($17,859,086.30)	($11,147,353.13)	($6,711,733.17)	($17,859,086.30)	($4,202,420.69)	($13,656,665.61)
Deferred Debits	**$333,942,738.92**	**$342,616,479.44**	**($8,673,740.52)**	**$333,942,738.92**	**$352,424,608.97**	**($18,481,870.05)**
Assets and Other Debits	**$3,107,519,741.78**	**$3,109,588,189.37**	**($2,068,447.59)**	**$3,107,519,741.78**	**$3,097,213,178.35**	**$10,306,563.43**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$107,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,032,034,617.21	$1,002,160,929.92	$29,873,687.29	$1,032,034,617.21	$971,987,434.78	$60,047,182.43
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,185,052,244.21**	**$1,155,178,556.92**	**$29,873,687.29**	**$1,185,052,244.21**	**$1,125,005,061.78**	**$60,047,182.43**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$895,515,000.00	$895,515,000.00	$0.00	$895,515,000.00	$895,515,000.00	$0.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$895,515,000.00**	**$895,515,000.00**	**$0.00**	**$895,515,000.00**	**$895,515,000.00**	**$0.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,559,312.59	$24,730,369.88	($171,057.29)	$24,559,312.59	$24,900,682.49	($341,369.90)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$152,950.45	$123,039.72	$29,910.73	$152,950.45	$109,678.44	$43,272.01
Accum Prov - Pension & Benefit	$2,323,657.93	$2,500,208.66	($176,550.73)	$2,323,657.93	$2,628,257.44	($304,599.51)
Accum Misc Operating Provision	$2,922,869.92	$2,922,869.92	$0.00	$2,922,869.92	$2,922,869.92	$0.00
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$29,958,790.89**	**$30,276,488.18**	**($317,697.29)**	**$29,958,790.89**	**$30,561,488.29**	**($602,697.40)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$37,715,302.01	$42,558,448.66	($4,843,146.65)	$37,715,302.01	$44,013,087.35	($6,297,785.34)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$164,423,263.75	$172,933,043.30	($8,509,779.55)	$164,423,263.75	$185,008,659.77	($20,585,396.02)
Customer Deposits	$3,416,009.11	$3,450,725.11	($34,716.00)	$3,416,009.11	$3,479,442.11	($63,433.00)
Taxes Accrued	$29,901,795.54	$32,338,322.82	($2,436,527.28)	$29,901,795.54	$23,568,771.88	$6,333,023.66
Interest Accrued	$291,674.68	$288,162.13	$3,512.55	$291,674.68	$283,175.62	$8,499.06
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$778,172.45	$629,903.20	$148,269.25	$778,172.45	$271,374.68	$506,797.77
Misc Current & Accrued Liab	$33,556,343.36	$49,464,864.64	($15,908,521.28)	$33,556,343.36	$61,938,674.41	($28,382,331.05)
Obligation Cap Lease - Current	$2,607,536.22	$2,575,680.22	$31,856.00	$2,607,536.22	$2,663,606.77	($56,070.55)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$272,690,097.12**	**$304,239,150.08**	**($31,549,052.96)**	**$272,690,097.12**	**$321,226,792.59**	**($48,536,695.47)**
Deferred Credits						
Customer Adv. for Construction	$3,714,044.09	$3,725,958.87	($11,914.78)	$3,714,044.09	$3,793,774.87	($79,730.78)
Acc Defd Investment Tax Credit	$1,200,114.00	$1,223,607.00	($23,493.00)	$1,200,114.00	$1,245,058.00	($44,944.00)

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	Month: *Feb - 2021*	Previous Month	Variance	Month: *Feb - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,523,944.42	$6,536,130.54	($12,186.12)	$6,523,944.42	$6,553,645.37	($29,700.95)
Other Regulatory Liabilities	$217,273,003.36	$219,130,235.09	($1,857,231.73)	$217,273,003.36	$220,866,696.76	($3,593,693.40)
Accum Defer Inc Tax - Oth Prop	$489,931,963.70	$487,829,022.70	$2,102,941.00	$489,931,963.70	$485,726,079.70	$4,205,884.00
Accum Defer Inc Tax - Other	$5,660,539.99	$5,934,039.99	($273,500.00)	$5,660,539.99	$6,719,580.99	($1,059,041.00)
Deferred Credits	**$724,303,609.56**	**$724,378,994.19**	**($75,384.63)**	**$724,303,609.56**	**$724,904,835.69**	**($601,226.13)**
Total Liabilities and Equity	**$3,107,519,741.78**	**$3,109,588,189.37**	**($2,068,447.59)**	**$3,107,519,741.78**	**$3,097,213,178.35**	**$10,306,563.43**

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	Month: *Mar - 2021*	Previous Month	Variance	Month: *Mar - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,082,285,878.62	$3,069,754,349.91	$12,531,528.71	$3,082,285,878.62	$3,041,590,481.48	$40,695,397.14
Construction Work In Progress	$58,950,197.16	$48,225,887.64	$10,724,309.52	$58,950,197.16	$43,992,077.61	$14,958,119.55
Total Utility Plant	**$3,141,236,075.78**	**$3,117,980,237.55**	**$23,255,838.23**	**$3,141,236,075.78**	**$3,085,582,559.09**	**$55,653,516.69**
Accum Prov - Amort and Depr	($550,944,713.51)	($546,009,557.06)	($4,935,156.45)	($550,944,713.51)	($535,533,696.67)	($15,411,016.84)
Net Utility Plant	**$2,590,291,362.27**	**$2,571,970,680.49**	**$18,320,681.78**	**$2,590,291,362.27**	**$2,550,048,862.42**	**$40,242,499.85**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,591,023,234.52**	**$2,572,702,552.74**	**$18,320,681.78**	**$2,591,023,234.52**	**$2,550,780,734.67**	**$40,242,499.85**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,859,700.07	$20,830,555.54	$29,144.53	$20,859,700.07	$20,751,219.06	$108,481.01
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,267,418.23	$15,965,049.64	($697,631.41)	$15,267,418.23	$15,305,515.98	($38,097.75)
Other Property and Investments	**$36,135,464.79**	**$36,803,951.67**	**($668,486.88)**	**$36,135,464.79**	**$36,065,081.53**	**$70,383.26**
Current and Accrued Assets						
Cash	$3,009,038.80	$3,258,634.48	($249,595.68)	$3,009,038.80	$1,846,823.69	$1,162,215.11
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$48,690.61	$0.00	$48,690.61	$48,690.61	$0.00	$48,690.61
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$448,775.96	($195,775.96)	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$113,880,498.46	$134,723,289.56	($20,842,791.10)	$113,880,498.46	$111,116,332.88	$2,764,165.58
AR from Associated Cos	$9,382,841.14	$311,102.00	$9,071,739.14	$9,382,841.14	$268,307.17	$9,114,533.97
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,231,848.80	$1,226,833.82	$5,014.98	$1,231,848.80	$1,214,644.63	$17,204.17
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$10,843,199.07	$15,299,547.69	($4,456,348.62)	$10,843,199.07	$34,531,497.79	($23,688,298.72)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$3,586,461.42	$3,364,020.91	$222,440.51	$3,586,461.42	$5,021,560.26	($1,435,098.84)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$4,844,468.86	$5,435,744.03	($591,275.17)	$4,844,468.86	$3,688,036.76	$1,156,432.10
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$147,082,597.16**	**$164,070,498.45**	**($16,987,901.29)**	**$147,082,597.16**	**$157,942,753.18**	**($10,860,156.02)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$230,161,634.86	$227,395,102.14	$2,766,532.72	$230,161,634.86	$228,744,963.58	$1,416,671.28
Preliminary Surveys	$6,225,244.72	$5,699,918.05	$525,326.67	$6,225,244.72	$4,574,196.04	$1,651,048.68
Clearing Accounts	$81,763.60	$158,845.63	($77,082.03)	$81,763.60	$0.00	$81,763.60

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	Month: *Mar - 2021*	Previous Month	Variance	Month: *Mar - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,289,736.59	$4,103,362.40	$186,374.19	$4,289,736.59	$4,151,476.04	$138,260.55
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$112,960,091.00	$114,444,597.00	($1,484,506.00)	$112,960,091.00	$119,156,394.00	($6,196,303.00)
Unrecovered Purchase Gas Costs	($17,824,554.62)	($17,859,086.30)	$34,531.68	($17,824,554.62)	($4,202,420.69)	($13,622,133.93)
Deferred Debits	**$335,893,916.15**	**$333,942,738.92**	**$1,951,177.23**	**$335,893,916.15**	**$352,424,608.97**	**($16,530,692.82)**
Assets and Other Debits	**$3,110,135,212.62**	**$3,107,519,741.78**	**$2,615,470.84**	**$3,110,135,212.62**	**$3,097,213,178.35**	**$12,922,034.27**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$107,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,062,084,448.36	$1,032,034,617.21	$30,049,831.15	$1,062,084,448.36	$971,987,434.78	$90,097,013.58
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,215,102,075.36**	**$1,185,052,244.21**	**$30,049,831.15**	**$1,215,102,075.36**	**$1,125,005,061.78**	**$90,097,013.58**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$895,515,000.00	$110,000,000.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,492,075.05	$24,559,312.59	($67,237.54)	$24,492,075.05	$24,900,682.49	($408,607.44)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$150,409.92	$152,950.45	($2,540.53)	$150,409.92	$109,678.44	$40,731.48
Accum Prov - Pension & Benefit	$2,392,055.65	$2,323,657.93	$68,397.72	$2,392,055.65	$2,628,257.44	($236,201.79)
Accum Misc Operating Provision	$1,461,434.96	$2,922,869.92	($1,461,434.96)	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,495,975.58**	**$29,958,790.89**	**($1,462,815.31)**	**$28,495,975.58**	**$30,561,488.29**	**($2,065,512.71)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$42,897,647.51	$37,715,302.01	$5,182,345.50	$42,897,647.51	$44,013,087.35	($1,115,439.84)
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$25,235,723.58	$164,423,263.75	($139,187,540.17)	$25,235,723.58	$185,008,659.77	($159,772,936.19)
Customer Deposits	$3,388,265.11	$3,416,009.11	($27,744.00)	$3,388,265.11	$3,479,442.11	($91,177.00)
Taxes Accrued	$36,996,912.56	$29,901,795.54	$7,095,117.02	$36,996,912.56	$23,568,771.88	$13,428,140.68
Interest Accrued	$294,726.60	$291,674.68	$3,051.92	$294,726.60	$283,175.62	$11,550.98
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$683,705.19	$778,172.45	($94,467.26)	$683,705.19	$271,374.68	$412,330.51
Misc Current & Accrued Liab	$27,073,234.49	$33,556,343.36	($6,483,108.87)	$27,073,234.49	$61,938,674.41	($34,865,439.92)
Obligation Cap Lease - Current	$2,550,285.85	$2,607,536.22	($57,250.37)	$2,550,285.85	$2,663,606.77	($113,320.92)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$139,120,500.89**	**$272,690,097.12**	**($133,569,596.23)**	**$139,120,500.89**	**$321,226,792.59**	**($182,106,291.70)**
Deferred Credits						
Customer Adv. for Construction	$3,703,594.40	$3,714,044.09	($10,449.69)	$3,703,594.40	$3,793,774.87	($90,180.47)
Acc Defd Investment Tax Credit	$1,177,642.00	$1,200,114.00	($22,472.00)	$1,177,642.00	$1,245,058.00	($67,416.00)

Columbia Gas of Pennsylvania
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	Month: *Mar - 2021*	Previous Month	Variance	Month: *Mar - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,665,070.92	$6,523,944.42	$141,126.50	$6,665,070.92	$6,553,645.37	$111,425.55
Other Regulatory Liabilities	$212,192,153.78	$217,273,003.36	($5,080,849.58)	$212,192,153.78	$220,866,696.76	($8,674,542.98)
Accum Defer Inc Tax - Oth Prop	$491,291,255.70	$489,931,963.70	$1,359,292.00	$491,291,255.70	$485,726,079.70	$5,565,176.00
Accum Defer Inc Tax - Other	$6,871,943.99	$5,660,539.99	$1,211,404.00	$6,871,943.99	$6,719,580.99	$152,363.00
Deferred Credits	**$721,901,660.79**	**$724,303,609.56**	**($2,401,948.77)**	**$721,901,660.79**	**$724,904,835.69**	**($3,003,174.90)**
Total Liabilities and Equity	**$3,110,135,212.62**	**$3,107,519,741.78**	**$2,615,470.84**	**$3,110,135,212.62**	**$3,097,213,178.35**	**$12,922,034.27**

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	Month: *Apr - 2021*	Previous Month	Variance	Month: *Apr - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,103,551,704.36	$3,082,285,878.62	$21,265,825.74	$3,103,551,704.36	$3,041,590,481.48	$61,961,222.88
Construction Work In Progress	$66,506,257.41	$58,950,197.16	$7,556,060.25	$66,506,257.41	$43,992,077.61	$22,514,179.80
Total Utility Plant	**$3,170,057,961.77**	**$3,141,236,075.78**	**$28,821,885.99**	**$3,170,057,961.77**	**$3,085,582,559.09**	**$84,475,402.68**
Accum Prov - Amort and Depr	($554,950,092.92)	($550,944,713.51)	($4,005,379.41)	($554,950,092.92)	($535,533,696.67)	($19,416,396.25)
Net Utility Plant	**$2,615,107,868.85**	**$2,590,291,362.27**	**$24,816,506.58**	**$2,615,107,868.85**	**$2,550,048,862.42**	**$65,059,006.43**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,615,839,741.10**	**$2,591,023,234.52**	**$24,816,506.58**	**$2,615,839,741.10**	**$2,550,780,734.67**	**$65,059,006.43**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,883,994.00	$20,859,700.07	$24,293.93	$20,883,994.00	$20,751,219.06	$132,774.94
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,529,630.48	$15,267,418.23	$262,212.25	$15,529,630.48	$15,305,515.98	$224,114.50
Other Property and Investments	**$36,421,970.97**	**$36,135,464.79**	**$286,506.18**	**$36,421,970.97**	**$36,065,081.53**	**$356,889.44**
Current and Accrued Assets						
Cash	$2,459,060.12	$3,009,038.80	($549,978.68)	$2,459,060.12	$1,846,823.69	$612,236.43
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$340,871.54	$48,690.61	$292,180.93	$340,871.54	$0.00	$340,871.54
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$86,474,040.00	$113,880,498.46	($27,406,458.46)	$86,474,040.00	$111,116,332.88	($24,642,292.88)
AR from Associated Cos	$18,946,624.68	$9,382,841.14	$9,563,783.54	$18,946,624.68	$268,307.17	$18,678,317.51
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,234,151.94	$1,231,848.80	$2,303.14	$1,234,151.94	$1,214,644.63	$19,507.31
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$15,835,755.05	$10,843,199.07	$4,992,555.98	$15,835,755.05	$34,531,497.79	($18,695,742.74)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$2,694,143.93	$3,586,461.42	($892,317.49)	$2,694,143.93	$5,021,560.26	($2,327,416.33)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$2,844,302.56	$4,844,468.86	($2,000,166.30)	$2,844,302.56	$3,688,036.76	($843,734.20)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$131,084,499.82**	**$147,082,597.16**	**($15,998,097.34)**	**$131,084,499.82**	**$157,942,753.18**	**($26,858,253.36)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$229,647,186.05	$230,161,634.86	($514,448.81)	$229,647,186.05	$228,744,963.58	$902,222.47
Preliminary Surveys	$6,170,502.13	$6,225,244.72	($54,742.59)	$6,170,502.13	$4,574,196.04	$1,596,306.09
Clearing Accounts	$251,417.02	$81,763.60	$169,653.42	$251,417.02	$0.00	$251,417.02

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	Month: *Apr - 2021*	Previous Month	Variance	Month: *Apr - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,152,296.25	$4,289,736.59	($137,440.34)	$4,152,296.25	$4,151,476.04	$820.21
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$112,722,925.00	$112,960,091.00	($237,166.00)	$112,722,925.00	$119,156,394.00	($6,433,469.00)
Unrecovered Purchase Gas Costs	($13,080,536.86)	($17,824,554.62)	$4,744,017.76	($13,080,536.86)	($4,202,420.69)	($8,878,116.17)
Deferred Debits	**$339,863,789.59**	**$335,893,916.15**	**$3,969,873.44**	**$339,863,789.59**	**$352,424,608.97**	**($12,560,819.38)**
Assets and Other Debits	**$3,123,210,001.48**	**$3,110,135,212.62**	**$13,074,788.86**	**$3,123,210,001.48**	**$3,097,213,178.35**	**$25,996,823.13**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$107,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,068,695,668.40	$1,062,084,448.36	$6,611,220.04	$1,068,695,668.40	$971,987,434.78	$96,708,233.62
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,221,713,295.40**	**$1,215,102,075.36**	**$6,611,220.04**	**$1,221,713,295.40**	**$1,125,005,061.78**	**$96,708,233.62**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,318,265.28	$24,492,075.05	($173,809.77)	$24,318,265.28	$24,900,682.49	($582,417.21)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$160,356.42	$150,409.92	$9,946.50	$160,356.42	$109,678.44	$50,677.98
Accum Prov - Pension & Benefit	$2,637,777.11	$2,392,055.65	$245,721.46	$2,637,777.11	$2,628,257.44	$9,519.67
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,577,833.77**	**$28,495,975.58**	**$81,858.19**	**$28,577,833.77**	**$30,561,488.29**	**($1,983,654.52)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$44,908,670.05	$42,897,647.51	$2,011,022.54	$44,908,670.05	$44,013,087.35	$895,582.70
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$29,195,049.44	$25,235,723.58	$3,959,325.86	$29,195,049.44	$185,008,659.77	($155,813,610.33)
Customer Deposits	$3,393,165.11	$3,388,265.11	$4,900.00	$3,393,165.11	$3,479,442.11	($86,277.00)
Taxes Accrued	$37,311,437.34	$36,996,912.56	$314,524.78	$37,311,437.34	$23,568,771.88	$13,742,665.46
Interest Accrued	$298,820.62	$294,726.60	$4,094.02	$298,820.62	$283,175.62	$15,645.00
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$365,695.76	$683,705.19	($318,009.43)	$365,695.76	$271,374.68	$94,321.08
Misc Current & Accrued Liab	$27,526,396.21	$27,073,234.49	$453,161.72	$27,526,396.21	$61,938,674.41	($34,412,278.20)
Obligation Cap Lease - Current	$2,551,495.96	$2,550,285.85	$1,210.11	$2,551,495.96	$2,663,606.77	($112,110.81)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$145,550,730.49**	**$139,120,500.89**	**$6,430,229.60**	**$145,550,730.49**	**$321,226,792.59**	**($175,676,062.10)**
Deferred Credits						
Customer Adv. for Construction	$3,682,202.58	$3,703,594.40	($21,391.82)	$3,682,202.58	$3,793,774.87	($111,572.29)
Acc Defd Investment Tax Credit	$1,155,170.00	$1,177,642.00	($22,472.00)	$1,155,170.00	$1,245,058.00	($89,888.00)

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	Month: *Apr - 2021*	Previous Month	Variance	Month: *Apr - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,653,935.31	$6,665,070.92	($11,135.61)	$6,653,935.31	$6,553,645.37	$100,289.94
Other Regulatory Liabilities	$210,149,620.24	$212,192,153.78	($2,042,533.54)	$210,149,620.24	$220,866,696.76	($10,717,076.52)
Accum Defer Inc Tax - Oth Prop	$493,146,313.70	$491,291,255.70	$1,855,058.00	$493,146,313.70	$485,726,079.70	$7,420,234.00
Accum Defer Inc Tax - Other	$7,065,899.99	$6,871,943.99	$193,956.00	$7,065,899.99	$6,719,580.99	$346,319.00
Deferred Credits	**$721,853,141.82**	**$721,901,660.79**	**($48,518.97)**	**$721,853,141.82**	**$724,904,835.69**	**($3,051,693.87)**
Total Liabilities and Equity	**$3,123,210,001.48**	**$3,110,135,212.62**	**$13,074,788.86**	**$3,123,210,001.48**	**$3,097,213,178.35**	**$25,996,823.13**

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	Month: *May - 2021*	Previous Month	Variance	Month: *May - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,123,730,366.17	$3,103,551,704.36	$20,178,661.81	$3,123,730,366.17	$3,041,590,481.48	$82,139,884.69
Construction Work In Progress	$71,274,085.04	$66,506,257.41	$4,767,827.63	$71,274,085.04	$43,992,077.61	$27,282,007.43
Total Utility Plant	**$3,195,004,451.21**	**$3,170,057,961.77**	**$24,946,489.44**	**$3,195,004,451.21**	**$3,085,582,559.09**	**$109,421,892.12**
Accum Prov - Amort and Depr	($558,427,449.18)	($554,950,092.92)	($3,477,356.26)	($558,427,449.18)	($535,533,696.67)	($22,893,752.51)
Net Utility Plant	**$2,636,577,002.03**	**$2,615,107,868.85**	**$21,469,133.18**	**$2,636,577,002.03**	**$2,550,048,862.42**	**$86,528,139.61**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,637,308,874.28**	**$2,615,839,741.10**	**$21,469,133.18**	**$2,637,308,874.28**	**$2,550,780,734.67**	**$86,528,139.61**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,911,355.94	$20,883,994.00	$27,361.94	$20,911,355.94	$20,751,219.06	$160,136.88
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$15,790,570.71	$15,529,630.48	$260,940.23	$15,790,570.71	$15,305,515.98	$485,054.73
Other Property and Investments	**$36,710,273.14**	**$36,421,970.97**	**$288,302.17**	**$36,710,273.14**	**$36,065,081.53**	**$645,191.61**
Current and Accrued Assets						
Cash	$2,238,028.79	$2,459,060.12	($221,031.33)	$2,238,028.79	$1,846,823.69	$391,205.10
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$285,433.74	$340,871.54	($55,437.80)	$285,433.74	$0.00	$285,433.74
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$66,298,390.56	$86,474,040.00	($20,175,649.44)	$66,298,390.56	$111,116,332.88	($44,817,942.32)
AR from Associated Cos	$10,526,506.67	$18,946,624.68	($8,420,118.01)	$10,526,506.67	$268,307.17	$10,258,199.50
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,238,998.75	$1,234,151.94	$4,846.81	$1,238,998.75	$1,214,644.63	$24,354.12
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$26,360,473.73	$15,835,755.05	$10,524,718.68	$26,360,473.73	$34,531,497.79	($8,171,024.06)
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$1,950,632.31	$2,694,143.93	($743,511.62)	$1,950,632.31	$5,021,560.26	($3,070,927.95)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$2,821,242.26	$2,844,302.56	($23,060.30)	$2,821,242.26	$3,688,036.76	($866,794.50)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$111,975,256.81**	**$131,084,499.82**	**($19,109,243.01)**	**$111,975,256.81**	**$157,942,753.18**	**($45,967,496.37)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$229,024,661.47	$229,647,186.05	($622,524.58)	$229,024,661.47	$228,744,963.58	$279,697.89
Preliminary Surveys	$6,708,136.95	$6,170,502.13	$537,634.82	$6,708,136.95	$4,574,196.04	$2,133,940.91
Clearing Accounts	$257,356.48	$251,417.02	$5,939.46	$257,356.48	$0.00	$257,356.48

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	Month: *May - 2021*	Previous Month	Variance	Month: *May - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,347,801.99	$4,152,296.25	$195,505.74	$4,347,801.99	$4,151,476.04	$196,325.95
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$113,046,162.00	$112,722,925.00	$323,237.00	$113,046,162.00	$119,156,394.00	($6,110,232.00)
Unrecovered Purchase Gas Costs	($12,334,100.78)	($13,080,536.86)	$746,436.08	($12,334,100.78)	($4,202,420.69)	($8,131,680.09)
Deferred Debits	**$341,050,018.11**	**$339,863,789.59**	**$1,186,228.52**	**$341,050,018.11**	**$352,424,608.97**	**($11,374,590.86)**
Assets and Other Debits	**$3,127,044,422.34**	**$3,123,210,001.48**	**$3,834,420.86**	**$3,127,044,422.34**	**$3,097,213,178.35**	**$29,831,243.99**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$107,889,827.00	$107,889,827.00	$0.00	$107,889,827.00	$107,889,827.00	$0.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,067,046,669.07	$1,068,695,668.40	($1,648,999.33)	$1,067,046,669.07	$971,987,434.78	$95,059,234.29
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,220,064,296.07**	**$1,221,713,295.40**	**($1,648,999.33)**	**$1,220,064,296.07**	**$1,125,005,061.78**	**$95,059,234.29**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,720,573.20	$24,318,265.28	$402,307.92	$24,720,573.20	$24,900,682.49	($180,109.29)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$145,055.42	$160,356.42	($15,301.00)	$145,055.42	$109,678.44	$35,376.98
Accum Prov - Pension & Benefit	$2,506,294.87	$2,637,777.11	($131,482.24)	$2,506,294.87	$2,628,257.44	($121,962.57)
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,833,358.45**	**$28,577,833.77**	**$255,524.68**	**$28,833,358.45**	**$30,561,488.29**	**($1,728,129.84)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$49,158,078.60	$44,908,670.05	$4,249,408.55	$49,158,078.60	$44,013,087.35	$5,144,991.25
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$33,111,577.99	$29,195,049.44	$3,916,528.55	$33,111,577.99	$185,008,659.77	($151,897,081.78)
Customer Deposits	$3,345,375.11	$3,393,165.11	($47,790.00)	$3,345,375.11	$3,479,442.11	($134,067.00)
Taxes Accrued	$34,769,081.96	$37,311,437.34	($2,542,355.38)	$34,769,081.96	$23,568,771.88	$11,200,310.08
Interest Accrued	$301,765.79	$298,820.62	$2,945.17	$301,765.79	$283,175.62	$18,590.17
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$152,055.19	$365,695.76	($213,640.57)	$152,055.19	$271,374.68	($119,319.49)
Misc Current & Accrued Liab	$26,669,539.35	$27,526,396.21	($856,856.86)	$26,669,539.35	$61,938,674.41	($35,269,135.06)
Obligation Cap Lease - Current	$2,217,975.26	$2,551,495.96	($333,520.70)	$2,217,975.26	$2,663,606.77	($445,631.51)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$149,725,449.25**	**$145,550,730.49**	**$4,174,718.76**	**$149,725,449.25**	**$321,226,792.59**	**($171,501,343.34)**
Deferred Credits						
Customer Adv. for Construction	$3,649,366.63	$3,682,202.58	($32,835.95)	$3,649,366.63	$3,793,774.87	($144,408.24)
Acc Defd Investment Tax Credit	$1,132,698.00	$1,155,170.00	($22,472.00)	$1,132,698.00	$1,245,058.00	($112,360.00)

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	Month: *May - 2021*	Previous Month	Variance	Month: *May - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,624,100.56	$6,653,935.31	($29,834.75)	$6,624,100.56	$6,553,645.37	$70,455.19
Other Regulatory Liabilities	$209,268,815.69	$210,149,620.24	($880,804.55)	$209,268,815.69	$220,866,696.76	($11,597,881.07)
Accum Defer Inc Tax - Oth Prop	$495,001,364.70	$493,146,313.70	$1,855,051.00	$495,001,364.70	$485,726,079.70	$9,275,285.00
Accum Defer Inc Tax - Other	$7,229,972.99	$7,065,899.99	$164,073.00	$7,229,972.99	$6,719,580.99	$510,392.00
Deferred Credits	**$722,906,318.57**	**$721,853,141.82**	**$1,053,176.75**	**$722,906,318.57**	**$724,904,835.69**	**($1,998,517.12)**
Total Liabilities and Equity	**$3,127,044,422.34**	**$3,123,210,001.48**	**$3,834,420.86**	**$3,127,044,422.34**	**$3,097,213,178.35**	**$29,831,243.99**

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	Month: *Jun - 2021*	Previous Month	Variance	Month: *Jun - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,144,933,765.46	$3,123,730,366.17	$21,203,399.29	$3,144,933,765.46	$3,041,590,481.48	$103,343,283.98
Construction Work In Progress	$80,418,132.21	$71,274,085.04	$9,144,047.17	$80,418,132.21	$43,992,077.61	$36,426,054.60
Total Utility Plant	**$3,225,351,897.67**	**$3,195,004,451.21**	**$30,347,446.46**	**$3,225,351,897.67**	**$3,085,582,559.09**	**$139,769,338.58**
Accum Prov - Amort and Depr	($564,285,077.16)	($558,427,449.18)	($5,857,627.98)	($564,285,077.16)	($535,533,696.67)	($28,751,380.49)
Net Utility Plant	**$2,661,066,820.51**	**$2,636,577,002.03**	**$24,489,818.48**	**$2,661,066,820.51**	**$2,550,048,862.42**	**$111,017,958.09**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,661,798,692.76**	**$2,637,308,874.28**	**$24,489,818.48**	**$2,661,798,692.76**	**$2,550,780,734.67**	**$111,017,958.09**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,904,640.82	$20,911,355.94	($6,715.12)	$20,904,640.82	$20,751,219.06	$153,421.76
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$16,056,380.47	$15,790,570.71	$265,809.76	$16,056,380.47	$15,305,515.98	$750,864.49
Other Property and Investments	**$36,969,367.78**	**$36,710,273.14**	**$259,094.64**	**$36,969,367.78**	**$36,065,081.53**	**$904,286.25**
Current and Accrued Assets						
Cash	$1,777,296.60	$2,238,028.79	($460,732.19)	$1,777,296.60	$1,846,823.69	($69,527.09)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$175,716.77	$285,433.74	($109,716.97)	$175,716.77	$0.00	$175,716.77
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$9,350,029.00	$0.00	$9,350,029.00	$9,350,029.00	$0.00	$9,350,029.00
Other Accounts Receivable	($9,097,029.00)	$253,000.00	($9,350,029.00)	($9,097,029.00)	$253,000.00	($9,350,029.00)
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$42,115,648.15	$66,298,390.56	($24,182,742.41)	$42,115,648.15	$111,116,332.88	($69,000,684.73)
AR from Associated Cos	$29,056,015.85	$10,526,506.67	$18,529,509.18	$29,056,015.85	$268,307.17	$28,787,708.68
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,235,039.03	$1,238,998.75	($3,959.72)	$1,235,039.03	$1,214,644.63	$20,394.40
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$35,238,444.64	$26,360,473.73	$8,877,970.91	$35,238,444.64	$34,531,497.79	$706,946.85
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$2,457,565.48	$1,950,632.31	$506,933.17	$2,457,565.48	$5,021,560.26	($2,563,994.78)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$2,044,188.82	$2,821,242.26	($777,053.44)	$2,044,188.82	$3,688,036.76	($1,643,847.94)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$114,355,465.34**	**$111,975,256.81**	**$2,380,208.53**	**$114,355,465.34**	**$157,942,753.18**	**($43,587,287.84)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$228,695,543.15	$229,024,661.47	($329,118.32)	$228,695,543.15	$228,744,963.58	($49,420.43)
Preliminary Surveys	$7,051,032.64	$6,708,136.95	$342,895.69	$7,051,032.64	$4,574,196.04	$2,476,836.60
Clearing Accounts	$9,456.57	$257,356.48	($247,899.91)	$9,456.57	$0.00	$9,456.57

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	Month: *Jun - 2021*	Previous Month	Variance	Month: *Jun - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,326,865.35	$4,347,801.99	($20,936.64)	$4,326,865.35	$4,151,476.04	$175,389.31
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$114,091,731.00	$113,046,162.00	$1,045,569.00	$114,091,731.00	$119,156,394.00	($5,064,663.00)
Unrecovered Purchase Gas Costs	($5,608,601.66)	($12,334,100.78)	$6,725,499.12	($5,608,601.66)	($4,202,420.69)	($1,406,180.97)
Deferred Debits	**$348,566,027.05**	**$341,050,018.11**	**$7,516,008.94**	**$348,566,027.05**	**$352,424,608.97**	**($3,858,581.92)**
Assets and Other Debits	**$3,161,689,552.93**	**$3,127,044,422.34**	**$34,645,130.59**	**$3,161,689,552.93**	**$3,097,213,178.35**	**$64,476,374.58**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$107,889,827.00	$60,000,000.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,059,456,950.65	$1,067,046,669.07	($7,589,718.42)	$1,059,456,950.65	$971,987,434.78	$87,469,515.87
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,272,474,577.65**	**$1,220,064,296.07**	**$52,410,281.58**	**$1,272,474,577.65**	**$1,125,005,061.78**	**$147,469,515.87**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$24,170,400.01	$24,720,573.20	($550,173.19)	$24,170,400.01	$24,900,682.49	($730,282.48)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$170,404.74	$145,055.42	$25,349.32	$170,404.74	$109,678.44	$60,726.30
Accum Prov - Pension & Benefit	$2,706,459.71	$2,506,294.87	$200,164.84	$2,706,459.71	$2,628,257.44	$78,202.27
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,508,699.42**	**$28,833,358.45**	**($324,659.03)**	**$28,508,699.42**	**$30,561,488.29**	**($2,052,788.87)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$47,757,495.51	$49,158,078.60	($1,400,583.09)	$47,757,495.51	$44,013,087.35	$3,744,408.16
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$15,114,701.50	$33,111,577.99	($17,996,876.49)	$15,114,701.50	$185,008,659.77	($169,893,958.27)
Customer Deposits	$3,363,912.11	$3,345,375.11	$18,537.00	$3,363,912.11	$3,479,442.11	($115,530.00)
Taxes Accrued	$29,980,933.55	$34,769,081.96	($4,788,148.41)	$29,980,933.55	$23,568,771.88	$6,412,161.67
Interest Accrued	$305,001.56	$301,765.79	$3,235.77	$305,001.56	$283,175.62	$21,825.94
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$64,330.57	$152,055.19	($87,724.62)	$64,330.57	$271,374.68	($207,044.11)
Misc Current & Accrued Liab	$31,742,188.94	$26,669,539.35	$5,072,649.59	$31,742,188.94	$61,938,674.41	($30,196,485.47)
Obligation Cap Lease - Current	$2,641,795.79	$2,217,975.26	$423,820.53	$2,641,795.79	$2,663,606.77	($21,810.98)
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$130,970,359.53**	**$149,725,449.25**	**($18,755,089.72)**	**$130,970,359.53**	**$321,226,792.59**	**($190,256,433.06)**
Deferred Credits						
Customer Adv. for Construction	$3,624,023.92	$3,649,366.63	($25,342.71)	$3,624,023.92	$3,793,774.87	($169,750.95)
Acc Defd Investment Tax Credit	$1,110,226.00	$1,132,698.00	($22,472.00)	$1,110,226.00	$1,245,058.00	($134,832.00)

Columbia Gas of Pennsylvania
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	Month: *Jun - 2021*	Previous Month	Variance	Month: *Jun - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,723,164.00	$6,624,100.56	$99,063.44	$6,723,164.00	$6,553,645.37	$169,518.63
Other Regulatory Liabilities	$208,360,667.72	$209,268,815.69	($908,147.97)	$208,360,667.72	$220,866,696.76	($12,506,029.04)
Accum Defer Inc Tax - Oth Prop	$496,856,416.70	$495,001,364.70	$1,855,052.00	$496,856,416.70	$485,726,079.70	$11,130,337.00
Accum Defer Inc Tax - Other	$7,546,417.99	$7,229,972.99	$316,445.00	$7,546,417.99	$6,719,580.99	$826,837.00
Deferred Credits	**$724,220,916.33**	**$722,906,318.57**	**$1,314,597.76**	**$724,220,916.33**	**$724,904,835.69**	**($683,919.36)**
Total Liabilities and Equity	**$3,161,689,552.93**	**$3,127,044,422.34**	**$34,645,130.59**	**$3,161,689,552.93**	**$3,097,213,178.35**	**$64,476,374.58**

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Regulated - Account FERC Hierarchy
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	Month: *Jul - 2021*	Previous Month	Variance	Month: *Jul - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,169,164,926.88	$3,144,933,765.46	$24,231,161.42	$3,169,164,926.88	$3,041,590,481.48	$127,574,445.40
Construction Work In Progress	$87,529,722.16	$80,418,132.21	$7,111,589.95	$87,529,722.16	$43,992,077.61	$43,537,644.55
Total Utility Plant	**$3,256,694,649.04**	**$3,225,351,897.67**	**$31,342,751.37**	**$3,256,694,649.04**	**$3,085,582,559.09**	**$171,112,089.95**
Accum Prov - Amort and Depr	($569,717,633.89)	($564,285,077.16)	($5,432,556.73)	($569,717,633.89)	($535,533,696.67)	($34,183,937.22)
Net Utility Plant	**$2,686,977,015.15**	**$2,661,066,820.51**	**$25,910,194.64**	**$2,686,977,015.15**	**$2,550,048,862.42**	**$136,928,152.73**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,687,708,887.40**	**$2,661,798,692.76**	**$25,910,194.64**	**$2,687,708,887.40**	**$2,550,780,734.67**	**$136,928,152.73**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,935,614.58	$20,904,640.82	$30,973.76	$20,935,614.58	$20,751,219.06	$184,395.52
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$16,317,320.70	$16,056,380.47	$260,940.23	$16,317,320.70	$15,305,515.98	$1,011,804.72
Other Property and Investments	**$37,261,281.77**	**$36,969,367.78**	**$291,913.99**	**$37,261,281.77**	**$36,065,081.53**	**$1,196,200.24**
Current and Accrued Assets						
Cash	$1,953,646.79	$1,777,296.60	$176,350.19	$1,953,646.79	$1,846,823.69	$106,823.10
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$175,716.77	($175,716.77)	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$9,350,029.00	($9,350,029.00)	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	($9,097,029.00)	$9,350,029.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$36,586,208.24	$42,115,648.15	($5,529,439.91)	$36,586,208.24	$111,116,332.88	($74,530,124.64)
AR from Associated Cos	$159,359.27	$29,056,015.85	($28,896,656.58)	$159,359.27	$268,307.17	($108,947.90)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,238,511.64	$1,235,039.03	$3,472.61	$1,238,511.64	$1,214,644.63	$23,867.01
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$47,766,796.82	$35,238,444.64	$12,528,352.18	$47,766,796.82	$34,531,497.79	$13,235,299.03
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$3,230,171.51	$2,457,565.48	$772,606.03	$3,230,171.51	$5,021,560.26	($1,791,388.75)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$1,221,059.98	$2,044,188.82	($823,128.84)	$1,221,059.98	$3,688,036.76	($2,466,976.78)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$92,411,304.25**	**$114,355,465.34**	**($21,944,161.09)**	**$92,411,304.25**	**$157,942,753.18**	**($65,531,448.93)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$228,401,963.93	$228,695,543.15	($293,579.22)	$228,401,963.93	$228,744,963.58	($342,999.65)
Preliminary Surveys	$7,683,751.66	$7,051,032.64	$632,719.02	$7,683,751.66	$4,574,196.04	$3,109,555.62
Clearing Accounts	$160,966.42	$9,456.57	$151,509.85	$160,966.42	$0.00	$160,966.42

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	Month: *Jul - 2021*	Previous Month	Variance	Month: *Jul - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,413,645.95	$4,326,865.35	$86,780.60	$4,413,645.95	$4,151,476.04	$262,169.91
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$114,366,138.00	$114,091,731.00	$274,407.00	$114,366,138.00	$119,156,394.00	($4,790,256.00)
Unrecovered Purchase Gas Costs	$1,184,306.30	($5,608,601.66)	$6,792,907.96	$1,184,306.30	($4,202,420.69)	$5,386,726.99
Deferred Debits	**$356,210,772.26**	**$348,566,027.05**	**$7,644,745.21**	**$356,210,772.26**	**$352,424,608.97**	**$3,786,163.29**
Assets and Other Debits	**$3,173,592,245.68**	**$3,161,689,552.93**	**$11,902,692.75**	**$3,173,592,245.68**	**$3,097,213,178.35**	**$76,379,067.33**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$167,889,827.00	$0.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,053,166,409.27	$1,059,456,950.65	($6,290,541.38)	$1,053,166,409.27	$971,987,434.78	$81,178,974.49
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,266,184,036.27**	**$1,272,474,577.65**	**($6,290,541.38)**	**$1,266,184,036.27**	**$1,125,005,061.78**	**$141,178,974.49**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$23,999,571.45	$24,170,400.01	($170,828.56)	$23,999,571.45	$24,900,682.49	($901,111.04)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$185,606.07	$170,404.74	$15,201.33	$185,606.07	$109,678.44	$75,927.63
Accum Prov - Pension & Benefit	$2,533,573.20	$2,706,459.71	($172,886.51)	$2,533,573.20	$2,628,257.44	($94,684.24)
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,180,185.68**	**$28,508,699.42**	**($328,513.74)**	**$28,180,185.68**	**$30,561,488.29**	**($2,381,302.61)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$50,735,759.74	$47,757,495.51	$2,978,264.23	$50,735,759.74	$44,013,087.35	$6,722,672.39
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$24,937,465.52	$15,114,701.50	$9,822,764.02	$24,937,465.52	$185,008,659.77	($160,071,194.25)
Customer Deposits	$3,396,638.11	$3,363,912.11	$32,726.00	$3,396,638.11	$3,479,442.11	($82,804.00)
Taxes Accrued	$25,875,892.34	$29,980,933.55	($4,105,041.21)	$25,875,892.34	$23,568,771.88	$2,307,120.46
Interest Accrued	$308,426.60	$305,001.56	$3,425.04	$308,426.60	$283,175.62	$25,250.98
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$100,486.95	$64,330.57	$36,156.38	$100,486.95	$271,374.68	($170,887.73)
Misc Current & Accrued Liab	$39,416,725.13	$31,742,188.94	$7,674,536.19	$39,416,725.13	$61,938,674.41	($22,521,949.28)
Obligation Cap Lease - Current	$2,742,838.39	$2,641,795.79	$101,042.60	$2,742,838.39	$2,663,606.77	$79,231.62
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$147,514,232.78**	**$130,970,359.53**	**$16,543,873.25**	**$147,514,232.78**	**$321,226,792.59**	**($173,712,559.81)**
Deferred Credits						
Customer Adv. for Construction	$3,571,409.49	$3,624,023.92	($52,614.43)	$3,571,409.49	$3,793,774.87	($222,365.38)
Acc Defd Investment Tax Credit	$1,089,795.00	$1,110,226.00	($20,431.00)	$1,089,795.00	$1,245,058.00	($155,263.00)

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	Month: *Jul - 2021*	Previous Month	Variance	Month: *Jul - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,710,859.46	$6,723,164.00	($12,304.54)	$6,710,859.46	$6,553,645.37	$157,214.09
Other Regulatory Liabilities	$208,530,044.31	$208,360,667.72	$169,376.59	$208,530,044.31	$220,866,696.76	($12,336,652.45)
Accum Defer Inc Tax - Oth Prop	$498,711,461.70	$496,856,416.70	$1,855,045.00	$498,711,461.70	$485,726,079.70	$12,985,382.00
Accum Defer Inc Tax - Other	$7,585,220.99	$7,546,417.99	$38,803.00	$7,585,220.99	$6,719,580.99	$865,640.00
Deferred Credits	**$726,198,790.95**	**$724,220,916.33**	**$1,977,874.62**	**$726,198,790.95**	**$724,904,835.69**	**$1,293,955.26**
Total Liabilities and Equity	**$3,173,592,245.68**	**$3,161,689,552.93**	**$11,902,692.75**	**$3,173,592,245.68**	**$3,097,213,178.35**	**$76,379,067.33**

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	Month: *Aug - 2021*	Previous Month	Variance	Month: *Aug - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,191,436,760.45	$3,169,164,926.88	$22,271,833.57	$3,191,436,760.45	$3,041,590,481.48	$149,846,278.97
Construction Work In Progress	$96,479,401.51	$87,529,722.16	$8,949,679.35	$96,479,401.51	$43,992,077.61	$52,487,323.90
Total Utility Plant	**$3,287,916,161.96**	**$3,256,694,649.04**	**$31,221,512.92**	**$3,287,916,161.96**	**$3,085,582,559.09**	**$202,333,602.87**
Accum Prov - Amort and Depr	($572,043,440.38)	($569,717,633.89)	($2,325,806.49)	($572,043,440.38)	($535,533,696.67)	($36,509,743.71)
Net Utility Plant	**$2,715,872,721.58**	**$2,686,977,015.15**	**$28,895,706.43**	**$2,715,872,721.58**	**$2,550,048,862.42**	**$165,823,859.16**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,716,604,593.83**	**$2,687,708,887.40**	**$28,895,706.43**	**$2,716,604,593.83**	**$2,550,780,734.67**	**$165,823,859.16**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,967,129.42	$20,935,614.58	$31,514.84	$20,967,129.42	$20,751,219.06	$215,910.36
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$16,578,260.93	$16,317,320.70	$260,940.23	$16,578,260.93	$15,305,515.98	$1,272,744.95
Other Property and Investments	**$37,553,736.84**	**$37,261,281.77**	**$292,455.07**	**$37,553,736.84**	**$36,065,081.53**	**$1,488,655.31**
Current and Accrued Assets						
Cash	$1,068,337.25	$1,953,646.79	($885,309.54)	$1,068,337.25	$1,846,823.69	($778,486.44)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$32,510,456.01	$36,586,208.24	($4,075,752.23)	$32,510,456.01	$111,116,332.88	($78,605,876.87)
AR from Associated Cos	$202,388.61	$159,359.27	$43,029.34	$202,388.61	$268,307.17	($65,918.56)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,183,200.72	$1,238,511.64	($55,310.92)	$1,183,200.72	$1,214,644.63	($31,443.91)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$56,212,604.92	$47,766,796.82	$8,445,808.10	$56,212,604.92	$34,531,497.79	$21,681,107.13
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,167,044.53	$3,230,171.51	$1,936,873.02	$5,167,044.53	$5,021,560.26	$145,484.27
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,178,025.42	$1,221,059.98	$1,956,965.44	$3,178,025.42	$3,688,036.76	($510,011.34)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$99,777,607.46**	**$92,411,304.25**	**$7,366,303.21**	**$99,777,607.46**	**$157,942,753.18**	**($58,165,145.72)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$227,974,517.94	$228,401,963.93	($427,445.99)	$227,974,517.94	$228,744,963.58	($770,445.64)
Preliminary Surveys	$8,026,109.57	$7,683,751.66	$342,357.91	$8,026,109.57	$4,574,196.04	$3,451,913.53
Clearing Accounts	$95,023.11	$160,966.42	($65,943.31)	$95,023.11	$0.00	$95,023.11

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	Month: *Aug - 2021*	Previous Month	Variance	Month: *Aug - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,291,894.80	$4,413,645.95	($121,751.15)	$4,291,894.80	$4,151,476.04	$140,418.76
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$114,750,306.00	$114,366,138.00	$384,168.00	$114,750,306.00	$119,156,394.00	($4,406,088.00)
Unrecovered Purchase Gas Costs	$8,722,982.43	$1,184,306.30	$7,538,676.13	$8,722,982.43	($4,202,420.69)	$12,925,403.12
Deferred Debits	**$363,860,833.85**	**$356,210,772.26**	**$7,650,061.59**	**$363,860,833.85**	**$352,424,608.97**	**$11,436,224.88**
Assets and Other Debits	**$3,217,796,771.98**	**$3,173,592,245.68**	**$44,204,526.30**	**$3,217,796,771.98**	**$3,097,213,178.35**	**$120,583,593.63**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$167,889,827.00	$0.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,045,733,673.46	$1,053,166,409.27	($7,432,735.81)	$1,045,733,673.46	$971,987,434.78	$73,746,238.68
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,258,751,300.46**	**$1,266,184,036.27**	**($7,432,735.81)**	**$1,258,751,300.46**	**$1,125,005,061.78**	**$133,746,238.68**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$23,826,845.58	$23,999,571.45	($172,725.87)	$23,826,845.58	$24,900,682.49	($1,073,836.91)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$204,831.89	$185,606.07	$19,225.82	$204,831.89	$109,678.44	$95,153.45
Accum Prov - Pension & Benefit	$2,639,536.79	$2,533,573.20	$105,963.59	$2,639,536.79	$2,628,257.44	$11,279.35
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$28,132,649.22**	**$28,180,185.68**	**($47,536.46)**	**$28,132,649.22**	**$30,561,488.29**	**($2,428,839.07)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$51,325,785.10	$50,735,759.74	$590,025.36	$51,325,785.10	$44,013,087.35	$7,312,697.75
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$67,413,061.96	$24,937,465.52	$42,475,596.44	$67,413,061.96	$185,008,659.77	($117,595,597.81)
Customer Deposits	$3,459,032.11	$3,396,638.11	$62,394.00	$3,459,032.11	$3,479,442.11	($20,410.00)
Taxes Accrued	$21,438,084.49	$25,875,892.34	($4,437,807.85)	$21,438,084.49	$23,568,771.88	($2,130,687.39)
Interest Accrued	$313,916.11	$308,426.60	$5,489.51	$313,916.11	$283,175.62	$30,740.49
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$76,403.07	$100,486.95	($24,083.88)	$76,403.07	$271,374.68	($194,971.61)
Misc Current & Accrued Liab	$50,243,632.78	$39,416,725.13	$10,826,907.65	$50,243,632.78	$61,938,674.41	($11,695,041.63)
Obligation Cap Lease - Current	$2,801,387.66	$2,742,838.39	$58,549.27	$2,801,387.66	$2,663,606.77	$137,780.89
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$197,071,303.28**	**$147,514,232.78**	**$49,557,070.50**	**$197,071,303.28**	**$321,226,792.59**	**($124,155,489.31)**
Deferred Credits						
Customer Adv. for Construction	$3,537,103.02	$3,571,409.49	($34,306.47)	$3,537,103.02	$3,793,774.87	($256,671.85)
Acc Defd Investment Tax Credit	$1,069,364.00	$1,089,795.00	($20,431.00)	$1,069,364.00	$1,245,058.00	($175,694.00)

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	Month: *Aug - 2021*	Previous Month	Variance	Month: *Aug - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,692,050.64	$6,710,859.46	($18,808.82)	$6,692,050.64	$6,553,645.37	$138,405.27
Other Regulatory Liabilities	$208,827,761.67	$208,530,044.31	$297,717.36	$208,827,761.67	$220,866,696.76	($12,038,935.09)
Accum Defer Inc Tax - Oth Prop	$500,566,507.70	$498,711,461.70	$1,855,046.00	$500,566,507.70	$485,726,079.70	$14,840,428.00
Accum Defer Inc Tax - Other	$7,633,731.99	$7,585,220.99	$48,511.00	$7,633,731.99	$6,719,580.99	$914,151.00
Deferred Credits	**$728,326,519.02**	**$726,198,790.95**	**$2,127,728.07**	**$728,326,519.02**	**$724,904,835.69**	**$3,421,683.33**
Total Liabilities and Equity	**$3,217,796,771.98**	**$3,173,592,245.68**	**$44,204,526.30**	**$3,217,796,771.98**	**$3,097,213,178.35**	**$120,583,593.63**

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	Month: *Sep - 2021*	Previous Month	Variance	Month: *Sep - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,222,817,639.30	$3,191,436,760.45	$31,380,878.85	$3,222,817,639.30	$3,041,590,481.48	$181,227,157.82
Construction Work In Progress	$98,701,791.54	$96,479,401.51	$2,222,390.03	$98,701,791.54	$43,992,077.61	$54,709,713.93
Total Utility Plant	**$3,321,519,430.84**	**$3,287,916,161.96**	**$33,603,268.88**	**$3,321,519,430.84**	**$3,085,582,559.09**	**$235,936,871.75**
Accum Prov - Amort and Depr	($577,821,039.54)	($572,043,440.38)	($5,777,599.16)	($577,821,039.54)	($535,533,696.67)	($42,287,342.87)
Net Utility Plant	**$2,743,698,391.30**	**$2,715,872,721.58**	**$27,825,669.72**	**$2,743,698,391.30**	**$2,550,048,862.42**	**$193,649,528.88**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,744,430,263.55**	**$2,716,604,593.83**	**$27,825,669.72**	**$2,744,430,263.55**	**$2,550,780,734.67**	**$193,649,528.88**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$20,982,825.93	$20,967,129.42	$15,696.51	$20,982,825.93	$20,751,219.06	$231,606.87
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$16,670,564.68	$16,578,260.93	$92,303.75	$16,670,564.68	$15,305,515.98	$1,365,048.70
Other Property and Investments	**$37,661,737.10**	**$37,553,736.84**	**$108,000.26**	**$37,661,737.10**	**$36,065,081.53**	**$1,596,655.57**
Current and Accrued Assets						
Cash	$1,038,576.20	$1,068,337.25	($29,761.05)	$1,038,576.20	$1,846,823.69	($808,247.49)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$34,220,843.94	$32,510,456.01	$1,710,387.93	$34,220,843.94	$111,116,332.88	($76,895,488.94)
AR from Associated Cos	$280,428.39	$202,388.61	$78,039.78	$280,428.39	$268,307.17	$12,121.22
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,190,666.48	$1,183,200.72	$7,465.76	$1,190,666.48	$1,214,644.63	($23,978.15)
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$67,871,057.71	$56,212,604.92	$11,658,452.79	$67,871,057.71	$34,531,497.79	$33,339,559.92
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$4,573,104.90	$5,167,044.53	($593,939.63)	$4,573,104.90	$5,021,560.26	($448,455.36)
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,345,153.87	$3,178,025.42	$167,128.45	$3,345,153.87	$3,688,036.76	($342,882.89)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$112,775,381.49**	**$99,777,607.46**	**$12,997,774.03**	**$112,775,381.49**	**$157,942,753.18**	**($45,167,371.69)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$226,900,940.61	$227,974,517.94	($1,073,577.33)	$226,900,940.61	$228,744,963.58	($1,844,022.97)
Preliminary Surveys	$8,584,611.70	$8,026,109.57	$558,502.13	$8,584,611.70	$4,574,196.04	$4,010,415.66
Clearing Accounts	$161,171.29	$95,023.11	$66,148.18	$161,171.29	$0.00	$161,171.29

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	Month: *Sep - 2021*	Previous Month	Variance	Month: *Sep - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,284,421.13	$4,291,894.80	($7,473.67)	$4,284,421.13	$4,151,476.04	$132,945.09
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$115,563,392.00	$114,750,306.00	$813,086.00	$115,563,392.00	$119,156,394.00	($3,593,002.00)
Unrecovered Purchase Gas Costs	$15,747,382.52	$8,722,982.43	$7,024,400.09	$15,747,382.52	($4,202,420.69)	$19,949,803.21
Deferred Debits	**$371,241,919.25**	**$363,860,833.85**	**$7,381,085.40**	**$371,241,919.25**	**$352,424,608.97**	**$18,817,310.28**
Assets and Other Debits	**$3,266,109,301.39**	**$3,217,796,771.98**	**$48,312,529.41**	**$3,266,109,301.39**	**$3,097,213,178.35**	**$168,896,123.04**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$167,889,827.00	$0.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,039,715,648.86	$1,045,733,673.46	($6,018,024.60)	$1,039,715,648.86	$971,987,434.78	$67,728,214.08
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,252,733,275.86**	**$1,258,751,300.46**	**($6,018,024.60)**	**$1,252,733,275.86**	**$1,125,005,061.78**	**$127,728,214.08**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$23,652,571.56	$23,826,845.58	($174,274.02)	$23,652,571.56	$24,900,682.49	($1,248,110.93)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$189,907.01	$204,831.89	($14,924.88)	$189,907.01	$109,678.44	$80,228.57
Accum Prov - Pension & Benefit	$2,662,897.72	$2,639,536.79	$23,360.93	$2,662,897.72	$2,628,257.44	$34,640.28
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$27,966,811.25**	**$28,132,649.22**	**($165,837.97)**	**$27,966,811.25**	**$30,561,488.29**	**($2,594,677.04)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$51,839,217.09	$51,325,785.10	$513,431.99	$51,839,217.09	$44,013,087.35	$7,826,129.74
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$107,796,464.96	$67,413,061.96	$40,383,403.00	$107,796,464.96	$185,008,659.77	($77,212,194.81)
Customer Deposits	$3,548,129.11	$3,459,032.11	$89,097.00	$3,548,129.11	$3,479,442.11	$68,687.00
Taxes Accrued	$17,619,116.46	$21,438,084.49	($3,818,968.03)	$17,619,116.46	$23,568,771.88	($5,949,655.42)
Interest Accrued	$319,726.29	$313,916.11	$5,810.18	$319,726.29	$283,175.62	$36,550.67
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$63,444.35	$76,403.07	($12,958.72)	$63,444.35	$271,374.68	($207,930.33)
Misc Current & Accrued Liab	$66,120,465.57	$50,243,632.78	$15,876,832.79	$66,120,465.57	$61,938,674.41	$4,181,791.16
Obligation Cap Lease - Current	$2,804,831.16	$2,801,387.66	$3,443.50	$2,804,831.16	$2,663,606.77	$141,224.39
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$250,111,394.99**	**$197,071,303.28**	**$53,040,091.71**	**$250,111,394.99**	**$321,226,792.59**	**($71,115,397.60)**
Deferred Credits						
Customer Adv. for Construction	$3,552,508.04	$3,537,103.02	$15,405.02	$3,552,508.04	$3,793,774.87	($241,266.83)
Acc Defd Investment Tax Credit	$1,048,933.00	$1,069,364.00	($20,431.00)	$1,048,933.00	$1,245,058.00	($196,125.00)

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	Month: *Sep - 2021*	Previous Month	Variance	Month: *Sep - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,768,313.53	$6,692,050.64	$76,262.89	$6,768,313.53	$6,553,645.37	$214,668.16
Other Regulatory Liabilities	$208,442,918.03	$208,827,761.67	($384,843.64)	$208,442,918.03	$220,866,696.76	($12,423,778.73)
Accum Defer Inc Tax - Oth Prop	$502,421,549.70	$500,566,507.70	$1,855,042.00	$502,421,549.70	$485,726,079.70	$16,695,470.00
Accum Defer Inc Tax - Other	$7,548,596.99	$7,633,731.99	($85,135.00)	$7,548,596.99	$6,719,580.99	$829,016.00
Deferred Credits	**$729,782,819.29**	**$728,326,519.02**	**$1,456,300.27**	**$729,782,819.29**	**$724,904,835.69**	**$4,877,983.60**
Total Liabilities and Equity	**$3,266,109,301.39**	**$3,217,796,771.98**	**$48,312,529.41**	**$3,266,109,301.39**	**$3,097,213,178.35**	**$168,896,123.04**

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	Month: *Oct - 2021*	Previous Month	Variance	Month: *Oct - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,253,255,871.81	$3,222,817,639.30	$30,438,232.51	$3,253,255,871.81	$3,041,590,481.48	$211,665,390.33
Construction Work In Progress	$102,099,802.37	$98,701,791.54	$3,398,010.83	$102,099,802.37	$43,992,077.61	$58,107,724.76
Total Utility Plant	**$3,355,355,674.18**	**$3,321,519,430.84**	**$33,836,243.34**	**$3,355,355,674.18**	**$3,085,582,559.09**	**$269,773,115.09**
Accum Prov - Amort and Depr	($582,526,824.07)	($577,821,039.54)	($4,705,784.53)	($582,526,824.07)	($535,533,696.67)	($46,993,127.40)
Net Utility Plant	**$2,772,828,850.11**	**$2,743,698,391.30**	**$29,130,458.81**	**$2,772,828,850.11**	**$2,550,048,862.42**	**$222,779,987.69**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,773,560,722.36**	**$2,744,430,263.55**	**$29,130,458.81**	**$2,773,560,722.36**	**$2,550,780,734.67**	**$222,779,987.69**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$21,015,937.88	$20,982,825.93	$33,111.95	$21,015,937.88	$20,751,219.06	$264,718.82
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$16,931,504.91	$16,670,564.68	$260,940.23	$16,931,504.91	$15,305,515.98	$1,625,988.93
Other Property and Investments	**$37,955,789.28**	**$37,661,737.10**	**$294,052.18**	**$37,955,789.28**	**$36,065,081.53**	**$1,890,707.75**
Current and Accrued Assets						
Cash	$1,268,035.59	$1,038,576.20	$229,459.39	$1,268,035.59	$1,846,823.69	($578,788.10)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$43,905,689.03	$34,220,843.94	$9,684,845.09	$43,905,689.03	$111,116,332.88	($67,210,643.85)
AR from Associated Cos	($4,494.64)	$280,428.39	($284,923.03)	($4,494.64)	$268,307.17	($272,801.81)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,354,351.28	$1,190,666.48	$163,684.80	$1,354,351.28	$1,214,644.63	$139,706.65
Merchandise	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$76,945,697.38	$67,871,057.71	$9,074,639.67	$76,945,697.38	$34,531,497.79	$42,414,199.59
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$5,430,330.15	$4,573,104.90	$857,225.25	$5,430,330.15	$5,021,560.26	$408,769.89
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,063,004.85	$3,345,153.87	($282,149.02)	$3,063,004.85	$3,688,036.76	($625,031.91)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$132,218,163.64**	**$112,775,381.49**	**$19,442,782.15**	**$132,218,163.64**	**$157,942,753.18**	**($25,724,589.54)**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$225,491,117.62	$226,900,940.61	($1,409,822.99)	$225,491,117.62	$228,744,963.58	($3,253,845.96)
Preliminary Surveys	$8,909,982.66	$8,584,611.70	$325,370.96	$8,909,982.66	$4,574,196.04	$4,335,786.62
Clearing Accounts	$43,146.15	$161,171.29	($118,025.14)	$43,146.15	$0.00	$43,146.15

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	Month: *Oct - 2021*	Previous Month	Variance	Month: *Oct - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$4,273,890.97	$4,284,421.13	($10,530.16)	$4,273,890.97	$4,151,476.04	$122,414.93
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$116,078,028.00	$115,563,392.00	$514,636.00	$116,078,028.00	$119,156,394.00	($3,078,366.00)
Unrecovered Purchase Gas Costs	$26,610,717.34	$15,747,382.52	$10,863,334.82	$26,610,717.34	($4,202,420.69)	$30,813,138.03
Deferred Debits	**$381,406,882.74**	**$371,241,919.25**	**$10,164,963.49**	**$381,406,882.74**	**$352,424,608.97**	**$28,982,273.77**
Assets and Other Debits	**$3,325,141,558.02**	**$3,266,109,301.39**	**$59,032,256.63**	**$3,325,141,558.02**	**$3,097,213,178.35**	**$227,928,379.67**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$167,889,827.00	$0.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,037,715,557.67	$1,039,715,648.86	($2,000,091.19)	$1,037,715,557.67	$971,987,434.78	$65,728,122.89
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,250,733,184.67**	**$1,252,733,275.86**	**($2,000,091.19)**	**$1,250,733,184.67**	**$1,125,005,061.78**	**$125,728,122.89**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$1,005,515,000.00	$1,005,515,000.00	$0.00	$1,005,515,000.00	$895,515,000.00	$110,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$1,005,515,000.00**	**$1,005,515,000.00**	**$0.00**	**$1,005,515,000.00**	**$895,515,000.00**	**$110,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$23,477,513.86	$23,652,571.56	($175,057.70)	$23,477,513.86	$24,900,682.49	($1,423,168.63)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$179,904.62	$189,907.01	($10,002.39)	$179,904.62	$109,678.44	$70,226.18
Accum Prov - Pension & Benefit	$2,536,433.27	$2,662,897.72	($126,464.45)	$2,536,433.27	$2,628,257.44	($91,824.17)
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$27,655,286.71**	**$27,966,811.25**	**($311,524.54)**	**$27,655,286.71**	**$30,561,488.29**	**($2,906,201.58)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$57,087,129.71	$51,839,217.09	$5,247,912.62	$57,087,129.71	$44,013,087.35	$13,074,042.36
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$148,625,107.39	$107,796,464.96	$40,828,642.43	$148,625,107.39	$185,008,659.77	($36,383,552.38)
Customer Deposits	$3,721,183.11	$3,548,129.11	$173,054.00	$3,721,183.11	$3,479,442.11	$241,741.00
Taxes Accrued	$14,979,794.61	$17,619,116.46	($2,639,321.85)	$14,979,794.61	$23,568,771.88	($8,588,977.27)
Interest Accrued	$325,589.77	$319,726.29	$5,863.48	$325,589.77	$283,175.62	$42,414.15
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$71,961.94	$63,444.35	$8,517.59	$71,961.94	$271,374.68	($199,412.74)
Misc Current & Accrued Liab	$82,993,415.99	$66,120,465.57	$16,872,950.42	$82,993,415.99	$61,938,674.41	$21,054,741.58
Obligation Cap Lease - Current	$2,758,060.16	$2,804,831.16	($46,771.00)	$2,758,060.16	$2,663,606.77	$94,453.39
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$310,562,242.68**	**$250,111,394.99**	**$60,450,847.69**	**$310,562,242.68**	**$321,226,792.59**	**($10,664,549.91)**
Deferred Credits						
Customer Adv. for Construction	$3,496,072.27	$3,552,508.04	($56,435.77)	$3,496,072.27	$3,793,774.87	($297,702.60)
Acc Defd Investment Tax Credit	$1,028,502.00	$1,048,933.00	($20,431.00)	$1,028,502.00	$1,245,058.00	($216,556.00)

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	Month: *Oct - 2021*	Previous Month	Variance	Month: *Oct - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,748,261.20	$6,768,313.53	($20,052.33)	$6,748,261.20	$6,553,645.37	$194,615.83
Other Regulatory Liabilities	$207,891,070.80	$208,442,918.03	($551,847.23)	$207,891,070.80	$220,866,696.76	($12,975,625.96)
Accum Defer Inc Tax - Oth Prop	$504,276,590.70	$502,421,549.70	$1,855,041.00	$504,276,590.70	$485,726,079.70	$18,550,511.00
Accum Defer Inc Tax - Other	$7,235,346.99	$7,548,596.99	($313,250.00)	$7,235,346.99	$6,719,580.99	$515,766.00
Deferred Credits	**$730,675,843.96**	**$729,782,819.29**	**$893,024.67**	**$730,675,843.96**	**$724,904,835.69**	**$5,771,008.27**
Total Liabilities and Equity	**$3,325,141,558.02**	**$3,266,109,301.39**	**$59,032,256.63**	**$3,325,141,558.02**	**$3,097,213,178.35**	**$227,928,379.67**

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	Month: *Nov - 2021*	Previous Month	Variance	Month: *Nov - 2021*	December of Previous Year	Variance
ASSETS						
Utility Plant						
Utility Plant	$3,283,711,061.37	$3,253,255,871.81	$30,455,189.56	$3,283,711,061.37	$3,041,590,481.48	$242,120,579.89
Construction Work In Progress	$103,631,256.44	$102,099,802.37	$1,531,454.07	$103,631,256.44	$43,992,077.61	$59,639,178.83
Total Utility Plant	**$3,387,342,317.81**	**$3,355,355,674.18**	**$31,986,643.63**	**$3,387,342,317.81**	**$3,085,582,559.09**	**$301,759,758.72**
Accum Prov - Amort and Depr	($586,090,378.16)	($582,526,824.07)	($3,563,554.09)	($586,090,378.16)	($535,533,696.67)	($50,556,681.49)
Net Utility Plant	**$2,801,251,939.65**	**$2,772,828,850.11**	**$28,423,089.54**	**$2,801,251,939.65**	**$2,550,048,862.42**	**$251,203,077.23**
Other Plant Adjustments	-	-	-	-	-	-
Gas Store Underground	$895,339.06	$895,339.06	$0.00	$895,339.06	$895,339.06	$0.00
System Balancing Gas	($163,466.81)	($163,466.81)	$0.00	($163,466.81)	($163,466.81)	$0.00
Gas Store Undergrd_SysBal	$731,872.25	$731,872.25	$0.00	$731,872.25	$731,872.25	$0.00
Utility Plant	**$2,801,983,811.90**	**$2,773,560,722.36**	**$28,423,089.54**	**$2,801,983,811.90**	**$2,550,780,734.67**	**$251,203,077.23**
Other Property and Investments						
Non Utility Other Property	$8,346.49	$8,346.49	$0.00	$8,346.49	$8,346.49	$0.00
Accum Prov - Deprec Oth Plant	-	-	-	-	-	-
Investments in Associated Cos	-	-	-	-	-	-
Investments in Subsidiary Cos	$21,061,532.39	$21,015,937.88	$45,594.51	$21,061,532.39	$20,751,219.06	$310,313.33
Other Investments	-	-	-	-	-	-
Sinking Fund	-	-	-	-	-	-
Other Special Funds	$17,192,445.14	$16,931,504.91	$260,940.23	$17,192,445.14	$15,305,515.98	$1,886,929.16
Other Property and Investments	**$38,262,324.02**	**$37,955,789.28**	**$306,534.74**	**$38,262,324.02**	**$36,065,081.53**	**$2,197,242.49**
Current and Accrued Assets						
Cash	$1,800,966.80	$1,268,035.59	$532,931.21	$1,800,966.80	$1,846,823.69	($45,856.89)
Special Deposits	-	-	-	-	-	-
Working Funds	$2,550.00	$2,550.00	$0.00	$2,550.00	$2,550.00	$0.00
Temp Cash Investments	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Notes Receivable	-	-	-	-	-	-
Customer Accounts Receivable	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Accounts Receivable	$253,000.00	$253,000.00	$0.00	$253,000.00	$253,000.00	$0.00
Accum Prov Uncollectible - Cr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NR from Associated Cos	$86,516,838.08	$43,905,689.03	$42,611,149.05	$86,516,838.08	$111,116,332.88	($24,599,494.80)
AR from Associated Cos	$74,464.54	($4,494.64)	$78,959.18	$74,464.54	$268,307.17	($193,842.63)
Fuel Stock	-	-	-	-	-	-
Fuel Stock Expenses Undistrib	-	-	-	-	-	-
Residuals & Extracted Products	-	-	-	-	-	-
Plant Materials & Supplies	$1,315,942.98	$1,354,351.28	($38,408.30)	$1,315,942.98	$1,214,644.63	$101,298.35
Merchandise	$842.71	$0.00	$842.71	$842.71	$0.00	$842.71
Allowances	-	-	-	-	-	-
Stores Exp Undistributed	-	-	-	-	-	-
Gas Stored Underground - Curr	$72,970,483.76	$76,945,697.38	($3,975,213.62)	$72,970,483.76	$34,531,497.79	$38,438,985.97
LNG Stored & Held for Process	-	-	-	-	-	-
Prepayments	$6,667,674.73	$5,430,330.15	$1,237,344.58	$6,667,674.73	$5,021,560.26	$1,646,114.47
Interest & Dividends Rec	-	-	-	-	-	-
Rent Receivable	-	-	-	-	-	-
Accrued Utility Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Misc Current & Accrued Assets	$3,685,391.77	$3,063,004.85	$622,386.92	$3,685,391.77	$3,688,036.76	($2,644.99)
Derivative Instrument Assets	-	-	-	-	-	-
Derivative Assets - Hedging	-	-	-	-	-	-
Current and Accrued Assets	**$173,288,155.37**	**$132,218,163.64**	**$41,069,991.73**	**$173,288,155.37**	**$157,942,753.18**	**$15,345,402.19**
Deferred Debits						
Unamortized Debt Expense	-	-	-	-	-	-
Extraordinary Property Loss	-	-	-	-	-	-
Other Regulatory Asset	$224,073,202.04	$225,491,117.62	($1,417,915.58)	$224,073,202.04	$228,744,963.58	($4,671,761.54)
Preliminary Surveys	$9,471,827.75	$8,909,982.66	$561,845.09	$9,471,827.75	$4,574,196.04	$4,897,631.71
Clearing Accounts	$163,241.86	$43,146.15	$120,095.71	$163,241.86	$0.00	$163,241.86

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	Month: *Nov - 2021*	Previous Month	Variance	Month: *Nov - 2021*	December of Previous Year	Variance
Miscellaneous Deferred Debits	$3,800,423.49	$4,273,890.97	($473,467.48)	$3,800,423.49	$4,151,476.04	($351,052.55)
Research & Development Expense	-	-	-	-	-	-
Unamort Loss Reacquired Debt	-	-	-	-	-	-
Accum Deferred Income Taxes	$114,146,238.00	$116,078,028.00	($1,931,790.00)	$114,146,238.00	$119,156,394.00	($5,010,156.00)
Unrecovered Purchase Gas Costs	$27,023,874.05	$26,610,717.34	$413,156.71	$27,023,874.05	($4,202,420.69)	$31,226,294.74
Deferred Debits	**$378,678,807.19**	**$381,406,882.74**	**($2,728,075.55)**	**$378,678,807.19**	**$352,424,608.97**	**$26,254,198.22**
Assets and Other Debits	**$3,392,213,098.48**	**$3,325,141,558.02**	**$67,071,540.46**	**$3,392,213,098.48**	**$3,097,213,178.35**	**$294,999,920.13**
LIABILITIES AND OTHER CREDITS						
Proprietary Capital						
Common Stock FERC	$45,127,800.00	$45,127,800.00	$0.00	$45,127,800.00	$45,127,800.00	$0.00
Preferred Stock Issued	-	-	-	-	-	-
Capital Stock Subscribed	-	-	-	-	-	-
Premium on Capital Stock	-	-	-	-	-	-
Other Paid-in Capital	$167,889,827.00	$167,889,827.00	$0.00	$167,889,827.00	$107,889,827.00	$60,000,000.00
Capital Stock Expense	-	-	-	-	-	-
Retained Earnings	$1,054,552,365.53	$1,037,715,557.67	$16,836,807.86	$1,054,552,365.53	$971,987,434.78	$82,564,930.75
Unapprop Undistrib Sub Earning	-	-	-	-	-	-
Reqcquired Capital Stock	-	-	-	-	-	-
Accumulated OCI	-	-	-	-	-	-
Proprietary Capital	**$1,267,569,992.53**	**$1,250,733,184.67**	**$16,836,807.86**	**$1,267,569,992.53**	**$1,125,005,061.78**	**$142,564,930.75**
Long Term Debt						
Bonds	-	-	-	-	-	-
Advances from Associated Cos	$985,515,000.00	$1,005,515,000.00	($20,000,000.00)	$985,515,000.00	$895,515,000.00	$90,000,000.00
Other Long Term Debt	-	-	-	-	-	-
Unamortized Premium on LTD	-	-	-	-	-	-
Unamortized Discount on LTD	-	-	-	-	-	-
Long Term Debt	**$985,515,000.00**	**$1,005,515,000.00**	**($20,000,000.00)**	**$985,515,000.00**	**$895,515,000.00**	**$90,000,000.00**
Other Noncurrent Liabilities						
Obligations - Cap Leases - NC	$23,301,667.47	$23,477,513.86	($175,846.39)	$23,301,667.47	$24,900,682.49	($1,599,015.02)
Accum Prov - Property Ins	-	-	-	-	-	-
Accum Prov - Injuries & Damage	$177,897.87	$179,904.62	($2,006.75)	$177,897.87	$109,678.44	$68,219.43
Accum Prov - Pension & Benefit	$2,326,632.17	$2,536,433.27	($209,801.10)	$2,326,632.17	$2,628,257.44	($301,625.27)
Accum Misc Operating Provision	$1,461,434.96	$1,461,434.96	$0.00	$1,461,434.96	$2,922,869.92	($1,461,434.96)
Provision for Rate Refunds	-	-	-	-	-	-
Asset Retirement Obligations	-	-	-	-	-	-
Other Noncurrent Liabilities	**$27,267,632.47**	**$27,655,286.71**	**($387,654.24)**	**$27,267,632.47**	**$30,561,488.29**	**($3,293,855.82)**
Current and Accrued Liabilities						
Curr Portion of Long-Term Debt	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
Accounts Payable	$57,037,563.74	$57,087,129.71	($49,565.97)	$57,037,563.74	$44,013,087.35	$13,024,476.39
NP to Associated Cos	-	-	-	-	-	-
AP to Associated Cos	$209,425,927.87	$148,625,107.39	$60,800,820.48	$209,425,927.87	$185,008,659.77	$24,417,268.10
Customer Deposits	$3,870,887.11	$3,721,183.11	$149,704.00	$3,870,887.11	$3,479,442.11	$391,445.00
Taxes Accrued	$19,294,694.47	$14,979,794.61	$4,314,899.86	$19,294,694.47	$23,568,771.88	($4,274,077.41)
Interest Accrued	$331,403.92	$325,589.77	$5,814.15	$331,403.92	$283,175.62	$48,228.30
Dividends Declared	-	-	-	-	-	-
Tax Collections Payable	$274,993.09	$71,961.94	$203,031.15	$274,993.09	$271,374.68	$3,618.41
Misc Current & Accrued Liab	$86,998,855.56	$82,993,415.99	$4,005,439.57	$86,998,855.56	$61,938,674.41	$25,060,181.15
Obligation Cap Lease - Current	$2,685,763.08	$2,758,060.16	($72,297.08)	$2,685,763.08	$2,663,606.77	$22,156.31
Derivative Liability	-	-	-	-	-	-
Derivative Liability - Hedge	-	-	-	-	-	-
Current & Accrued Liabilities	**$379,920,088.84**	**$310,562,242.68**	**$69,357,846.16**	**$379,920,088.84**	**$321,226,792.59**	**$58,693,296.25**
Deferred Credits						
Customer Adv. for Construction	$3,048,274.58	$3,496,072.27	($447,797.69)	$3,048,274.58	$3,793,774.87	($745,500.29)
Acc Defd Investment Tax Credit	$1,008,071.00	$1,028,502.00	($20,431.00)	$1,008,071.00	$1,245,058.00	($236,987.00)

Columbia Gas of Pennsylvania
Balance Sheet - Regulated
Regulated - Account FERC Hierarchy
As of Nov - 2021
FDW Standard Report - For Internal Use Only

	Month: *Nov - 2021*	Previous Month	Variance	Month: *Nov - 2021*	December of Previous Year	Variance
Other Deferred Credits	$6,659,906.39	$6,748,261.20	($88,354.81)	$6,659,906.39	$6,553,645.37	$106,261.02
Other Regulatory Liabilities	$209,224,811.98	$207,891,070.80	$1,333,741.18	$209,224,811.98	$220,866,696.76	($11,641,884.78)
Accum Defer Inc Tax - Oth Prop	$506,162,667.70	$504,276,590.70	$1,886,077.00	$506,162,667.70	$485,726,079.70	$20,436,588.00
Accum Defer Inc Tax - Other	$5,836,652.99	$7,235,346.99	($1,398,694.00)	$5,836,652.99	$6,719,580.99	($882,928.00)
Deferred Credits	**$731,940,384.64**	**$730,675,843.96**	**$1,264,540.68**	**$731,940,384.64**	**$724,904,835.69**	**$7,035,548.95**
Total Liabilities and Equity	**$3,392,213,098.48**	**$3,325,141,558.02**	**$67,071,540.46**	**$3,392,213,098.48**	**$3,097,213,178.35**	**$294,999,920.13**

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-003:

Please provide the bond rating history for the Company and, if applicable, its parent from the major credit rating agencies for the last five years.

Response:

Columbia Gas of Pennsylvania, Inc. (Company) is a wholly owned subsidiary of NiSource Gas Distribution, Inc. (NGD), which is a subsidiary of NiSource Inc. (Parent). Neither the Company nor NGD have bond rating histories that are separate from NiSource Inc.

GAS-ROR-003 Attachment A provides the bond rating history for NiSource Inc. from January 2017 to December 2021.

CREDIT RATINGS MATRIX

NiSource

Moody's	2021	2020	2019	2018	2017
Issuer Rating	Baa2	Baa2	Baa2	Baa2	Baa2
Commercial Paper	P-2	P-2	P-2	P-2	P-2
Standard & Poor's					
Corporate Credit Rating	BBB+	BBB+	BBB+	BBB+	BBB+
Commercial Paper	A-2	A-2	A-2	A-2	A-2
Fitch					
Issuer Rating	BBB	BBB	BBB	BBB	BBB
Commercial Paper	F-2	F-2	F-2	F-3	F-3

Columbia Gas of Pennsylvania

Moody's	2021	2020	2019	2018	2017
Issuer Rating	NR	NR	NR	NR	NR
Commercial Paper	NR	NR	NR	NR	NR
Standard & Poor's					
Corporate Credit Rating	NR	NR	NR	NR	NR
Commercial Paper	NR	NR	NR	NR	NR
Fitch					
Issuer Rating	NR	NR	NR	NR	NR
Commercial Paper	NR	NR	NR	NR	NR

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-004:

Please provide copies of all bond rating reports relating to the Company and, if applicable, its parent for the past two years.

Response:

Columbia Gas of Pennsylvania, Inc., (Company) is a wholly owned subsidiary of NiSource Gas Distribution, Inc. (NGD), which is a subsidiary of NiSource Inc. (Parent). Neither the Company nor NGD have bond rating reports that are separate from the Parent.

Attachment A to this response provides the NiSource Inc. bond rating reports for the past two years.

S&P Global
Ratings

RatingsDirect®

Research Update:

NiSource Inc. Outlook Revised To Stable From Negative On Asset Sale; Ratings Affirmed

February 28, 2020

PRIMARY CREDIT ANALYST

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Rating Action Overview

- NiSource Inc. announced that it has entered into a definitive agreement to sell Columbia Gas of Massachusetts's to Eversource Energy for $1.1 billion.
- We expect NiSource to use the proceeds to pay down debt.
- We are revising our outlook on NiSource and its subsidiaries to stable from negative.
- At the same time, we are affirming our ratings on NiSource and its subsidiaries including our 'BBB+' issuer credit rating (ICR) and senior unsecured issue rating on the company.
- The stable outlook reflects our high degree of certainty that the Bay State Gas sale will close in 2020 and that the company will use the sale proceeds to reduce debt, improving its credit measures. The asset sale will allow NiSource to exit the Massachusetts' market, which increased regulatory risk for the company, and instead focus on its other well performing utilities.

Rating Action Rationale

The outlook revision reflects the announced sale of the Columbia Gas of Massachusetts assets. We believe the company will likely complete this sale during 2020, using the sale proceeds to reduce debt and improve its financial measures. The asset sale will also allow the company to exit from a regulatory jurisdiction that we viewed as difficult for the company to manage effectively, decreasing the company's business risk.

We are affirming NiSource's ratings including its 'BBB+' issuer credit rating. The affirmation reflects our assessment of NiSource's lower-risk regulated and vertically integrated electric and gas distribution operations, its large customer base, geographic and regulatory diversity, and effective management of regulatory risk in its jurisdictions outside of Massachusetts. We expect that the company will continue to effectively manage regulatory risk across all of its jurisdictions (excluding Massachusetts) and improve cash flow through future rate-case filings and continued use of regulatory riders for distribution, transmission, and environmental costs. We also expect the company will replace most of its coal-fired generation by 2023, significantly reducing its environmental risks.

We expect FFO to debt of 14%-15%, consistent with the lower-end of the range for its financial risk profile category. Our base case assumptions include: proceeds from the sale used to reduce leverage; modest customer growth; annual capital spending averaging about $1.8 billion through 2023; continued use of rider mechanisms and rate cases. While we expect the company's financial measures will remain at the lower end of the range for its financial risk profile category, we also expect they will gradually improve, including FFO to debt of about 13% to 14%-15% over the next three years. We assess the comparable rating analysis modifier as negative to account for the company's relatively weak financial measures for the its financial risk profile category.

Outlook

The stable outlook reflects what we view as a high degree of certainty that the company will closethe Columbia Gas of Massachusetts sales transaction and expedite the resolution of all related outstanding legal issues without a further weakening of NiSource's financial measures. This sale will allow NiSource to exit the Massachusetts's gas distribution market, which we viewed as increasing regulatory risk to consolidated NiSource. We anticipate the company will use the sales proceeds to reduce leverage, strengthening its financial measures. The outlook also incorporates our view that NiSource will continue to effectively manage regulatory risk in its remaining regulatory jurisdictions and will continue to execute on its carbon-reduction plan of closing down its coal-fired generation in Indiana.

Downside scenario

We could lower NiSource's credit rating if its ability to manage regulatory risk weakens. Alternatively, we could lower the rating if FFO to debt weakens to consistently below 13%.

Upside scenario

We could raise the ratings if FFO to debt consistently improves to above 16% and the company is able to effectively manage regulatory risks throughout its service territories.

Company Description

NiSource Inc., an energy holding company, operates as a regulated natural gas and electric utility company in the U.S. The company operates in two segments, Gas Distribution Operations and Electric Operations. It provides natural gas service and transportation for residential, commercial, and industrial customers; generates, transmits, and distributes electricity; and wholesale and transmission transaction services. It serves approximately 3.2 million natural gas customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana; and 470,000 electricity customers in the northern part of Indiana.

Liquidity

We assess NiSource's liquidity as adequate because we believe its liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and meet cash outflows even with a 10% decline in EBITDA. The assessment also reflects the company's generally prudent risk management, sound relationships with banks, and a generally satisfactory standing in credit markets.

Principal liquidity sources include:

- Cash balance of $29 million
- An estimated $1.8 billion of credit facility availability
- Cash FFO estimated to be about $1.3 billion
- Proceeds from asset sales of $1.1 billion

Principal liquidity sources include:

- Long term and short term debt maturities of about $1.8 billion
- Capital spending of about $1.8 billion
- Dividends of about $315 million

Issue Ratings - Subordination Risk Analysis

- We rate NiSource's unsecured debt 'BBB+', the same as our long-term issuer credit rating on the company, because the vast proportion of its debt is at the holding company.
- We rate the company's commercial paper program 'A-2', which is consistent with the issuer credit rating.
- We rate NiSource's preferred stock two notches below our issuer credit rating on the company, one notch for deferability and one notch for subordination.

Issue Ratings - Recovery Analysis

Issuer Credit Rating: BBB+/Stable/A-2

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Negative (-1 notch)

Stand-alone credit profile: bbb+

Group credit profile: bbb+

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012

- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

	To	From
NiSource Inc.		
Issuer Credit Rating	BBB+/Stable/A-2	BBB+/Negative/A-2
Senior Unsecured	BBB+	
Preferred Stock	BBB-	
Commercial Paper	A-2	
Bay State Gas Co.		
Northern Indiana Public Service Company LLC		
Issuer Credit Rating	BBB+/Stable/--	BBB+/Negative/--
Senior Unsecured	BBB+	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

S&P Global
Ratings

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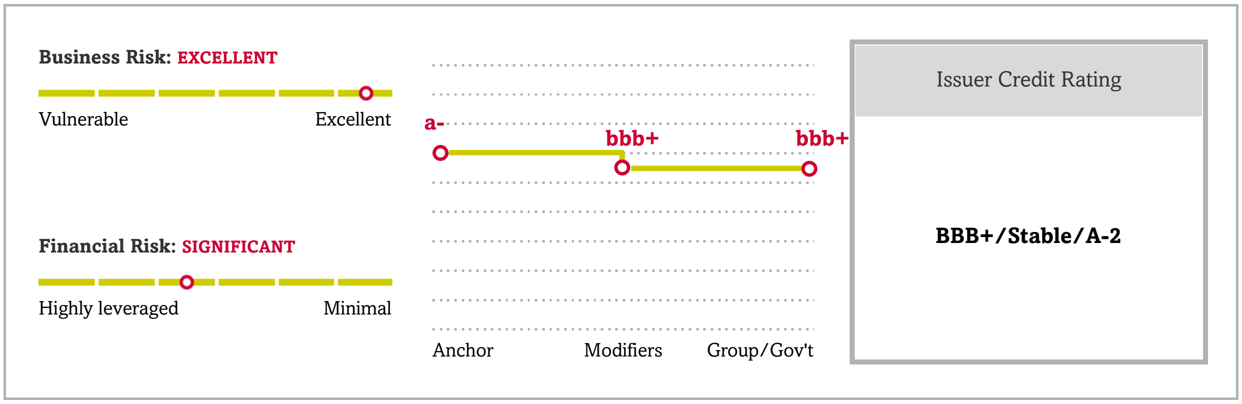
NiSource Inc.



Credit Highlights

Overview	
Key strengths	**Key risks**
Lower-risk regulated and vertically integrated electric and gas distribution operations.	Elevated capital expenditures.
Effective management of regulatory risk in its jurisdictions.	Continued negative discretionary cash flow, indicating external funding needs.
Solid customer base and geographic and regulatory diversity with large service territory across six states.	

The company will likely continue to effectively manage regulatory risk across all its jurisdictions. S&P Global Ratings expects NiSource Inc. will improve cash flow through future rate-case filings and continued use of regulatory riders for distribution, transmission, and environmental costs. We expect the company will replace 80% of its coal-fired generation by 2023, significantly reducing its environmental risks.

We expect the company's financial measures will remain at the lower end of the range for its financial risk profile category. We also expect the company will gradually improve its financial measures, including funds from operations (FFO) to debt of about 13%-15% over the next three years.

Outlook

The stable outlook reflects our view that the sale of Columbia Gas of Massachusetts allowed NiSource to exit the Massachusetts gas distribution market, which we viewed as increasing regulatory risk to consolidated NiSource. The sale also expedited the resolution of all related outstanding legal issues without further weakening NiSource's financial measures. In addition, the outlook incorporates our view that NiSource will continue to effectively manage regulatory risk in its remaining regulatory jurisdictions and will continue to execute on its carbon-reduction plan of closing down its coal-fired generation in Indiana.

Downside scenario

We could lower NiSource's credit rating if its ability to manage regulatory risk weakens or if FFO to debt falls to consistently below 13%.

Upside scenario

We could raise the ratings if FFO to debt consistently rises to above 16% and the company is able to effectively manage regulatory risks throughout its service territories.

Our Base-Case Scenario

Assumptions

- Modest customer growth;
- Company uses proceeds from the sale of Columbia Gas of Massachusetts to reduce leverage;
- Annual capital spending averaging about $2.3 billion through 2023; and
- Continued use of rider mechanisms and rate cases.

Key metrics

	2020e	2021e	2022e
FFO/debt (%)	13-14	14-15	13-14
Debt/EBITDA (x)	5.5-6	5-5.5	5.5-6

All figures are S&P Global Ratings adjusted. e--Estimate. FFO--Funds from operations.

Company Description

NiSource Inc., an energy holding company, operates as a regulated natural gas and electric utility company in the U.S. The company operates in two segments, Gas Distribution Operations and Electric Operations. It provides natural gas service and transportation for residential, commercial, and industrial customers; generates, transmits, and distributes electricity; and wholesale and transmission transaction services. It serves approximately 3.2 million natural gas customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana; and about 500,000 electricity customers in northern Indiana.

Peer Comparison

Table 1

NiSource Inc.--Peer Comparison				
Industry Sector: Combo				
	NiSource Inc.	**CenterPoint Energy Inc.**	**Atmos Energy Corp.**	**ONE Gas Inc.**
Ratings as of Feb. 19, 2021	BBB+/Stable/A-2	BBB+/Negative/A-2	A/Stable/A-1	A/Stable/A-1

Table 1

NiSource Inc.--Peer Comparison (cont.)				
	--Fiscal year ended Dec. 31, 2019--	--Fiscal year ended Dec. 31, 2019--	--Fiscal year ended Sept. 30, 2019--	--Fiscal year ended Dec. 31, 2019--
(Mil. $)				
Revenue	5,208.9	11,984.0	2,901.8	1,652.7
EBITDA	1,867.3	2,676.0	1,168.0	493.5
Funds from operations (FFO)	1,470.3	2,041.3	956.4	396.3
Interest expense	415.4	608.9	118.4	68.5
Cash interest paid	386.2	479.7	200.1	67.0
Cash flow from operations	1,564.7	1,302.3	972.9	313.0
Capital expenditure	1,776.2	2,470.0	1,685.8	412.7
Free operating cash flow (FOCF)	(211.5)	(1,167.7)	(713.0)	(99.7)
Discretionary cash flow (DCF)	(558.6)	(1,838.2)	(958.7)	(212.7)
Cash and short-term investments	139.3	1,063.0	24.6	17.9
Debt	10,374.9	15,310.0	4,238.6	1,807.1
Equity	5,546.7	7,959.0	5,750.2	2,129.4
Adjusted ratios				
EBITDA margin (%)	35.8	22.3	40.2	29.9
Return on capital (%)	7.0	8.1	8.2	7.9
EBITDA interest coverage (x)	4.5	4.4	9.9	7.2
FFO cash interest coverage (x)	4.8	5.3	5.8	6.9
Debt/EBITDA (x)	5.6	5.7	3.6	3.7
FFO/debt (%)	14.2	13.3	22.6	21.9
Cash flow from operations/debt (%)	15.1	8.5	23.0	17.3
FOCF/debt (%)	(2.0)	(7.6)	(16.8)	(5.5)
DCF/debt (%)	(5.4)	(12.0)	(22.6)	(11.8)

Business Risk

Our assessment of business risk reflects NiSource's lower-risk, regulated and vertically integrated electric and gas distribution operations, its large customer base, geographic and regulatory diversity, and effective management of regulatory risk in its jurisdictions. We expect the company will continue to effectively manage regulatory risk across all of its jurisdictions and increase cash flow through future rate-case filings and continued use of regulatory riders for distribution, transmission, and environmental costs. We also expect the company will replace 80% of its coal-fired generation by 2023, significantly reducing its environmental risks. However, its business risk is marginally offset by subsidiary Northern Indiana Public Service Co.'s (NIPSCO's) dependence on industrial customers, particularly from the steel industry.

Financial Risk

We assess NiSource's financial risk profile as significant using our medial volatility financial ratio benchmarks. In our base-case scenario, we forecast adjusted FFO to total debt will be in the 13%-15% range over the next few years.

The ratings on NiSource incorporate our assessment of a negative comparable rating analysis modifier, lowering our assessment of the rating on the company by one notch. This reflects the company's financial ratios being at the very low end of the range for its financial risk profile category.

Financial summary

Table 2

NiSource Inc.--Financial Summary					
Industry Sector: Combo					
	--Fiscal year ended Dec. 31--				
	2019	**2018**	**2017**	**2016**	**2015**
(Mil. $)					
Revenue	5,208.9	5,114.5	4,874.6	4,492.5	4,651.8
EBITDA	1,867.3	1,815.1	1,582.9	1,519.3	1,414.3
Funds from operations (FFO)	1,470.3	1,397.1	1,185.1	1,122.4	984.6
Interest expense	415.4	413.8	405.6	400.6	398.2
Cash interest paid	386.2	414.7	392.3	388.9	408.4
Cash flow from operations	1,564.7	520.0	734.5	800.7	1,197.6
Capital expenditure	1,776.2	1,774.1	1,653.2	1,434.5	1,355.3
Free operating cash flow (FOCF)	(211.5)	(1,254.1)	(918.7)	(633.8)	(157.7)
Discretionary cash flow (DCF)	(558.6)	(1,535.5)	(1,155.0)	(848.7)	(441.5)
Cash and short-term investments	139.3	112.8	29.0	26.4	15.5
Gross available cash	139.3	112.8	29.0	26.4	15.5
Debt	10,374.9	9,875.5	9,296.8	8,378.3	7,403.6
Equity	5,546.7	5,310.9	4,320.1	4,071.2	3,843.5
Adjusted ratios					
EBITDA margin (%)	35.8	35.5	32.5	33.8	30.4
Return on capital (%)	7.0	8.3	7.2	7.5	5.9
EBITDA interest coverage (x)	4.5	4.4	3.9	3.8	3.6
FFO cash interest coverage (x)	4.8	4.4	4.0	3.9	3.4
Debt/EBITDA (x)	5.6	5.4	5.9	5.5	5.2
FFO/debt (%)	14.2	14.1	12.7	13.4	13.3
Cash flow from operations/debt (%)	15.1	5.3	7.9	9.6	16.2
FOCF/debt (%)	(2.0)	(12.7)	(9.9)	(7.6)	(2.1)
DCF/debt (%)	(5.4)	(15.5)	(12.4)	(10.1)	(6.0)

Reconciliation

Table 3

NiSource Inc.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts

	--Fiscal year ended Dec. 31, 2019--								
NiSource Inc. reported amounts (mil. $)									
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Dividends**	**Capital expenditure**
	9,441.3	5,986.7	2,022.6	890.7	378.9	1,867.3	1,583.3	354.6	1,802.4
S&P Global Ratings' adjustments									
Cash taxes paid	--	--	--	--	--	(10.8)	--	--	--
Cash interest paid	--	--	--	--	--	(349.7)	--	--	--
Reported lease liabilities	266.3	--	--	--	--	--	--	--	--
Operating leases	--	--	17.9	2.8	2.8	(2.8)	15.1	--	--
Intermediate hybrids reported as equity	440.0	(440.0)	--	--	7.5	(7.5)	(7.5)	(7.5)	--
Postretirement benefit obligations/deferred compensation	288.1	--	--	--	--	--	--	--	--
Accessible cash and liquid investments	(139.3)	--	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	26.2	(26.2)	(26.2)	--	(26.2)
Share-based compensation expense	--	--	53.8	--	--	--	--	--	--
Asset-retirement obligations	329.4	--	--	--	--	--	--	--	--
Nonoperating income (expense)	--	--	--	11.3	--	--	--	--	--
Debt: Other	(250.9)	--	--	--	--	--	--	--	--
EBITDA: Other	--	--	(227.0)	(227.0)	--	--	--	--	--
Depreciation and amortization: Impairment charges/(reversals)	--	--	--	414.5	--	--	--	--	--
Total adjustments	933.6	(440.0)	(155.3)	201.6	36.5	(397.0)	(18.6)	(7.5)	(26.2)
S&P Global Ratings' adjusted amounts									
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Dividends paid**	**Capital expenditure**
	10,374.9	5,546.7	1,867.3	1,092.3	415.4	1,470.3	1,564.7	347.1	1,776.2

Liquidity

Principal liquidity sources

- Cash balance of about $59 million;

- Credit facility availability of about $1.85 billion;
- Cash FFO of about $1.3 billion; and
- Proceeds from asset sales of about $1.1 billion.

Principal liquidity uses

- Long- and short-term debt maturities of about $1.4 billion;
- Working capital outflow of about $40 million;
- Capital spending of about $1.9 million; and
- Dividends of about $415 million.

Environmental, Social, And Governance

As a natural gas and electric utility company, NiSource has developed and is implementing plans to retire 100% of its coal generation by 2028. In addition, the company plans to invest approximately $30 billion to modernize its electric and natural gas infrastructure over the next 20-plus years, which we expect will provide additional environmental and customer benefits. Social and governance factors are consistent with what we see across the industry for other regulated utilities.

Group Influence

Under our group rating methodology, we view NiSource as the parent company of NIPSCO. NiSource's group and stand-alone credit profiles are the same at 'bbb+'.

Issue Ratings - Subordination Risk Analysis

Capital structure

NiSource's capital structure consists of about $10 billion of unsecured notes, $1.5 billion of commercial paper, and $900 million of preferred stock.

Analytical conclusions

- We rate NiSource's unsecured debt 'BBB+', the same as our long-term issuer credit rating on the company, because the vast majority of its debt is at the holding company.
- We rate the company's commercial paper program 'A-2', which is consistent with the issuer credit rating.
- We rate NiSource's preferred stock two notches below our issuer credit rating on the company, one notch for deferability and one notch for subordination.

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/A-2

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/leverage:** Significant

Anchor: a-

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Negative (-1 notch)

Stand-alone credit profile : bbb+

- **Group credit profile:** bbb+
- **Entity status within group:** Core

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013

- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	**a-**	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of February 22, 2021)*

NiSource Inc.	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock	BBB-
Issuer Credit Ratings History	
28-Feb-2020	BBB+/Stable/A-2
18-Sep-2018	BBB+/Negative/A-2
18-Jun-2015	BBB+/Stable/A-2
Related Entities	
Northern Indiana Public Service Co. LLC	
Issuer Credit Rating	BBB+/Stable/NR
Senior Unsecured	BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

- 12-Apr-2021 | 18:25 EDT

NiSource Inc.'s Convertible Equity Units Rated 'BBB-'

NEW YORK (S&P Global Ratings) April 12, 2021--S&P Global Ratings today assigned its 'BBB-' issue-level rating to NiSource Inc.'s (NiSource) proposed equity units. The equity units consist of a purchase contract that obligates the owners of the units to purchase NiSource's common stock as of December 2023 and a remarketable preferred stock. The company intends to use the net proceeds to support its overall capital expenditure plan, repay short-term debt, and for general corporate purposes. We have assigned high equity credit (100% equity treatment) to the issuance because of the mandatory convertible feature that requires the issuance of common equity within three years, the price is not lower than NiSource's share price at the time of the issue and we do not expect the company to undermine the conversion benefit through subsequent stock repurchases. We rate the equity units two notches below our 'BBB+' issuer credit rating on NiSource, reflecting subordination and optional deferability.

Our issuer credit rating on NiSource is 'BBB+' and the outlook is stable (see the full analysis on NiSource published Feb. 22, 2021).

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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INFRASTRUCTURE AND PROJECT FINANCE

MOODY'S
INVESTORS SERVICE

ISSUER COMMENT
27 February 2020

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RATINGS

NiSource Inc.

Outlook	Stable
Issuer Rating	Baa2
Pref. Shelf	(P)Ba1
Commercial Paper	P-2

Source: Moody's Investors Service

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EMEA 44-20-7772-5454

NiSource Inc.

Sale of Bay State Gas removes Massachusetts regulatory risk overhang

On 26 February 2020, NiSource Inc. (NiSource, Baa2 stable) announced an agreement to sell its Massachusetts gas distribution company, Bay State Gas Company (aka Columbia Gas of Massachusetts, CMA Baa2 stable), to Eversource Energy (Baa1 stable) for $1.1 billion or approximately 1x rate base. The announcement followed an agreement by NiSource to plead guilty to a federal criminal charge that it had violated federal pipeline safety laws related to the September 2018 gas explosions in its Massachusetts service territory (the Greater Lawrence incident). As part of the plea agreement, NiSource agreed to sell CMA and permanently exit its operations in Massachusetts and to pay a $53 million fine.

We view NiSource's impending exit from Massachusetts as positive to the company's credit profile because it removes future risk associated with the company's operations and regulatory relationships in the state. It also allows NiSource to focus more fully on its other jurisdictions and on executing its substantial capital expenditure plan. We do not expect the CMA sale to have a material impact on NiSource's credit metrics.

Prior to the Greater Lawrence incident, CMA contributed approximately 8% of NiSource's operating cash flow. Proceeds from the sale of CMA will eliminate the need for approximately $500-$700 million of equity issuance previously planned for 2020. We expect NiSource to use the remaining sale proceeds to reduce debt, and estimate that the elimination of CMA's contribution to consolidated cash flow and associated dis-synergies will have a slightly negative to neutral impact on debt service coverage metrics. Over the next two years, we expect NiSource to produce a ratio of CFO pre-WC to debt above 13%.

NiSource estimates costs and expenses associated with the Greater Lawrence incident at approximately $1.8 billion, about $800 million of which has been recovered through casualty insurance. The company is in the process of seeking additional recoveries via property insurance (up to $258 million) and could incur additional costs related to third party claims, fines and other ongoing investigations. However, we think the majority of associated costs have already been incurred.

NiSource's credit metrics deteriorated significantly in 2018 as a result of the Greater Lawrence incident and we expect 2019 to show a recovery, including a CFO pre-WC to debt ratio above 13%. The company's credit profile benefits from the size and broad geographic footprint of its operations which offer regulatory diversity and provide a natural hedge against material exposure to a single jurisdiction. We expect the company to focus on safety and operational excellence in all its jurisdictions to prevent any future financial, social and regulatory repercussions similar to what it experienced in Massachusetts. NiSource's significant ongoing capital expenditure program, primarily related to improvements in its natural gas infrastructure and planned replacement of its fossil fueled electric generation fleet with renewables, and associated financing plans, will be important to its credit profile going forward.

Headquartered in Merrillville, Indiana, NiSource is a utility holding company with a portfolio of regulated utility subsidiaries. NiSource owns one of the largest local gas distribution (LDC) systems in the US, as well as a vertically integrated electric utility in Indiana.

REPORT NUMBER 1216712

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CREDIT OPINION
29 July 2020

Update

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NiSource Inc.

Update to credit analysis

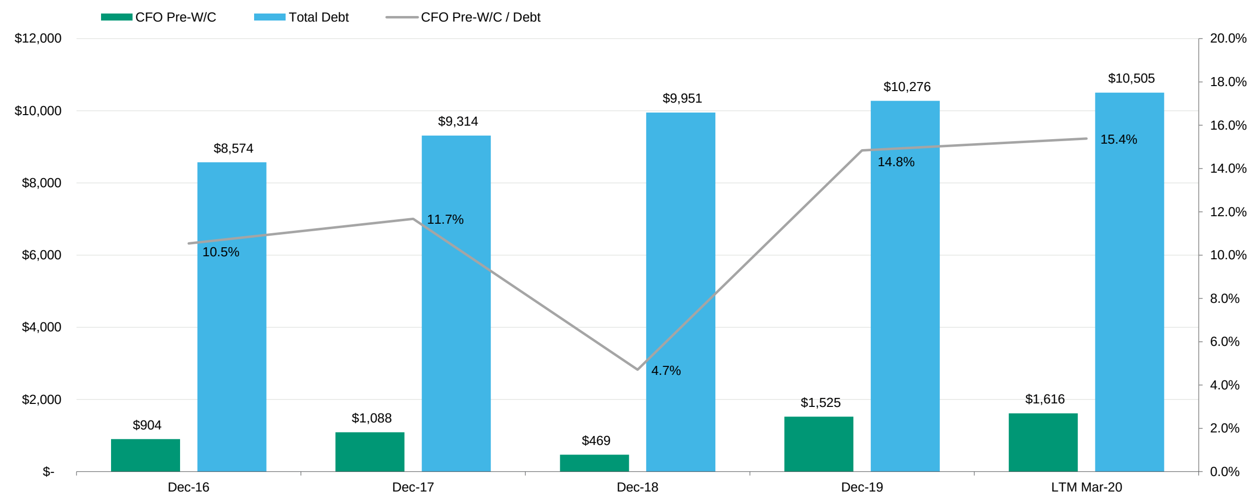
Summary

NiSource Inc.'s (NiSource) credit profile reflects the diversity and supportiveness of its multiple regulatory jurisdictions that provide predictable operating cash flows. Theses fully regulated operating utility subsidiaries have low business risk, given their critical infrastructure asset base. Together, these utilities help mitigate a historically weak financial profile driven by the company's high leverage and challenged most recently by the negative cash impacts of tax reform and the 2018 Bay State Gas pipeline explosions (the Greater Lawrence incident).

NiSource's credit profile benefitted from the issuance of about $1.6 billion of equity (including Moody's equity treatment of preferred stock) in 2017 and 2018 together with improved operating cash flow in 2019. The company's cash flow from operations before working capital changes (CFO pre-WC) to debt ratio was 14.8% in 2019, the highest achieved since its separation from Columbia Pipeline Group, Inc. (A3 negative) in 2015 and well within our expected range for the credit. We note that 2019 operating cash flow was helped by insurance recoveries associated with the Greater Lawrence incident. We expect NiSource ratios of cash flow to debt to be around 13% for the next two years, impacted by some negative effects of the economic recession caused by the coronavirus pandemic and dis-synergies associated with the sale of Bay State Gas Company (Baa2 stable).

The rapid spread of the coronavirus outbreak, severe global economic shock, low oil prices, and asset price volatility are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented. We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. We think NiSource will be relatively resilient to recessionary pressures related to the coronavirus because of its fully rate regulated operation. However, we expect the effects of the pandemic to result in financial metrics that are temporarily weaker than expected but not reflective of the company's long-term financial or credit profile. We continue to monitor customer usage declines, utility bill payment delinquency, and the regulatory response to counter any negative impacts on earnings and cash flow particularly at subsidiary Northern Indiana Public Service Company's (NIPSCO) electric utility, where about 60% of total margin is generated from commercial and industrial customers.

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt ($ MM)



Source: Moody's Financial Metrics

Credit Strengths

» Operations in jurisdictions with attractive cost recovery mechanisms

» Fully regulated utility assets with fundamentally low business risk

» Issuance of common equity and hybrid securities have helped to improve credit metrics

Credit Challenges

» Persistently high debt balance

» Elevated capital expenditures

Rating Outlook

NiSource's stable outlook reflects Moody's view that the company will maintain a CFO pre-WC to debt ratio in the 13-14% range over the next two years. The stable outlook also reflects our view that NiSource's regulated utility capital expenditure plans will be financed with a balanced mix of both debt and equity and that its regulatory jurisdictions will remain supportive.

Factors that Could Lead to an Upgrade

» Improvement in the utility regulatory environments

» A material and sustained increase in the company's credit metrics with cash flow to debt at or above 17% and debt to capitalization below 50%

» A significant reduction in parent company leverage

Factors that Could Lead to a Downgrade

» A decline in the credit supportiveness of it's regulatory environments

» An adverse change in the company's business mix that increases business risk

» Cash flow pre-working capital to debt sustained below 13%

Key Indicators

NiSource Inc. [1]

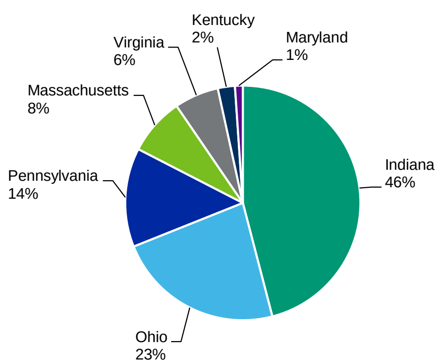
	Dec-16	Dec-17	Dec-18	Dec-19	LTM Mar-20
CFO Pre-W/C + Interest / Interest	3.4x	3.9x	2.3x	4.7x	4.9x
CFO Pre-W/C / Debt	10.5%	11.7%	4.7%	14.8%	15.4%
CFO Pre-W/C – Dividends / Debt	8.1%	9.2%	1.9%	11.7%	12.2%
Debt / Capitalization	56.7%	62.7%	60.2%	59.6%	61.1%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

NiSource Inc. is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $14 billion in rate base. NiSource owns one of the largest LDC systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Massachusetts, Kentucky, and Maryland providing service to about 4 million customers, as well as a mid-sized vertically integrated electric utility in Indiana. The LDCs account for about 60% of the company's consolidated operating earnings, with the balance coming from the electric utility. Two of NiSource's utility subsidiaries are rated: Bay State Gas Company (Bay State Gas, doing business as Columbia Gas of Massachusetts, Baa2 stable) which is currently pending sale, and Northern Indiana Public Service Company (NIPSCO, Baa1 stable).

Exhibit 3
State Rate Base Exposure



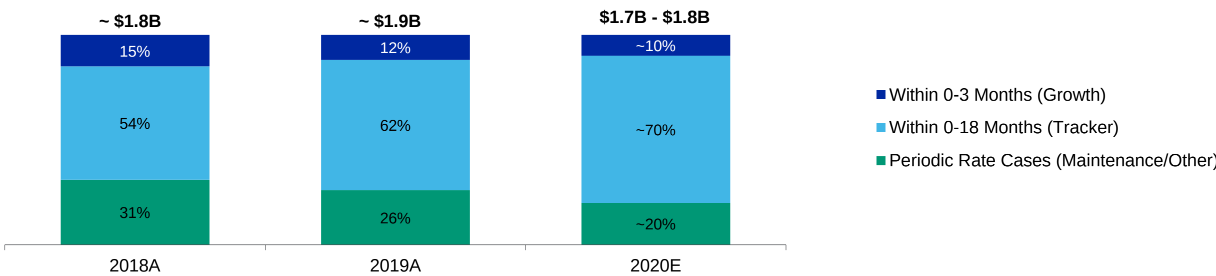
Source: Company's reports

Detailed Credit Considerations

PREDICTABILITY OF CASH FLOWS UNDERPINNED BY SUPPORTIVE REGULATORY CONSTRUCT

The state regulators overseeing NiSource's utilities are generally credit supportive. With the exception of NIPSCO Gas, all of NiSource's LDCs benefits from decoupling mechanisms and/or weather normalization adjustments which reduce earnings volatility. In addition, NiSource has access to a variety of tracker mechanisms across its different jurisdictions that provide for timely recovery of its sizeable infrastructure investment program, with about 75% of its investments beginning recovery within 12 months or less. Similarly, NiSource's electric segment benefits from a broad array of tracker mechanisms providing for timely recovery of operating expenses as well as environmental investments.

Exhibit 4
Capital investments with estimated recovery periods



Source: Company presentation

The company's investments across all of its jurisdictions continue to drive an active regulatory calendar. In addition to receiving orders on multiple infrastructure replacement and other tracker filings, NiSource reached credit supportive outcomes in its recent regulatory filings, settling five general rate cases in Indiana, Maryland, Pennsylvania and Virginia in 2018 and 2019 that together represented a total revenue increase of about $190 million.

In December 2019, NIPSCO Electric received IURC approval for a $42.7 million rate increase based on a 9.75% ROE, 47.86% equity capitalization and $4.1 billion rate base. New rates were implemented in two steps effective January 2020 and March 2020 respectively. As part of the rate case order, NIPSCO Electric also received three credit supportive approvals. First, the IURC approved a change in industrial customer rate structure to mitigate the risk of a significant curtailment in usage by industrial customers, which represent over 50% of the utility's total energy sales. Second, the utility received approval for the full recovery of its coal generation investments by 2030. Finally, with respect to tax reform, the IURC approved the return to customers of the protected excess accumulated deferred income tax (ADIT) balance of about $203 million over a period of approximately 26 years based on the average rate assumption method. The unprotected ADIT balance of about $137 million will be amortized annually by $12.2 million until the utility's next rate case when the remainder will be included in the revenue requirement and fully amortized by the end of 2030.

NIPSCO Electric has IURC approval for three wind projects consisting of one PPA and two joint ventures with EDP Renewables North America LLC (unrated) and totaling about 800 MW. Two of the projects are under construction and expected to be in service by the end of 2020 with the third expected online by the end of 2021.

In April 2020, Columbia Gas of Pennsylvania filed a general rate case requesting a revenue increase of $100.4 million based on an ROE of 10.95% and equity capitalization of 54.19%. The rate case is expected to be concluded in the first quarter of 2021. The utility was previously approved a rate increase in 2018 of $26 million in a black box settlement. NiSource also has a rate case pending in Maryland (Columbia Gas of Maryland), expected to be concluded by the end of 2020, for a $6.5 million revenue increase based on a 10.95% ROE and 52.63% equity capitalization.

PERSISTENTLY HIGH DEBT BALANCE AND ELEVATED INVESTMENT SPENDING WEIGH ON FINANCIAL PROFILE

NiSource's credit profile is constrained by its relatively weak financial profile, primarily because of its highly levered capital structure, which we expect will continue to weigh on its debt coverage metrics as the company executes its elevated capital investment plan. Debt to capitalization averaged about 60% for the last three years and we expect the ratio to remain close to 60% over the next three years. Assuming that NiSource's subsidiaries are capitalized at their authorized capital structures, with a 50% debt to capitalization ratio assumed for states with black box settlements, we estimate approximately 30% of consolidated debt at the holding company level.

The company's issuance of about $600 million of common equity via a block issuance, $239 million of equity via an at-the-market (ATM) issuance program and $900 million of preferred equity in 2018 helped to slow down the growth in debt and improve its credit profile. NiSource's 2019 CFO pre-WC to debt ratio of 14.8% benefitted from insurance recoveries associated with the Greater

Lawrence incident. We estimate that without the insurance benefit, the ratio of CFO pre-WC to debt would have been slightly above 13%, an improvement from a historical level around 11% prior to the Greater Lawrence incident in 2018.

NiSource's extensive ongoing capital investment projects under way at each of its utilities also weigh on its financial profile. The company's five year capital expenditure plan totals almost $12 billion, peaking in 2023 when NIPSCO Electric plans to retire four units (1,625 MW in total capacity) of the R.M. Schahfer coal plant and add new renewable generation. The company plans to finance its investments with a mix of debt, equity and hybrid securities, including about $200-$300 million of at-the-market (ATM) equity annually through 2024. A balanced financing approach should allow NiSource to sustain a CFO pre-WC to debt ratio in the low to mid-teens in the near term

SALE OF BAY STATE GAS REMOVES MASSACHUSETTS REGULATORY OVERHANG RISK

On 26 February 2020, NiSource Inc. (NiSource, Baa2 stable) announced an agreement to sell Bay State Gas Company to Eversource Energy (Baa1 stable) for $1.1 billion or approximately 1x rate base. The announcement followed an agreement by NiSource to plead guilty to a federal criminal charge that it had violated federal pipeline safety laws related to the September 2018 Greater Lawrence incident. As part of the plea agreement, NiSource agreed to sell CMA and permanently exit its operations in Massachusetts and to pay a $53 million fine.

We view NiSource's impending exit from Massachusetts as positive to the company's credit profile because it removes future risk associated with the company's operations and regulatory relationships in the state. It also allows NiSource to focus more fully on its other jurisdictions and on executing its substantial capital expenditure plan. Proceeds from the sale of CMA will eliminate the need for approximately $500-$700 million of equity issuance previously planned for 2020 and we estimate that the elimination of CMA's contribution to consolidated cash flow (about 8% prior to the Greater Lawrence incident) and associated dis-synergies will have a slightly negative impact on credit metrics.

NiSource estimates costs and expenses associated with the Greater Lawrence incident at approximately $1.8 billion, about $800 million of which has been recovered through casualty insurance. The company is in the process of seeking additional recoveries via property insurance (up to $258 million) and could incur additional costs related to third party claims, fines and other ongoing investigations. However, we think the majority of associated costs have already been incurred.

REGULATED UTILITY ASSETS EXHIBIT FUNDAMENTALLY LOW BUSINESS RISK

NiSource's seven LDCs represent about 60% of its business, while its fully regulated vertically integrated electric utility segment makes up the difference.

In spite of events such as the Greater Lawrence incident, we view LDCs as having lower business risk than their vertically integrated electric utility counterparts because LDC's are not exposed to the operational, environmental and other risks associated with power-generation assets. NiSource has identified, and taken steps to improve system safety and reliability and to protect against the over-pressurization that caused the Greater Lawrence incident. The size and broad geographic footprint of NiSource's LDC operations offer regulatory diversity and provide a natural hedge against material exposure to a single jurisdiction.

NiSource's electric segment entails more business risk than the LDC's. In addition to its exposure to the risks associated with generation assets, its operations are concentrated in a single, highly industrialized market territory. About 54% of the company's retail electric sales volumes is derived from industrial customers, leaving it particularly sensitive to economic cycles. The electric segment's rate structure does not have the decoupling mechanisms that many of NiSource's LDCs have, further exacerbating potential volatility from the company's electric segment. We expect NiSource's electric segment to be the most negatively impacted financially by the coronavirus pandemic particularly because of its high percentage (albeit lower margin) of industrial customers.

Indiana's regulatory environment is favorable from a credit standpoint and provides the company's electric segment with an attractive suite of cost recovery mechanisms that cover most of its operating and capital expenses. NIPSCO Electric plans to retire nearly 80% of its coal capacity by 2023, and the remaining coal-fired units by 2028, reducing its exposure to more stringent environmental regulations that could require costly investments, a credit positive. The company plans to replace its retired coal capacity post 2020 with lower-cost renewable energy sources such as wind, solar and battery technology.

ESG considerations

Environmental considerations incorporated into our credit analysis for NiSource are primarily related to the company's exposure to carbon regulations. NiSource's LDCs have a much lower carbon transition risk than the electric utility, which owns generation and has moderate carbon transition risk. NiSource's plan to retire all of NIPSCO Electric's coal power plants by 2028 and replace the lost generation with renewable energy will substantially reduce the utility's carbon transition risk.

Social risks are primarily related to demographic trends, safety, customer and regulatory relations. The Greater Lawrence incident in 2018 highlighted the social risks inherent in NiSource's businesses and intensified management's attention to safety. The company's safety efforts have focused on integrating safety, risk management and investment planning, enhancing emergency preparedness and incorporating independent oversight.

Corporate governance considerations, including financial policy and risk management, are key to managing the company's environmental and social risk. As the company executes its substantial capital plan with a goal to reduce its carbon footprint and enhance system safety and integrity, a conservative financial policy will be important to maintaining NiSource's credit quality.

Liquidity Analysis

NiSource's liquidity is adequate and is supported by a $1.85 billion revolving credit facility maturing in 2024. At 31 March 2020, NiSource had $500 million of outstanding borrowings under this facility; at 31 December 2019, there were no outstanding borrowings under the facility. The revolver backs a $1.5 billion commercial paper program and provides funds for ongoing working capital needs. Terms of the facility allow for reliable access to funds by not requiring the company to represent and warrant to any material adverse change at each borrowing. The sole financial covenant is a maximum debt-to-capitalization ratio of 70%. As of 31 March 2020, the ratio was 63.2%.

NiSource also maintains three separate accounts receivables securitization programs totaling $540 million at its operating companies ($459.4 million outstanding as of 31 March 2020). The programs are renewed annually. As of 31 March 2020, NiSource had about $203.8 million of cash on hand as well as $1.1 billion of available capacity under its revolver, after giving effect to $500 million of borrowings outstanding, $237 million of commercial paper outstanding and $10.2 million of LCs. NiSource does not have a material debt maturity until 2022 ($500 million).

For the twelve months ended 31 March 2020, NiSource generated $1.5 billion in operating cash flow, invested $1.9 billion in capital expenditures, and paid $359 million in dividend distributions to common shareholders, resulting in a negative free cash flow position of $706 million. NiSource funded the cash shortfall with long-term debt and $245 million of common stock issuances. Over the next 12-18 months, we expect NiSource to remain free cash flow negative as it executes on its sizeable capital expenditure plan. We anticipate that cash shortfalls will be covered through a balanced mix of debt, equity and equity like instruments.

Rating Methodology and Scorecard Factors

Rating Factors
NiSource Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 3/31/2020		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Ba	Ba	Ba	Ba
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.6x	Baa	4x - 4.5x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	10.2%	Ba	12% - 14%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	7.3%	Ba	9% - 11%	Baa
d) Debt / Capitalization (3 Year Avg)	60.9%	Ba	58% - 63%	Ba
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned		Baa2		Baa2

[1]All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 3/31/2020(L)
[3[This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 6

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-16	Dec-17	Dec-18	Dec-19	LTM Mar-20
As Adjusted					
FFO	1,137	1,195	463	1,646	1,723
+/- Other	(233)	(108)	6	(121)	(107)
CFO Pre-WC	904	1,088	469	1,525	1,616
+/- ΔWC	(59)	(57)	104	46	(74)
CFO	845	1,031	573	1,571	1,542
- Div	206	229	277	327	332
- Capex	1,517	1,733	1,858	1,828	1,927
FCF	(877)	(930)	(1,563)	(584)	(717)
(CFO Pre-W/C) / Debt	10.5%	11.7%	4.7%	14.8%	15.4%
(CFO Pre-W/C - Dividends) / Debt	8.1%	9.2%	1.9%	11.7%	12.2%
FFO / Debt	13.3%	12.8%	4.6%	16.0%	16.4%
RCF / Debt	10.9%	10.4%	1.9%	12.8%	13.2%
Revenue	4,493	4,875	5,115	5,209	4,945
Cost of Good Sold	1,359	1,496	1,742	1,526	1,308
Interest Expense	382	379	372	413	410
Net Income	328	203	441	945	856
Total Assets	18,900	20,160	22,000	22,660	22,593
Total Liabilities	14,870	15,911	16,758	17,184	17,362
Total Equity	4,030	4,249	5,242	5,476	5,231

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 7

Peer Comparison Table [1]

	NiSource Inc. Baa2 Stable			Black Hills Corporation Baa2 Stable			PPL Corporation Baa2 Stable			CenterPoint Energy, Inc. Baa2 Negative		
(in US millions)	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20
Revenue	5,115	5,209	4,945	1,754	1,735	1,674	7,785	7,769	7,744	10,589	12,301	12,239
CFO Pre-W/C	469	1,525	1,616	488	531	524	3,000	2,998	3,116	2,041	2,144	2,265
Total Debt	9,951	10,276	10,505	3,238	3,587	3,553	22,871	23,632	24,124	10,174	16,461	16,605
CFO Pre-W/C / Debt	4.7%	14.8%	15.4%	15.1%	14.8%	14.8%	13.1%	12.7%	12.9%	20.1%	13.0%	13.6%
CFO Pre-W/C – Dividends / Debt	1.9%	11.7%	12.2%	11.8%	11.3%	11.2%	8.1%	7.6%	7.8%	15.2%	8.9%	9.6%
Debt / Capitalization	60.2%	59.6%	61.1%	55.7%	56.2%	54.4%	60.9%	59.2%	59.1%	48.5%	58.9%	63.0%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
NISOURCE INC.	
Outlook	Stable
Issuer Rating	Baa2
Sr Unsec Bank Credit Facility	Baa2
Senior Unsecured	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2
NISOURCE FINANCE CORPORATION	
Outlook	Stable
Issuer Rating	Baa2
Bkd Senior Unsecured	Baa2
NORTHERN INDIANA PUBLIC SERVICE COMPANY	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured	Baa1
NISOURCE CAPITAL MARKETS, INC.	
Outlook	Stable
Bkd Senior Unsecured	Baa2
BAY STATE GAS COMPANY	
Outlook	Stable
Senior Unsecured	Baa2

Source: Moody's Investors Service

REPORT NUMBER 1235778

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Moody's INVESTORS SERVICE

MOODY'S
INVESTORS SERVICE

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of NiSource Inc.

07 Oct 2020

New York, October 07, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of NiSource Inc. and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

NiSource Inc.'s (NiSource) Baa2 rating reflects the credit supportiveness and diversity of its regulatory jurisdictions that allow for predictable operating cash flows. The rating also considers the inherently low business risk of its fully regulated operations, as well as its broad geographic footprint and scale. Together, these factors help to mitigate a weak financial profile as the company manages high debt levels and a sizeable capital investment program. We expect the company to produce a cash flow from operations pre-working capital to debt ratio in the 13-14% range over the next 12 to 18 months.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regulated Electric and Gas Utilities published in June 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

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MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

MOODY'S
INVESTORS SERVICE

ISSUER COMMENT
28 April 2021

Rate this Research

RATINGS

NiSource Inc.

Outlook	Stable
Issuer Rating	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2

Source: Moody's Investors Service

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NiSource Inc.

Equity units issuance helps maintain credit quality but with little financial flexibility over the near-term

On 19 April 2021, NiSource Inc. (Baa2 stable) completed the issuance of equity units totaling $862.5 million, including the exercise of an overallotment option. The issuance is credit positive for NiSource because it will help the company to maintain key financial metrics within our expectations for its current rating. Nevertheless, we expect the company to continue to have limited financial flexibility, with a ratio of operating cash flow excluding working capital changes (CFO pre-WC) to debt that we project will remain close to our indicated financial metric threshold for a possible downgrade of 13% through the end of 2023.

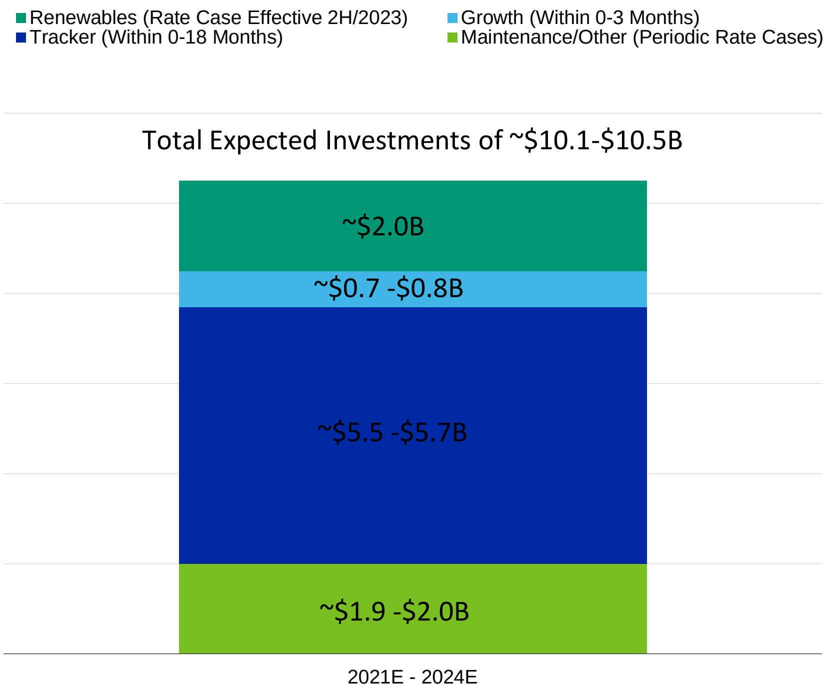
Each of the recently issued equity units comprises i) a purchase contract which will obligate the holder to purchase a certain number NiSource common shares no later than 1 December 2023 and ii) a beneficial ownership interest in one share of mandatory convertible preferred stock (mandatory convertibles). In Moody's view, the securities have equity-like features that allow them to receive basket "E" treatment, i.e, 100% equity for financial leverage purposes (please refer to Moody's Hybrid Equity Credit methodology published in September 2018). The mandatory convertibles will be remarketed prior to the equity purchase contract settlement and the proceeds used to settle the equity purchase contract on 1 December 2023. Conversion of the remarketed mandatory convertibles to NiSource common shares will occur on 1 March 2024, at which point NiSource will have added approximately $1.7 billion of new common equity on its balance sheet.

NiSource's capital expenditure program is substantial, totaling more than $10 billion over the 2021-2024 period. Capital spending is expected to peak in 2022 and 2023 because of approximately $2 billion in renewable energy investments at subsidiary Northern Indiana Public Service Company (NIPSCO, Baa1 stable), whose electric operations currently represent about 35% of NiSource's rate base. The renewable investments, which NIPSCO expects to start recovering in mid-2023 following a general rate case, coincide with the planned retirement of 80% of NIPSCO's coal generating capacity in 2023. We expect the consolidated company's key financial measures to strengthen beginning in 2024 as cash flow benefits from a full year of renewables investment recovery.

Exhibit 1

Capital expenditure program for 2021-2024

Expected investment recovery period



Source: NiSource

NiSource financing plan for its renewable investments, targeting 60% equity financing, had previously included up to $700 million in common equity block issuance, up to $700 million in long-term debt and up to $1 billion in hybrid securities. The recently issued equity units eliminate the need for the block equity financing.

NiSource is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $14 billion in rate base. NiSource owns one of the largest LDC systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland providing service to about 3.2 million customers. NiSource also owns NIPSCO, a mid-sized vertically integrated electric utility in Indiana that provides service to approximately 479,000 customers. The LDCs account for about 60% of the company's consolidated operating earnings, with the balance coming from the electric utility.

REPORT NUMBER 1280231

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INFRASTRUCTURE AND PROJECT FINANCE

MOODY'S
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CREDIT OPINION
27 July 2021

Update

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NiSource Inc.

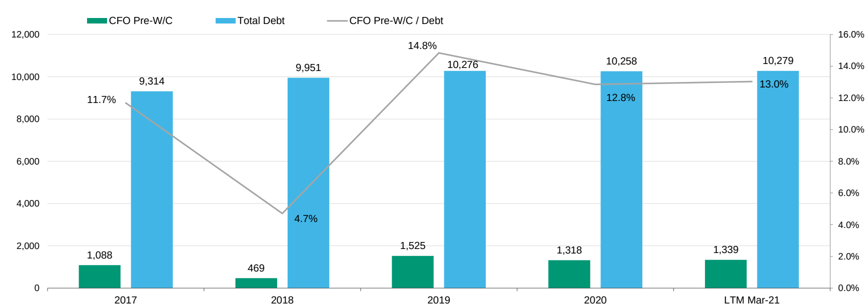
Update to credit analysis

Summary

NiSource Inc.'s (NiSource) credit profile reflects the diversity and supportiveness of its multiple regulatory jurisdictions that provide predictable operating cash flows. Its fully regulated operating utility subsidiaries have low business risk, given their critical infrastructure asset base. Together, these utilities help mitigate a historically weak financial profile driven by the company's high leverage.

We expect NiSource's financial profile to remain under pressure as the company executes a substantial capital expenditure program which includes significant investments in renewable energy generation at subsidiary Northern Indiana Public Service Company (NIPSCO) to replace the retirement of 80% of the utility's coal generation by 2023. We expect NiSource to maintain a ratio of operating cash flow excluding working capital changes (CFO pre-WC) to debt around 13% over the next two years.

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt ($ MM)



Source: Moody's Financial Metrics

Credit Strengths

» Operations in jurisdictions with attractive cost recovery mechanisms

» Fully regulated utility assets with fundamentally low business risk

» Majority equity financing plan for renewable investments helps to support credit quality

Credit Challenges

» Persistently high debt balance

» Elevated capital expenditures

» Weak metrics for the rating leave little room to absorb unexpected negative events

Rating Outlook

NiSource's stable outlook reflects Moody's view that the company will maintain a CFO pre-WC to debt ratio in the 13-14% range over the next two years. The stable outlook also reflects our view that NiSource's regulated utility capital expenditure plans will be financed with a balanced mix of both debt and equity and that its regulatory jurisdictions will remain supportive.

Factors that Could Lead to an Upgrade

» Improvement in the utility regulatory environments

» A material and sustained increase in the company's credit metrics with cash flow to debt at or above 17% and debt to capitalization below 50%

» A significant reduction in parent company leverage

Factors that Could Lead to a Downgrade

» A decline in the credit supportiveness of it's regulatory environments

» An adverse change in the company's business mix that increases risk

» Cash flow pre-working capital to debt sustained below 13%

Key Indicators

Exhibit 2
NiSource Inc. [1]

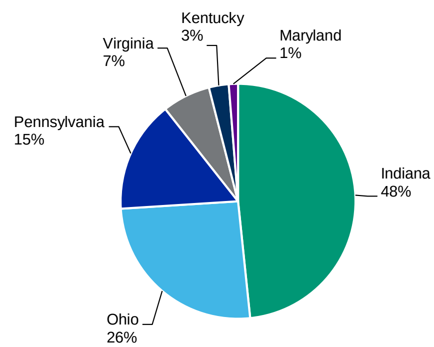
	Dec-17	Dec-18	Dec-19	Dec-20	LTM Mar-21
CFO Pre-W/C + Interest / Interest	3.9x	2.3x	4.7x	4.3x	4.4x
CFO Pre-W/C / Debt	11.7%	4.7%	14.8%	12.8%	13.0%
CFO Pre-W/C – Dividends / Debt	9.2%	1.9%	11.7%	9.4%	9.6%
Debt / Capitalization	62.7%	60.2%	59.6%	59.9%	58.9%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

NiSource Inc. is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $13.6 billion in rate base. NiSource owns one of the largest LDC systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland providing service to about 3.2 million customers, as well as a mid-sized vertically integrated electric utility in Indiana providing service to about 479,000 customers. The LDCs account for about 60% of the company's consolidated operating earnings, with the balance coming from the electric utility.

Exhibit 3
State Rate Base Exposure



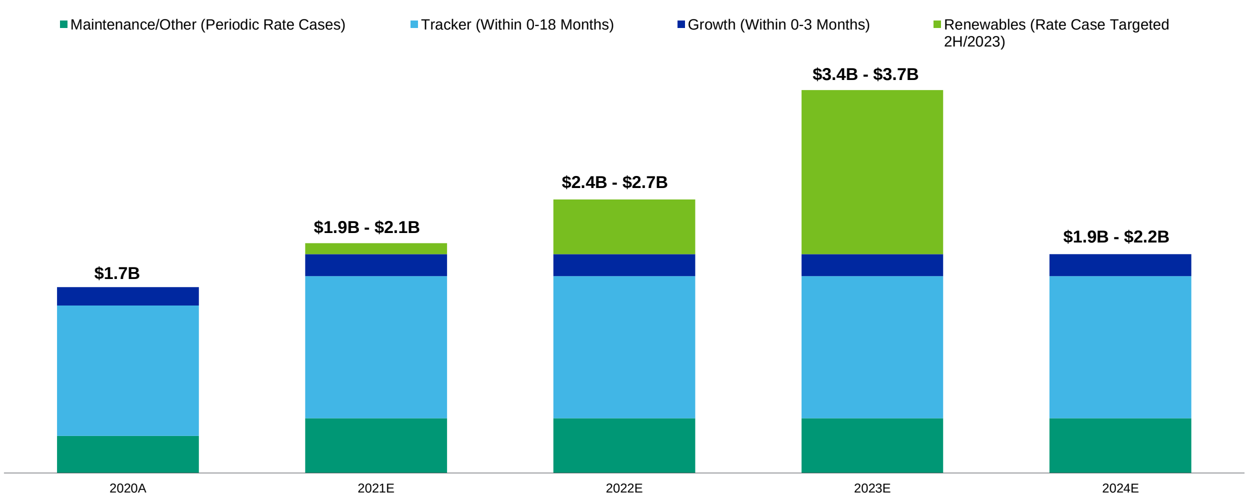
Source: Company's reports

Detailed Credit Considerations

Predictability of cash flow underpinned by supportive regulatory construct

The state regulators overseeing NiSource's utilities are credit supportive. With the exception of NIPSCO Gas, all of NiSource's LDCs benefits from decoupling mechanisms and/or weather normalization adjustments which reduce earnings volatility. In addition, NiSource has access to a variety of tracker mechanisms across its different jurisdictions that provide for timely recovery of its sizeable infrastructure investment program, with more than 75% of its investments beginning recovery within less than 18 months. Similarly, NiSource's electric segment benefits from a broad array of tracker mechanisms providing for timely recovery of operating expenses as well as environmental investments.

Exhibit 4
Capital investments with estimated recovery periods



Source: Company presentations

The company's investments across all of its jurisdictions continue to drive an active regulatory calendar. In addition to receiving orders on multiple infrastructure replacement and other tracker filings, NiSource reached credit supportive outcomes in its recent regulatory filings. The company completed five general rate cases in Indiana, Maryland, Pennsylvania and Virginia from 2019 through 2021 year-to-date that together represented a total revenue increase of about $120 million.

Gas operations

NiSource's most frequent significant rate case activity has recently been in Pennsylvania where subsidiary Columbia Gas of Pennsylvania continues to invest in safety and modernization. In March 2021, Columbia Gas of Pennsylvania filed a rate case requesting a revenue increase of $98.3 million based on an ROE of 10.95% and equity capitalization of 54.34%. The rate case is expected to be concluded in the fourth quarter of 2021. The utility's previous rate case was finalized in February 2021 when Columbia Gas of Pennsylvania received regulatory approval for a $63.5 million rate increase based on a 9.86% ROE, 54.19% equity layer and $2.3 billion rate base.

In addition to the rate case pending in Pennsylvania, NiSource has a rate case pending in Ohio, expected to be concluded in the third quarter of 2022, for a $221.4 million revenue increase based on a 10.95% ROE, 50.60% equity capitalization and $3.56 billion rate base. This is Columbia Gas of Ohio's first rate case since 2008 during which period the utility recovered most of its investments through trackers and riders. The current rate increase request reflects an approximately $2.5 billion increase over its last authorized rate base. NiSource also has two pending gas rate cases in Maryland and Kentucky with a total revenue increase request of $33 million. Decisions are expected in the fourth quarter of 2021 and first quarter of 2022 in Maryland and Kentucky respectively.

Electric operations

In 2020, NIPSCO Electric added 500 MW of new wind generation to its generation portfolio, consisting of a 400 MW power purchase agreement (PPA) and a 100 MW joint venture (JV) project. NIPSCO currently has regulatory approval for about 2,465 MW of additional wind, solar and storage PPAs and JV projects all expected to be in service in the 2021-2023 time frame.

NIPSCO Electric's most recent rate case was finalized in December 2019 when the utility received regulatory approval for a $42.7 million rate increase based on a 9.75% ROE, 47.86% equity capitalization and $4.1 billion rate base. New rates were implemented in two steps effective January 2020 and March 2020 respectively. As part of the rate case order, NIPSCO Electric also received three credit supportive approvals. First, the Indiana Utility Regulatory Commission (IURC) approved a change in industrial customer rate structure to mitigate the risk of a significant curtailment in usage by industrial customers, which represent over 50% of the utility's total energy sales. Second, the utility received approval for the full recovery of its coal generation investments by 2030. Finally, with respect to tax reform, the IURC approved the return to customers of the protected excess accumulated deferred income tax (ADIT) balance of about $203 million over a period of approximately 26 years based on the average rate assumption method. The unprotected ADIT balance of about $137 million will be amortized by $12.2 million annually until the utility's next rate case when the remainder will be included in the revenue requirement and fully amortized by the end of 2030.

Regulated utility assets exhibit fundamentally low business risk

NiSource's six LDCs represent about 60% of its business, while its fully regulated vertically integrated electric utility segment makes up the difference. We continue to view NiSource's LDCs as having low business risk in spite of the possible risk to public safety as demonstrated by the Columbia Gas of Massachusetts incident in 2018. NiSource has identified, and taken steps to improve system safety and reliability and to protect against overpressurization. Futhermore, the size and broad geographic footprint of NiSource's LDC operations offer regulatory diversity and provide a natural hedge against material exposure to a single jurisdiction.

NiSource's electric segment entails more business risk than the LDC's. In addition to its exposure to the risks associated with generation assets, its operations are concentrated in a single, highly industrialized market territory. About 51% of the company's retail electric sales volumes is derived from industrial customers, leaving it particularly sensitive to economic cycles. The electric segment's rate structure does not have the decoupling mechanisms that many of NiSource's LDCs have, further exacerbating potential volatility from the company's electric segment. The volatility is somewhat mitigated by the approximately 50%-55% fixed component of NIPSCO Electric's industrial rates.

Indiana's regulatory environment is favorable from a credit standpoint and provides the company's electric segment with an attractive suite of cost recovery mechanisms that cover most of its operating and capital expenses. NIPSCO Electric plans to retire nearly 80% of its coal capacity by 2023, and the remaining coal-fired units by 2028, reducing its exposure to more stringent environmental regulations that could require costly investments, a credit positive. The company plans to replace its retired coal capacity post 2020 with lower-cost renewable energy sources such as wind, solar and battery technology.

Persistently high debt balance and elevated investment spending weigh on financial profile

NiSource's credit profile is constrained by its relatively weak financial profile, primarily because of its highly levered capital structure, which we expect will continue to weigh on its debt coverage metrics as the company executes its elevated capital investment plan. Debt to capitalization averaged about 60% for the last three years and we expect the ratio to remain close to 60% over the next three years. Assuming that NiSource's subsidiaries are capitalized at their authorized capital structures, with a 50% debt to capitalization ratio assumed for states with black box settlements, we estimate approximately 30% of consolidated debt at the holding company level.

NiSource's capital expenditure program is substantial, totaling more than $10 billion over the 2021-2024 period. Capital spending is expected to peak in 2022 and 2023 because of approximately $2 billion in renewable energy investments at NIPSCO. The renewable investments, which NIPSCO expects to start recovering in mid-2023 following a general rate case, coincide with the planned retirement of 80% of NIPSCO's coal generating capacity in 2023. We expect NiSource's key financial measures to strengthen beginning in 2024 as cash flow benefits from a full year of renewable investment recovery.

NiSource's financing plan for its renewable investments, targeting 60% equity financing, had previously included up to $700 million in common equity block issuance, up to $700 million in long-term debt and up to $1 billion in hybrid securities. The company's issuance of $862.5 million ($835.5 million net proceeds) of equity units in April 2021 eliminates the need for the block equity financing. Moody's views the securities as having equity-like features that allow them to receive basket "E" treatment, i.e, 100% equity for financial leverage purposes (please refer to Moody's Hybrid Equity Credit methodology published in September 2018). NiSource's balanced financing approach should allow it to sustain a CFO pre-WC to debt ratio in the low to mid-teens in the near term.

Sale of Bay State Gas removed Massachusetts regulatory overhang risk

On 26 February 2020, NiSource announced an agreement to sell Bay State Gas Company (a.k.a. Columbia Gas of Massachusetts or CMA) to Eversource Energy (Baa1 negative) for $1.1 billion or approximately 1x rate base. The announcement followed an agreement by NiSource to plead guilty to a federal criminal charge that it had violated federal pipeline safety laws related to the September 2018 Greater Lawrence incident. As part of the plea agreement, NiSource agreed to sell CMA and permanently exit its operations in Massachusetts and to pay a $53 million fine. The transaction was closed in October 2020.

We view NiSource's exit from Massachusetts as positive to the company's credit profile because it removes future risk associated with the company's operations and regulatory relationships in the state. It also allows NiSource to focus more fully on its other jurisdictions and on executing its substantial capital expenditure plan. Proceeds from the sale of CMA eliminated the need for approximately $500-$700 million of equity issuance previously planned for 2020.

ESG considerations

NiSource's ESG Credit Impact Score is CIS-3 (moderately negative).

Exhibit 5
ESG Credit Impact Score

CIS-3
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

NiSource's ESG Credit Impact Score is moderately negative (**CIS-3**) because of ESG attributes that we consider as overall having a limited impact on the current rating, with greater potential for future negative impact over time. NiSource's **CIS-3** reflects moderately negative exposure to environmental and social risk but neutral to low exposure to governance risk.

Exhibit 6
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-3	G-2
Moderately Negative	Moderately Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental
NiSource has moderately negative exposure to environmental risk (**E-3** issuer profile score) primarily because of its exposure to carbon transition risk at both its electric and gas utilities. The company's focus on replacing its coal generation with renewables, while important to reduce carbon transition risk, requires significant capital investments. NiSource is also moderately exposed to physical climate risks, including the risk that extreme or unusual weather events could damage physical assets or negatively impact commodity prices. NiSource's exposure to water management, waste and pollution and natural capital risks is credit neutral.

Social
NiSource's moderately negative exposure to social risks (**S-3** issuer profile score) reflects the risk associated with the regulated utilities sector that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention. Furthermore, from a responsible production perspective, NiSource is moderately exposed to the risk to public safety inherent in its gas utility operations. Social risks related to customer relations and human capital are neutral to NiSource's credit profile.

Governance
NiSource's exposure to governance risks is overall credit neutral (**G-2** issuer profile score). The company's inconsistent track record of financial performance is mitigated by its improved financial strategy and risk management as well as neutral to low risk associated with organizational structure, board structure, policies and procedures, and compliance and reporting.

Liquidity Analysis
NiSource's liquidity is adequate and is supported by a $1.85 billion revolving credit facility maturing in 2024. The revolver backs a $1.5 billion commercial paper program and provides funds for ongoing working capital needs. Terms of the facility allow for reliable access to funds by not requiring the company to represent and warrant to any material adverse change at each borrowing. The sole financial covenant is a maximum debt to capitalization ratio of 70%. As of 31 March 2021, the ratio was 62.2%.

NiSource also maintains three separate accounts receivables securitization programs totaling $510 million at its operating companies (no outstanding balance as of 31 March 2021). The programs are renewed annually. As of 31 March 2021, NiSource had about $89.1 million of cash on hand as well as $1.85 billion of available capacity under its revolver, $520 million of commercial paper outstanding and $15.2 million of LCs. NiSource does not have a material debt maturity until 2025 ($1.25 billion).

For the twelve months ended 31 March 2021, NiSource generated $1.2 billion in operating cash flow, invested $1.7 billion in capital expenditures, and paid $383 million in dividend distributions, resulting in a negative free cash flow position of $873 million. NiSource funded the cash shortfall with long-term debt and $211 million of common stock issuances. Over the next 12-18 months, we expect NiSource to remain free cash flow negative as it executes on its sizeable capital expenditure plan. We expect cash shortfalls to be funded with a balanced mix of debt, equity and equity like instruments.

Rating Methodology and Scorecard Factors

Exhibit 7
Methodology Scorecard Factors
NiSource Inc.

Regulated Electric and Gas Utilities Industry Scorecard [1][2]	Current LTM 3/31/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Ba	Ba	Ba	Ba
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.8x	Baa	4.5x - 5x	A
b) CFO pre-WC / Debt (3 Year Avg)	10.7%	Ba	12% - 14%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	7.5%	Ba	9% - 11%	Baa
d) Debt / Capitalization (3 Year Avg)	60.0%	Ba	58% - 61%	Ba
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching		0		0
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 3/31/2021(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 8

Peer Comparison Table [1]

	NiSource Inc. Baa2 (Stable)			Black Hills Corporation Baa2 (Stable)			PPL Corporation Baa2 (Positive)			CenterPoint Energy, Inc. Baa2 (Stable)		
(In US millions)	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-19	FYE Dec-20	LTM Mar-21
Revenue	5,209	4,682	4,622	1,735	1,697	1,793	7,769	7,607	7,665	7,564	7,418	7,798
CFO Pre-W/C	1,525	1,318	1,339	531	549	535	2,998	3,216	3,193	2,127	1,801	(433)
Total Debt	10,276	10,258	10,279	3,587	3,819	4,400	23,632	24,868	16,317	16,081	14,239	16,635
CFO Pre-W/C + Interest / Interest	4.7x	4.3x	4.4x	4.8x	4.7x	4.6x	4.0x	4.2x	4.2x	4.6x	4.1x	0.2x
CFO Pre-W/C / Debt	14.8%	12.8%	13.0%	14.8%	14.4%	12.2%	12.7%	12.9%	19.6%	13.2%	12.7%	-2.6%
CFO Pre-W/C – Dividends / Debt	11.7%	9.4%	9.6%	10.8%	10.4%	8.7%	7.6%	7.8%	11.7%	9.0%	9.2%	-5.3%
Debt / Capitalization	59.6%	59.9%	58.9%	56.2%	55.4%	58.3%	59.2%	59.0%	51.6%	57.7%	55.2%	58.1%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics

Exhibit 9

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Mar-21
As Adjusted					
FFO	**1,195**	**463**	**1,646**	**1,344**	**1,365**
+/- Other	-108	6	-121	-26	-26
CFO Pre-WC	**1,088**	**469**	**1,525**	**1,318**	**1,339**
+/- ΔWC	-57	104	46	-223	-165
CFO	**1,031**	**573**	**1,571**	**1,095**	**1,174**
- Div	229	277	327	349	355
- Capex	1,733	1,858	1,828	1,795	1,710
FCF	**-930**	**-1,563**	**-584**	**-1,049**	**-892**
(CFO Pre-W/C) / Debt	11.7%	4.7%	14.8%	12.8%	13.0%
(CFO Pre-W/C - Dividends) / Debt	9.2%	1.9%	11.7%	9.4%	9.6%
FFO / Debt	12.8%	4.6%	16.0%	13.1%	13.3%
RCF / Debt	10.4%	1.9%	12.8%	9.7%	9.8%
Revenue	4,875	5,115	5,209	4,682	4,622
Interest Expense	379	372	413	401	393
Net Income	203	441	945	458	454
Total Assets	20,160	22,000	22,660	22,041	22,195
Total Liabilities	15,911	16,758	17,184	16,728	16,703
Total Equity	4,249	5,242	5,476	5,312	5,492

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 10

NiSource Inc. Moody's - Adjusted Debt Breakdown

(USD Millions)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Mar-21
As Reported Debt	**7,909.3**	**9,002.2**	**9,132.6**	**9,642.8**	**9,746.1**	**9,766.7**
Pensions	414.9	42.4	113.6	57.8	32.1	32.1
Operating Leases	208.0	198.0	196.4	64.8	40.2	40.2
Hybrid Securities	0.0	0.0	440.0	440.0	440.0	440.0
Non-Standard Adjustments	41.6	71.5	68.5	70.5	0.0	0.0
Moody's Ajusted Debt	**8,573.8**	**9,314.1**	**9,951.1**	**10,275.9**	**10,258.4**	**10,279.0**

Based on consolidated financial data of NiSource Inc. All figures are calculated using Moody's estimates and standard adjustments
Source: Moody's Financial Metrics

Ratings

Exhibit 11

Category	Moody's Rating
NISOURCE INC.	
Outlook	Stable
Issuer Rating	Baa2
Sr Unsec Bank Credit Facility	Baa2
Senior Unsecured	Baa2
Pref. Stock	Ba1
Commercial Paper	P-2
NISOURCE FINANCE CORPORATION	
Outlook	Stable
Issuer Rating	Baa2
Bkd Senior Unsecured	Baa2
NORTHERN INDIANA PUBLIC SERVICE COMPANY	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured	Baa1
NISOURCE CAPITAL MARKETS, INC.	
Outlook	Stable
Bkd Senior Unsecured	Baa2
BAY STATE GAS COMPANY	
Outlook	Stable
Senior Unsecured	Baa2

Source: Moody's Investors Service

REPORT NUMBER 1293075

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of NiSource Inc.

20 Sep 2021

New York, September 20, 2021 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of NiSource Inc. and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review discussion held on 15 September 2021 in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

NiSource Inc.'s (NiSource) Baa2 rating reflects the diversity and credit supportiveness of the regulatory jurisdictions in which its subsidiaries operate. The rating also considers the low business risk of its fully regulated operations, as well as its broad geographic footprint and scale. Together, these factors help to mitigate a weak financial profile as the company manages elevated debt levels. We expect NiSource's financials to remain under pressure as the company executes a substantial capital expenditure program which includes significant investments in renewable energy generation at subsidiary Northern Indiana Public Service Company (NIPSCO) to replace the retirement of 80% of the utility's coal generation by 2023. We expect the company to produce a cash flow from operations pre-working capital to debt ratio of around 13% over the next two years.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regulated Electric and Gas Utilities published in June 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non EU rated, non UK rated, non EU endorsed and non UK endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

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FitchRatings

Fitch Ratings: NiSource's Asset Sale is Modestly Credit Negative

Fitch Ratings-New York-02 March 2020: Fitch Ratings believes that NiSource Inc.'s (BBB/Stable) agreement to sell the natural gas assets of Columbia Gas of Massachusetts (CMA) will modestly weaken credit metrics and reduce operating scale. Meanwhile, NiSource will retain CMA's future liabilities related to the series of natural gas distribution fires and explosions that occurred in Massachusetts' Merrimack Valley in 2018. Investigations at the Massachusetts Department of Public Utilities and the Massachusetts Attorney General's Office are ongoing. Nevertheless, the sale removes long-term, prospective risks associated with operating a utility with damaged regulatory and ratepayer relationships in Massachusetts in the wake of the Merrimack Valley disaster.

Fitch expects NiSource to use sale proceeds to reduce debt, obviating issuance of $500 million to $700 million of equity in 2020. However, the debt reduction will not fully neutralize earnings lost from the asset sale and dis-synergies. CMA accounted for approximately 8% of NiSource's earnings prior to the Merrimack Valley event. Fitch estimates that 2021 FFO adjusted leverage could potentially weaken 20bps to 30bps to 5.3x due to the pending transaction. Going forward, NiSource's credit quality will depend on its plan to address the change in operating scale as well as any future liabilities and penalties related to Merrimack Valley in a prudent manner.

On Feb. 26, NiSource announced that it reached an agreement to sell the natural gas assets of CMA to Eversource Energy (BBB+/Stable) for $1.1 billion, roughly the size of CMA's rate base. The sale agreement follows the announcement of a settlement between NiSource and the U.S. government. Under the settlement, NiSource pleaded guilty to violating federal pipeline safety laws and agreed to pay a $53 million fine, sell its Massachusetts utility business, permanently leave Massachusetts and surrender to the U.S. government any profits from the sale. The sale is expected to close in third-quarter 2020.

Costs and expenses related to Merrimack Valley totals approximately $1.8 billion. Through YE 2019, NiSource has received $800 million of casualty insurance proceeds and continues to seek insurance recovery for the pipeline replacement costs under the $300 million property insurance policy.

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FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms NiSource at 'BBB'; Outlook Stable

Fri 03 Apr, 2020 - 3:52 PM ET

Fitch Ratings - New York - 03 Apr 2020: Fitch Ratings has affirmed the 'BBB' Long-Term Issuer Default Ratings (IDRs) of NiSource Inc. (NI) and Northern Indiana Public Service Company (NIPSCO). The Rating Outlook is Stable. NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states (excluding Massachusetts). NI's credit metrics have largely recovered from the Merrimack Valley incident. The agreement to sell the natural gas assets in Massachusetts will remove most of the regulatory uncertainties in the state. However, NI will retain residual liabilities and reduce operating scale. NIPSCO's ratings mirror those of NI, as it relies on NI solely for capital access.

KEY RATING DRIVERS

CMA Sale Removes Long-Term Risk

NI's agreement to sell the natural gas assets of Columbia Gas of Massachusetts (CMA) eliminates long-term, prospective risks associated with operating a utility with damaged regulatory relationships in Massachusetts. However, the sale will reduce operating scale, modestly weaken credit metrics and does not remove CMA's liabilities associated with the Merrimack Valley incident. In affirming NI's ratings and Outlook, Fitch assumes the remaining liabilities will be funded in a credit supportive manner.

Fitch expects NI to use the sale proceeds to reduce debt, obviating issuance of $500 million-$700 million of equity in 2020. The debt reduction will not fully neutralize lost earnings and dis-synergies. CMA accounted for approximately 8% of NI's earnings prior to the event. Fitch estimates 2021 FFO-adjusted leverage could potentially weaken by approximately 0.1x-0.2x due to the sale.

In 2018, a series of natural gas distribution fires and explosions occurred in CMA's service territory in Merrimack Valley, MA. On Feb. 26, NI announced it reached an agreement to sell the natural gas assets of CMA to Eversource Energy (BBB+/Stable) for $1.1 billion, roughly the size of CMA's rate base. The agreement follows the announcement of a settlement between NI and the U.S. government. Under the settlement, NI pleaded guilty to violating federal pipeline safety laws and agreed to pay a $53 million fine, sell its Massachusetts utility business, permanently leave Massachusetts and surrender to the U.S. government any profits from the sale. The transaction is expected to close in 3Q20.

The majority of the liabilities and lawsuits have been resolved so far, including the $143 million class action settlement in July 2019 and the $53 million fine imposed by the U.S. Attorney's Office in February 2020. Investigations at the Massachusetts Department of Public Utilities and the Massachusetts Attorney General's Office are ongoing.

Costs and expenses related to Merrimack Valley total approximately $1.8 billion. Through YE 2019, NI received $800 million of casualty insurance proceeds and continues to seek insurance recovery for the pipeline replacement costs under the $300 million property insurance policy.

Low Business Risk

NI's ratings and Outlook are supported by stable cash flows and earnings from a geographically diverse mix of 100% regulated gas and electric utilities in six states (pro forma the CMA sale). Gas rate base is approximately 66% the total rate base. NI's gas-distribution utilities benefit from more supportive regulation and have less exposure to stringent environmental mandates. Additionally, Fitch considers Indiana, Ohio and Pennsylvania - NI's top three service territories - to be among the most supportive jurisdictions in the U.S. Fitch believes a fully regulated business model primarily with gas-distribution utility operations mitigates relatively high leverage, which has been the case for NI due to its large capex program and legacy debt.

Supportive Regulation

Balanced regulation is important for NI in light of its aggressive gas and electric infrastructure-modernization programs and high leverage. Nearly 80% of total capex in 2020 will be recovered through trackers and other mechanisms and begin earning within 18 months. NI's gas utilities have revenue decoupling in Ohio, Massachusetts, Maryland and Virginia; weather normalization in Pennsylvania, Maryland, Virginia and Kentucky; and straight fixed-variable rates in Ohio. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 65% of the total revenue is nonvolumetric.

All NI's gas utilities use infrastructure trackers on a regular basis, except in Pennsylvania. Columbia Gas of Pennsylvania has an option to file for infrastructure tracker recovery or leverage a forward-looking test year in a base rate case. NIPSCO Gas, CMA and Columbia Gas of Maryland have authorized ROEs of 9.85%, 9.55% and 9.60%, respectively. Other gas utilities do not have specified ROEs. NIPSCO electric's authorized ROE is 9.75%, compared with industry average of 9.5%.

NIPSCO's transmission projects benefited from constructive Federal Energy Regulatory Commission (FERC) regulation, including forward-looking rates and construction work in progress recovery. NIPSCO's ROE under FERC is 10.82%, inclusive of a 50bps adder for participating in the Midcontinent Independent System Operator (MISO) transmission service and wholesale energy market.

In Indiana, the integrated resource plan (IRP) allows utilities to inform the Indiana Utility Regulatory Commission (IURC) of their long-term capital investment plans on a nonbinding basis, years ahead of construction. The IRP process provides transparency before utilities submit their requests for approval to begin construction, a credit positive. The Transmission, Distribution and Storage System Improvement Charge (TDSIC) statute provides for cost recovery outside general rate case proceedings for gas or electric safety, reliability and modernization, and allows pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semiannual trackers.

Indiana legislation allows cost recovery of federally mandated requirements, including modernization or environmental capex. NIPSCO has approval from the IURC to recover environmental costs through an environmental cost tracker, which allows the utility to earn a return on the capital investment, as well as related operating and maintenance expenses once operational. NIPSCO owns and operates 2 gigawatts (GW) of coal generation plants that were fully scrubbed at YE 2015; all comply with sulfur dioxide, nitrogen oxide and Mercury and Air Toxics Standards rules.

High Capex

NI's capex began to ramp up in 2012. Management estimated 2020 capex is approximately $1.8 billion-$1.9 billion. Although the capital investment is sizeable, most of the projects are small, providing flexibility in execution. NI's robust capex program is supported by infrastructure modernization legislation in all its service territories, mitigating regulatory lag. Fitch views rate-base accretive capex favorably. However, it will pressure credit metrics.

Capital investment related to generation transition will ramp up in the next few years. Currently, 70% of NIPSCO's generation capacity is from coal-fired generation plants. NI indicated in September 2018 it will accelerate the retirement of its remaining five coal-fired generation stations (2,094MW capacity). Four units at the R.M. Schahfer station will retire no later than 2023 and one at Michigan City station will retire by 2028, upon which NI will have no coal generation. Fitch expects the capacity to be replaced by renewable energy and battery storage.

IURC approved NI's Jorden Creek purchase power agreement. Fitch expects the project to be in service at YE 2020. IURC also approved two Build-Transfer Agreement applications for the Rosewater wind project (100MW) and the Crossroads wind project (302MW). Rosewater is expected to be in service by YE 2020 and Crossroads is expected to be in service in 2021.

Credit Metrics

In 2018, NI's credit metrics deteriorated substantially, primarily due to cost and expenses associated with Merrimack Valley. FFO-adjusted leverage improved to low 5x in 2019 as NI collected most of the insurance proceeds. Fitch expects NI to continue to manage its FFO-adjusted leverage to be below the downgrade trigger of 5.5x.

Credit-Supportive Initiatives

NI's rating stability will continue to depend upon prudent balance sheet management in light of the large capex program going forward. The company demonstrated its willingness to issue equity or equity-like instruments in the past to preserve its ratings. In 2018, NI issued $886 million equity and $900 million hybrid securities to largely mitigate the impacts of tax reform and the robust capex program. Proceeds were used to redeem near-term debt maturities, eliminating refinancing needs through 2022. Prior to the CMA sale agreement, NI planned to issue $500 million-$700 million equity to shore up the balance sheet. Management indicated it will continue to issue at-the-market equity of $200 million-$300 million per year, and $35 million-$60 million equity per year from employee stock plans.

Coronavirus (COVID-19):

Fitch currently expects the impact from COVID-19 to be manageable for NI. There are not any significant operational concerns at this time, and NI has adequate liquidity. On April 1, 2020, NI refinanced its $850 million term loan, removing a major maturity in 2020. The one-year term loan is expected to be repaid when the CMA transaction is closed. There are no other material maturities until November 2022.

COVID-19 has low impact on gas revenues, as heating season is largely over. Electric industrial customers as a percentage of the total gross margin reduced approximately 8% starting in 2020. Additionally, industrial demand charge provides some stability. Commercial usage will likely decline while partially offset by an increase in residential usage. O&M expenses are expected to decline. Some of NI's gas utilities have decoupling mechanisms, and uncollected expenses tracker. Nevertheless, Fitch applied a reduction in volume in the rating case in 2020 and 2021.

ESG - Customer Welfare

Fitch revised NI's ESG relevance score to '3' from '4' for "Customer Welfare". A relevance score of '3' indicates the ESG issue is credit neutral or have only a minimal credit impact on the entity, either due to the nature or the way in which they are being managed by the entity. A relevance score of '4' was assigned when the Merrimack Valley incident occurred. The incident heightened financial and regulatory risks and was considered relevant to NI's ratings in conjunction with other factors. Since then, NI largely resolved the issues associated with the incident, including pipeline replacement, insurance collection, and major lawsuits with victims and the U.S. government. The pending CMA sale will also remove the damaged regulatory risks associated with operating in Massachusetts. Additionally, NI also implemented a series of safety measure in all its service territories.

Parent Sub Linkage

Fitch generally considers NIPSCO to be stronger than NI due to its lower leverage and lower operating risks as a regulated utility. However, NI's operating subsidiaries, including NIPSCO, rely on NI for liquidity and capital access. As such, NIPSCO's standalone credit profile is not analytically meaningful and its rating reflects NI's consolidated credit profile.

DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Negative) and National Fuel Gas Company (BBB/Stable), both of which invest in unregulated operations. NI's business model, geographic diversification and supportive regulations mitigate its relatively weak credit metrics. Similar to IPALCO Enterprises, Inc. (BBB-/Stable) which also operates in Indiana, NI's subsidiary NIPSCO has coal generation. However, NI's operation is more diversified and gas focused compared with IPALCO's single-state electric generation. After the Merrimack Valley incident in 2018, NI's credit metrics deteriorated significantly. With insurance collection and balanced financing, Fitch expects NI's FFO-adjusted leverage to be below 5.5x, similar to that of IPALCO.

NIPSCO's gas and electric assets are superior to Indianapolis Power & Light Co.'s (IPL, BBB+/Stable) electric-only operations. Gas utilities generally have lower operating risks and enjoy favorable regulations. NIPSCO and IPL's coal-generation portfolios rely on Indiana's supportive environmental cost-recovery mechanisms. NIPSCO's standalone credit profile is strong. However, its rating is the same as NI, as it depends on NI for funding. IPL's rating is upward constrained by the ownership of IPALCO, which relies on IPL solely to service its debt obligations.

KEY ASSUMPTIONS

-- $6 billion capex for 2020-2022 forecast;

-- At-the-market equity of $200 million-$300 million per year;

-- Removes CMA beginning in 4Q20;

-- Receives $1 billion net sale proceeds in 4Q20;

-- COVID-19-related reduction in customer load in 2020 and 2021.

RATING SENSITIVITIES

Developments That May, Individually or Collectively, Lead to Positive Rating Action

-- NI and NIPSCO could be upgraded if consolidated FFO-adjusted leverage is sustained below 4.5x after the high capex period.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

-- Consolidated FFO-adjusted leverage remains above 5.5x with low probability of recovery;

-- Material penalties from the remaining investigation funded by debt;

-- Relationship with regulators and customers deteriorates substantially, associated with safety issues, over an extended period;

-- Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capital spending.

BEST/WORST CASE RATING SCENARIO

Ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings https://www.fitchratings.com/site/re/10111579.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

ESG issues are credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING		
NiSource Inc.	LT IDR	BBB	Affirmed
	ST IDR	F2	Affirmed

VIEW ADDITIONAL RATING DETAILS

Additional information is available on www.fitchratings.com

APPLICABLE CRITERIA

Parent and Subsidiary Rating Linkage (pub. 27 Sep 2019)

Corporates Notching and Recovery Ratings Criteria (pub. 14 Oct 2019) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 27 Mar 2020) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.8.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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Northern Indiana Public Service Company	EU Endorsed

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Energy and Natural Resources Corporate Finance Utilities and Power

US Public Finance North America United States

NiSource Inc. and Northern Indiana Public Service Company

NiSource Inc.'s (NI; BBB/Stable) credit profile is supported by its 100% regulated gas and electric utility operations in six states, excluding Massachusetts. NI's credit metrics have largely recovered from the Merrimack Valley incident. The agreement to sell natural gas assets in Massachusetts will remove most of the regulatory uncertainties in the state. However, NI will retain residual liabilities and reduce operating scale. Northern Indiana Public Service Company's (NIPSCO; BBB/Stable) ratings mirror those of NI, as it relies on NI solely for capital access.

Key Rating Drivers

Sale Removes Long-Term Risk: NI's agreement to sell the natural gas assets of Columbia Gas of Massachusetts (CMA) eliminates long-term, prospective risks associated with operating a utility with damaged regulatory relationships in Massachusetts. However, the sale will reduce operating scale, modestly weaken credit metrics and does not remove CMA's liabilities associated with the Merrimack Valley incident. In affirming NI's ratings and Outlook, Fitch Ratings assumes the remaining liabilities, if any, will be funded in a credit supportive manner.

We expect NI to use the sale proceeds to reduce debt, obviating issuance of $500 million–$700 million of equity in 2020. The debt reduction will not fully neutralize lost earnings and dis-synergies. CMA accounted for approximately 8% of NI's earnings prior to the event. Fitch estimates 2021 FFO-adjusted leverage could potentially weaken by approximately 0.1x–0.2x due to the sale.

A series of natural gas distribution fires and explosions in 2018 occurred in CMA's service territory in Merrimack Valley, MA. NI announced on Feb. 26, 2020 it reached an agreement to sell the natural gas assets of CMA to Eversource Energy (BBB+/Stable) for $1.1 billion, about the size of CMA's rate base.

The agreement follows the announcement of a settlement between NI and the U.S. government. Under the settlement, NI pleaded guilty to violating federal pipeline safety laws and agreed to pay a $53 million fine, sell its Massachusetts utility business, permanently leave the state and surrender any profits from the sale to the U.S. government. The transaction is expected to close in third-quarter 2020.

The majority of the liabilities and lawsuits have been resolved so far, including the $143 million class action settlement in July 2019 and the $53 million fine imposed by the U.S. Attorney's Office in February 2020. Investigations at the Massachusetts Department of Public Utilities and the Massachusetts Attorney General's Office are ongoing.

Costs and expenses related to Merrimack Valley total approximately $1.8 billion. NI received $800 million of casualty insurance proceeds through YE 2019 and continues to seek insurance recovery for the pipeline replacement costs under the $300 million property insurance policy.

Low Business Risk: NI's ratings and Outlook are supported by stable cash flows and earnings from a geographically diverse mix of 100% regulated gas and electric utilities in six states, pro forma the CMA sale. The gas rate base is approximately 66% the total rate base. NI's gas-distribution utilities benefit from more supportive regulation and have less exposure to stringent environmental mandates.

Fitch considers Indiana, Ohio and Pennsylvania, NI's top three service territories, to be among the most supportive jurisdictions in the U.S. We believe a fully-regulated business model, primarily with gas-distribution utility operations, mitigates relatively high leverage, which has been the case for NI due to a large capex program and legacy debt.

Ratings

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	BBB	Stable	Affirmed April 3, 2020
Short-Term IDR	F2	—	Affirmed April 3, 2020
Senior Unsecured	BBB	—	Affirmed April 3, 2020
Preferred Stock	BB+	—	Affirmed April 3, 2020

NiSource Inc.
Click here for full list of ratings
Northern Indiana Public Service Company
Click here for full list of ratings

Applicable Criteria

Corporate Rating Criteria (Effective from March 27, 2020 to May 1, 2020)

Corporate Hybrids Treatment and Notching Criteria (November 2019)

Corporates Notching and Recovery Ratings Criteria (October 2019)

Parent and Subsidiary Rating Linkage (September 2019)

Related Research

Fitch Affirms NiSource at 'BBB'; Outlook Stable (April 2020)

Fitch Ratings 2020 Outlook: North American Utilities Power & Gas (Constructive Regulation Supports Recovery in Credit Metrics) (December 2019)

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Supportive Regulation: Balanced regulation is important for NI in light of aggressive gas and electric infrastructure modernization programs and high leverage. Nearly 80% of total capex in 2020 will be recovered through trackers and other mechanisms and begin earning within 18 months.

NI's gas utilities have revenue decoupling in Ohio, Massachusetts, Maryland and Virginia; weather normalization in Pennsylvania, Maryland, Virginia and Kentucky; and straight fixed-variable rates in Ohio. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 65% of the total revenue is nonvolumetric.

All NI's gas utilities use infrastructure trackers on a regular basis, except in Pennsylvania. Columbia Gas of Pennsylvania has an option to file for infrastructure tracker recovery or leverage a forward-looking test year in a base rate case. NIPSCO Gas, CMA and Columbia Gas of Maryland have authorized ROEs of 9.85%, 9.55% and 9.60%, respectively. Other gas utilities do not have specified ROEs. NIPSCO's electric utility's authorized ROE is 9.75%, compared with an industry average of 9.5%.

NIPSCO's transmission projects benefited from constructive Federal Energy Regulatory Commission (FERC) regulation, including forward-looking rates and construction work in progress recovery. NIPSCO's ROE under FERC is 10.82%, inclusive of a 50bps adder for participating in the Midcontinent Independent System Operator (MISO) transmission service and wholesale energy market.

In Indiana, the integrated resource plan (IRP) allows utilities to inform the Indiana Utility Regulatory Commission (IURC) of long-term capital investment plans on a nonbinding basis, years ahead of construction. The IRP process provides transparency before utilities submit requests for approval to begin construction, a credit positive.

The Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery outside general rate case proceedings for gas or electric safety, reliability and modernization, and allows pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semiannual trackers.

Indiana legislation allows cost recovery of federally-mandated requirements, including modernization or environmental capex. NIPSCO has approval from the IURC to recover environmental costs through an environmental cost tracker, which allows the utility to earn a return on the capital investment and related operating and maintenance expenses once operational. NIPSCO owns and operates two gigawatts (GW) of coal generation plants that were fully scrubbed at YE 2015. All plants comply with sulfur dioxide, nitrogen oxide and Mercury and Air Toxics Standards rules.

High Capex: NI's capex began to ramp up in 2012. Management estimated 2020 capex is approximately $1.8 billion–$1.9 billion. Although the capital investment is sizeable, most of the projects are small, providing flexibility in execution. NI's robust capex program is supported by infrastructure modernization legislation in all its service territories, mitigating regulatory lag. Fitch views rate-base accretive capex favorably. However, it will pressure credit metrics.

Capital investment related to generation transition will ramp up in the next few years. Currently, 70% of NIPSCO's generation capacity is from coal-fired generation plants. NI indicated in September 2018 it will accelerate the retirement of the remaining five coal-fired generation stations with a total of 2,080MW of capacity or 72% of the remaining capacity after retirement of Bailly Unit 7 and Unit 8.

Four units at the R.M. Schahfer station will retire no later than 2023 and one at the Michigan City station will retire by 2028, upon which NI will have no coal generation. Fitch expects the capacity to be replaced by renewable energy and battery storage.

IURC approved NI's Jorden Creek purchase power agreement. Fitch expects the project to be in service at YE 2020. IURC also approved two Build-Transfer Agreement applications for the Rosewater wind project at 100MW and the Crossroads wind project at 302MW. Rosewater is expected to be in service by YE 2020 and Crossroads is expected to be in service in 2021.

Credit Metrics: NI's credit metrics deteriorated significantly in 2018, primarily due to cost and expenses associated with the Merrimack Valley incident. FFO-adjusted leverage improved to a low 5x in 2019, as NI collected most of the insurance proceeds. Fitch expects NI to continue to manage its FFO-adjusted leverage to below the downgrade trigger of 5.5x. This calculation does not include any liquidity management activities such as pre-funding debt maturities or capital investments.

Credit-Supportive Initiatives: NI's rating stability will continue to depend upon prudent balance sheet management in light of the large capex program in the future. The company demonstrated willingness to issue equity or equity-like instruments in the past to preserve ratings. NI issued $886 million equity and $900 million hybrid securities in 2018 to largely mitigate the effects of tax reform and the robust capex program.

Proceeds were used to redeem near-term debt maturities, eliminating refinancing needs through 2022. Prior to the CMA sale agreement, NI planned to issue $500 million–$700 million equity to shore up the balance sheet. Management indicated it will continue to issue at the market equity of $200 million–$300 million/year, and $35 million–$60 million equity/year from employee stock plans.

Coronavirus: Fitch currently expects coronavirus-related effects to be manageable for NI. There are not any significant operational concerns at this time, and NI has adequate liquidity. NI refinanced its $850 million term loan on April 1, 2020, removing a major maturity in 2020. The one-year term loan is expected to be repaid when the CMA transaction is closed. There are no other material maturities until November 2022.

The coronavirus has a moderate effect on gas revenues, as heating season is largely over. Some of NI's gas utilities have decoupling mechanisms and uncollected expenses trackers. NiSource's electric operations have sizeable exposure to industrial customers, a credit negative. However, industrial margin as a percentage of the total gross margin declined approximately 8% beginning in 2020, as some customers transitioned to the Midcontinent Independent System Operator to purchase loads.

Less reliance on industrial revenue is a credit positive, in Fitch's view. Industrial demand charges provide some stability. Commercial usage will likely decline, while partially offset by an increase in residential usage. O&M expenses are expected to decline. Fitch applied a reduction in volume in the rating case in 2020 and 2021. We believe NI has flexibility to modify its large capex programs, which is not incorporated in our rating case.

ESG – Customer Welfare: Fitch revised NI's Environmental, Social and Governance (ESG) relevance score to '3' from '4' for Customer Welfare. A relevance score of '3' indicates the ESG issue is credit neutral or has only a minimal credit impact on the entity, either due to the nature or the way in which they are being managed by the entity.

A relevance score of '4' was assigned when the Merrimack Valley incident occurred. The incident heightened financial and regulatory risks and was considered relevant to NI's ratings in conjunction with other factors. Since then, NI largely resolved the issues associated with the incident, including pipeline replacement, insurance collection, and major lawsuits with victims and the U.S. government. The pending CMA sale will remove damaged regulatory risks associated with operating in Massachusetts. NI also implemented a series of safety measure in all its service territories.

Parent–Subsidiary Linkage: Fitch generally considers NIPSCO to be stronger than NI, due to its lower leverage and lower operating risks, as a regulated utility. However, NI's operating subsidiaries, including NIPSCO, rely on NI for liquidity and capital access. As such, NIPSCO's Standalone Credit Profile is not analytically meaningful and the rating reflects NI's consolidated credit profile.

Financial Summary

($ Mil., as of Dec. 31)	2016	2017	2018	2019
Gross Revenue	4,493	4,875	5,115	5,209
Operating EBITDAR	1,420	1,500	737	2,038
Cash Flow from Operations (Fitch Defined)	805	742	529	1,512
Capital Intensity (Capex/Revenue) (%)	32.8	34.8	35.6	34.6
Total Adjusted Debt With Equity Credit	8,033	9,184	9,729	10,291
FFO Fixed-Charge Coverage (x)	4.0	3.0	2.2	4.5
FFO-Adjusted Leverage (x)	5.7	8.4	11.4	5.2
Total Adjusted Debt/Operating EBITDAR (x)	5.7	6.1	13.2	5.0

Source: Fitch Ratings, Fitch Solutions.

Rating Derivation Relative to Peers

NI's fully-regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Negative) and National Fuel Gas Company (BBB/Stable), both of which invest in unregulated operations. NI's business model, geographic diversification and supportive regulations mitigate relatively weak credit metrics. Similar to IPALCO Enterprises, Inc. (BBB–/Stable), which also operates in Indiana, NI's subsidiary NIPSCO has coal generation.

However, NI's operation is more diversified and gas focused compared with IPALCO's single-state electric generation. After the Merrimack Valley incident in 2018, NI's credit metrics deteriorated significantly. Fitch expects NI's FFO-adjusted leverage to be below 5.5x, similar to that of IPALCO, with insurance collection and balanced financing,

NIPSCO's gas and electric assets are superior to Indianapolis Power & Light Co.'s (IPL; BBB+/Stable) electric-only operations. Gas utilities generally have lower operating risks and enjoy favorable regulations. NIPSCO and IPL's coal-generation portfolios rely on Indiana's supportive environmental cost-recovery mechanisms. NIPSCO's standalone credit profile is strong. However, the rating is the same as NI, as it depends on NI for funding. IPL's rating is upwardly constrained by the ownership of IPALCO, which relies on IPL solely to service debt obligations.

Navigator Peer Comparison

Issuer		Business profile						Financial profile		
	IDR/Outlook	Operating Environment	Management and Corporate Governance	Regulation	Market and Franchise	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Northern Indiana Public Service Company	BBB/Sta	aa	a	a-	bbb+	bbb	bbb+	bbb	bbb	bbb+
Indianapolis Power & Light Co.	BBB+/Sta	aa	a-	a-	bbb+	bbb-	bbb+	bbb	bbb+	bbb+
Indiana Michigan Power Co.	BBB+/Sta	aa	a-	bbb+	bbb	bbb+	bbb+	bbb+	bbb+	bbb+

Source: Fitch Ratings. Importance: Higher / Moderate / Lower

Issuer		Business profile						Financial profile		
Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Regulation	Market and Franchise	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	Financial Flexibility
Northern Indiana Public Service Company	BBB/Sta	6.0	3.0	2.0	1.0	0.0	1.0	0.0	0.0	1.0
Indianapolis Power & Light Co.	BBB+/Sta	5.0	1.0	1.0	0.0	-2.0	0.0	-1.0	0.0	0.0
Indiana Michigan Power Co.	BBB+/Sta	5.0	1.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0

Source: Fitch Ratings. Worse positioned than IDR / In line with IDR / Better positioned than IDR

Rating Sensitivities

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- NI and NIPSCO could be upgraded if consolidated FFO leverage is sustained below 4.5x after the high capex period.

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- Consolidated FFO leverage remains above 5.5x with a low probability of recovery;
- Material penalties from the remaining investigation funded by debt;
- Relationship with regulators and customers deteriorates substantially, associated with safety issues, over an extended period;
- Material adverse changes in NI's regulatory construct that result in an unexpected lag or disallowance in recovering capital spending.

Liquidity and Debt Structure

Adequate Liquidity Profile: NI has adequate liquidity and currently maintains a $1.85 billion revolving credit facility with a termination date of Feb. 20, 2024. The purpose of the facility is to fund on-going working capital requirements, including liquidity in support of a $1.5 billion CP program, provide for issuance of LOC and for general corporate purposes.

Gas utilities draw the most liquidity as they purchase gas inventory months before heating season approaches, and they reduce borrowing as heating season ends. NI had $570 million in CP and $10.7 million of stand-by LOC outstanding at YE 2019 under the revolving credit facility, leaving $1.269 billion available under the revolver. The company had $139 million in cash. The revolver sets a maximum debt/capitalization ratio of 70% and, as of YE 2019, was 61.7%. The regulated utilities' liquidity is supported by an accounts receivable securitization program of $352 million outstanding.

NI has been actively refinancing debt maturities with longer tenor and lower interest rates. The company refinanced a $850 million term loan on April 1, 2020 and extended the maturity to 2021. NI is expected to receive approximately $1 billion of net proceeds from the CMA transaction in fall of 2020, which Fitch expects will be used to pay down debt. The next material maturity is the $500 million 2.65% long-term notes due in November 2022.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

We revised NI's ESG relevance score to '3' from '4' for Customer Welfare. A relevance score of '3' indicates the ESG issue is credit neutral or has only a minimal credit impact on the entity, either due to the nature or the way in which they are being managed by the entity.

A relevance score of '4' was assigned when the Merrimack Valley incident occurred. The incident heightened financial and regulatory risks and was considered relevant to NI's ratings in conjunction with other factors. Since then, the company largely resolved the issues associated with the incident, including pipeline replacement, insurance collection, and major lawsuits with victims and the U.S. government. The pending CMA sale will remove damaged regulatory risks associated with operating in Massachusetts. NI also implemented a series of safety measure in all its service territories.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Liquidity and Debt Maturity Scenario with No Refinancing

Cash and Maturities

($ Mil., as of Dec. 31)	2018	2019
Total Cash and Cash Equivalents	121	148
Short-Term Investments	0	0
Less: Not Readily Available Cash and Cash Equivalents	8	9
Fitch–Defined Readily Available Cash and Cash Equivalents	**113**	**139**
Availability Under Committed Lines of Credit	1,840	1,840
Total Liquidity	**1,953**	**1,979**
LTM EBITDA After Associates and Minorities	**726**	**1,996**
LTM FCF	**(1,563)**	**(589)**

Source: Fitch Ratings, Fitch Solutions, NiSource Inc., Northern Indiana Public Service Company.

Scheduled Long-Term Debt Maturities

($ Mil.)	12/30/19
2020	0
2021	64
2022	530
2023	600
2024	0
Thereafter	6,545
Total	**7,739**

Source: Fitch Ratings, Fitch Solutions, NiSource Inc., Northern Indiana Public Service Company.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer Include:

- Capex of $6 billion forecast for 2020–2022;
- At the market equity of $200 million–$300 million/year;
- Removes CMA beginning in fourth-quarter 2020;
- Receives $1 billion net sale proceeds in fourth-quarter 2020;
- Fitch assumed some coronavirus-related reduction in customer load in 2020 and 2021.

Financial Data

($ Mil., as of Dec. 31)	2016	2017	2018	2019
Summary Income Statement	4,493	4,875	5,115	5,209
Gross Revenue	(3.4)	8.5	4.9	1.8
Revenue Growth (%)	1,404	1,486	726	1,996
Operating EBITDA (Before Income from Associates)	31.3	30.5	14.2	38.3
Operating EBITDA Margin (%)	1,420	1,500	737	2,038
Operating EBITDAR	31.6	30.8	14.4	39.1
Operating EBITDAR Margin (%)	857	916	126	1,294
Operating EBIT	19.1	18.8	2.5	24.8
Operating EBIT Margin (%)	(355)	(359)	(362)	(375)
Gross Interest Expense	510	443	(231)	507
Pretax Income (Including Associate Income/Loss)				
Summary Balance Sheet	26	29	113	139
Readily Available Cash and Equivalents	7,909	9,074	9,641	9,952
Total Debt with Equity Credit	8,033	9,184	9,729	10,291
Total Adjusted Debt with Equity Credit	7,883	9,045	9,528	9,813
Net Debt				
Summary Cash Flow Statement	1,404	1,486	726	1,996
Operating EBITDA	(338)	(346)	(363)	(346)
Cash Interest Paid	(8)	(6)	(3)	(11)
Cash Tax	0	0	0	0
Dividends Received Less Dividends Paid to Minorities (Inflow/(Out)flow)	(8)	(394)	130	(32)
Other Items Before FFO	1,051	741	478	1,551
Funds Flow from Operations	23.4	15.2	9.3	29.8
FFO Margin (%)	(246)	1	51	(40)
Change in Working Capital	805	742	529	1,512
Cash Flow from Operations (Fitch Defined)	(1)	0	0	0
Total Non-Operating/Non-Recurring Cash Flow	(1,475)	(1,696)	(1,818)	(1,802)
Capex	32.8	34.8	35.6	34.6
Capital Intensity (Capex/Revenue) (%)	(206)	(229)	(273)	(299)
Common Dividends	(877)	(1,183)	(1,563)	(589)
FCF	0	0	0	0
Net Acquisitions and Divestitures	(112)	(257)	(153)	(123)
Other Investing and Financing Cash Flow Items	986	1,113	75	494
Net Debt Proceeds	14	330	1,724	244
Net Equity Proceeds	11	3	84	27
Total Change in Cash				
Calculations for Forecast Publication	(1,682)	(1,925)	(2,092)	(2,101)
Capex, Dividends, Acquisitions and Other Items Before FCF	(877)	(1,183)	(1,563)	(589)
FCF After Acquisitions and Divestitures	(19.5)	(24.3)	(30.6)	(11.3)
FCF Margin (After Net Acquisitions) (%)	4,493	4,875	5,115	5,209

Coverage Ratios (x)	2016	2017	2018	2019
FFO-Interest Coverage	4.1	3.1	2.3	4.8
FFO Fixed-Charge Coverage	4.0	3.0	2.2	4.5
Operating EBITDAR/Interest Paid + Rents	4.0	4.2	2.0	5.2
Operating EBITDA/Interest Paid	4.2	4.3	2.0	5.8
Leverage Ratios (x)				
Total Adjusted Debt/Operating EBITDAR	5.7	6.1	13.2	5.0
Total Adjusted Net Debt/Operating EBITDAR	5.6	6.1	13.1	5.0
Total Debt with Equity Credit/Operating EBITDA	5.6	6.1	13.3	5.0
FFO-Adjusted Leverage	5.7	8.4	11.4	5.2
FFO-Adjusted Net Leverage	5.7	8.3	11.2	5.1

Source: Fitch Ratings, Fitch Solutions.

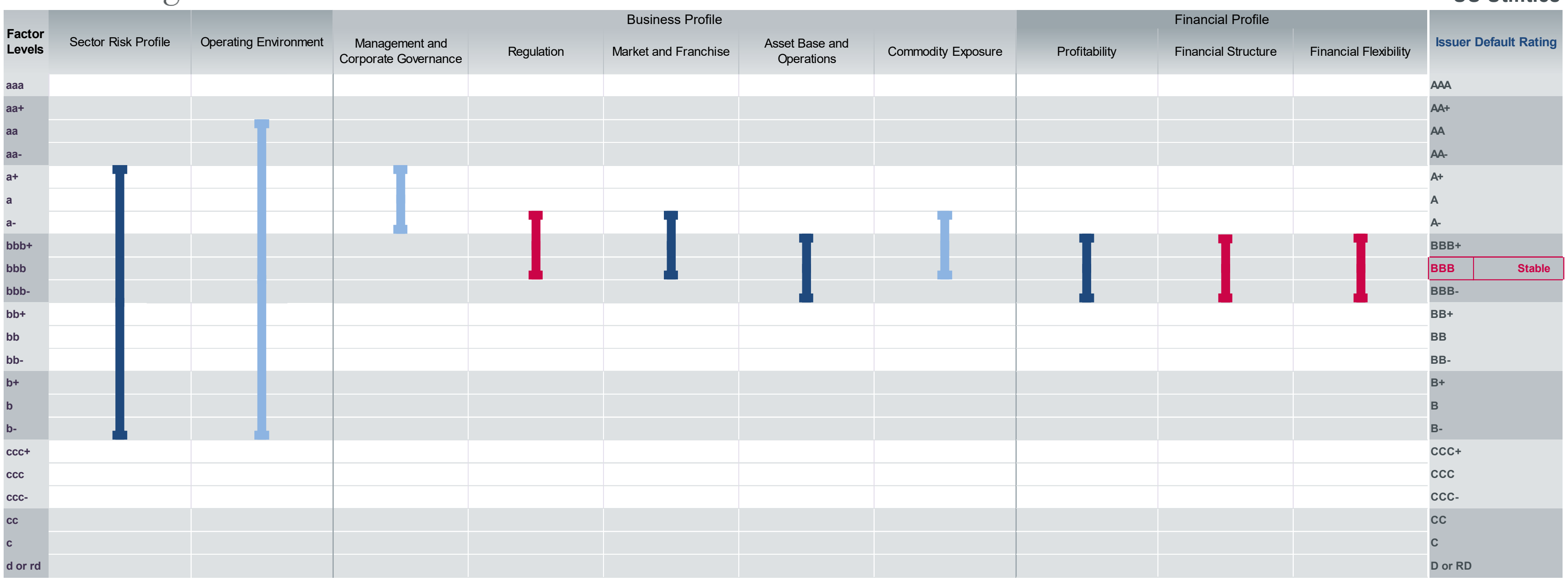
Ratings Navigator

FitchRatings

NiSource Inc.

ESG Relevance:

Corporates Ratings Navigator
US Utilities



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NiSource Inc.

Corporates Ratings Navigator
US Utilities

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

aa-	Management Strategy	a	Coherent strategy and good track record in implementation.
a+	Governance Structure	aa	No record of governance failing. Experienced board exercising effective check and balance to management. No ownership concentration.
a	Group Structure	aa	Transparent group structure.
a-	Financial Transparency	a	High quality and timely financial reporting.
bbb+			

Regulation

a	Degree of Transparency and Predictability	bbb	Generally transparent and predictable regulation with limited political interference.
a-	Timeliness of Cost Recovery	a	Minimal lag to recover capital and operating costs.
bbb+	Trend in Authorized ROEs	a	Above-average authorized ROE.
bbb	Mechanisms Available to Stabilize Cash Flows	bbb	Revenues partially insulated from variability in consumption.
bbb-	Mechanisms Supportive of Creditworthiness		n.a.

Market and Franchise

a	Market Structure	a	Well-established market structure with complete transparency in price-setting mechanisms.
a-	Consumption Growth Trend	bbb	Customer and usage growth in line with industry averages.
bbb+	Customer Mix	a	Favorable customer mix.
bbb	Geographic Location	bbb	Beneficial location or reasonable locational diversity.
bbb-	Supply Demand Dynamics	bbb	Moderately favorable outlook for prices/rates.

Asset Base and Operations

a-	Diversity of Assets	bbb	Good quality and/or reasonable scale diversified assets.
bbb+	Operations Reliability and Cost Competitiveness	bbb	Reliability and cost of operations at par with industry averages.
bbb	Exposure to Environmental Regulations	bbb	Limited or manageable exposure to environmental regulations.
bbb-	Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.
bb+			

Commodity Exposure

a	Ability to Pass Through Changes in Fuel	bbb	Limited exposure to changes in commodity costs.
a-	Underlying Supply Mix	bbb	Low variable costs and moderate flexibility of supply.
bbb+	Hedging Strategy	a	Highly captive supply and customer base.
bbb			
bbb-			

Profitability

a-	Free Cash Flow	bbb	Structurally neutral to negative FCF across the investment cycle.
bbb+	Volatility of Profitability	a	Higher stability and predictability of profits relative to utility peers.
bbb			
bbb-			
bb+			

Financial Structure

a-	Lease Adjusted FFO Gross Leverage	bbb	5.0x
bbb+	Total Adjusted Debt/Operating EBITDAR	bb	4.75x
bbb			
bbb-			
bb+			

Financial Flexibility

a-	Financial Discipline	bbb	Less conservative policy, but generally applied consistently.
bbb+	Liquidity	a	Very comfortable liquidity. Well-spread maturity schedule of debt. Diversified sources of funding.
bbb	FFO Fixed Charge Cover	bbb	4.5x
bbb-			
bb+			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

NiSource Inc. has 12 ESG potential rating drivers

- Emissions from operations
- Fuel use to generate energy and serve load
- Impact of waste from operations
- Plants' and networks' exposure to extreme weather
- Product affordability and access
- Quality and safety of products and services; data security

Showing top 6 issues

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	2	issues	2
	0	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

NiSource Inc.

Corporates Ratings Navigator
US Utilities

Credit-Relevant ESG Derivation

NiSource Inc. has 12 ESG potential rating drivers

- NiSource Inc. has exposure to emissions regulatory risk but this has very low impact on the rating.
- NiSource Inc. has exposure to energy productivity risk but this has very low impact on the rating.
- NiSource Inc. has exposure to waste & impact management risk but this has very low impact on the rating.
- NiSource Inc. has exposure to extreme weather events but this has very low impact on the rating.
- NiSource Inc. has exposure to access/affordability risk but this has very low impact on the rating.
- NiSource Inc. has exposure to customer accountability risk but this has very low impact on the rating.

Showing top 6 issues

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	2	issues	2
	0	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Asset Base and Operations; Commodity Exposure; Regulation; Profitability
Energy Management	3	Fuel use to generate energy and serve load	Asset Base and Operations; Commodity Exposure; Profitability
Water & Wastewater Management	2	Water used by hydro plants or by other generation plants, also effluent management	Asset Base and Operations; Regulation; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Regulation; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Regulation; Profitability

E Scale: 5, 4, 3, 2, 1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Asset Base and Operations; Regulation; Profitability; Financial Structure
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Regulation; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Asset Base and Operations; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Asset Base and Operations
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Profitability

S Scale: 5, 4, 3, 2, 1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance

G Scale: 5, 4, 3, 2, 1

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The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board(SASB).

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
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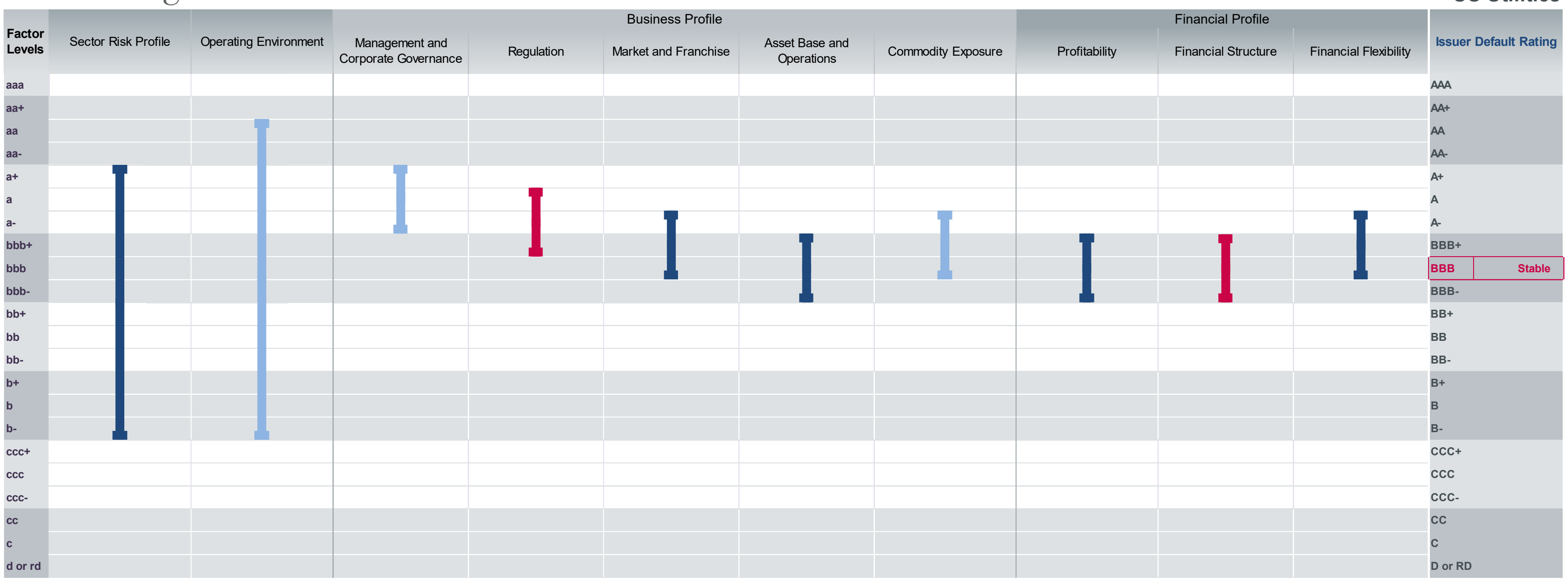
FitchRatings

Northern Indiana Public Service Company

ESG Relevance:

Corporates Ratings Navigator
US Utilities



FitchRatings

Northern Indiana Public Service Company

Corporates Ratings Navigator
US Utilities

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

aa-	Management Strategy	a	Coherent strategy and good track record in implementation.
a+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
a	Group Structure	aa	Transparent group structure.
a-	Financial Transparency	a	High quality and timely financial reporting.
bbb+			

Regulation

a+	Degree of Transparency and Predictability	a	Track record of transparent and predictable regulation.
a	Timeliness of Cost Recovery	a	Minimal lag to recover capital and operating costs.
a-	Trend in Authorized ROEs	bbb	Average authorized ROE.
bbb+	Mechanisms Available to Stabilize Cash Flows	bbb	Revenues partially insulated from variability in consumption.
bbb	Mechanisms Supportive of Creditworthiness	bbb	Effective regulatory ring-fencing or minimum creditworthiness requirements.

Market and Franchise

a	Market Structure	a	Well-established market structure with complete transparency in price-setting mechanisms.
a-	Consumption Growth Trend	bbb	Customer and usage growth in line with industry averages.
bbb+	Customer Mix	bbb	Less diversified customer base.
bbb	Geographic Location	bbb	Beneficial location or reasonable locational diversity.
bbb-	Supply Demand Dynamics	bbb	Moderately favorable outlook for prices/rates.

Asset Base and Operations

a-	Diversity of Assets	bbb	Good quality and/or reasonable scale diversified assets.
bbb+	Operations Reliability and Cost Competitiveness	bbb	Reliability and cost of operations at par with industry averages.
bbb	Exposure to Environmental Regulations	bbb	Limited or manageable exposure to environmental regulations.
bbb-	Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.
bb+			

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a	Ability to Pass Through Changes in Fuel	bbb	Limited exposure to changes in commodity costs.
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bbb			
bbb-			
bb+			

Financial Structure

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bbb+	Total Adjusted Debt/Operating EBITDAR	bb	4.75x
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a	Financial Discipline	bbb	Less conservative policy, but generally applied consistently.
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bbb+	FFO Fixed Charge Cover	a	5.0x
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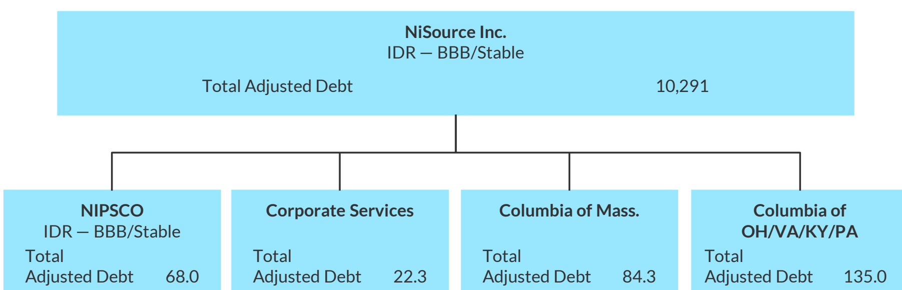
Simplified Group Structure Diagram

Organizational and Debt Structure — NiSource Inc. and NIPSCO

($ Mil., as of Dec. 31, 2019)



IDR – Issuer Default Rating. NIPSCO – Northern Indiana Public Service Company.
Source: Fitch Ratings, Fitch Solutions, NiSource Inc., Northern Indiana Public Service Company.

Peer Financial Summary

Company	IDR	Financial Statement Date	Gross Revenue ($ Mil.)	Funds Flow From Operations ($ Mil.)	FFO Fixed-Charge Coverage (x)	FFO Adjusted Leverage (x)	Total Adjusted Debt/Operating EBITDAR (x)
NiSource Inc.	BBB						
	BBB	2019	5,209	1,551	4.5	5.2	5.0
	BBB	2018	5,115	478	2.2	11.4	13.2
	BBB	2017	4,875	741	3.0	8.4	6.1
IPALCO Enterprises, Inc.	BBB–						
	BBB–	2018	1,451	390	4.3	5.4	5.8
	BB+	2017	1,350	289	3.4	6.5	6.0
	BB+	2016	1,347	303	3.6	6.2	5.5
Southern Company Gas	BBB+						
	BBB+	2018	3,909	579	3.1	7.4	5.2
	BBB+	2017	3,920	904	5.2	6.4	5.9
	BBB+	2016	3,557	633	4.3	7.4	5.8

IDR – Issuer Default Rating.
Source: Fitch Ratings, Fitch Solutions.

Reconciliation of Key Financial Metrics

($ Mil., as Reported)	12/30/19
Income Statement Summary	
Operating EBITDA	1,996
+ Recurring Dividends Paid to Noncontrolling Interests	0
+ Recurring Dividends Received from Associates	0
+ Additional Analyst Adjustment for Recurring I/S Minorities and Associates	0
= Operating EBITDA After Associates and Minorities (k)	**1,996**
+ Operating Lease Expense Treated as Capitalized (h)	**42**
= Operating EBITDAR After Associates and Minorities (j)	**2,038**
Debt and Cash Summary	
Total Debt with Equity Credit (l)	9,952
+ Lease-Equivalent Debt	339
+ Other Off-Balance-Sheet Debt (p)	0
= Total Adjusted Debt with Equity Credit (a)	**10,291**
Readily Available Cash [Fitch-Defined]	139
+ Readily Available Marketable Securities [Fitch-Defined]	0
= Readily Available Cash and Equivalents (o)	**139**
Total Adjusted Net Debt (b)	**10,152**
Cash-Flow Summary	
Preferred Dividends (Paid) (f)	(56)
Interest Received	8
+ Interest (Paid) (d)	**(346)**
= Net Finance Charge (e)	**(338)**
FFO (c)	1,551
+ Change in Working Capital [Fitch-Defined]	(40)
= CFFO (n)	**1,512**
Capex (m)	**(1,802)**
Multiple Applied to Capitalized Leases	**8.0**
Gross Leverage (x)	
Total Adjusted Debt/Operated EBITDAR[a] (a/j)	**5.0**
FFO-Adjusted Gross Leverage (a/(c-e+h-f))	**5.2**
Total Adjusted Debt/(FFO – Net Finance Charge + Capitalized Leases – Preferred Dividends Paid)	
Total Debt with Equity Credit/Operating EBITDA[a] (l/k)	**5.0**
Net Leverage (x)	
Total Adjusted Net Debt/Operating EBITDAR[a] (b/j)	**5.0**
FFO-Adjusted Net Leverage (b/(c-e+h-f))	**5.1**
Total Adjusted Net Debt/(FFO – Net Finance Charge + Capitalized Leases – Preferred Dividends Paid)	
Total Net Debt/(CFFO – Capex) ((l-o)/(n+m))	**(33.8)**
Coverage (x)	
Operating EBITDAR/(Interest Paid + Lease Expense)[a] (j/-d+h)	**5.2**
Operating EBITDA/Interest Paid[a] (k/(-d))	**5.8**
FFO Fixed-Charge Cover ((c+e+h-f)/(-d+h-f))	**4.5**
(FFO + Net Finance Charge + Capitalized Leases – Preferred Dividends Paid)/(Gross Interest Paid + Capitalized Leases – Preferred Dividends Paid)	
FFO Gross Interest Coverage ((c+e-f)/(-d-f))	**4.8**
(FFO + Net Finance Charge – Preferred Dividends Paid)/(Gross Interest Paid – Preferred Dividends Paid)	

[a]EBITDA/R after dividends to associates and minorities. CFFO – Cash flow from operations.
Source: Fitch Ratings, Fitch Solutions, NiSource Inc., Northern Indiana Public Service Company.

Fitch Adjustment Reconciliation

($ Mil., as of Dec. 31, 2019)	Reported Values	Sum of Fitch Adjustments	Preferred Dividends, Associates and Minorities Cash Adjustments	Fair Value and Other Debt Adjustments	CORP – Lease Treatment	Other Adjustment	Adjusted Values
Income Statement Summary							
Revenue	5,209	0	0	0	0	0	5,209
Operating EBITDAR	2,038	0	0	0	0	0	2,038
Operating EBITDAR After Associates and Minorities	2,038	0	0	0	0	0	2,038
Operating Lease Expense	16	27	0	0	27	0	42
Operating EBITDA	2,023	(27)	0	0	(27)	0	1,996
Operating EBITDA After Associates and Minorities	2,023	(27)	0	0	(27)	0	1,996
Operating EBIT	1,305	(11)	0	0	(11)	0	1,294
Debt and Cash Summary							
Total Debt with Equity Credit	10,083	(131)	0	71	0	(202)	9,952
Total Adjusted Debt with Equity Credit	10,208	83	0	71	214	(202)	10,291
Lease-Equivalent Debt	125	214	0	0	214	0	339
Other Off-Balance-Sheet Debt	0	0	0	0	0	0	0
Readily Available Cash and Equivalents	139	0	0	0	0	0	139
Not Readily Available Cash and Equivalents	9	0	0	0	0	0	9
Cash-Flow Summary							
Preferred Dividends (Paid)	0	(56)	(56)	0	0	0	(56)
Interest Received	8	0	0	0	0	0	8
Interest (Paid)	(350)	4	0	0	11	(8)	(346)
FFO	1,623	(72)	(56)	0	(16)	0	1,551
Change in Working Capital [Fitch-Defined]	(40)	0					(40)
CFFO	1,583	(72)	(56)	0	(16)	0	1,512
Non-Operating/Nonrecurring Cash Flow	0	0	0	0	0	0	0
Capex	(1,802)	0	0	0	0	0	(1,802)
Common Dividends (Paid)	(299)	0	0	0	0	0	(299)
FCF	(518)	(72)	(56)	0	(16)	0	(589)
Gross Leverage (x)							
Total Adjusted Debt/Operating EBITDAR[a]	5.0	0	0	0	0	0	5.0
FFO-Adjusted Leverage	5.2	0	0	0	0	0	5.2
FFO Leverage	5.1	0	0	0	0	0	5.1
Total Debt With Equity Credit/Operating EBITDA[a]	5.0	0	0	0	0	0	5.0
CFFO-Capex/Total Debt with Equity Credit (%)	(2.2)	0	0	0	0	0	(2.9)
Net Leverage (x)							
Total Adjusted Net Debt/Operating EBITDAR[a]	4.9	0	0	0	0	0	5.0
FFO-Adjusted Net Leverage	5.1	0	0	0	0	0	5.1
FFO Net Leverage	5.1	0	0	0	0	0	5.0
Total Net Debt/(CFFO – Capex)	(45.4)	0	0	0	0	0	(33.8)
CFFO-Capex/Total Net Debt with Equity Credit (%)	(2.2)	0	0	0	0	0	(3.0)
Coverage (x)							
Operating EBITDAR/(Interest Paid + Lease Expense)[a]	5.6	0	0	0	0	0	5.2
Operating EBITDA/Interest Paid[a]	5.8	0	0	0	0	0	5.8
FFO Fixed-Charge Coverage	5.4	0	0	0	0	0	4.5
FFO-Interest Coverage	5.6	0	0	0	0	0	4.8

[a]EBITDAR after dividends to associates and minorities. CFFO – Cash flow from operations.
Source: Fitch Ratings, Fitch Solutions, NiSource Inc., Northern Indiana Public Service Company.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms NiSource Inc. and NIPSCO at 'BBB'; Outlook Stable

Tue 23 Mar, 2021 - 12:00 PM ET

Fitch Ratings - New York - 23 Mar 2021: Fitch Ratings has affirmed the 'BBB' Long-Term Issuer Default Ratings (IDRs) of NiSource Inc. (NI) and Northern Indiana Public Service Company (NIPSCO). The Rating Outlook is Stable. NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. NI's credit metrics recovered from the Merrimack Valley incident but are expected to remain elevated primarily due to a large capex program. A fully regulated business model with supportive regulation mitigates relatively high leverage, which has been the case for NI due to its large capex program and legacy debt. NIPSCO's ratings mirror those of NI, as it relies on NI solely for capital access.

KEY RATING DRIVERS

CMA Sale Removes Long-Term Risk

NI completed the sale of natural gas assets of Columbia Gas of Massachusetts (CMA) in October 2020 for $1.1 billion, roughly the size of CMA's rate base. NI used the proceeds to pay down the $850 million term loan and other short-term borrowings. The sale eliminated long-term risks associated with operating a utility with damaged regulatory relationship in Massachusetts.

All investigations and claims associated with the 2018 gas explosion in CMA's service territory in Merrimack Valley, Massachusetts have concluded and settled prior to closing. NI continues to seek insurance recovery for the pipeline replacement costs under the $300 million property insurance policy.

Feedback

In February 2020, NI reached settlement with the U.S. government. NI pleaded guilty to violating federal pipeline safety laws and agreed to pay a $53 million fine imposed by the U.S. Attorney's Office in February 2020, sell its Massachusetts utility business, permanently leave Massachusetts and surrender to the U.S. government any profits from the sale. In October 2020, Massachusetts Department of Public Utilities approved a $56 million settlement which concluded the final investigation into the gas explosion event in Merrimack Valley in 2018. NI also settled $143 million class action in July 2019. Costs and expenses related to Merrimack Valley totals approximately $1.461 billion which includes third party claims, government fines, penalties and law suits ($1.04 billion) and other incident-related costs ($420 million). NI received $800 million of casualty insurance proceeds (maximum limit).

Low Business Risk

NI's ratings and Outlook are supported by stable cash flows and earnings from 100% regulated gas and electric utilities in six states. Gas rate base is approximately 63% the total rate base. NI's gas-distribution utilities benefit from more supportive regulation and have less exposure to stringent environmental mandates. Additionally, Fitch considers Ohio, Pennsylvania and Indiana - NI's top three service territories - to be among the most supportive jurisdictions in the U.S. Fitch believes a fully regulated business model primarily with gas-distribution utility operations mitigates relatively high leverage, which has been the case for NI due to its large capex program and legacy debt.

Supportive Regulation

Balanced regulation is important for NI in light of its aggressive gas and electric infrastructure-modernization programs and high leverage. 75% of growth, safety and modernization capex through 2024 can be recovered through trackers and other mechanisms and begin earning within 18 months. NI's gas utilities have revenue decoupling in Ohio, Maryland and Virginia; weather normalization in Pennsylvania, Maryland, Virginia and Kentucky; and straight fixed-variable rates in Ohio. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is nonvolumetric.

All NI's gas utilities use infrastructure trackers on a regular basis, except in Pennsylvania. Columbia Gas of Pennsylvania has an option to file for infrastructure tracker recovery or leverage a forward-looking test year in a base rate case. NIPSCO Gas, Columbia Gas of Pennsylvania and Columbia Gas of Maryland have authorized ROEs of 9.85%, 9.86% and 9.60%, respectively. Other gas utilities have ROE for specific infrastructure or modernization programs ranging from 9.5% to 10.39%. NIPSCO electric's authorized ROE is 9.75%, compared with 2020 industry average of 9.4%.

NIPSCO's transmission projects benefited from constructive Federal Energy Regulatory Commission (FERC) regulation, including forward-looking rates and construction work in progress recovery. NIPSCO's ROE under FERC is 10.82%, inclusive of a 50bps adder for participating in the

Midcontinent Independent System Operator (MISO) transmission service and wholesale energy market.

In Indiana, the integrated resource plan (IRP) allows utilities to inform the Indiana Utility Regulatory Commission (IURC) of their long-term capital investment plans on a nonbinding basis, years ahead of construction. The IRP process provides transparency before utilities submit their requests for approval to begin construction, a credit positive. The Transmission, Distribution and Storage System Improvement Charge (TDSIC) statute provides for cost recovery outside general rate case proceedings for gas or electric safety, reliability and modernization, and allows pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers.

Indiana legislation allows cost recovery of federally mandated requirements, including modernization or environmental capex. NIPSCO has approval from the IURC to recover environmental costs through an environmental cost tracker, which allows the utility to earn a return on the capital investment, as well as related operating and maintenance expenses once operational. NIPSCO owns and operates 2 gigawatts (GW) of coal generation plants that were fully scrubbed at YE 2015; all comply with sulfur dioxide, nitrogen oxide and Mercury and Air Toxics Standards rules.

Constructive Order in Pennsylvania

In February 2021, Columbia Gas of Pennsylvania (CGP) received a constructive rate order from the Pennsylvania Public Utility Commission for its 2020 general rate case. CGP will increase gas distribution rates by 11% or $63.5 million. Authorized ROE is 9.86% and equity ratio is 54.19%, both of which are above sector average. The order rejected the Administrative Law Judge's recommendation to disallow any increase due to COVID-19 and stated that the pandemic shouldn't alter the continued application of standards for traditional rate-making. In April 2020, CGP filed the rate case requesting an increase of $100.4 million based on a ROE of 10.95% and equity capitalization of 54.19% and using a forward test year of 2021. New rates took effect retroactively on Jan. 23. CGP is the second largely gas LDC of NI based on rate base.

Feedback

Coronavirus (COVID-19)

Impact from COVID-19 is manageable for NI. Usage in 2020 was down by $10 million in total across three customer classes with commercial and industrial usage down by $28 million and residential up by $19 million. Additionally, NI lost revenue on late payment fees and reconnection fees and increased bad debt expenses and other costs. In total, management indicated that gross impact from COVID-19 was $0.1 per share in 2020, which Fitch estimates to be $38.4 million total in earnings which was offset by approximately $ 0.05 per share (or $19 million) of non-safety related cost management and regulatory solutions. NI expects $0.05 per share COVID impact in 2021 (~$20 million).

Large Capex

Management executed an average of $1.8 billion capex in the last three years. In the next four years, capex is expected to total approximately $10 billion, or $2.5 billion per year with peak spending in 2022 and 2023. 60% of the capex are invested in gas infrastructure and asset modernization, 20% in electric and 20% in renewables.

Although the capital investment is sizeable, most of the projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislation and riders in all its service territories, mitigating regulatory lag. Renewable projects are pre-approved, reducing regulatory uncertainties. Rate base will grow 10%-12% CAGR from 2021 to 2024. Fitch views rate-base accretive and pre-approved capex favorably. However, it will pressure credit metrics temporarily.

Cleaner Fleet

NI aims to reduce greenhouse gas emissions by 90% by 2030 (off 2005 baseline), It plans to retire 80% of its coal generation by 2023 and 100% by 2028 and replace the capacity with renewable generation and PPAs. $1.8 billion to $2.0 billion capex through 2023 are invested in renewable projects.

Currently, 72% of NIPSCO's generation capacity is from coal-fired generation plants. NI indicated in September 2018 it will accelerate the retirement of its remaining five coal-fired generation stations (2,080MW capacity). In February 2021, NI announced that it will retire unit 14 and 15 totaling 903 MW at the R.M. Schahfer station at the end of 2021. The remaining two units (722 MW) at Schahfer will retired by 2023, and one at Michigan City station will retire by 2028, upon which NI will have no coal generation.

In October 2020, NI executed three Build-Transfer Agreements (BTA) for 900 MW solar nameplate capacity and 135 MW of storage capacity. In December 2020, Rosewater wind generating plant began operation. NI executed in December 2020 a PPA for an additional 280 MW of solar nameplate capacity. In March 2021, NI executed another BTA for 250 MW of solar nameplate capacity. With these projects, NI now has BTAs and PPAs with a combined nameplate capacity of 1,180 MW and 1,550 MW, respectively.

Feedback

Credit Metrics

In 2018, NI's credit metrics deteriorated substantially, primarily due to cost and expenses associated with Merrimack Valley incident. FFO-leverage improved to low 5x in 2019 as NI collected most of the insurance proceeds. In 2020, the pandemic, sale of CMA, weather and one-time expenses associated with NiSource Next initiative have resulted in the FFO leverage exceeding 6x in 2020. Going forward, Fitch expects FFO leverage to hover around the downgrade trigger primarily due to the very large capital spending in 2022 and 2023 and rebound thereafter.

Parent Sub Linkage

Fitch generally considers NIPSCO to be stronger than NI due to its lower leverage and lower operating risks as a regulated utility. However, NI's operating subsidiaries, including NIPSCO, rely on NI solely for liquidity and capital access. As such, NIPSCO's standalone credit profile is not analytically meaningful and its IDR reflects NI's consolidated credit profile. NiSource has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The debt balances at the operating subs are largely intercompany loans and small amount of legacy public debt which will be repaid as they mature.

DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable) and National Fuel Gas Company (BBB/Stable), both of which invest in unregulated operations. NI's business model, geographic diversification and supportive regulations mitigate its relatively weak credit metrics. Similar to IPALCO Enterprises, Inc. (BBB-/Stable) which also operates in Indiana, NI's subsidiary NIPSCO has coal generation. However, NI's operation is more diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program in the next three years. Fitch expects both NI and IPALCO's FFO leverage to be in the high-5x for the next few years.

NIPSCO's gas and electric assets are superior to Indianapolis Power & Light Co.'s (IPL, BBB+/Stable) electric-only operations. Gas utilities generally have lower operating risks and enjoy favorable regulations. NIPSCO and IPL's coal-generation portfolios rely on Indiana's supportive environmental cost-recovery mechanisms. NIPSCO's standalone credit profile is strong. However, its rating is the same as NI, as it depends on NI for funding. IPL's rating is upward constrained by the ownership of IPALCO, which relies on IPL solely to service its debt obligations.

KEY ASSUMPTIONS

--Approximately $10 billion capex for 2021-2024 forecast including nearly $2 billion renewable capex;

-- At-the-market equity of $300 million per year;

-- COVID-19-related earnings reduction 2021 ($0.05 EPS or approximately $19 million);

-- Normal weather.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--NI and NIPSCO could be upgraded if consolidated FFO leverage is sustained below 5x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Consolidated FFO leverage sustains above 5.8x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capital spending.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit https://www.fitchratings.com/site/re/10111579.

Feedback

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by NI and NIPSCO. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING			PRIOR
NiSource Inc.	LT IDR	BBB Rating Outlook Stable	Affirmed	BBB Rating Outlook Stable
	ST IDR	F2	Affirmed	F2
• senior unsecured	LT	BBB	Affirmed	BBB
• preferred	LT	BB+	Affirmed	BB+
• senior unsecured	ST	F2	Affirmed	F2
Northern	LT	BBB Rating Outlook Stable	Affirmed	BBB Rating

VIEW ADDITIONAL RATING DETAILS

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Feedback

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Additional information is available on www.fitchratings.com

APPLICABLE CRITERIA

Corporates Notching and Recovery Ratings Criteria (pub. 14 Oct 2019) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria (pub. 26 Aug 2020)

Corporate Rating Criteria (pub. 21 Dec 2020) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.9.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

NiSource Inc.	EU Endorsed, UK Endorsed
Northern Indiana Public Service Company	EU Endorsed, UK Endorsed

Feedback

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Feedback

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Energy and Natural Resources Corporate Finance Utilities and Power North America

United States

Feedback

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-005:

Please provide a work paper showing the derivation of the Company's current AFUDC rate.

Response:

Attached as Attachment A is the NiSource Inc. notification to Columbia Gas of Pennsylvania, Inc. on the applicable Allowance for Funds Used During Construction (AFUDC) for 2021. The CPA rate is 4.12%.

Attached as Attachment B is the worksheet showing the computation of the current AFUDC rate of 4.12%. Employee names have been redacted.

Number: **CL 2021-53**
Date: **11/30/2021**

2021 Allowance for Funds Used During Construction (AFUDC) Borrowed and Equity Rates

Listed below are the updated AFUDC rates to be used for 2021 shown alongside the rates last published in Controller's Letter 2021-19 (issued May 2021). Interim rates are published to capture significant rate trends prior to year-end.

Please note that due to a FERC order issued in June 2020, some of our reporting units below will be adopting the waiver that allows companies to modify their AFUDC rate by using historical short-term debt rate, in order to mitigate the impact of short-term debt issued during COVID-19 pandemic. The rate calculated using the FERC waiver is applicable from March 1, 2020 to February 28, 2021. In early 2021 FERC extended the waiver for additional seven months, to be effective through September 30, 2021. **In September 2021, FERC approved the joint EEI and AGA request to extend the existing waiver to modify the calculation of the AFUDC rate through March 31, 2022.**

Please follow the instructions below to update rates :
1. TABLE A: Rates published in May 2021. Provided here for reference only
2. TABLE B: Rates calculated with adoption of the FERC waiver (see note below for CMD and CPA exception), please record a cumulative adjustment from Jan 1, 2021 onwards using these rates.

See tab 'AFUDC' for schedules showing the computation of the 2021 AFUDC rates.

	TABLE A				TABLE B				
					Rates applicable: 1/1/2021 to 12/31/2021				
	Using 12 Months Ended April 30, 2021				Using 12 Months Ended October 30, 2021				
	Borrowed	Equity	Total		Borrowed	Equity	Total	Chg from Oct	
CPA	1.07%	2.48%	3.55%	**[B]**	1.22%	2.90%	4.12%	0.57%	**[B](2)**

PeopleSoft 9.1	Account	Cost Ele	Activity Code
Borrowed	43200000	4503	11003
Equity	41910000	4504	

[A] Per Regulatory: CMD rate of 7.16% based upon Case 9644, Exhibit 7. Please note, CMD rate is not impacted by the FERC waiver.
[B] Management made a decision to not adopt the FERC waiver for CPA, rates listed here are without waiver. This is consistent with 2020 year-end and 2021 interim calculation determination.
(1) Decrease in Debt and Equity rates is primarily the result of higher average short-term debt as a percentage of CWIP for these business units.
(2) Increase in Debt and Equity rates is primarily the result of lower average short-term debt as a percentage of CWIP for these business units.

Notes on certain key components of the AFUDC Rate calculation:
ST Debt Interest Rate: Generally, an increase in the ST Debt Interest Rate will increase the AFUDC-Borrowed Rate and have no impact on the AFUDC-Equity Rate. Operating company rates are based on the consolidated rate. The ST Debt Interest Rate is based on Money Pool Borrowings.

Ratio of Average ST Debt to Average CWIP (S/W Ratio): An increase in the S/W Ratio will decrease both the AFUDC-Borrowed Rate and AFUDC-Equity Rate, as the AFUDC formula assumes that ST borrowings are used first for construction before costs of LT debt and equity are factored in. Average ST Debt is based on Money Pool Borrowings. In the event average ST borrowings exceed the average CWIP balance for the period, the AFUDC-Equity Rate will be zero, and the AFUDC-Borrowed Rate will equal the ST borrowing rate.

Cost of Equity Rate: An increase in the Cost of Equity Rate will increase the AFUDC-Equity Rate and have no impact on the AFUDC-Borrowed Rate. The Cost of Equity Rate is based on regulatory filings and is a weighted average rate at the NiSource Consolidated level.

AFUDC Rates	
	CPA037
AFUDC Debt	1.22%
AFUDC Equity	2.90%
Total AFUDC	4.12%

AFUDC Debt = s(S/W)+d(D/(D+P+C)*(1-S/W)	UDC Formula Inpu
AFUDC Equity = (1-S/W)*[(p(P/(D+P+C))*+c(C/(D+P+C))]	
	CPA037
D - LTD	895,515,000
d - LTD Interest Rate (see Note C)	4.86%
P - Preferred Stock (see Note D)	-
p - Preferred Stock Cost Rate (see Note D)	0.00%
C - Common Equity	1,120,605,000
c - Common Equity Cost Rate (see Note A)	9.86%
s - ST Debt Interest Rate	0.18%
S - Average ST Debt	33,240,042
W - Average CWIP	70,485,453
STD/AVCWIP	47.16%

CWIP - Ending Balance		
100129000		CPA037
2020	Oct	55,722,650
2020	Nov	48,294,051
2020	Dec	45,369,840
2021	Jan	44,958,110
2021	Feb	49,686,248
2021	Mar	60,384,485
2021	Apr	67,903,519
2021	May	72,636,240
2021	Jun	82,355,013
2021	Jul	90,767,389
2021	Aug	99,713,336
2021	Sep	102,540,129
2021	Oct	106,711,495
Average CWIP Ending Balance		71,310,962

CWIP - Average Monthly Balance		
		CPA037
2020	Nov	52,008,350
2020	Dec	46,831,946
2021	Jan	45,163,975
2021	Feb	47,322,179
2021	Mar	55,035,367

2021	Apr	64,144,002
2021	May	70,269,879
2021	Jun	77,495,626
2021	Jul	86,561,201
2021	Aug	95,240,362
2021	Sep	101,126,732
2021	Oct	104,625,812
TTM Average CWIP Balance		70,485,453

Interest Expense - Money Pool

700102000		CPA037
2020	Nov	21,013
2020	Dec	31,166
2021	Jan	27,168
2021	Feb	17,810
2021	Mar	15,149
2021	Apr	-
2021	May	-
2021	Jun	188
2021	Jul	4
2021	Aug	832
2021	Sep	5,996
2021	Oct	12,009
TTM MP Interest Expense		131,334

Average Daily Balance of Short-term Borrowings (Money Pool)

300203234		CPA037
2020	Nov	116,559,594
2020	Dec	156,928,823
2021	Jan	157,526,687
2021	Feb	134,608,275
2021	Mar	112,255,753
2021	Apr	-
2021	May	-
2021	Jun	10,249,781
2021	Jul	124,048
2021	Aug	7,326,777
2021	Sep	45,566,002
2021	Oct	89,252,075
TTM Avg. ST Borrowings		69,199,818

Short-term Borrowings Used for AFUDC Calculation

		CPA037
2020	Nov	52,008,350
2020	Dec	46,831,946

2021	Jan	45,163,975
2021	Feb	47,322,179
2021	Mar	55,035,367
2021	Apr	-
2021	May	-
2021	Jun	10,249,781
2021	Jul	124,048
2021	Aug	7,326,777
2021	Sep	45,566,002
2021	Oct	89,252,075
TTM Avg. ST Borrowings for AFUDC		33,240,042

Interest Expense on ST Borrowings for AFUDC

		CPA037
2020	Nov	9,376
2020	Dec	9,301
2021	Jan	7,789
2021	Feb	6,261
2021	Mar	7,427
2021	Apr	-
2021	May	-
2021	Jun	188
2021	Jul	4
2021	Aug	832
2021	Sep	5,996
2021	Oct	12,009
TTM MP Interest Expense for AFUDC		59,182

Long-term Debt / Preferred Stock / Common Equity

2020	**Dec**	**CPA037**
201299000	Long Term Debt (incl. Finance Leases)	894,155,812
300199000	Current Portion of Long Term Debt	21,083,981
300201233	Short-term Debt I/C (see Note J)	-
300129000	Less: Capital Leases in Current LTD	1,083,981
201230225	Less: Unamortized Premium	-
201235226	Less: Unamortized Discount	-
201240000	Less: Interest Rate Swaps	-
201249000	Less: Capital Leases in LTD	18,640,812
Long-term Debt		895,515,000
200299900	Preferred Stock	-
200999000	Total Stock Equity	1,120,605,000
200699000	Less: AOCI	-
200299900	Less: Preferred Stock	-
Total Common Equity		1,120,605,000

Note A - The Common Equity Cost Rates and Preferred Equity Cost Rates (where applicable) for all companies, as well as the AFUDC rates for CMD and NIPSCO

Note B - The consolidated weighted average cost of equity is calculated by using only the companies whose cost of equity (or the calculation to determine the cost

6,513,569,017 Common Equity us

Note C - LTD Interest Rate obtained from Debt Cost Report worksheet obtained from Treasury as of 12/31/20 (NiSource's policy is to use prior year-end debt balances to calculated LTD Interest Rate).

Note D - Per Regulatory, while NiSource had preferred equity as of 12/31/20, most state commissions have not yet approved a preferred equity cost rate. Note to
Note E - Amounts obtained from [redacted] Money Pool Spreadsheet (see tab E).
Note F - NIPSCO Electric/Gas split for ST Borrowings is based on the CWIP Allocation (see note G).
Note G - NIPSCO Electric/Gas split for CWIP was obtained from [redacted], Electric Accounting. Per [redacted] the Electric/Gas split in tab 'G.' is based on FERC financials, whereas NIPSCO consolidated information above is from HFM (GAAP view). Certain months saw $1M to $6M FERC-GAAP differences due to Cloud
Note H - NIPSCO Electric/Gas split for LTD and Common Equity (aka Ratio H)
Note I - An AFUDC Rate for NIPSCO Consolidated is not calculated. NIPSCO Electric rates are calculated individually, and NIPSCO Gas rates are prescribed by the IURC.
Note J - Peoplesoft account 2330000 - Notes Payable Affiliated is mapped to this intercompany short-term debt account in Hyperion. As these balances represent a current portion of long-term debt and not short-term borrowings, account must be included herein. As this account is marked as intercompany, these balances are eliminated in consolidation so there is no missclassification between short-term borrowings and current portion of long-term debt on the consolidated balance sheet. For FERC purposes, the balances are appropriately recorded in a 233 Notes Payable account.
Note K - Amounts from [redacted], Shared Services Center. We manually adjust COH CWIP for IDR Refundable Spend, which is manually tracked by Fixed Asset Accounting. The manual adjustments for COH CWIP began in April 2017. These items will remain in CWIP as cancelled for 7 years according to our IDR agreement with the state of Ohio.
Note M - FERC guidance permits entities to capitalize certain implementation costs associated with cloud computing arrangements whereas under GAAP books these cloud costs are presented as prepaid asset. Due to this difference between GAAP and FERC reporting, management decided to include Cloud implementation balances along with GAAP CWIP balance for each of the jurisdictions, when calculating Average CWIP for AFUDC rates. This change was made in during issuance of November 2020 CL. Inclusion of cloud balances resulted in a slight increase of 0.10% and under to AFUDC rates for each jurisdictions.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-006:

Please supply copies of all presentations by the Company's and, if applicable, its parent's management to securities analysts during the past 2 years. This would include presentations of financial projections.

Response:

Columbia Gas of Pennsylvania, Inc. (Company) is a wholly owned subsidiary of NiSource Gas Distribution, Inc. (NGD), which is a subsidiary of NiSource Inc. (Parent). Neither the Company nor NGD have made presentations to securities analysts separate from the Parent.

Presentations made by the Parent from the past 2 years are included in Attachments A – M.

Segment and Financial Information
Fourth Quarter 2019

Supplement to NiSource Fourth Quarter 2019
Earnings Presentation

NiSource®

Fourth Quarter 2019 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the fourth quarter of 2019 were $310.6 million, compared to $294.7 million in the comparable 2018 period. Refer to the attached schedules for the items included in 2019 and 2018 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource's business segments for the three months ended December 31, 2019, are discussed below.

Gas Distribution Operations

For the fourth quarter of 2019, Gas Distribution Operations reported operating earnings of $213.9 million, compared to operating earnings of $212.4 million in the comparable 2018 period.

Net revenues for the fourth quarter of 2019 were $687.5 million, an increase of $13.8 million from the comparable 2018 period. The change in net revenues was primarily driven by:

- New rates from base rate proceedings and infrastructure replacement programs of $24.3 million.

Partially offset by:

- Lower residential, commercial and industrial usage of $8.2 million.

Operating expenses for the fourth quarter of 2019 were $473.6 million, an increase of $12.3 million from the comparable 2018 period. The change in operating expenses was primarily driven by:

- Increased depreciation of $19.3 million due to the regulatory outcome of NIPSCO's gas rate case, an increase in amortization of depreciation previously deferred as a regulatory asset resulting from Columbia of Ohio's CEP, and higher capital expenditures placed in service.

Partially offset by:

- Lower environmental costs of $8.7 million primarily due to regulatory approved deferral of Columbia of Ohio environmental expenses.

Electric Operations

For the fourth quarter of 2019, Electric Operations reported operating earnings of $84.9 million, compared to operating earnings of $83.0 million in the comparable 2018 period.

Net revenues for the fourth quarter of 2019 were $296.7 million, an increase of $13.7 million from the comparable 2018 period. The change in net revenues was primarily driven by:

- New rates from the recent rate case proceeding, incremental capital spend on infrastructure replacement programs, and electric transmission projects of $10.9 million.
- Decreased fuel handling costs of $3.7 million.

Operating expenses for the fourth quarter of 2019 were $211.8 million, an increase of $11.8 million from the comparable 2018 period. The change in operating expenses was primarily driven by:

- Increased outside service costs of $8.1 million due to higher maintenance costs.
- Increased depreciation of $2.3 million due to higher capital expenditures placed in service.

Corporate and Other Operations

For the fourth quarter of 2019, Corporate and Other Operations reported operating earnings of $11.8 million compared to an operating loss of $0.7 million in the comparable 2018 period. This change resulted primarily from unfavorable insurance reserve adjustments recorded in 2018.

Other Income (Deductions)

Other income (deductions) reduced income by $98.8 million for the fourth quarter of 2019 compared to a reduction in income of $101.6 million in the comparable 2018 period.

Income Taxes

The effective tax rate of net operating earnings was 13.5 percent compared to 22.3 percent for the same period last year. This decrease is primarily due to favorable state book-to-return adjustments recorded in 2019.

Twelve months ended December 31, 2019 Operating Earnings - Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the twelve months ended December 31, 2019 were $1,046.8 million, compared to $931.2 million in the comparable 2018 period. Refer to the attached schedules for the items included in 2019 and 2018 GAAP operating income but excluded from operating earnings (non-GAAP).

Operating earnings (non-GAAP) for NiSource's business segments for the twelve months ended December 31, 2019, are discussed below.

Gas Distribution Operations

For the twelve months ended December 31, 2019, Gas Distribution Operations reported operating earnings of $632.0 million, compared to operating earnings of $565.3 million in the comparable 2018 period.

Net revenues for the twelve months ended December 31, 2019 were $2,435.6 million, an increase of $283.7 million from the comparable 2018 period. The change in net revenues was primarily driven by:

- New rates from base rate proceedings and infrastructure replacement programs of $243.2 million.
- Higher regulatory, depreciation, and tax trackers, which are offset in operating expense, of $36.2 million.
- The effects of commercial and residential customer growth of $12.8 million.

Operating expenses for the twelve months ended December 31, 2019 were $1,803.6 million, an increase of $217.0 million from the comparable 2018 period. The change in operating expenses was primarily driven by:

- Increased depreciation of $103.8 million due to the regulatory outcome of NIPSCO's gas rate case, an increase in amortization of depreciation previously deferred as a regulatory asset resulting from Columbia of Ohio's CEP, and higher capital expenditures placed in service.

- Higher employee and administrative expenses of $28.4 million driven by an increase in headcount.
- Higher regulatory, depreciation, and tax trackers, which are offset in net revenues, of $36.2 million.
- Higher property taxes of $22.2 million primarily due to increased amortization of property taxes previously deferred as a regulatory asset resulting from Columbia of Ohio's CEP, as well as higher capital expenditures placed in service.
- Higher outside services of $12.9 million primarily due to increased line location and safety-related work.
- Higher insurance expense of $9.1 million primarily driven by increased premiums.

Electric Operations

For the twelve months ended December 31, 2019, Electric Operations reported operating earnings of $401.5 million, compared to operating earnings of $369.1 million in the comparable 2018 period.

Net revenues for the twelve months ended December 31, 2019 were $1,226.7 million, an increase of $40.9 million from the comparable 2018 period. The change in net revenues was primarily driven by:

- New rates from the recent rate case proceeding, incremental capital spend on infrastructure replacement programs and electric transmission projects of $24.8 million.
- Decreased fuel handling costs of $11.0 million.
- Higher regulatory and depreciation trackers, which are offset in operating expense, of $8.4 million.
- The effects of commercial and residential customer growth of $3.9 million.

Partially offset by:

- Decreased residential, commercial and industrial customer usage of $10.8 million.

Operating expenses for the twelve months ended December 31, 2019 were $825.2 million, an increase of $8.5 million from the comparable 2018 period. The change in operating expenses was primarily driven by:

- Higher regulatory and depreciation trackers, which are offset in net revenues, of $8.4 million.
- Increased depreciation of $8.7 million due to higher capital expenditures placed in service.
- Higher outside services of $2.4 million.

Partially offset by:

- Decreased materials and supplies costs of $7.8 million, primarily related to the retirement of Bailly Generating Station Units 7 and 8 on May 31, 2018.
- Decreased employee and administrative costs of $5.0 million.

Corporate and Other Operations

For the twelve months ended December 31, 2019, Corporate and Other Operations reported operating earnings of $13.3 million compared to an operating loss of $3.2 million in the comparable 2018 period. This change resulted primarily from unrealized losses on the cash surrender value of corporate owned life insurance investments and unfavorable insurance reserve adjustments recorded in 2018.

Other Income (Deductions)

Other income (deductions) reduced income by $383.8 million for the twelve months ended December 31, 2019 compared to a reduction in income of $335.3 million in the comparable 2018 period. This variance is primarily driven by lower actuarial investment returns on pension and other postretirement benefit assets of $34.6 million and an increase in interest expense of $25.6 million driven by decreased regulatory deferrals from Columbia Gas of Ohio's CEP. These unfavorable variances were partially offset by charitable contributions of $19.5 million in 2018.

Income Taxes

The effective tax rate of net operating earnings was 17.1 percent compared to 19.7 percent for the same period last year.

NiSource Inc.

Consolidated Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions, except per share amounts)	**2019**	2018	**2019**	2018
Net Revenues				
Operating Revenues	**$ 1,385.4**	$ 1,453.1	**$ 5,184.1**	$ 5,084.0
Cost of Sales (excluding depreciation and amortization)	**404.3**	499.7	**1,534.8**	1,759.4
Total Net Revenues (Non-GAAP)	**981.1**	953.4	**3,649.3**	3,324.6
Operating Expenses				
Operation and maintenance	**348.9**	360.0	**1,373.4**	1,343.0
Operation and maintenance - trackers	**64.5**	65.2	**214.9**	176.4
Depreciation and amortization	**176.7**	155.4	**693.4**	579.7
Depreciation and amortization - trackers	**5.5**	6.4	**24.0**	19.9
Other taxes	**54.3**	50.5	**222.1**	201.0
Other taxes - trackers	**20.6**	21.2	**74.7**	73.4
Total Operating Expenses	**670.5**	658.7	**2,602.5**	2,393.4
Operating Earnings	**310.6**	**294.7**	**1,046.8**	**931.2**
Other Income (Deductions)				
Interest expense, net	**(93.3)**	(88.1)	**(378.9)**	(353.3)
Other, net	**(4.9)**	(13.1)	**(3.4)**	19.9
Other, net - trackers	**(0.6)**	(0.4)	**(1.5)**	(1.9)
Total Other Deductions, Net	**(98.8)**	(101.6)	**(383.8)**	(335.3)
Operating Earnings Before Income Taxes	**211.8**	193.1	**663.0**	595.9
Income Taxes	**28.5**	43.1	**113.2**	117.6
Net Operating Earnings	**183.3**	150.0	**549.8**	478.3
Preferred dividends	**(13.7)**	(8.1)	**(55.1)**	(15.0)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**169.6**	141.9	**494.7**	463.3
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.45**	$ 0.38	**$ 1.32**	$ 1.30
Basic Average Common Shares Outstanding	**377.2**	369.4	**374.6**	356.5

NiSource Inc.
Segment Operating Earnings (Non-GAAP) *(unaudited)*

Gas Distribution Operations *(in millions)*	**Three Months Ended December 31,**		**Twelve Months Ended December 31,**	
	2019	2018	**2019**	2018
Net Revenues				
Operating revenues	**$ 995.3**	$ 1,056.0	**$ 3,503.2**	$ 3,409.3
Cost of Sales (excluding depreciation and amortization)	**307.8**	382.3	**1,067.6**	1,257.4
Net Revenues (Non-GAAP)	**687.5**	673.7	**2,435.6**	2,151.9
Operating Expenses				
Operation and maintenance	**254.4**	263.2	**1,000.0**	948.0
Operation and maintenance - trackers	**54.6**	54.6	**169.3**	133.0
Depreciation and amortization	**103.2**	83.9	**401.2**	297.4
Depreciation and amortization - trackers	**0.6**	2.1	**2.0**	3.6
Other taxes	**40.2**	36.3	**156.4**	131.2
Other taxes - trackers	**20.6**	21.2	**74.7**	73.4
Total Operating Expenses	**473.6**	461.3	**1,803.6**	1,586.6
Operating Earnings (Non-GAAP)	**$ 213.9**	$ 212.4	**$ 632.0**	$ 565.3

Electric Operations *(in millions)*	**Three Months Ended December 31,**		**Twelve Months Ended December 31,**	
	2019	2018	**2019**	2018
Net Revenues				
Operating Revenues	**$ 393.3**	$ 400.5	**$ 1,694.0**	$ 1,687.9
Cost of Sales (excluding depreciation and amortization)	**96.6**	117.5	**467.3**	502.1
Net Revenues (Non-GAAP)	**296.7**	283.0	**1,226.7**	1,185.8
Operating Expenses				
Operation and maintenance	**121.2**	111.5	**449.4**	453.3
Operation and maintenance - trackers	**9.9**	10.6	**45.6**	43.4
Depreciation and amortization	**64.6**	62.3	**255.3**	246.6
Depreciation and amortization - trackers	**4.9**	4.3	**22.0**	16.3
Other taxes	**11.2**	11.3	**52.9**	57.1
Total Operating Expenses	**211.8**	200.0	**825.2**	816.7
Operating Earnings (Non-GAAP)	**$ 84.9**	$ 83.0	**$ 401.5**	$ 369.1

Corporate and Other Operations *(in millions)*	**Three Months Ended December 31,**		**Twelve Months Ended December 31,**	
	2019	2018	**2019**	2018
Operating Earnings (Loss) (Non-GAAP)	**$ 11.8**	$ (0.7)	**$ 13.3**	$ (3.2)

NiSource Inc.

Segment Volumes and Statistical Data *(unaudited)*

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	**2019**	2018
Sales and Transportation (MMDth)				
Residential	**88.4**	92.4	**274.9**	280.3
Commercial	**57.8**	57.9	**189.6**	187.6
Industrial	**136.0**	138.0	**542.5**	555.7
Off-System	**8.3**	8.1	**32.9**	30.0
Other	**—**	—	**0.3**	—
Total	**290.5**	296.4	**1,040.2**	1,053.6
Weather Adjustment	**(8.6)**	(10.1)	**(17.8)**	(18.5)
Sales and Transportation Volumes - Excluding Weather	**281.9**	286.3	**1,022.4**	1,035.1
Customers				
Residential			**3,221,178**	3,194,662
Commercial			**282,778**	281,517
Industrial			**5,982**	5,833
Other			**3**	3
Total			**3,509,941**	3,482,015
Heating Degree Days	**1,966**	2,064	**5,375**	5,562
Normal Heating Degree Days	**1,954**	2,034	**5,452**	5,610
% Colder (Warmer) than Normal	**1%**	1%	**(1)%**	(1)%

Electric Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	**2019**	2018
Sales (Gigawatt Hours)				
Residential	**740.8**	780.6	**3,369.5**	3,535.2
Commercial	**897.6**	915.6	**3,760.3**	3,844.6
Industrial	**1,940.4**	2,043.7	**8,466.1**	8,829.5
Wholesale	**0.3**	19.5	**8.2**	114.3
Other	**30.8**	29.2	**117.2**	124.4
Total	**3,609.9**	3,788.6	**15,721.3**	16,448.0
Weather Adjustment	**(3.7)**	(36.0)	**(61.0)**	(265.2)
Sales Volumes - Excluding Weather	**3,606.2**	3,752.6	**15,660.3**	16,182.8
Customers				
Residential			**415,534**	412,267
Commercial			**57,058**	56,605
Industrial			**2,256**	2,284
Wholesale			**726**	735
Other			**2**	2
Total			**475,576**	471,893
Cooling Degree Days			**962**	1,180
Normal Cooling Degree Days			**803**	806
% Warmer than Normal			**20 %**	46 %

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income (Loss) Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions, except per share amounts)	**2019**	2018	**2019**	2018
GAAP Net Income (Loss) Available to Common Shareholders	**$ (153.0)**	$ (19.8)	**$ 328.0**	$ (65.6)
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	**(11.8)**	(10.6)	**(24.8)**	(32.5)
Greater Lawrence Incident[1]	**—**	3.9	**—**	3.9
Operating Expenses:				
Plant retirement costs[2]	**—**	—	**—**	3.3
Greater Lawrence Incident[3]	**(54.2)**	379.0	**(233.6)**	830.6
Franchise rights impairment[4]	**209.7**	—	**209.7**	—
Goodwill impairment[5]	**204.8**	—	**204.8**	—
Loss on sale of fixed assets and impairments, net	**0.1**	0.8	**—**	1.2
Total adjustments to operating income (loss)	**348.6**	373.1	**156.1**	806.5
Other Income (Deductions):				
Greater Lawrence Incident - charitable contribution[3]	**—**	10.4	**—**	20.7
Interest rate swap settlement gain	**—**	(25.0)	**—**	(46.2)
Loss on early extinguishment of long-term debt	**—**	—	**—**	45.5
Income Taxes:				
Tax effect of above items[6]	**(90.5)**	(79.8)	**(38.2)**	(180.6)
Income taxes - discrete items[7]	**64.5**	(117.0)	**48.8**	(117.0)
Total adjustments to net income (loss)	**322.6**	161.7	**166.7**	528.9
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 169.6**	$ 141.9	**$ 494.7**	$ 463.3
Basic Average Common Shares Outstanding	**377.2**	369.4	**374.6**	356.5
GAAP Basic Earnings (Loss) Per Share	**$ (0.41)**	$ (0.05)	**$ 0.88**	$ (0.18)
Adjustments to basic earnings (loss) per share	**0.86**	0.43	**0.44**	1.48
Non-GAAP Basic Net Operating Earnings Per Share	**$ 0.45**	$ 0.38	**$ 1.32**	$ 1.30

(1) Represents revenues not billed to impacted customers as a result of the Greater Lawrence Incident.
(2) Represents costs incurred associated with the retirement of Units 7 and 8 at Bailly Generating Station.
(3) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
(4) Represents a non-cash impairment of the Columbia of Massachusetts franchise rights as a result of recent events connected with the Greater Lawrence Incident.
(5) Represents a non-cash impairment of goodwill attributable to Columbia of Massachusetts as a result of recent events connected with the Greater Lawrence Incident.
(6) Income tax effect is calculated using the statutory tax rate by legal entity.
(7) 2019 activity represents the non-deductible goodwill impairment (see footnote 5 above), non-deductible fines and penalties and adjustments to consolidated state deferred taxes related to the Greater Lawrence Incident. 2018 activity represents adjustments to the impact of the Tax Cuts and Jobs Act of 2017 due to regulatory actions in 2018.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Three Months Ended December 31, 2019 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 69.6**	**$ 85.4**	**$ (193.0)**	**$ (38.0)**
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	(11.4)	(0.4)	—	**(11.8)**
Operating Expenses:				
Greater Lawrence Incident(1)	(54.2)	—	—	**(54.2)**
Franchise rights impairment(2)	209.7	—	—	**209.7**
Goodwill impairment(3)	—	—	204.8	**204.8**
Loss (Gain) on sale of fixed assets and impairments, net	0.2	(0.1)	—	**0.1**
Total Adjustments to Operating Income	**144.3**	**(0.5)**	**204.8**	**348.6**
Operating Earnings (Non-GAAP)	**$ 213.9**	**$ 84.9**	**$ 11.8**	**$ 310.6**

(1) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
(2) Represents a non-cash impairment of the Columbia of Massachusetts franchise rights as a result of recent events connected with the Greater Lawrence Incident.
(3) Represents a non-cash impairment of goodwill attributable to Columbia of Massachusetts as a result of recent events connected with the Greater Lawrence Incident.

Three Months Ended December 31, 2018 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ (159.7)**	**$ 85.7**	**$ (4.4)**	**$ (78.4)**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	(7.9)	(2.7)	—	**(10.6)**
Greater Lawrence Incident(1)	3.9	—	—	**3.9**
Operating Expenses:				
Greater Lawrence Incident(2)	375.9	—	3.1	**379.0**
Loss on sale of fixed assets and impairments, net	0.2	—	0.6	**0.8**
Total Adjustments to Operating Income (Loss)	**372.1**	**(2.7)**	**3.7**	**373.1**
Operating Earnings (Loss) (Non-GAAP)	**$ 212.4**	**$ 83.0**	**$ (0.7)**	**$ 294.7**

(1) Represents revenues not billed to impacted customers as a result of the Greater Lawrence Incident.
(2) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

Twelve Months Ended December 31, 2019 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 675.4**	**$ 406.8**	**(191.5)**	**$ 890.7**
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	(19.6)	(5.2)	—	**(24.8)**
Operating Expenses:				
Greater Lawrence Incident(1)	(233.6)	—	—	**(233.6)**
Franchise rights impairment(2)	209.7	—	—	**209.7**
Goodwill impairment(3)	—	—	204.8	**204.8**
Loss (Gain) on sale of fixed assets and impairments, net	0.1	(0.1)	—	**—**
Total Adjustments to Operating Income	**(43.4)**	**(5.3)**	**204.8**	**156.1**
Operating Earnings (Non-GAAP)	**$ 632.0**	**$ 401.5**	**$ 13.3**	**$ 1,046.8**

(1) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
(2) Represents a non-cash impairment of the Columbia of Massachusetts franchise rights as a result of recent events connected with the Greater Lawrence Incident.
(3) Represents a non-cash impairment of goodwill attributable to Columbia of Massachusetts as a result of recent events connected with the Greater Lawrence Incident.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Twelve Months Ended December 31, 2018 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ (254.1)**	**$ 386.1**	**$ (7.3)**	**$ 124.7**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	(12.2)	(20.3)	—	**(32.5)**
Greater Lawrence Incident(1)	3.9	—	—	**3.9**
Operating Expenses:				
Plant retirement costs(2)	—	3.3	—	**3.3**
Greater Lawrence Incident(3)	827.5	—	3.1	**830.6**
Loss on sale of fixed assets and impairments, net	0.2	—	1.0	**1.2**
Total Adjustments to Operating Income (Loss)	**819.4**	**(17.0)**	**4.1**	**806.5**
Operating Earnings (Loss) (Non-GAAP)	**$ 565.3**	**$ 369.1**	**$ (3.2)**	**$ 931.2**

(1) Represents revenues not billed to impacted customers as a result of the Greater Lawrence Incident.
(2) Represents costs incurred associated with the retirement of Units 7 and 8 at Bailly Generating Station.
(3) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

NiSource Inc.

Consolidated Income Statements (GAAP)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
(in millions, except per share amounts)	**2019**	2018	**2019**	2018
Operating Revenues				
Customer revenues	**$ 1,358.7**	$ 1,436.0	**$ 5,053.4**	$ 4,991.1
Other revenues	**38.5**	25.7	**155.5**	123.4
Total Operating Revenues	**1,397.2**	1,461.7	**5,208.9**	5,114.5
Operating Expenses				
Cost of sales (excluding depreciation and amortization)	**404.3**	501.6	**1,534.8**	1,761.3
Operation and maintenance	**359.2**	804.4	**1,354.7**	2,352.9
Depreciation and amortization	**182.2**	161.8	**717.4**	599.6
Impairment of goodwill and other intangible assets	**414.5**	—	**414.5**	—
Loss on sale of fixed assets and impairments, net	**0.1**	0.8	**—**	1.2
Other taxes	**74.9**	71.5	**296.8**	274.8
Total Operating Expenses	**1,435.2**	1,540.1	**4,318.2**	4,989.8
Operating Income (Loss)	**(38.0)**	(78.4)	**890.7**	124.7
Other Income (Deductions)				
Interest expense, net	**(93.3)**	(88.1)	**(378.9)**	(353.3)
Other, net	**(5.5)**	1.1	**(5.2)**	43.5
Loss on early extinguishment of long-term debt	**—**	—	**—**	(45.5)
Total Other Deductions, Net	**(98.8)**	(87.0)	**(384.1)**	(355.3)
Income (Loss) before Income Taxes	**(136.8)**	(165.4)	**506.6**	(230.6)
Income Taxes	**2.5**	(153.7)	**123.5**	(180.0)
Net Income (Loss)	**(139.3)**	(11.7)	**383.1**	(50.6)
Preferred dividends	**(13.7)**	(8.1)	**(55.1)**	(15.0)
Net Income (Loss) Available to Common Shareholders	**(153.0)**	(19.8)	**328.0**	(65.6)
Earnings (Loss) Per Share				
Basic Earnings (Loss) Per Share	**$ (0.41)**	$ (0.05)	**$ 0.88**	$ (0.18)
Diluted Earnings (Loss) Per Share	**$ (0.41)**	$ (0.05)	**$ 0.87**	$ (0.18)
Basic Average Common Shares Outstanding	**377.2**	369.4	**374.6**	356.5
Diluted Average Common Shares	**378.3**	369.4	**376.0**	356.5

NiSource Inc.
Consolidated Balance Sheets (GAAP)

(in millions)	**December 31, 2019**	December 31, 2018
ASSETS		
Property, Plant and Equipment		
Utility plant	**$ 24,502.6**	$ 22,780.8
Accumulated depreciation and amortization	**(7,609.3)**	(7,257.9)
Net utility plant	**16,893.3**	15,522.9
Other property, at cost, less accumulated depreciation	**18.9**	19.6
Net Property, Plant and Equipment	**16,912.2**	15,542.5
Investments and Other Assets		
Unconsolidated affiliates	**1.3**	2.1
Other investments	**228.9**	204.0
Total Investments and Other Assets	**230.2**	206.1
Current Assets		
Cash and cash equivalents	**139.3**	112.8
Restricted cash	**9.1**	8.3
Accounts receivable (less reserve of $19.2 and $21.1, respectively)	**856.9**	1,058.5
Gas inventory	**250.9**	286.8
Materials and supplies, at average cost	**120.2**	101.0
Electric production fuel, at average cost	**53.6**	34.7
Exchange gas receivable	**48.5**	88.4
Regulatory assets	**225.7**	235.4
Prepayments and other	**149.7**	129.5
Total Current Assets	**1,853.9**	2,055.4
Other Assets		
Regulatory assets	**2,013.9**	2,002.1
Goodwill	**1,485.9**	1,690.7
Intangible assets, net	**—**	220.7
Deferred charges and other	**163.7**	86.5
Total Other Assets	**3,663.5**	4,000.0
Total Assets	**$ 22,659.8**	$ 21,804.0

NiSource Inc.
Consolidated Balance Sheets (GAAP) (continued)

(in millions, except share amounts)		**December 31, 2019**		December 31, 2018
CAPITALIZATION AND LIABILITIES				
Capitalization				
Stockholders' Equity				
Common stock - $0.01 par value, 600,000,000 shares authorized; 382,135,680 and 372,363,656 shares outstanding, respectively	**$**	**3.8**	$	3.8
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 440,000 and 420,000 shares outstanding, respectively		**880.0**		880.0
Treasury stock		**(99.9)**		(99.9)
Additional paid-in capital		**6,666.2**		6,403.5
Retained deficit		**(1,370.8)**		(1,399.3)
Accumulated other comprehensive loss		**(92.6)**		(37.2)
Total Stockholders' Equity		**5,986.7**		5,750.9
Long-term debt, excluding amounts due within one year		**7,856.2**		7,105.4
Total Capitalization		**13,842.9**		12,856.3
Current Liabilities				
Current portion of long-term debt		**13.4**		50.0
Short-term borrowings		**1,773.2**		1,977.2
Accounts payable		**666.0**		883.8
Customer deposits and credits		**256.4**		238.9
Taxes accrued		**231.6**		222.7
Interest accrued		**99.4**		90.7
Exchange gas payable		**59.7**		85.5
Regulatory liabilities		**160.2**		140.9
Legal and environmental		**20.1**		18.9
Accrued compensation and employee benefits		**156.3**		149.7
Claims accrued		**165.4**		114.7
Other accruals		**144.1**		63.8
Total Current Liabilities		**3,745.8**		4,036.8
Other Liabilities				
Risk management liabilities		**134.0**		46.7
Deferred income taxes		**1,485.3**		1,330.5
Deferred investment tax credits		**9.7**		11.2
Accrued insurance liabilities		**81.5**		84.4
Accrued liability for postretirement and postemployment benefits		**373.2**		389.1
Regulatory liabilities		**2,352.0**		2,519.1
Asset retirement obligations		**416.9**		352.0
Other noncurrent liabilities		**218.5**		177.9
Total Other Liabilities		**5,071.1**		4,910.9
Commitments and Contingencies		**—**		—
Total Capitalization and Liabilities	**$**	**22,659.8**	$	21,804.0

NiSource Inc.
Statements of Consolidated Cash Flows (GAAP)

Year Ended December 31, *(in millions)*	2019	2018
Operating Activities		
Net Income (Loss)	$ **383.1**	$ (50.6)
Adjustments to Reconcile Net Income (Loss) to Net Cash from Operating Activities:		
Loss on early extinguishment of debt	—	45.5
Depreciation and amortization	**717.4**	599.6
Deferred income taxes and investment tax credits	**118.2**	(188.2)
Stock compensation expense and 401(k) profit sharing contribution	**25.9**	28.6
Impairment of goodwill and other intangible assets	**414.5**	—
Amortization of discount/premium on debt	**8.2**	7.5
AFUDC equity	**(8.0)**	(14.2)
Other adjustments	**(0.9)**	1.7
Changes in Assets and Liabilities:		
Accounts receivable	**187.8**	(186.2)
Inventories	**(2.0)**	41.4
Accounts payable	**(299.9)**	268.4
Customer deposits and credits	**16.9**	(25.4)
Taxes accrued	**7.3**	20.2
Interest accrued	**8.8**	(21.7)
Exchange gas receivable/payable	**55.5**	(21.5)
Other accruals	**105.3**	43.5
Prepayments and other current assets	**(33.6)**	(14.5)
Regulatory assets/liabilities	**(85.6)**	(53.2)
Postretirement and postemployment benefits	**(21.1)**	58.2
Deferred charges and other noncurrent assets	**(76.1)**	3.8
Other noncurrent liabilities	**61.6**	(2.8)
Net Cash Flows from Operating Activities	**1,583.3**	540.1
Investing Activities		
Capital expenditures	**(1,802.4)**	(1,818.2)
Cost of removal	**(113.2)**	(104.3)
Purchases of available-for-sale securities	**(140.4)**	(90.0)
Sales of available-for-sale securities	**132.1**	82.3
Other investing activities	**1.5**	4.1
Net Cash Flows used for Investing Activities	**(1,922.4)**	(1,926.1)
Financing Activities		
Issuance of long-term debt	**750.0**	350.0
Repayments of long-term debt and finance lease obligations	**(51.6)**	(1,046.1)
Issuance of short-term debt (maturity > 90 days)	**600.0**	950.0
Repayment of short-term debt (maturity > 90 days)	**(700.0)**	—
Change in short-term borrowings, net (maturity ≤ 90 days)	**(104.0)**	(178.5)
Issuance of common stock, net of issuance costs	**244.4**	848.2
Issuance of preferred stock, net of issuance costs	—	880.0
Equity costs, premiums and other debt related costs	**(17.8)**	(46.0)
Acquisition of treasury stock	—	(4.0)
Dividends paid - common stock	**(298.5)**	(273.3)
Dividends paid - preferred stock	**(56.1)**	(11.6)
Net Cash Flows from Financing Activities	**366.4**	1,468.7
Change in cash, cash equivalents and restricted cash	**27.3**	82.7
Cash, cash equivalents and restricted cash at beginning of period	**121.1**	38.4
Cash, Cash Equivalents and Restricted Cash at End of Period	$ **148.4**	$ 121.1

COVID-19 Update

April 23, 2020

Source®

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of federal securities laws. 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. Examples of forward-looking statements in this presentation include, but are not limited to, statements and expectations regarding NiSource's or any of its subsidiaries' 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 presentation include, among other things the ongoing impact of the coronavirus (COVID-19) pandemic; NiSource's debt obligations; any changes in NiSource's credit rating or the credit rating of certain of NiSource's subsidiaries; NiSource's ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; NiSource's ability to obtain expected financial or regulatory outcomes; NiSource's ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office for the District of Massachusetts to settle the U.S. Attorney's Office investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia Gas of Massachusetts business, including the terms and closing conditions under the asset purchase agreement; potential incidents and other operating risks associated with our business; our ability to obtain sufficient insurance coverage; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to NiSource's reputation, including in connection with the Greater Lawrence Incident; 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; 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 work force; the ability of NiSource's subsidiaries to generate cash; NiSource's ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters set forth in Item 1A, "Risk Factors" section of NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and in our Current Report on Form 8-K filed on April 8, 2020. A credit rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization. In addition, dividends are subject to board approval. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

NiSource expressly disclaims any duty to update, supplement or amend any of its forward-looking statements contained in this presentation, whether as a result of new information, subsequent events or otherwise, except as required by applicable law.

NiSource COVID-19 Immediate Actions

- Following CDC (Centers for Disease Control) and local guidelines around social distancing to ensure the health and safety of our employees and customers.
- Activated ***Incident Command Structure (ICS)*** to coordinate strategy, execution and communication across all seven states
- For Customers:
  - Suspended shut-offs for non-payment and are offering flexible payment plans
  - Temporarily suspended all non-essential work that would require our employees to enter customer homes and locations
  - On-going and frequent communications
- For Communities:
  - NiSource foundation donation of $1M to American Red Cross,
  - Nearly $500K donated by the foundation to support operating company initiatives at the local level
- For Employees:
  - ~75% working remotely
  - Sequestering critical operations
  - Completing work that requires little or no potential exposure
  - Temperature checks for employees that need to enter company facilities
  - More frequent cleaning of equipment and buildings
  - Limiting company vehicles to one person

Primary Focus on Customer and Employee Safety and Health

Incident Command Structure (ICS)

Monitoring state by state conditions and determining steps to execute our plans safely for customers and employees

- Assessing COVID cases, conditions and mandates by location
- Implementing employee and customer health and mitigation plans
- Rolling out technology to maximize work from home capabilities
- Securing appropriate personal protective equipment and cleaning facilities
- Coordinating customer, employee and stakeholder messaging
- Monitoring impacts to supply chain and contractor networks

Currently no Significant Impacts to Capital and Operating Plans

COVID-19 Business Implications

Key Areas of Focus:

- Customer – impacts expected to lower revenue and cash flows
  - Sales volume declines (Commercial and Industrial)
  - Increased bad debt expense (due to shut-off moratorium and job losses)
  - Long-term customer attrition

- Supply Chain – no material impacts at this time
  - Contractor availability
  - Utility materials and supplies
  - Generation Strategy (except: Rosewater project could experience some delay)

- State Regulatory Environment – in current dialog across all jurisdictions
  - Vulnerable customers
  - Treatment of COVID-19 incremental expenses
  - Procedural schedules

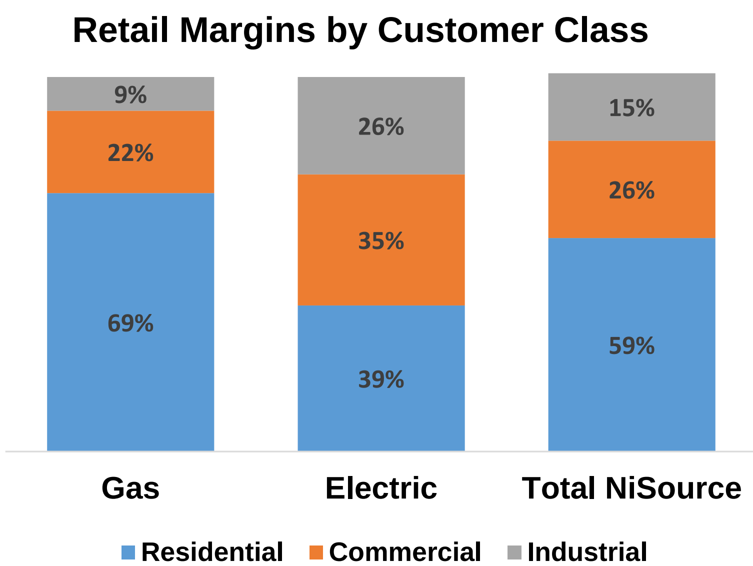
- Capital Markets and Liquidity – current liquidity remains sufficient for the next 12 – 24 months following recent financing activity with limited additional capital market needs

- Pension Expense and Contributions – well positioned with 98% funded plans at year-end 2019

- CARES (Coronavirus Aid, Relief, and Economic Security Act) Legislation – constructive components to managing cash position

Proactively Assessing and Planning for Potential Impacts to our Strategy and Plan

Customer Demand and Bad Debt



Initial EPS Sensitivity to +/- 1% change in annual sales volumes*		
Customer Class	Electric	Gas
Residential	$0.01	$0.01
Commercial	$0.01	$0.01
Industrial	$0.01	$ —

- Customer Demand
  - Expect lower commercial and industrial sales
  - Potential for increased residential sales
- Rate Design
  - Gas Segment
    - Residential ~75% Fixed
    - Commercial ~45% Fixed
  - Electric Segment
    - Residential ~20% Fixed
    - Commercial ~25% Fixed
    - Large Industrial ~55% Fixed (includes demand ratcheting)
- Bad Debt
  - Expect higher expense
  - Bad debt primarily recovered in base rates.
  - Additional trackers exist in several states. See Appendix for details.

Rate Design and Periodic Base Rate Cases Mitigate Impacts

* Sensitivity may not be linear for large or prolonged volume changes

Liquidity and Financing Updates ($M)

- No Significant Long-Term Debt Maturities in 2020 or 2021

- Term Loan
  - Refinanced $850M term loan on April 1, 2020

- Debt Issuances
  - Issued $1.0B 10-year notes @ 3.60% on April 13, 2020
  - Expected to satisfy long-term debt capital needs for 2020 and 2021

- Cash proceeds from CMA sale expected Q3 2020

- Investment grade credit with stable outlook
  - Most recent reaffirmation received April 3, 2020

Current Liquidity	Actual 03/31/2020	Maturity
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	459	
Less:		
Drawn on Credit Facility	500	
Commercial Paper	237	
Accounts Receivable Programs Utilized	459	
L/C's Outstanding Under Credit Facility	10	
Add:		
Cash & Equivalents	204	
Net Available Liquidity	$1,307	

Limited Additional Capital Market Needs, No Expected Changes to Dividend

Pension Plan

- As of year-end 2019:
  - Funding percentage: 98%
  - Discount rate: 3.12%
  - Expected 2020 contributions: $3M

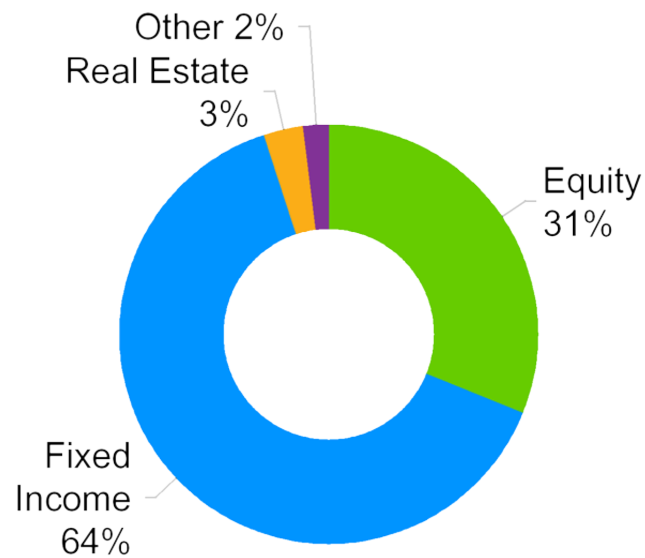
- Pension expense not impacted until pension plans are remeasured

  Drivers of expense:
  - Discount rate
    - 50bp change in discount rate = +/- ~$1M
  - Asset valuations
    - $100M change in asset valuation = +/- ~$7M

- Plan remeasurement not expected until year-end 2020

- Pension tracker in MA, deferral in OH & PA

Year-End 2019 Asset Allocation



Pension Expense and Contributions Not Impacted Until Remeasurement

Key Takeaways

- Continued Focus on Customer and Employee Safety and Health
- Currently no Significant Impacts to Capital and Operating Plans
- Proactively Assessing and Planning for Potential Impacts to our Long-Term Strategy and Plan
- Rate Design and Periodic Base Rate Cases Mitigate Impacts
- Limited Additional Capital Market Needs Expected During COVID-19 Challenges
- No Changes Expected to the Dividend
- Pension Expense and Contributions Not Impacted Until Remeasurement

Appendix:
COVID-19 Update

Bad Debt Recovery Mechanisms

Company	Bad Debt Expense Included in Base Rates*	Bad Debt Tracker	Tracker Frequency
Gas Distribution			
NIPSCO Gas	Yes	Gas cost only	Quarterly
Columbia Gas of Ohio	Yes	Gas cost and delivery charge	Annual
Columbia Gas of Pennsylvania	Yes	Partial Gas Cost only	Quarterly
Columbia Gas of Massachusetts	Yes	Gas cost only	Semi-annual
Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
Electric Operations			
NIPSCO Electric	Yes	None	N/A

* Based on historical bad debt of ~1% of gross revenue

Revenue and Weather Normalization Mechanisms

Company	Revenue Decoupling/ Normalization	Weather Normalization
Gas Distribution		
NIPSCO Gas	None	None
Columbia Gas of Ohio	Straight Fixed Variable Rates for Residential and Small Commercial	None
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Massachusetts	Yes (Decoupling) – All Classes	None
Columbia Gas of Virginia	Yes (RNA*) – Residential	Yes – Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) – Residential	Yes – Residential & Commercial
Columbia Gas of Kentucky	None	Yes – Residential & Commercial
Electric Operations		
NIPSCO Electric	None (Demand Ratcheting Large Industrial Rates)	None

* Revenue Normalization Adjustment

Supplemental Slides
First Quarter 2020 Earnings

May 6, 2020

NiSource®

Forward-Looking Statements

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Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed in this presentation include among other things, our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; 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; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia of Massachusetts business, including the terms and closing conditions under the Asset Purchase Agreement; potential incidents and other operating risks associated with our business; potential impacts from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; 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; 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; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as supplemented by our Current Report on Form 8-K filed with the SEC on April 8, 2020, and our subsequent SEC filings, including as will be disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, 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.

Regulation G Disclosure Statement

This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the SEC’s Regulation G. The company includes this measure because management believes it permits investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways

- **Focused on providing safe, reliable utility service during COVID-19 pandemic**

- **Non-GAAP Net Operating Earnings Per Share (NOEPS)* of $0.76, vs. $0.82 in 1Q2019**

- **Capital program, liquidity expected to remain strong in 2020**
  - Reduced expected 2020 capital investments by $100M to $1.7B - $1.8B
  - Issued $1.0 billion of 3.6% notes, maturing in May 2030
  - Refinanced $850 million term loan with new maturity date of March 31, 2021
  - CMA asset sale on track to close in Q3 2020, proceeds anticipated to be used to pay down debt
  - Committed to maintaining current investment-grade credit ratings

- **Safety Management System (SMS), pipeline safety enhancements remain a top priority**
  - SMS implementation kicked off in electric business
  - Advanced maturity of risk identification via Corrective Action Program with enhanced analytical insights

- **Gas system safety & infrastructure investments continue**
  - Ongoing infrastructure tracker updates progressing; NIPSCO extension pending
  - Columbia Gas of Pennsylvania files base rate case

- **Electric generation strategy continues to advance in Indiana**
  - Discussions continue with select bidders in latest RFP
  - Incremental capital investment opportunities in 2022 and 2023

Focused on COVID Response and Enhancing Safety, Service and System Reliability

* Net Operating Earnings Per Share (Non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 6, 2020, Earnings Release

First Quarter 2020 Financial Highlights

Non-GAAP*	2020	2019	Change
Net Operating Earnings Available to Common Shareholders ($M)	$290.9	$307.7	($16.8)
Net Operating Earnings Per Share	$0.76	$0.82	($0.06)

GAAP	2020	2019	Change
Net Income (Loss) Available to Common Shareholders ($M)	$61.8	$205.1	($143.3)
Basic Earnings (Loss) Per Share	$0.16	$0.55	($0.39)

Q1 Results Minimally Impacted by COVID-19

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's May 6, 2020, Earnings Release and the supplemental segment and financial information accompanying this presentation available on the investor section of www.nisource.com.

NiSource Debt and Credit Profile

- **Debt level: ~$9.9B as of March 31, 2020**
  - ~$7.7B of long-term debt
    - Weighted average maturity ~17 years
    - Weighted average interest rate of 4.4%

- **Solid liquidity position**
  - ~$1.3B in net available liquidity as of March 31, 2020*
  - ~$2.4B of committed facilities in place as of March 31, 2020
    - ~$1.9B revolving credit facility
    - ~$0.5B accounts receivable securitization facilities **

- **Interest rate hedging position**
  - ~$500M of anticipated debt issuances hedged as of March 31, 2020

- **Committed to investment-grade credit ratings**
  - S&P BBB+ | Moody's Baa2 | Fitch BBB

Solid Financial Foundation to Support Long-Term Infrastructure and Safety Investments

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

Financing Plan Update

NiSource Current Financing Plan*		
($ in Millions)	**2019 Actual**	**2020 Estimated**
Equity		
Common Equity Block Issuance	None	None Planned
ATM (At-The-Market)	$229	$200 - $300
ESPP/401K/Other	$34	$35 - $60
Long-Term Debt		
Incremental Long-Term Debt	$714	$1,000

Long-term Financing Targets Adj. FFO/Total Debt of ~14%-15%**

* Current financing plan may change based on business developments.
**Adjusted Funds from Operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes.

Gas Distribution Operations

- Base rate case filed in Pennsylvania
- Safety & Infrastructure tracker update approved in Ohio; extension pending in Indiana
- Supportive orders around COVID-related costs and bad debt in Maryland and Virginia
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

Key Milestones:

Highlight	Key Components	Status
Columbia Gas of Pennsylvania Base Rate Case	• Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Includes $100.4M total annual revenue increase	• Filed Apr. 24, 2020 • Order expected Jan. 2021 • New rates effective Jan. 2021
Columbia Gas of Ohio Infrastructure Replacement Program (IRP) Annual Rider Update	• Order covers ~$234M in 2019 capital investments • IRP rider allows recovery of safety & infrastructure investments in priority mainline pipe and targeted customer service lines • Well-established program authorized through 2022	• Filed Feb. 28, 2020 • Order received Apr. 22, 2020 • New rates effective May 2020
Columbia Gas of Ohio Capital Expenditure Program (CEP) Annual Rider Update	• Application covers ~$185M in 2019 capital investments • CEP rider allows the company to recover capital investments and related deferred expenses that are not recovered through its IRP tracker • Rider first approved by PUCO in 2018	• Filed Feb. 28, 2020 • Order expected Aug. 2020 • New rates effective Sep. 2020
NIPSCO Gas System Modernization Program	• Six year extension to long-term infrastructure modernization program • Covers nearly $950M of capital investments through 2025	• Filed Dec. 31, 2019 • Order expected Jul. 2020
COVID-related Regulatory Updates	• Orders in Maryland and Virginia allow deferral of COVID-related expenses and bad debt for later recovery	• MD order received Apr. 9, 2020 • VA order received Apr. 29, 2020

~$20B in Identified Long-Term Infrastructure Investment Opportunities

Electric Operations

- Discussions continue with select bidders in second RFP for coal replacement capacity
- Incremental capital investment opportunities expected in 2022 and 2023
- Continued execution of seven-year ~$1.2B electric system modernization program

Key Milestones:

Highlight	Key Components	Status
Wind Projects	• Construction continues on Jordan Creek (400MW*) and Rosewater (100MW*) wind projects • BTA application approved for Indiana Crossroads (300MW*), a second joint venture between NIPSCO and EDP Renewables	• Indiana Crossroads CPCN filed Oct. 22, 2019, order received Feb. 19, 2020 • Tax Equity Partnership agreements pending for Rosewater, Indiana Crossroads
Electric System Modernization Program	• Focused on electric transmission and distribution investments designed to improve system reliability and safety • TDSIC 6 semi-annual tracker update covering $131.1M in investments from Dec. 2018 - Jun. 2019	• Filed Aug. 21, 2019 • Order received Dec. 18, 2019 • Rates effective Jan. 2020
Integrated Resource Plan (IRP)	• Outlines NIPSCO's plans for meeting customers' long-term electricity needs • 2018 IRP included plans to retire nearly 80 percent of NIPSCO's coal-fired generation fleet by 2023 and the remaining coal-fired unit by 2028 • Replacement options point toward lower-cost, reliable, cleaner energy resources • Discussions continue with select bidders in second round of RFPs • RFP represents ~2,300MW of replacement capacity	• Submitted Oct. 31, 2018 • Next IRP expected in 2021

~$10B in Identified Long-Term Infrastructure Investment Opportunities

* Represents installed capacity of generation facilities.

Safety Management System (SMS)

Historic Industry Risk Management

Infrastructure modernization programs driven by:

- Cast iron / Bare Steel Mains and services identified as highest risk
- Historic trends driving infrastructure investment programs
- Deterministic risk analysis as basis for investments

SMS is Changing Risk/Investment Priorities

- Utilizing risk rankings to redefine operational programs
- Prioritizing risk actions across all asset classes
- Expanding efforts in process safety, human performance, quality management and culture

Executing….

- Quantitative risk assessments across asset classes
- Corrective Action Program (CAP) enabling employee risk identification processes and tools
- Enhanced Emergency Preparedness & Response technology & training
- Risk based investment planning & regulatory strategy

Building…..

- Detailed asset management plans, advanced risk modeling tools and quality management capabilities
- Data quality improvements
- New risk informed programs, projects and regulatory plans
- Systems and processes for API Recommended Practice 1173 accreditation

Initiate → Screen → Evaluate & Action Plan → Approve → Fund → Implement

Integrating Safety, Risk Management and Investment Planning

Environmental, Social & Governance (ESG)

Longstanding ESG Program

- NiSource has been reporting on sustainability and ESG for more than a decade
- Climate Report published in 2019 aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework
- Member of the Dow Jones Sustainability North America Index for six years in a row, ranked 3rd of 11 North American utilities evaluated
- Named to the FTSE4Good Index, S&P Global 1200 ESG Index, S&P 500 ESG Index, and S&P US LargeMidCap ESG Index

Environmental

- Goal of 90% greenhouse gas emissions reductions by 2030 from 2005 levels
- Continued GHG emissions reductions in 2019; total decrease of 48% from 2005 levels
- Announced more than 800 MW of new wind projects expected to be in service by 2021
- Founding member of the EPA's Methane Challenge Program in 2016
- Top 20% environmental performance score from Institutional Shareholder Services (ISS)

Social

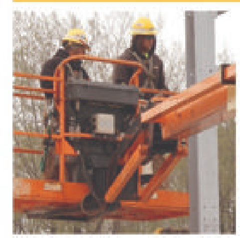
- Member of the Bloomberg Gender Equality Index since 2018
- Named one of America's Best Large Employers by *Forbes* since 2016

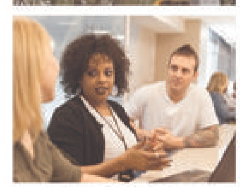
Governance

- Committed to board diversity - Currently 25% female, 33% ethnically diverse
- Environmental, Safety and Sustainability Committee has a focus on ESG

ESG is an Essential Part of NiSource's Strategy

Appendix:
First Quarter 2020 Earnings





COVID-19 Actions

- **Following CDC and local guidelines intended to ensure the health and safety of our employees and customers**

- **Activated Incident Command Structure to coordinate strategy, execution and communication across all seven states**

- **For Customers**
  - Suspended shut-offs for non-payment and are offering flexible payment plans
  - Directed field employees to use social distancing at any customer premise and minimized all non-essential field work that requires entry to customer homes and locations
  - On-going and frequent communications

- **For Communities**
  - NiSource foundation donation of $1M to American Red Cross
  - Nearly $500K donated by the foundation to support operating company initiatives at the local level

- **For Employees**
  - Approximately 75% are working remotely or job site reporting
  - Sequestering employees in critical operations
  - Temperature checks for employees that need to enter critical company facilities
  - More frequent cleaning of equipment and buildings
  - Limiting company vehicle occupancy to one person

Primary Focus on Customer and Employee Safety and Health

COVID-19 Business Implications

- **Customer - impacts expected to lower revenue and cash flows**
  - Sales volume declines (Commercial and Industrial)
  - Increased bad debt expense (due to shut-off moratorium and job losses)
  - Long-term customer attrition

- **Supply Chain - no material impacts at this time**
  - Contractor availability, utility materials and supplies largely unaffected
  - Renewables construction ongoing (Rosewater project could experience some delays)

- **State Regulatory Environment - in current dialogue across all jurisdictions**
  - Protection of vulnerable customers
  - Treatment of COVID-19 incremental expenses (Recent orders in MD, VA allow deferral for later recovery)
  - Monitoring procedural schedules

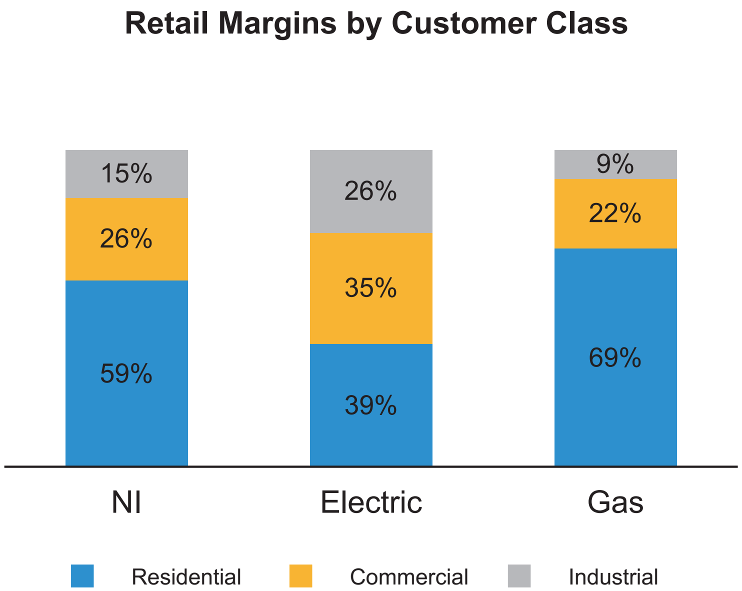
- **Capital Markets and Liquidity -** we believe current liquidity remains sufficient for the next 12 - 24 months following recent financing activity with limited additional capital market needs

- **Pension Expense and Contributions -** well positioned with 98% funded plans at year-end 2019

- **CARES (Coronavirus Aid, Relief and Economic Security Act) Legislation -** constructive components to managing cash position

Proactively Assessing and Planning for Potential Impacts to our Strategy and Plan

COVID-19 Customer Demand and Bad Debt



Initial pre-tax operating earnings sensitivity to +/- 1% change in annual sales volumes* ($M)		
Customer Class	Electric	Gas
Residential	$ 3.9	$ 3.8
Commercial	$ 3.9	$ 2.4
Industrial	$ 2.3	$ 1.2

Customer Demand

- Expect lower commercial and industrial sales
- Potential for increased residential sales

Rate Design

- Gas Segment
  - Residential ~75% Fixed
  - Commercial ~45% Fixed
- Electric Segment
  - Residential ~20% Fixed
  - Commercial ~25% Fixed
  - Large Industrial ~55% Fixed (includes demand ratcheting)

Bad Debt

- Expect higher expense
- Bad debt primarily recovered in base rates; additional mechanisms exist in several states on gas/fuel recovery
- Recent orders in MD, VA allow for deferral of COVID-related expenses and bad debt

Rate Design and Periodic Base Rate Cases Mitigate Impacts

* Sensitivity may not be linear for large or prolonged volume changes

Bad Debt Recovery Mechanisms

Company	Bad Debt Expense Included in Base Rates*	Tracked Incremental Expense	Tracked Filing Frequency
Gas Distribution			
NIPSCO Gas	Yes	Gas cost only	Quarterly
Columbia Gas of Ohio	Yes	Gas cost and delivery charge	Annual
Columbia Gas of Pennsylvania	Yes	Partial gas cost only	Quarterly
Columbia Gas of Massachusetts	Yes	Gas cost only	Semi-Annual
Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
Electric Operation			
NIPSCO Electric	Yes	None	N/A

Constructive Regulatory Mechanisms

* Based on historical bad debt of ~1% of gross revenue

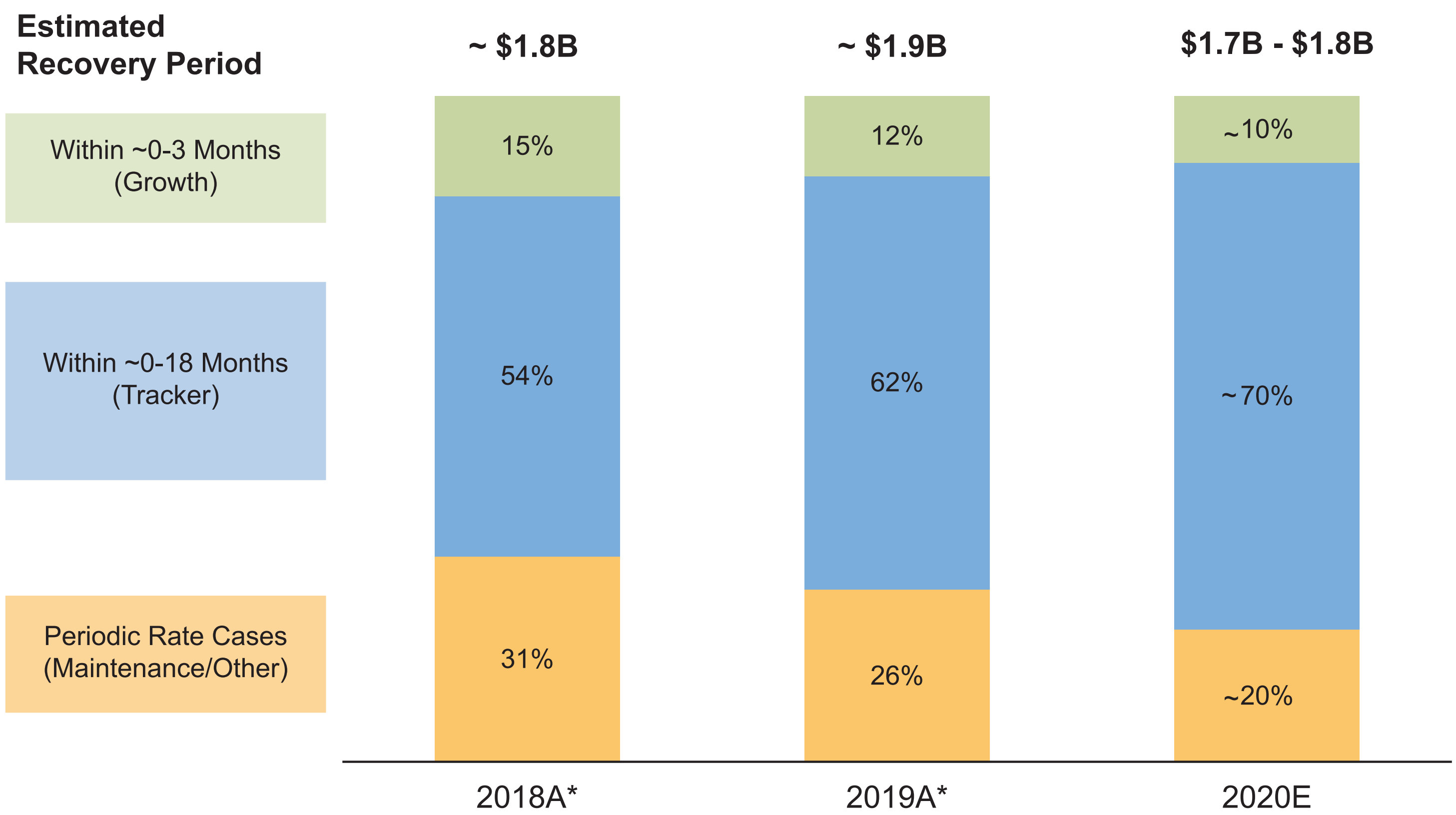
Revenue and Weather Normalization Mechanisms

Company	Revenue Decoupling/ Normalization	Weather Normalization
Gas Distribution		
NIPSCO Gas	None	None
Columbia Gas of Ohio	Straight Fixed Variable Rates for Residential and Small Commercial	None
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Massachusetts	Yes (Decoupling) - All Classes	None
Columbia Gas of Virginia	Yes (RNA*) - Residential	Yes - Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) - Residential	Yes - Residential & Commercial
Columbia Gas of Kentucky	None	Yes - Residential & Commercial
Electric Operation		
NIPSCO Electric	None (Demand Ratcheting Large Industrial Rates)	None

* Revenue Normalization Adjustment

Capital Expenditures

Investments Expected to Deliver Customer Value, Enhance System Safety and Reliability



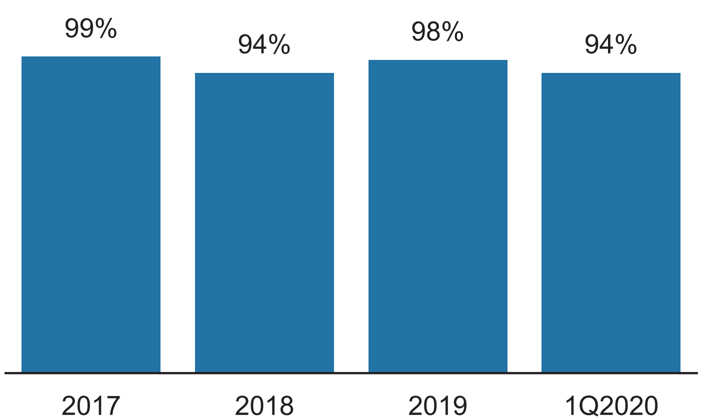
>75% of Capital Investments Begin Earning in Less Than 18 Months

* Greater Lawrence distribution system capital included in maintenance for 2018 and 2019

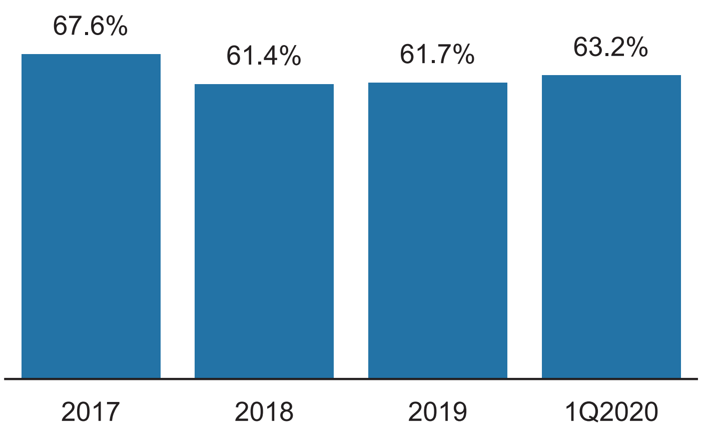
Liquidity and Capitalization as of First Quarter 2020 ($M)

Current Liquidity	Actual 3/31/2020	Maturity
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	459	
Less:		
Drawn on Credit Facility	500	
Commercial Paper	237	
Accounts Receivable Programs Utilized	459	
L/C's Outstanding Under Credit Facility	10	
Add:		
Cash & Equivalents	204	
Net Available Liquidity	$1,307	

Qualified Pension Funding



Total Debt/Total Capitalization



* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

Long-Term Debt as of First Quarter 2020 ($M)

Debt Detail	Balance	Wtd. Avg. Rate*	Wtd. Avg. Maturity
Long-Term Debt**	$7,739	4.40%	17 years
Revolving Credit Facility	500	2.13%	2.6 months
Commercial Paper	237	2.02%	39 days
A/R Program Borrowings	459	1.23%	1 month
Term Loan***	850	3.25%	0.5 months
Capital Leases, Def Cost & Other	87	N/A	N/A
Total Debt	**$9,872**		

Upcoming Long-term Debt Maturities	2020	2021	2022	2023	2024
NiSource	-	$64	$520	$600	-
NIPSCO	-	-	$10	-	-
Total Long-Term Debt Maturities	**-**	**$64**	**$530**	**$600**	**-**

* Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges
** Issued $1.0B of 3.6% notes due May 2030 on April 13, 2020
*** Refinanced on April 1, 2020 with new maturity date of March 21, 2021
N/A = Not Applicable

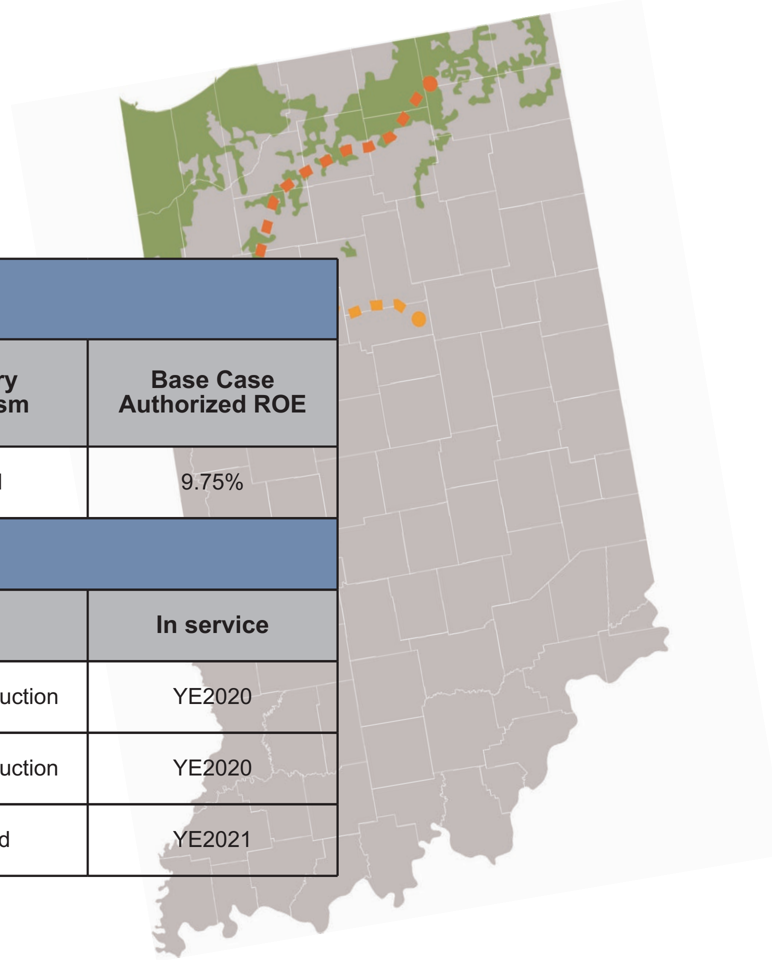
Gas Distribution Operations Infrastructure Programs

Company	Base Case Authorized ROE	Year-End 2019 Rate Base	Total Identified Investments	Modernization Program Investments	Estimated Annual Modernization Program	Recovery Mechanism
Columbia Gas of OH	Not Specified	$3.2B	~$10.4B	~$10.4B	$435M - $550M	Tracked
Columbia Gas of PA	Not Specified	$1.9B	~$5.0B	~$3.9B	$250M - $296M	Rate Case (Forward Test Year)
NIPSCO Gas	9.85%	$1.7B	~$4.9B	~$3.8B	$160M - $180M	Tracked
Columbia Gas of MA	9.55%	$1.1B	~$2.2B	~$1.2B	$75M - $120M	Tracked
Columbia Gas of VA	Not Specified	$850M	~$1.8B	~$540M	$46M - $65M	Tracked
Columbia Gas of KY	Not Specified	$327M	~$1.2B	~$850M	$35M - $40M	Tracked
Columbia Gas of MD	9.60%	$149M	~$212M	~$150M	$18M - $25M	Tracked

Robust Long-Term Investment Programs Deliver Value on $9.2B Rate Base*

* As of Dec. 31, 2019

Electric Operations Investment Programs and Generation Transition



Infrastructure Investment Programs				
Program	**Identified Investments**	**Estimated Annual Investment**	**Recovery Mechanism**	**Base Case Authorized ROE**
Infrastructure Modernization	~$5.9B	~$190M - $240M	Tracked	9.75%
Generation Transition				
Project	**Project Type**	**MW ICAP (UCAP*)**	**Status**	**In service**
Jordan Creek	Purchase Power Agreement	400MW (46MW)	Under Construction	YE2020
Rosewater	Joint Venture	100MW (12MW)	Under Construction	YE2020
Indiana Crossroads	Joint Venture	302MW (35MW)	Approved	YE2021

High-Value Investments on $4.7B Rate Base**

* Represents average estimate, actual UCAP will be based on asset performance
** As of Dec. 31, 2019

Regulatory Update

2020 Rate Case and Program/Project Activity		
Company/Filing	**Summary**	**Timeline**
In Progress		
Columbia Gas of Pennsylvania - Base Rate Case	Requested Increase: $100.4M	Filed: Apr. 24, 2020 Order Expected: Jan. 2021
NIPSCO Gas - TDSIC	Six year extension to long-term infrastructure modernization program	Filed:Dec. 31, 2019 Order Expected: Jul. 2020

Continued Regulatory Execution Drives Growth and Customer Value

Safety and Infrastructure Investment and Tracker Filing Details

Company	Recovery Mechanism	Incremental Investments		Recovery	
		Investment Period	Investment Amount ($M)	Filing Date	Effective Date
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2018	$199.6	Feb 2019	May 2019
		FY 2019	$234.4	Feb 2020	May 2020
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2018	$121.7	Feb 2019	Sept 2019
		FY 2019	$185.1	Feb 2020	Expected - Sept 2020
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Dec 2019 - Feb 2020	$28.2	Apr 2020	May 2020
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2019	$36.0	Aug 2018	Jan 2019
		FY 2020	$50.0	Aug 2019	Jan 2020
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2019	$30.1	Oct 2018	Jan 2019
		FY 2020	$40.4	Oct 2019	Jan 2020
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2019	$19.7	Nov 2018	Jan 2019
		FY 2020	$15.0	Jan 2020	Feb 2020
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 10: Jul 2018 – Apr 2019	$12.4	Jun 2019	Nov 2019
		TDSIC 11: May 2019 - Dec 2019	$38.7	Feb 2020	Expected - Jul 2020
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 5: Jun 2018 – Nov 2018	$58.8	Jan 2019	Jun 2019
		TDSIC 6: Dec 2018 – Jun 2019	$131.1	Aug 2019	Jan 2020

* Incremental capital investment anticipated to be lower than $75.0M for 2020

COVID-19 Supplemental Investor Update

May 26, 2020

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of federal securities laws. 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. Examples of forward-looking statements in this presentation include, but are not limited to, statements and expectations regarding NiSource’s or any of its subsidiaries' 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 presentation include, among other things the ongoing impact of the coronavirus (COVID-19) pandemic; NiSource’s debt obligations; any changes in NiSource’s credit rating or the credit rating of certain of NiSource's subsidiaries; NiSource’s ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; NiSource's ability to obtain expected financial or regulatory outcomes; NiSource’s ability to adapt to, and manage costs related to, advances in technology; any changes in NiSource’s assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office for the District of Massachusetts to settle the U.S. Attorney’s Office investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia Gas of Massachusetts business, including the terms and closing conditions under the asset purchase agreement; potential incidents and other operating risks associated with NiSource’s business; NiSource’s ability to obtain sufficient insurance coverage; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to NiSource's reputation, including in connection with the Greater Lawrence Incident; 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; 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 work force; the ability of NiSource's subsidiaries to generate cash; NiSource’s ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters set forth in Item 1A, "Risk Factors" section of NiSource’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and in NiSource’s Quarterly Report on Form 10Q for the quarter ended March 31, 2020. A credit rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization. In addition, dividends are subject to board approval. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

NiSource expressly disclaims any duty to update, supplement or amend any of its forward-looking statements contained in this presentation, whether as a result of new information, subsequent events or otherwise, except as required by applicable law.

Primary Focus on Customer and Employee Safety and Health

- **Following CDC and local guidelines intended to ensure the health and safety of our employees and customers**

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  - NiSource foundation donation of $1M to American Red Cross
  - Nearly $500K donated by the foundation to support operating company initiatives at the local level

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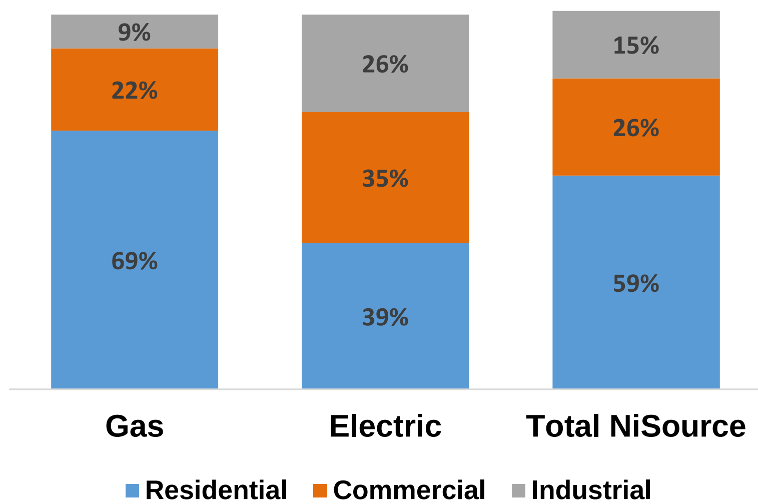
  - Approximately 75% are working remotely or reporting directly to job sites
  - Sequestering employees in critical operations
  - Employees who need to enter company facilities are required to submit to temperature checks, adhere to social distancing measures and wear face masks
  - More frequent cleaning and sanitizing of equipment and buildings
  - Generally limiting company vehicle occupancy to one person

Rate Design and Recovery Mechanisms/Trackers Help Mitigate Impacts

% Retail Margins by Customer Class



Initial pre-tax operating earnings sensitivity to +/- 1% change in annual sales volumes* ($M)		
Customer Class	Electric	Gas
Residential	$ 3.9	$ 3.8
Commercial	$ 3.9	$ 2.4
Industrial	$ 2.3	$ 1.2

Expected Customer Demand (During State Shutdowns)

- Lower commercial and industrial sales
- Increased residential sales

Rate Design

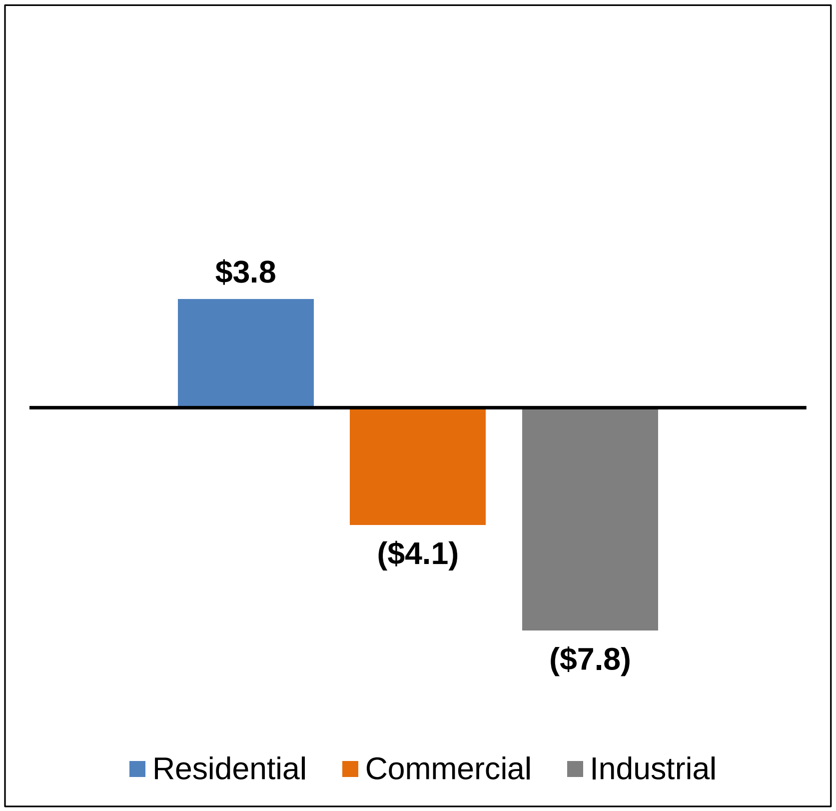
- Gas Segment
  - Residential ~75% Fixed
  - Commercial ~45% Fixed
- Electric Segment
  - Residential ~20% Fixed
  - Commercial ~25% Fixed
  - Small Industrial ~55% Fixed (demand charge ratcheting)
  - Large Industrial ~50% Fixed (5 year fixed demand charge)

Bad Debt

- Expect higher expense
- Bad debt primarily recovered in base rates; additional mechanisms exist in several states on gas/fuel recovery
- Recent orders in MD, VA and PA allow for deferral of COVID-related expenses and bad debt. Request on file with IN IURC for deferral of expenses and creation of bad debt tracker

* Sensitivity may not be linear for large or prolonged volume changes

COVID-19 Weather Normalized April Volume Impacts



- As an off peak month…April sales volumes are less than 8% of total annual volumes for both gas and electric
- April 2020 sales volume declines vs. prior year (month/annualized):
  - (4%) / (0.3%) Gas Distribution
  - (26%) / (2.3%) Electric Operations
- April volumetric declines were concentrated in the Commercial and Industrial segments, partially offset by increased Residential volumes
- April total margin loss of ($8.1M) reflects the mitigating effects of "decoupled" rate designs across the NiSource utilities
- Trends indicate mid-to-late May volumes beginning to recover from April lows

Demand Trends Show Upward Trajectory Starting in May as States Begin to Reopen

Actions Underway to Mitigate 2020/2021 Headwinds from COVID-19

Estimated COVID Related NOEPS* Impacts	
2020	2021
($0.15 - $0.20)	($0.00 - $0.10)

Estimated NOEPS Impact of Mitigation Efforts Underway	
2020	2021
$0.10 - $0.15	$0.05 - $0.10

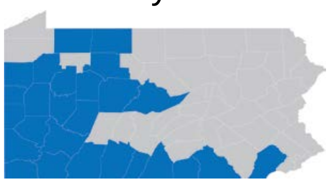
Estimated Net NOEPS Impact (Base Case Scenario)	
2020 ($0.00 - $0.10)	2021 ($0.00 - $0.10)

* Net Operating Earnings Per Share (Non-GAAP)

Reopening Progress for Each State of Operation

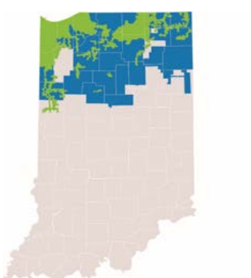
- May 19: Stay at home no longer an order, only a recommendation
- May 12: retail
- May 15: outdoor dining and personal services
- May 21: indoor dining, campgrounds
- May 26: gyms, outdoor recreation

Pennsylvania



- June 4: Stay at home expires (for part of the state)
- Yellow Phase: 49 counties included – daycare, retail open: 8 more counties May 29, all counties by June 5
- Green Phase: 17 counties will move to green on May 29 – dining, bars, personal services, gyms at 50% capacity

Indiana

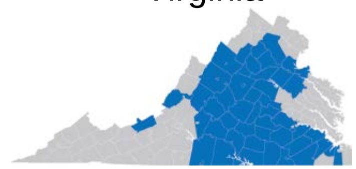


- May 1: Stay at home expired
- May 4: (most counties): public libraries
- May 24: retail at 75% capacity, gyms, community pools, playgrounds
- June 14: retail full capacity, restaurants 75% capacity
- July 4: retail, restaurants, gyms, etc. all full capacity

Gas Service Territory

Electric Service Territory

Virginia



- June 10: Stay at home expires
- Phase 1: May 15 – retail, outdoor dining, worship at 50% capacity, personal services by appt. only
- No dates yet for Phase 2 and beyond

Kentucky

- May 11: professional services, construction, manufacturing
- May 20: retail, worship
- May 22: outdoor dining at 33% capacity
- May 25: personal services
- June 15: childcare services

Maryland

- May 15: Stay at home order expired
- May 15: retail, worship, personal services at 50%, manufacturing

Massachusetts

- Four phase approach to new normal
- Phase 1: May 18 – worship, manufacturing, construction
- May 25: Retail, limited personal services
- No dates yet for Phase 2 and beyond

Company	Status
NIPSCO	**Petition filed with IURC** on May 8, 2020 for deferral of expenses and lost revenues, seeking to establish a bad debt tracker. Order requested by July 15th.
Columbia Gas of Ohio	Engaging with peer utilities and PUCO, planning to file for deferrals related to COVID impacts
Columbia Gas of Pennsylvania	**Order received** May 13, 2020 authorizing deferral of incremental bad debt above levels currently in rates
Columbia Gas of Massachusetts	DPU established two working groups to focus on customer and utility concerns
Columbia Gas of Virginia	**Order received** April 29, 2020 allowing deferral of incremental bad debt, reconnection fees, late payment fees suspended, reconnection costs, carrying costs and other incremental incurred costs
Columbia Gas of Maryland	**Order received** April 9, 2020 allowing deferral of incremental costs and suspended late fees
Columbia Gas of Kentucky	Tracking COVID related costs for potential future recovery

Monitoring Health & Economic Indicators to Inform Mitigation Strategy

Public Health

May dictate need to redeploy shelter-in-place (major driver of economic outlook, even regionally)

Health indicators to track:

- COVID-19 cases
- Hospitalizations
- COVID deaths
- Share of population tested

Macroeconomic

Looking for consumer confidence, demand, and business distress to inform trajectory

Consumer indicators to track:

- Unemployment claims
- Consumer spend

Employer indicators to track:

- Consumer demand
- Business bankruptcies / financial distress

Internal perspectives

NiSource is well positioned for a current view of economic outlook in our states based on load and gas demand

Internal metrics to track:

- C&I demand and outlook
- Customer arrearages

Rationale: Movement of these indicators over the coming weeks and months will be evidence of economy shifting closer to, or farther from, the base case scenario

NiSource will continue to monitor these metrics, including after shelter-in-place is initially lifted, to assess mitigation strategy and potential impacts to economic outlook

Key Takeaways

- Continued Focus on Customer and Employee Safety and Health
- Currently no Significant Impacts to Supply Chain or Operating Activities
- Proactively Managing Impacts to our Business Plan
  - O&M Reductions Underway
  - Regulatory Solutions – in dialogue across all jurisdictions
  - Organizational Repositioning announced May 21, 2020

Appendix:
COVID-19 Update

Bad Debt Recovery Mechanisms

Company	Bad Debt Expense Included in Base Rates*	Tracked Incremental Expense	Tracked Filing Frequency
Gas Distribution			
NIPSCO Gas	Yes	Gas cost only	Quarterly
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Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
Electric Operations			
NIPSCO Electric	Yes	None	N/A

* Based on historical bad debt of ~1% of gross revenue

Revenue and Weather Normalization Mechanisms

Company	Revenue Decoupling/ Normalization	Weather Normalization
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NIPSCO Gas	None	None
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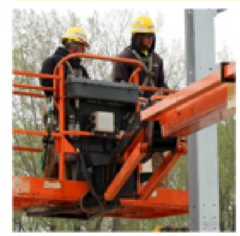
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Massachusetts	Yes (Decoupling) – All Classes	None
Columbia Gas of Virginia	Yes (RNA*) – Residential	Yes – Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) – Residential	Yes – Residential & Commercial
Columbia Gas of Kentucky	None	Yes – Residential & Commercial
Electric Operations		
NIPSCO Electric	None (Most Industrial Rates include fixed demand or demand ratcheting)	None

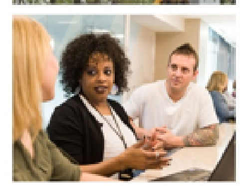
* Revenue Normalization Adjustment

Supplemental Slides

Second Quarter 2020 Earnings

August 5, 2020





NiSource

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of federal securities laws. 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 our 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 presentation include among other things, our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; 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; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia of Massachusetts business, including the terms and closing conditions under the Asset Purchase Agreement; potential incidents and other operating risks associated with our business; potential impacts from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; 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; 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; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and in our subsequent SEC filings, 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.

Regulation G Disclosure Statement

This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the SEC's Regulation G. The company includes this measure because management believes it permits investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways

- **Cost mitigation efforts offset financial impacts of COVID-19 in Q2**
- **Expected 2020 Capex reaffirmed at $1.7 to $1.8B**
- **Columbia Gas of Massachusetts asset sale remains on track**
- **Corporate strategic initiative underway with a focus on cost structure and capabilities**
- **2021 NOEPS* guidance initiated in range of $1.28 to $1.36**
- **Investor Day preview highlights long-term growth opportunities through 2024**
  - Virtual meeting to be held in late September 2020
  - Safety and infrastructure investment programs continue
  - Incremental $1.8 to $2.0B of renewable generation investment opportunities
  - Long-term growth rate and detailed financing plan to be provided
  - Capital investment plan projected to grow rate base by 10% to 12% CAGR
- **Pipeline safety enhancements, electric generation strategy remain top priorities**
  - Base rate cases pending in Pennsylvania and Maryland
  - NIPSCO Gas TDSIC program extension approved
  - New Ohio IRP rider rates effective in May, CEP rider update pending
  - CPCNs filed for 300MW of solar PPAs; commercial agreements advancing on solar + storage BTAs

Focused on COVID Response and Enhancing Safety, Service and System Reliability

* Net Operating Earnings Per Share (Non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's August 5, 2020, Earnings Release

Second Quarter 2020 Financial Highlights

Non-GAAP*	2020	2019	Change
Net Operating Earnings Available to Common Shareholders ($M)	$50.2	$19.1	$31.1
Net Operating Earnings Per Share	$0.13	$0.05	$0.08

GAAP	2020	2019	Change
Net Income (Loss) Available to Common Shareholders ($M)	($18.5)	$283.1	($301.6)
Basic Earnings (Loss) Per Share	($0.05)	$0.76	($0.81)

Impacts of COVID-19 Offset by Cost Mitigation Efforts during 2Q

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's August 5, 2020, Earnings Release and the supplemental segment and financial information accompanying this presentation available on the investor section of www.nisource.com.

Second Quarter 2020 Segment Highlights

Gas Distribution Operations ($ millions)	Q2 2020	Q2 2019	Change
Operating Revenues	606.2	608.5	(2.3)
Operating Expenses*	532.8	561.7	28.9
Operating Earnings (Non-GAAP)	**73.4**	**46.8**	**26.6**

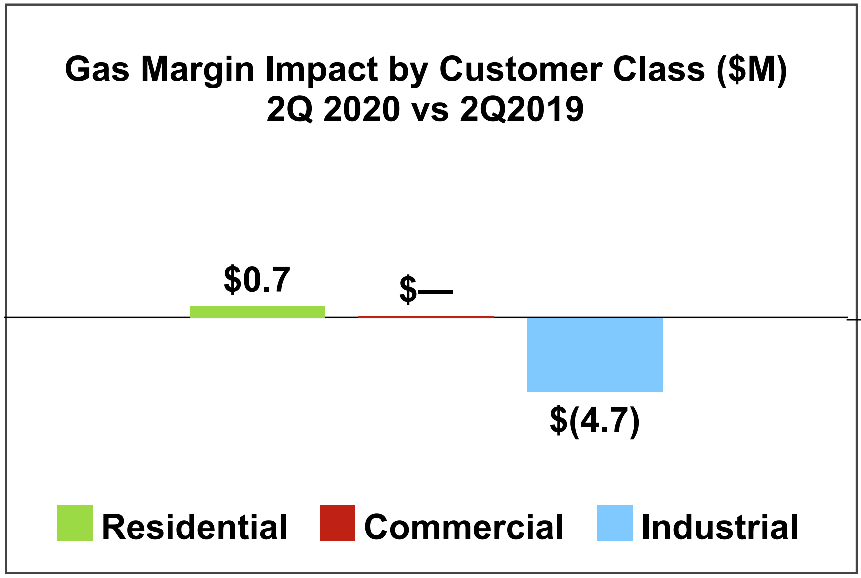
* Includes cost of sales net decrease of $17.5M

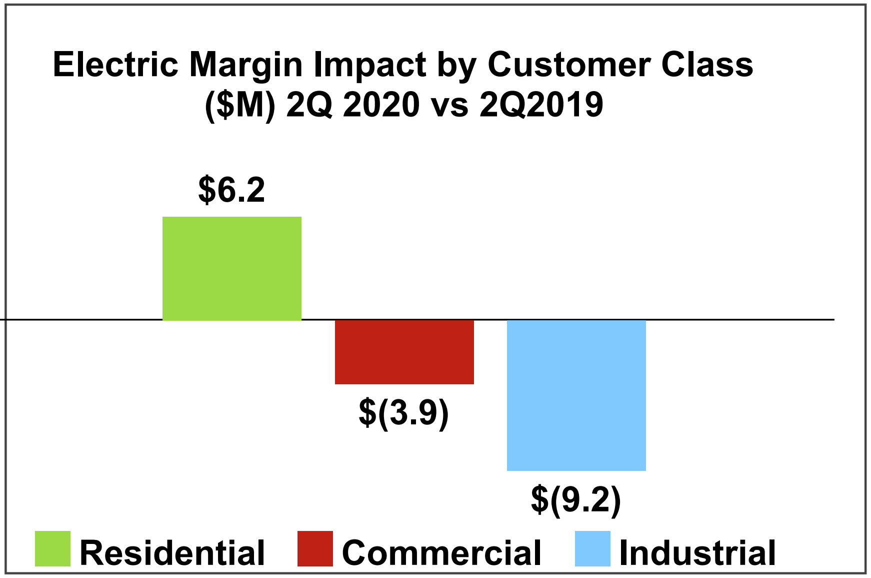
Electric Operations ($ millions)	Q2 2020	Q2 2019	Change
Operating Revenues	354.3	406.7	(52.4)
Operating Expenses*	264.9	320.9	56.0
Operating Earnings (Non-GAAP)	**89.4**	**85.8**	**3.6**

* Includes cost of sales net decrease of $47.7M

Cost Management More Than Offset COVID Impacts During Q2

COVID-19 Financial Impacts





2Q 2020 COVID-19 NOEPS* impact of (~$0.06), offset with cost management and regulatory solutions

- Sales margin loss - see above
- Reduced other revenues - late payment and reconnection fees
- Increased bad debt and other expenses

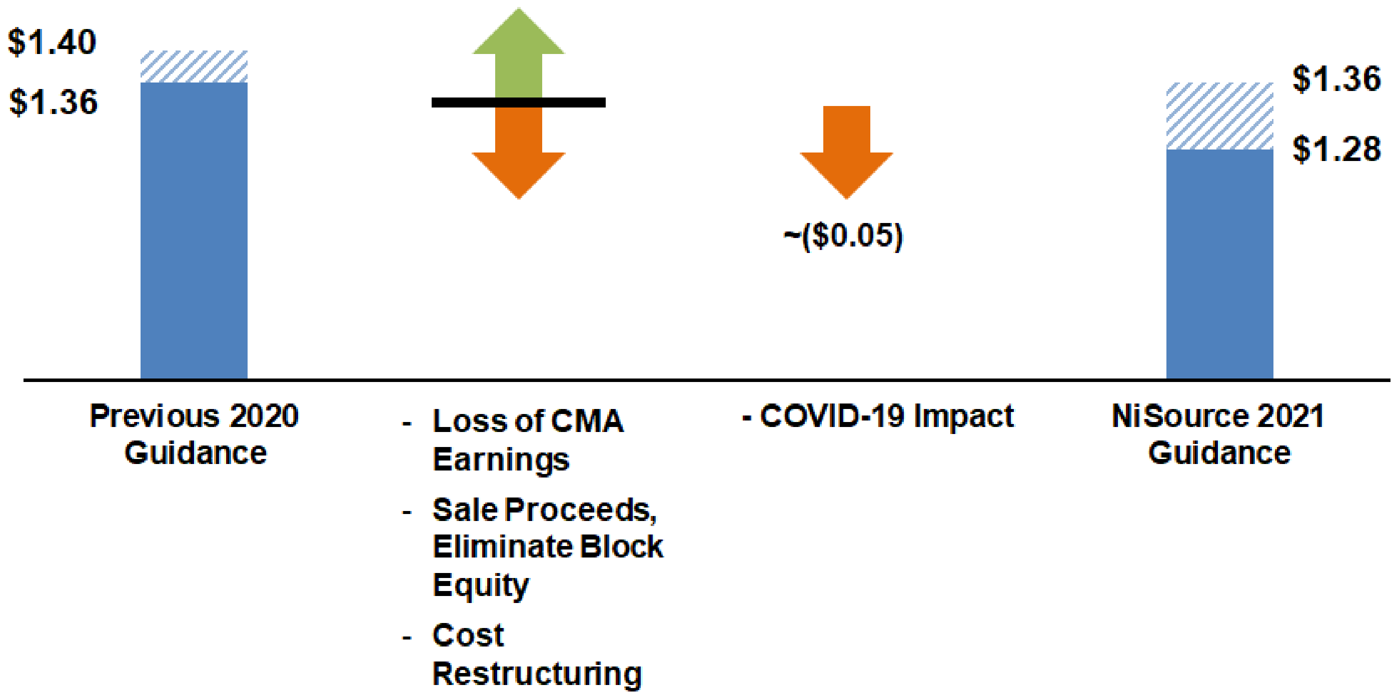
Midpoint of 2021 "base case" NOEPS* impact of COVID-19 = (~$0.05); included in 2021 guidance range

COVID Impact Trends Consistent With Base Case Scenario

* Net Operating Earnings Per Share (Non-GAAP)

2021 Guidance Initiated

NiSource 2021 NOEPS* Guidance Range $1.28 - $1.36



2021 Guidance Establishes the Starting Point for the Long-Term Plan

* Net Operating Earnings Per Share (Non-GAAP)

NiSource Debt and Credit Profile

- **Debt level: ~$10.0B as of June 30, 2020**
  - ~$8.7B of long-term debt
    - Weighted average maturity ~16 years
    - Weighted average interest rate of 4.31%

- **Solid liquidity position**
  - ~$2.0B in net available liquidity as of June 30, 2020*
  - ~$2.2B of committed facilities in place as of June 30, 2020
    - ~$1.9B revolving credit facility
    - ~$0.3B accounts receivable securitization facilities **

- **Interest rate hedging position**
  - ~$500M of anticipated debt issuances hedged as of June 30, 2020

- **Committed to investment-grade credit ratings**
  - S&P BBB+ | Moody's Baa2 | Fitch BBB

Solid Financial Foundation to Support Long-Term Infrastructure and Safety Investments

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

Financing Plan Update

NiSource Current Financing Plan*		
($ in Millions)	**2019 Actual**	**2020 Estimated**
Equity		
Common Equity Block Issuance	None	None Planned
ATM (At-The-Market)	$229	$200 - $300
ESPP/401K/Other	$34	$35 - $60
Long-Term Debt		
Incremental Long-Term Debt	$714	$1,000 - $1,200

Long-term Financing Targets Adj. FFO/Total Debt of ~14%-15%**

* Current financing plan may change based on business developments.
**Adjusted Funds from Operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes.

Gas Distribution Operations

- Base rate cases pending in Pennsylvania, Maryland
- Safety & Infrastructure program extension approved in Indiana
- Deferral orders received for COVID-related bad debt in IN, PA, VA, MD and OH
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

Key Milestones:

Highlight	Key Components	Status
Columbia Gas of Mayland Base Rate Case	• Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Requests $6.3M total annual revenue increase; $5.0M net of infrastructure trackers	• Filed May 15, 2020 • Order expected Q4 2020 • New rates effective Dec. 2020
Columbia Gas of Pennsylvania Base Rate Case	• Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Requests $100.4M total annual revenue increase	• Filed Apr. 24, 2020 • Order expected Q1 2021 • New rates effective Feb. 2021
Columbia Gas of Ohio Infrastructure Replacement Program (IRP) Annual Rider Update	• Order covers ~$234M in 2019 capital investments • IRP rider allows recovery of safety & infrastructure investments in priority mainline pipe and targeted customer service lines • Well-established program authorized through 2022	• Filed Feb. 28, 2020 • Order received Apr. 22, 2020 • New rates effective May 2020
Columbia Gas of Ohio Capital Expenditure Program (CEP) Annual Rider Update	• Application covers ~$185M in 2019 capital investments • CEP rider allows the company to recover capital investments and related deferred expenses that are not recovered through its IRP tracker • Rider first approved by PUCO in 2018	• Filed Feb. 28, 2020 • Order expected Aug. 2020 • New rates effective Sep. 2020
NIPSCO Gas System Modernization Program	• Six year extension to long-term infrastructure modernization program • Covers nearly $950M of capital investments through 2025	• Filed Dec. 31, 2019 • Order received Jul. 22, 2020
COVID-related Regulatory Updates	• Orders in MD, OH and VA allow deferral of COVID-related expenses and bad debt for later recovery • Order in PA allows deferral of bad debt above amounts in base rates for later recovery • Order in IN allows deferral of suspended fees and bad debt for later recovery	• MD order received Apr. 9, 2020 • VA order received Apr. 29, 2020 • PA order received May 13, 2020 • IN order received Jun. 29, 2020 • OH order received Jul. 15, 2020

~$20B in Identified Long-Term Infrastructure Investment Opportunities

Electric Operations

- New solar projects announced for coal replacement capacity
- $1.8 - $2.0B incremental capital investment opportunities expected in 2022 and 2023
- Continued execution of seven-year ~$1.2B electric system modernization program

Key Milestones:

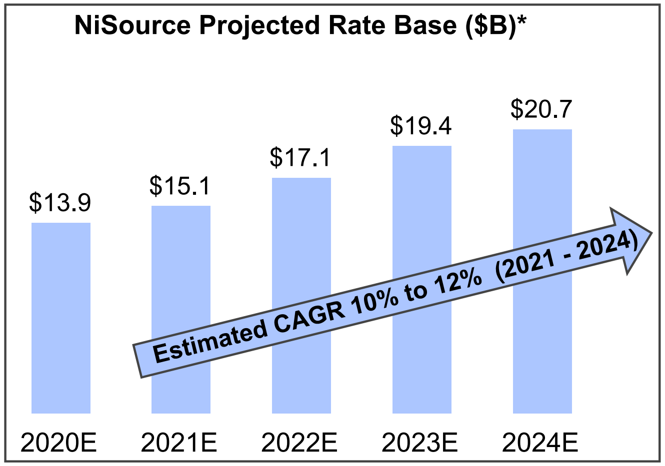
Highlight	Key Components	Status
Renewable Generation Projects	• Construction continues on Jordan Creek (400MW*) and Rosewater (100MW*) wind projects - expected to go in service by YE 2020 • BTA application approved for Indiana Crossroads (300MW*), a second joint venture between NIPSCO and EDP Renewables • Commercial terms reached on Brickyard Solar (200MW*) and Greensboro Solar (100MW) + storage (30MW*) PPAs filed • Latest RFP represents replacement ~1,400 MW of coal capacity through 2023	• Indiana Crossroads CPCN filed Oct. 22, 2019, order received Feb. 19, 2020 • Tax Equity Partnership agreements reached for Rosewater • Regulatory approval pending for Brickyard and Greensboro Solar
Electric System Modernization Program	• Focused on electric transmission and distribution investments designed to improve system reliability and safety • TDSIC 6 semi-annual tracker update covering $131.1M in investments from Dec. 2018 - Jun. 2019 now in rates	• Filed Aug. 21, 2019 • Order received Dec. 18, 2019 • Rates effective Jan. 2020
Integrated Resource Plan (IRP)	• Outlines NIPSCO's plans for meeting customers' long-term electricity needs • 2018 IRP included plans to retire nearly 80 percent of NIPSCO's coal-fired generation fleet by 2023 and the remaining coal-fired unit by 2028 • Replacement options point toward lower-cost, reliable, cleaner energy resources • Discussions continue with select bidders in second round of RFPs	• Submitted Oct. 31, 2018 • Next IRP expected in 2021

~$10B in Identified Long-Term Infrastructure Investment Opportunities

* Represents installed capacity of generation facilities.

Investor Day Preview - NiSource Long-Term Plan (2021-2024)

Investor Day will highlight strategy and enhanced long-term growth plan (virtual meeting scheduled for September 29, 2020)

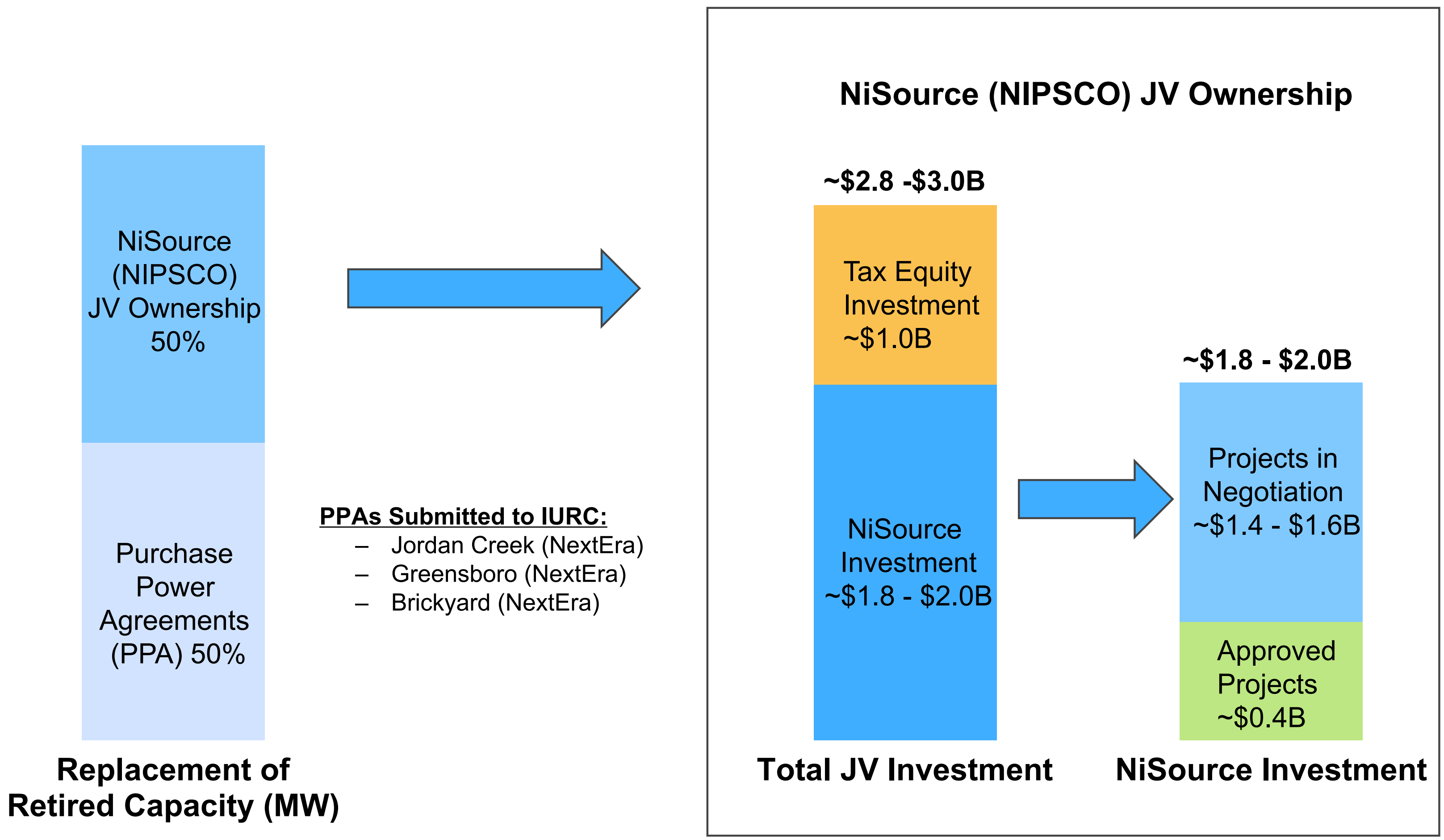


- Business strategy and long-term outlook
  - Updated for gas and electric businesses
- Update on Safety Management System (SMS) progress
- Highlighting on-going safety and infrastructure investment programs through 2024
  - Risk reduction and asset modernization
- Transition from coal to renewables
  - Drives an industry-leading greenhouse gas reduction of 90% by 2030 (from 2005)
  - Represents an additional $1.8- $2.0B of investments through 2023 and additional opportunities through 2028
- Leading ESG profile highlighted
  - Environmental performance, safety leadership and diversity programs underpin sustained commitment
- Financial Outlook Updated
  - Financing plan, cost restructuring and regulatory initiatives outlines to support updated NOEPS** CAGR from 2021- 2024

Robust Rate Base Growth Expected to Drive NOEPS CAGR in Excess of 5 to 7%**

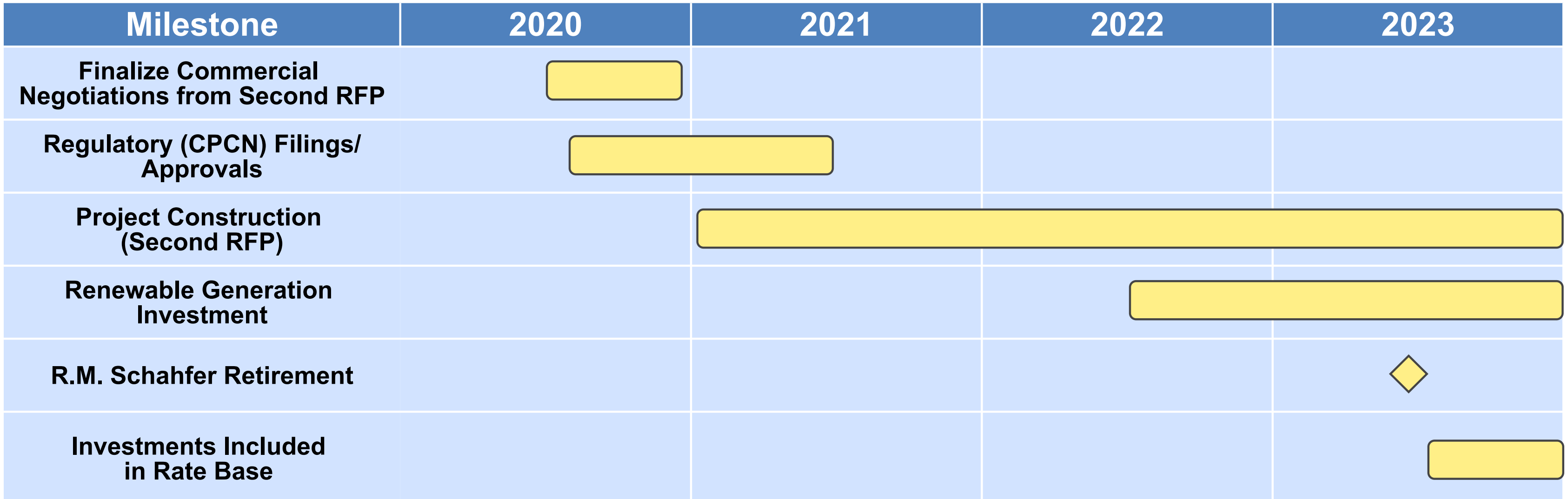
*Excludes MA
* *Net Operating Earnings Per Share (Non-GAAP)

Investor Day Preview - Renewable Investment Opportunity



~50% Ownership Drives Customer Benefits and Shareholder Value

Investor Day Preview - Generation Strategy Timeline



- Renewable replacement plan advancing
  - 2019 Base Rate Case - positioned NIPSCO to move forward with the renewable replacement strategy that provides significant customer benefits and investment opportunity

- Capacity replacement status*

  JV Projects
  - **Rosewater (100MW) -** regulatory approved, tax equity partner (Wells Fargo), under construction, targeted in-service YE2020
  - **Indiana Crossroads (300MW) -** regulatory approved, tax equity partner (TBD), construction begins 2H2020, targeted in-service YE2021
  - **Several Solar Projects -** advanced commercial discussions

  PPA Projects
  - **Jordan Creek (400MW) -** regulatory approved, under construction, targeted in-service YE2020
  - **Brickyard (200MW) -** filed 7/2020, targeted in-service Q22023
  - **Greensboro (130MW) -** filed 7/2020, targeted in-service Q22023

Execution of Generation Strategy Well Underway

* All MW Represent installed capacity of generation facilities.

Appendix:

Second Quarter 2020 Earnings

NiSource

COVID-19 Actions

- **Following CDC and local guidelines intended to ensure the health and safety of our employees and customers**

- **Operating under Incident Command Structure to coordinate strategy, execution and communication across all seven states**

- **For Customers**
  - Suspended shut-offs for non-payment and are offering flexible payment plans
  - Employees using social distancing at customer premises and minimizing all non-essential field work that requires entry to customer homes and locations
  - On-going and frequent communications

- **For Communities**
  - NiSource foundation donation of $1M to American Red Cross
  - Nearly $500K donated by the foundation to support operating company initiatives at the local level

- **For Employees**
  - Approximately 75% are working remotely or job site reporting
  - Sequestering employees in critical operations when required
  - Temperature checks for employees that need to enter critical company facilities
  - More frequent cleaning of equipment and buildings
  - Limiting company vehicle occupancy to one person

Primary Focus on Customer and Employee Safety and Health

COVID-19 Business Implications

- **Customer - lower revenue and cash flows in Q2, gradual recovery expected into 1H 2021**
  - Sales volume declines (Commercial and Industrial)
  - Increased bad debt expense (due to shut-off moratorium and job losses)
  - Customer attrition

- **Supply Chain - no material impacts at this time**
  - Contractor availability, utility materials and supplies largely unaffected
  - Renewables construction ongoing (Rosewater project could experience some delays)

- **State Regulatory Environment - in current dialogue across all jurisdictions**
  - Protection of vulnerable customers
  - Treatment of certain financial impacts (orders in IN, OH, PA, VA, MD allow deferral for later recovery)
  - Monitoring procedural schedules

- **Capital Markets and Liquidity -** we believe current liquidity remains sufficient for the next 12 - 24 months following recent financing activity and the anticipated proceeds of the CMA sale, with limited additional capital market needs

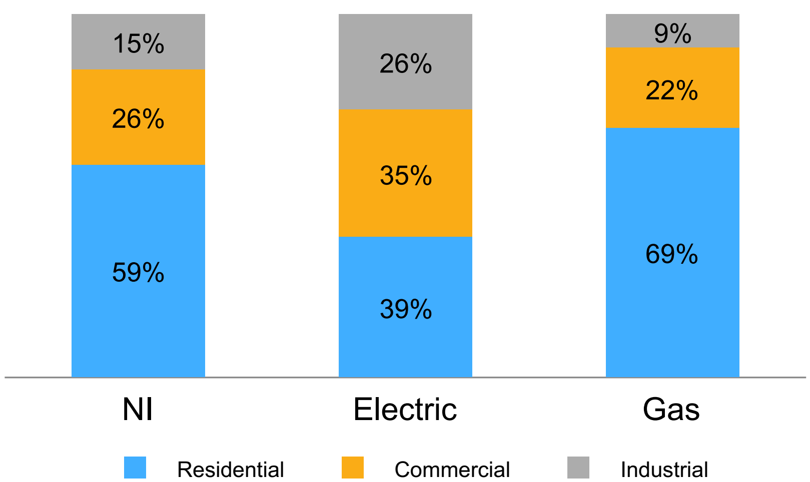
- **Pension Expense and Contributions -** well positioned with 97% funded plans at June 30, 2020

- **CARES (Coronavirus Aid, Relief and Economic Security Act) Legislation -** constructive components to managing cash position

Proactively Assessing and Planning for Potential Impacts to our Strategy and Plan

COVID-19 Customer Demand and Bad Debt

Retail Margins by Customer Class



Initial pre-tax operating earnings sensitivity to +/- 1% change in annual sales volumes* ($M)		
Customer Class	Electric	Gas
Residential	$ 3.9	$ 3.8
Commercial	$ 3.9	$ 2.4
Industrial	$ 2.3	$ 1.2

Customer Demand

- Experienced lower commercial and industrial sales
- Partially offset by increased residential sales

Rate Design

- Gas Segment
  - Residential ~75% Fixed
  - Commercial ~45% Fixed
- Electric Segment
  - Residential ~20% Fixed
  - Commercial ~25% Fixed
  - Large Industrial ~55% Fixed (includes demand ratcheting)

Bad Debt

- Expect higher expense
- Bad debt primarily recovered in base rates; additional mechanisms exist in several states on gas/fuel recovery
- Recent orders in OH, IN, PA, VA, MD allow for deferral of COVID-related bad debt

Rate Design and Periodic Base Rate Cases Mitigate Impacts

* Sensitivity may not be linear for large or prolonged volume changes

Bad Debt Recovery Mechanisms

Company	Bad Debt Expense Included in Base Rates*	Tracked Incremental Expense	Tracked Filing Frequency
Gas Distribution			
NIPSCO Gas	Yes	Gas cost only	Quarterly
Columbia Gas of Ohio	Yes	Gas cost and delivery charge	Annual
Columbia Gas of Pennsylvania	Yes	Partial gas cost only	Quarterly
Columbia Gas of Massachusetts	Yes	Gas cost only	Semi-Annual
Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
Electric Operation			
NIPSCO Electric	Yes	None	N/A

Constructive Regulatory Mechanisms

* Based on historical bad debt of ~1% of gross revenue

Revenue and Weather Normalization Mechanisms

Company	Revenue Decoupling/ Normalization	Weather Normalization
Gas Distribution		
NIPSCO Gas	None	None
Columbia Gas of Ohio	Straight Fixed Variable Rates for Residential and Small Commercial	None
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Massachusetts	Yes (Decoupling) - All Classes	None
Columbia Gas of Virginia	Yes (RNA*) - Residential	Yes - Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) - Residential	Yes - Residential & Commercial
Columbia Gas of Kentucky	None	Yes - Residential & Commercial
Electric Operation		
NIPSCO Electric	None (Demand Ratcheting Large Industrial Rates)	None

* Revenue Normalization Adjustment

Safety Management System (SMS) - Updates Planned for Investor Day

Historic Industry Risk Management

Infrastructure modernization programs driven by:

- Cast iron / Bare Steel Mains and services identified as highest risk
- Historic trends driving infrastructure investment programs
- Deterministic risk analysis as basis for investments

SMS is Changing Risk/Investment Priorities

- Utilizing risk rankings to redefine operational programs
- Prioritizing risk actions across all asset classes
- Expanding efforts in process safety, human performance, quality management and culture

Executing….

- Quantitative risk assessments across asset classes
- Corrective Action Program (CAP) enabling employee risk identification processes and tools
- Enhanced Emergency Preparedness & Response technology & training
- Risk based investment planning & regulatory strategy

Building…..

- Detailed asset management plans, advanced risk modeling tools and quality management capabilities
- Data quality improvements
- New risk informed programs, projects and regulatory plans
- Systems and processes for API Recommended Practice 1173 accreditation

Drives Risk-Informed Decision Making & Business Planning

Initiate → Screen → Evaluate & Action Plan → Approve → Fund → Implement

Integrating Safety, Risk Management and Investment Planning

Environmental, Social & Governance (ESG)

Longstanding ESG Program

- NiSource has been reporting on sustainability and ESG for more than a decade
- Climate Report published in 2019 aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework
- Member of the Dow Jones Sustainability North America Index for six years in a row, ranked 3rd of 11 North American utilities evaluated
- Named to the FTSE4Good Index, S&P Global 1200 ESG Index, S&P 500 ESG Index, and S&P US LargeMidCap ESG Index

Environmental

- Goal of 90% greenhouse gas emissions reductions by 2030 from 2005 levels
- Continued GHG emissions reductions in 2019; total decrease of 48% from 2005 levels
- Announced more than 800 MW of new wind projects expected to be in service by 2021
- Founding member of the EPA's Methane Challenge Program in 2016
- Top 20% environmental performance score from Institutional Shareholder Services (ISS)

Social

- Member of the Bloomberg Gender Equality Index since 2018
- Named one of America's Best Large Employers by *Forbes* since 2016

Governance

- Committed to board diversity - Currently 25% female, 33% ethnically diverse
- Environmental, Safety and Sustainability Committee oversees ESG matters

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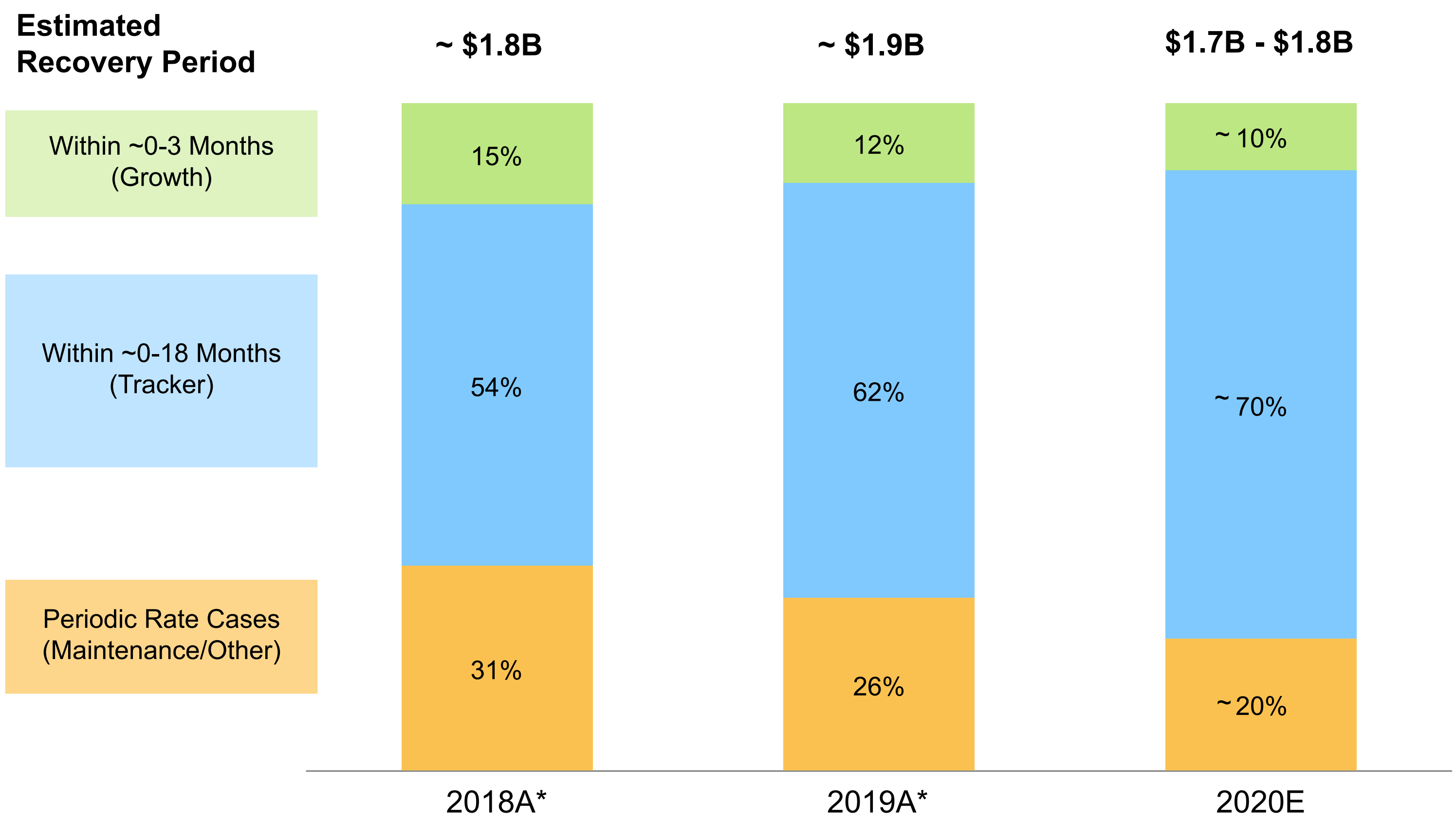
ESG is an Essential Part of NiSource's Strategy

Capital Expenditures

Investments Expected to Deliver Customer Value, Enhance System Safety and Reliability



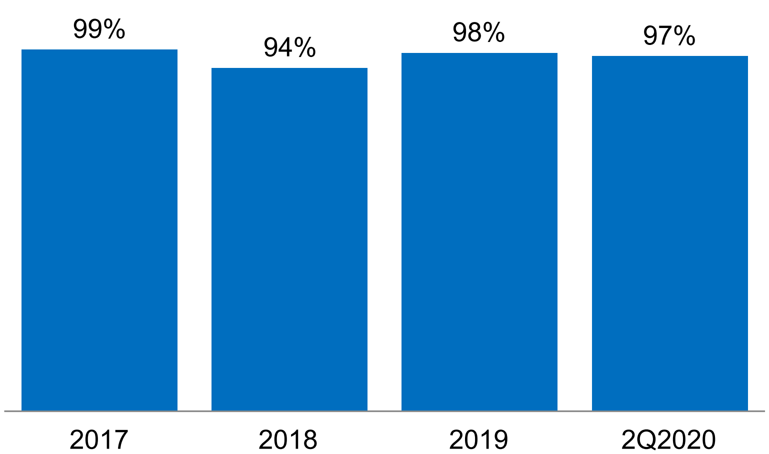
Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

* Greater Lawrence distribution system capital included in maintenance for 2018 and 2019

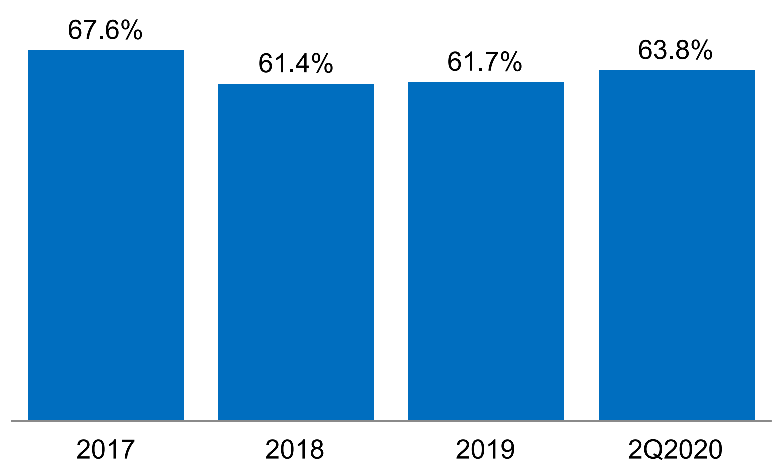
Liquidity and Capitalization as of Second Quarter 2020 ($M)

Current Liquidity	Actual 3/31/2020	Maturity
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	314	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	—	
Accounts Receivable Programs Utilized	314	
L/C's Outstanding Under Credit Facility	10	
Add:		
Cash & Equivalents	142	
Net Available Liquidity	$1,982	

Qualified Pension Funding



Total Debt/Total Capitalization



* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

Long-Term Debt as of Second Quarter 2020 ($M)

Debt Detail	Balance	Wtd. Avg. Rate*	Wtd. Avg. Maturity
Long-Term Debt	$8,739	4.30%	16 years
Revolving Credit Facility	—		
Commercial Paper	—		
A/R Program Borrowings	314	0.50%	1 month
Term Loan	850	0.93%	9 months
Capital Leases, Def Cost & Other	87	N/A	N/A
Total Debt	**$9,990**		

Upcoming Long-term Debt Maturities	2020	2021	2022	2023	2024
NiSource	-	$64	$520	$600	-
NIPSCO	-	-	$10	-	-
Total Long-Term Debt Maturities	**-**	**$64**	**$530**	**$600**	**-**

* Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges
N/A = Not Applicable

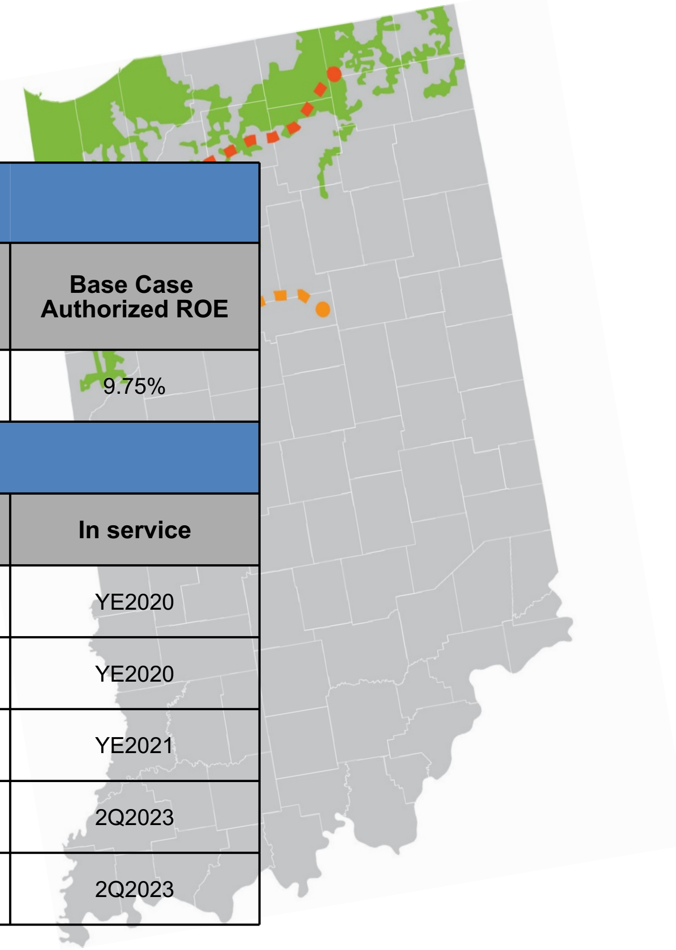
Gas Distribution Operations Infrastructure Programs

Company	Base Case Authorized ROE	Year-End 2019 Rate Base	Total Identified Investments	Modernization Program Investments	Estimated Annual Modernization Program Investment	Recovery Mechanism
Columbia Gas of OH	Not Specified	$3.2B	~$10.4B	~$10.4B	$435M - $550M	Tracked
Columbia Gas of PA	Not Specified	$1.9B	~$5.0B	~$3.9B	$250M - $296M	Rate Case (Forward Test Year)
NIPSCO Gas	9.85%	$1.7B	~$4.9B	~$3.8B	$160M - $180M	Tracked
Columbia Gas of MA	9.55%	$1.1B	~$2.2B	~$1.2B	$75M - $120M	Tracked
Columbia Gas of VA	Not Specified	$850M	~$1.8B	~$540M	$46M - $65M	Tracked
Columbia Gas of KY	Not Specified	$327M	~$1.2B	~$850M	$35M - $40M	Tracked
Columbia Gas of MD	9.60%	$149M	~$212M	~$150M	$18M - $25M	Tracked

Robust Long-Term Investment Programs Deliver Value on $9.2B Rate Base*

* As of Dec. 31, 2019

Electric Operations Investment Programs and Generation Transition



Infrastructure Investment Programs				
Program	**Identified Investments**	**Estimated Annual Investment**	**Recovery Mechanism**	**Base Case Authorized ROE**
Infrastructure Modernization	~$5.9B	~$190M - $240M	Tracked	9.75%
Generation Transition				
Project	**Project Type**	**MW ICAP**	**Status**	**In service**
Jordan Creek	Purchase Power Agreement	400MW	Under Construction	YE2020
Rosewater	Joint Venture	100MW	Under Construction	YE2020
Indiana Crossroads	Joint Venture	300MW	Approved	YE2021
Brickyard Solar	Purchase Power Agreement	200MW	Pending Approval	2Q2023
Greensboro Solar	Purchase Power Agreement	100MW Solar 30MW Battery	Pending Approval	2Q2023

High-Value Investments on $4.7B Rate Base*

* As of Dec. 31, 2019

Regulatory Update

2020 Rate Case and Program/Project Activity		
Company/Filing	**Summary**	**Timeline**
In Progress		
NIPSCO Electric - Solar Project Filings	20-year PPAs for Brickyard and Greensboro solar projects	Filed: July 17, 2020 Order Expected: December 1, 2020
Columbia Gas of Maryland - Base Rate Case	Requested Increase: $5.0M, net of trackers	Filed: May 15, 2020 Order Expected: Q4 2020
Columbia Gas of Pennsylvania - Base Rate Case	Requested Increase: $100.4M	Filed: April 24, 2020 Order Expected: Q1 2021
Completed		
NIPSCO Gas - TDSIC	Six year extension to long-term infrastructure modernization program	Filed: December 31, 2019 Order Received: July. 22, 2020

Continued Regulatory Execution Drives Growth and Customer Value

Safety and Infrastructure Investment and Tracker Filing Details

Company	Recovery Mechanism	Incremental Investments		Recovery	
		Investment Period	Investment Amount ($M)	Filing Date	Effective Date
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2018	$199.6	Feb 2019	May 2019
		FY 2019	$234.4	Feb 2020	May 2020
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2018	$121.7	Feb 2019	Sept 2019
		FY 2019	$185.1	Feb 2020	Expected - Sept 2020
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Dec 2019 - Feb 2020	$28.2	Apr 2020	May 2020
		March 2020 - May 2020	$28.6	June 2020	July 2020
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2020	$46.4	July 2020	Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2019	$30.1	Oct 2018	Jan 2019
		FY 2020	$40.4	Oct 2019	Jan 2020
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2019	$19.7	Nov 2018	Jan 2019
		FY 2020	$15.0	Jan 2020	Feb 2020
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 10: Jul 2018 – Apr 2019	$12.4	Jun 2019	Nov 2019
		TDSIC 11: May 2019 - Dec 2019	$38.7	Feb 2020	Jul 2020
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 5: Jun 2018 – Nov 2018	$58.8	Jan 2019	Jun 2019
		TDSIC 6: Dec 2018 – Jun 2019	$131.1	Aug 2019	Jan 2020

Investor Day

September 29, 2020

NiSource®

This presentation contains “forward-looking statements” within the meaning of federal securities laws. 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 our 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 presentation include among other things, our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; 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; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia of Massachusetts business, including the terms and closing conditions under the related Asset Purchase Agreement; potential incidents and other operating risks associated with our business; potential impacts from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; 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; 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; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 and in our subsequent SEC filings, many of such 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.

Regulation G Disclosure Statement

This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the SEC’s Regulation G. The company includes this measure because management believes it permits investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

AGENDA

1 WELCOME
Randy Hulen

2 STRATEGIC OVERVIEW
Joe Hamrock

3 OPERATIONS & SAFETY FOCUS
Pablo Vegas

4 GENERATION TRANSITION
Shawn Anderson

5 FINANCIAL OVERVIEW
Donald Brown

CLOSING
Joe Hamrock

7 Q&A




Strategic Overview

Joe Hamrock
President, Chief Executive Officer & Director, NiSource




PREMIER REGULATED UTILITY BUSINESS

NiSource®

- NATURAL GAS
  - COLUMBIA GAS OF KENTUCKY
  - COLUMBIA GAS OF MARYLAND
  - COLUMBIA GAS OF OHIO
  - COLUMBIA GAS OF PENNSYLVANIA
  - COLUMBIA GAS OF VIRGINIA
  - NIPSCO GAS
- NIPSCO
- (electric)
  - NIPSCO ELECTRIC

Significant Scale across Six States

~3.2M
Gas Customers

~500K
Electric Customers

NI
LISTED
NYSE

10%–12%
Compelling expected annual total shareholder return proposition 2021-2024*

* Estimated total shareholder return at a constant P/E ratio
Note: Structure is post sale of Columbia Gas of Massachusetts, which is expected to close in October 2020

Safety and environmental leadership will continue to drive customer value and sustainable growth

Strong Foundation

- Regulatory diversity resulting from multiple jurisdictions provides stability
- Significant scale, with ~$14B of regulated electric and gas rate base[1]
- Proximity to abundant, low-cost natural gas resources supports ongoing rate affordability
- Investments and recovery supported by favorable energy policies and constructive regulatory environments

Clear Path to Drive Incremental Growth

- Enhanced ~$40B infrastructure investment opportunity set driving long-term growth
  - Increase of ~$10B from prior expectation
- Well-established capital investment programs with track record of recovery through regulatory trackers
- Driving 10%-12% expected rate base CAGR 2021-2024

Benefiting Customers and Communities

- Accelerated and enhanced implementation of Safety Management System (SMS)
- Generation investments to save customers $4B over 30 years and reduce GHG 90% by 2030[2]
- Investments and focus on organizational efficiency to drive continued customer affordability
- Gas safety and modernization investments advancing environmental benefits

Committed to Shareholder Value

- 100% regulated revenue expected to deliver consistent and predictable earnings growth
- Expected 7%-9% NOEPS[3] CAGR 2021-2024
- Dividend growth to maintain targeted 60%-70% payout ratio
- Balanced financing plan focused on maintaining current investment grade credit ratings and maximizing NOEPS growth

[1]2020E excludes CMA; [2]Compared to 2005 baseline; [3]Net Operating Earnings Per Share (Non-GAAP)

Significant ongoing process

- Realigned executive leadership and integrated key operations functions across the organization
- Accelerated implementation of our Safety Management System (SMS)
- Advancing renewable portfolio with first phase of wind projects expected to be in service by Q4 2020
- Enhanced oversight and guidance on the Quality Review Board and NiSource Board of Directors
- Pending sale of Columbia Gas of Massachusetts

2019

Acceleration of Safety Management System (SMS) implementation began

March
Secretary Ray LaHood Named Chair of Quality Review Board

April
Kevin T. Kabat elected Board Chairman

June
Deborah Hersman, former Chair of NTSB added to the NiSource Board

August
Regulatory approval of milestone renewable project (Rosewater)

2020

February
Announced sale of CMA

March
Lloyd Yates, former EVP at Duke Energy added to the NiSource Board

April
Successful financing transactions

May
Realignment of Leadership team

August
Implementation of VSP as part of larger NiSource Next initiative

October
Expected closing of CMA sale

Q4
Anticipated CPCN filings for solar projects

Balanced senior roles and responsibilities support the execution of our long-term strategic priorities

Joe Hamrock

President & CEO

Pablo Vegas

EVP/COO & President, NiSource Utilities

Donald Brown

EVP/CFO & President, NiSource Corporate Services

Violet Sistovaris

EVP & Chief Experience Officer

Shawn Anderson

Chief Strategy & Risk Officer

Carrie Hightman

EVP/CLO, & CEO & President, Columbia Gas of Massachusetts

Chuck Shafer

Chief Safety Officer

Leadership enhancements further advance NiSource's focus on safety, service and value

Diversity of Board experience and expertise is well-aligned with NiSource strategy

Peter J. Altabef
Age: 61
Elected: 2017
Occupation: Chairman & CEO, Unisys Corp.

Theodore H. Bunting Jr.
Age: 61
Elected: 2018
Occupation: Retired Group Pres., Entergy Corp.

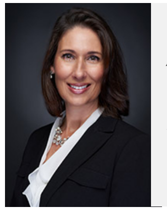
Eric I. Butler
Age: 60
Elected: 2017
Occupation: Pres. & CEO, Aswani-Butler Associates

Aristides S. Candris
Age: 69
Elected: 2012
Occupation: Retired Pres. & CEO, Westinghouse

Wayne S. DeVeydt
Age: 50
Elected: 2016
Occupation: Executive Chair of Surgery Partners, Inc.

Joe Hamrock
Age: 57
Elected: 2015
Occupation: Pres. & CEO, NiSource Inc.

Deborah A. Henretta
Age: 59
Elected: 2015
Occupation: Partner G100 Companies



Deborah A. P. Hersman
Age: 50
Elected: 2019
Occupation: Consultant Waymo, LLC

Michael E. Jesanis
Age: 63
Elected: 2008
Occupation: Retired Pres. & CEO National Grid USA

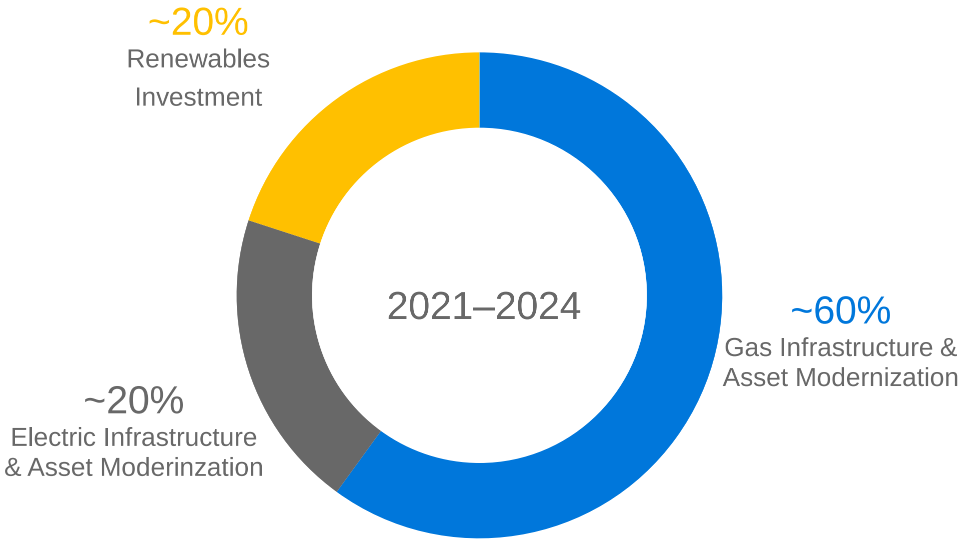
Kevin T. Kabat
Age: 63
Elected: 2015
Occupation: Independent Chairman of the Board, NiSource Inc.; Retired CEO of Fifth Third Bancorp

Carolyn Y. Woo
Age: 66
Elected: 1998
Occupation: Retired Pres. & CEO, Catholic Relief Services

Lloyd M. Yates
Age: 59
Elected: 2020
Occupation: Retired EVP, Duke Energy

* All directors independent other than Joe Hamrock (CEO)

CAPITAL PLAN RESULTING IN EXPECTED LASTING VALUE CREATION



10% to 12%
Expected rate base
CAGR 2021–2024

7% to 9%
Expected NOEPS[1]
CAGR 2021–2024

[1]Net Operating Earnings Per Share (Non-GAAP)

Leveraging our platform through a dedicated investment approach and relentless commitment to safety

- Asset Modernization
- SMS Implementation
- Generation Transition
- Cost-Structure Improvements
- Enhanced Capabilities

- ✓ **Enhanced System Safety**
- ✓ **Customer Affordability and Increased Customer Satisfaction**
- ✓ **Improved Earnings Power**
- ✓ **Sustainable Value Creation over Long-Term Horizon**




Operations & Safety Focus

Pablo Vegas
EVP/COO & President, NiSource Utilities




Energizing the lives of nearly four million customers

~3.2MM
Gas Customers[1]

~$9.0B
Gas Rate Base[1]

~500K
Electric Customers

~$5.0B
Electric Rate Base

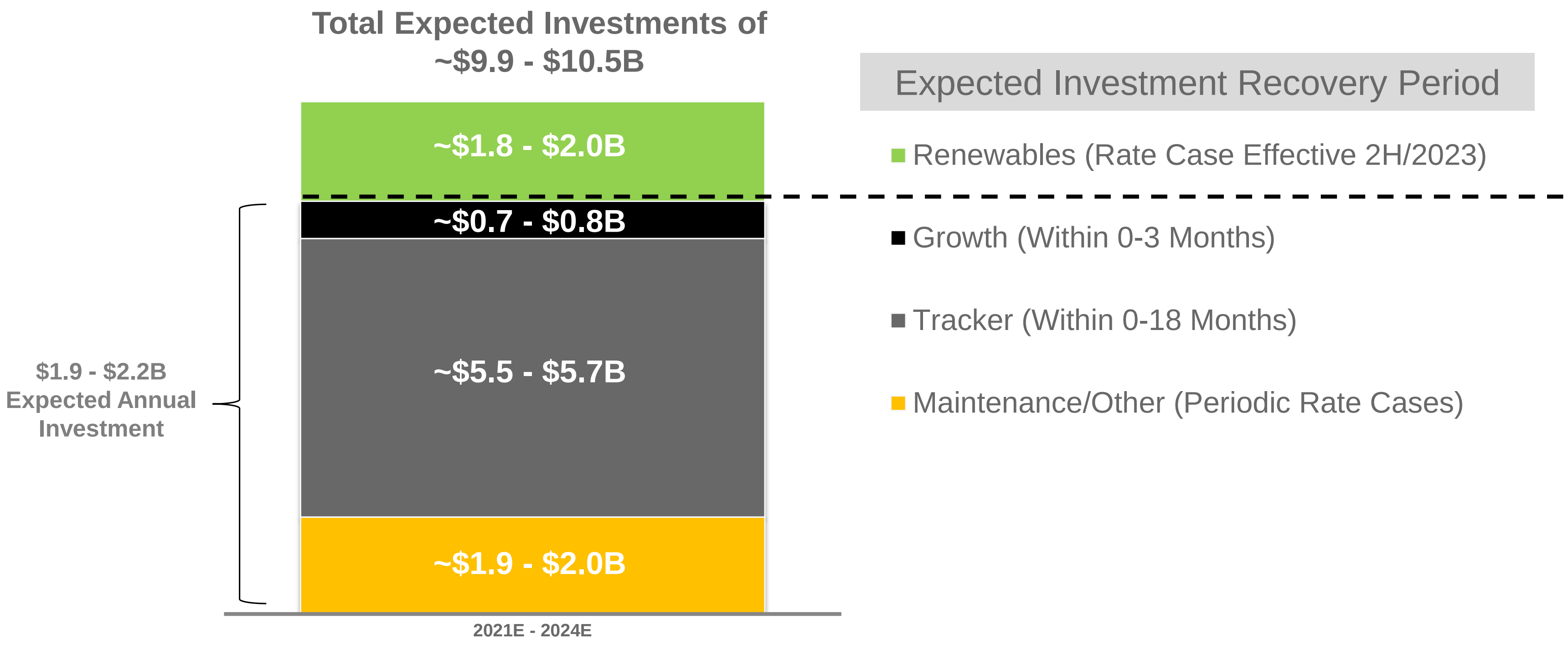
$8.1B-$8.5B
Planned Safety & Modernization Investments 2021-2024

$1.8B-$2.0B
Planned Renewable Generation Investments 2021-2023

- Investments supported by favorable energy policies and regulatory frameworks
- SMS enhancing safety culture
- NiSource Next driving business transformation
- Gas and electric safety & asset modernization investments
- Planned renewable generation investments through 2023 with longer-term opportunities thereafter
- Focus on customer safety, reliability and affordability

[1]Based on 2020E operations post the sale of Columbia Gas of Massachusetts, which is expected to close in October 2020

A significant part of our investment portfolio is preplanned, repeatable and tracked for recovery annually



Investment plan supported by established recovery mechanisms in all states that emphasize long-term rate affordability (targets annual rate impacts in the low-to-mid single digits)

SMS ENHANCING SAFETY CULTURE (VIDEO)

- Unwavering Commitment to Safety Leadership
- Achievable Annualized Run Rate Savings Targets
- Flatter Organization, Stronger Teams, Empowered Leaders & Upskilled Employees
- Seamless Customer Service Using Digital Capabilities
- Standard Operations Management Supported by Modern Technology for Improved Speed and Reliability
- Customer Trust and Investor Confidence

NISOURCE NEXT

enhancing our ability to **achieve consistent, stable growth,** while fostering a culture of **leadership, innovation and commitment to continuous improvement by everyone within our organization**

Safely and sustainably operating in the communities we serve continues to be our highest priority

- Significant annual capital investment in natural gas safety and asset modernization programs planned through 2024
  - SMS continues to prioritize investment opportunities focused on system, public and employee safety improvement and risk reduction

Gas Prioritized Investments

- Bare steel & cast iron pipe replacement
- Excess flow & automatic shutoff valves
- Pipeline over pressurization protection
- Inline pipeline inspection upgrades
- Picarro advanced leak detection

Projected Environmental Benefits

50%

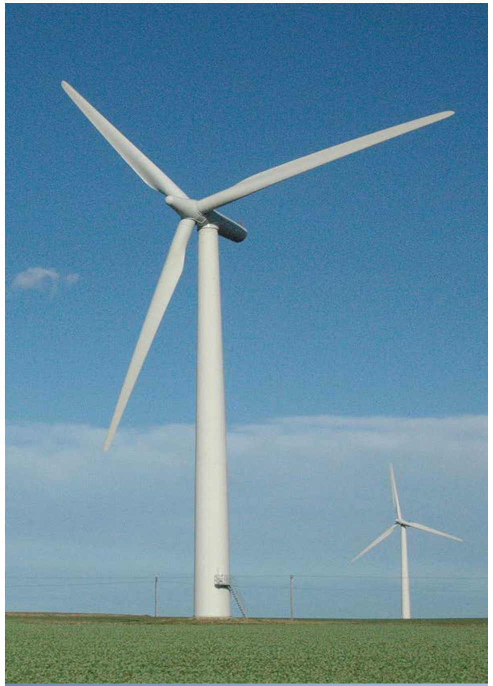
Reduction in methane emissions from natural gas pipelines by 2025[1]

[1]Compared to 2005 baseline

ELECTRIC BUSINESS OPERATIONAL HIGHLIGHTS

Delivering customer benefits, improving system reliability and embracing the need for affordable clean energy are driving growth in our electric business

- $400-$600 million of planned annual capital investment in base electric system infrastructure and asset modernization programs planned through 2024
- Incremental $1.8-$2.0 billion in planned generation investment opportunities through 2023
- Well-established and supported plan for electric generation enhances sustainability and diversification of business profile
  - Replacing approximately 1,400 megawatts of retiring coal-fired generation at Schahfer by 2023
  - Incremental opportunities beyond 2024 supporting planned Michigan City plant retirement
- Rate structure supports competitiveness of energy-intense industrial customers and reduces associated risks



IMPROVING CUSTOMER EXPERIENCE, SATISFACTION AND AFFORDABILITY

- Operational safety and risk management systems driving technology investments to improve the customer experience
- "Know Your Home" campaign launched to better educate customers on their gas infrastructure
- Improved operational efficiency enabling us to become leaner and more efficient while providing more value for customers
- Introduced new payment platforms (PayPal, Venmo) to make bill payment easier
- Continuing payment assistance programs to help customers mitigate COVID-19

"Our customers are at the center of our business …"




Generation Transition Strategy

Shawn Anderson
Chief Strategy & Risk Officer, NiSource



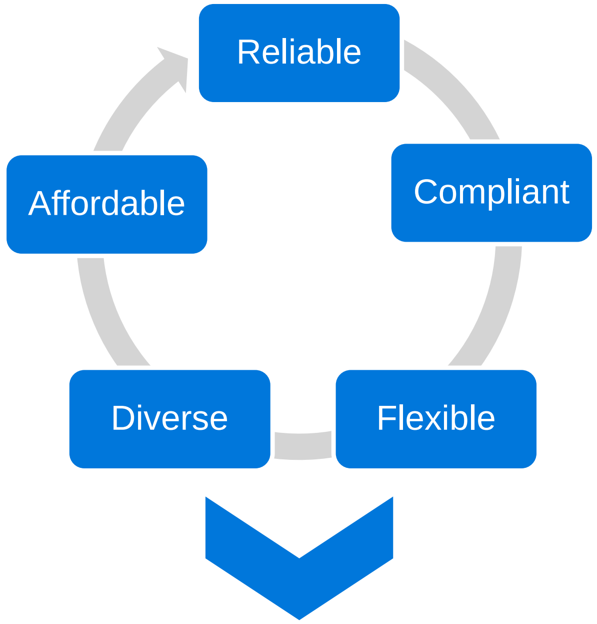

GENERATION TRANSITION STRATEGY FOUNDATIONS

Charting the long-term course for transitioning our generation portfolio

The IRP Process

- The Integrated Resource Plan (IRP) outlines NIPSCO long-term plans to supply electricity to customers
- IRP is required of all electric utilities in Indiana
- Takes into account interests of customers, employees, environment and local economy
- Process includes extensive analysis across a range of generation scenarios
- Broad stakeholder engagement is supported throughout process

Key IRP Planning Considerations



Process leads to generation replacement investment opportunities

GENERATION TRANSITION OUTCOMES

Replacing 80% of coal capacity by 2023 with primarily renewable resources; retiring all coal generation by 2028

~$4B in customer savings over 30 years

11K jobs during construction and $2B in economic activity

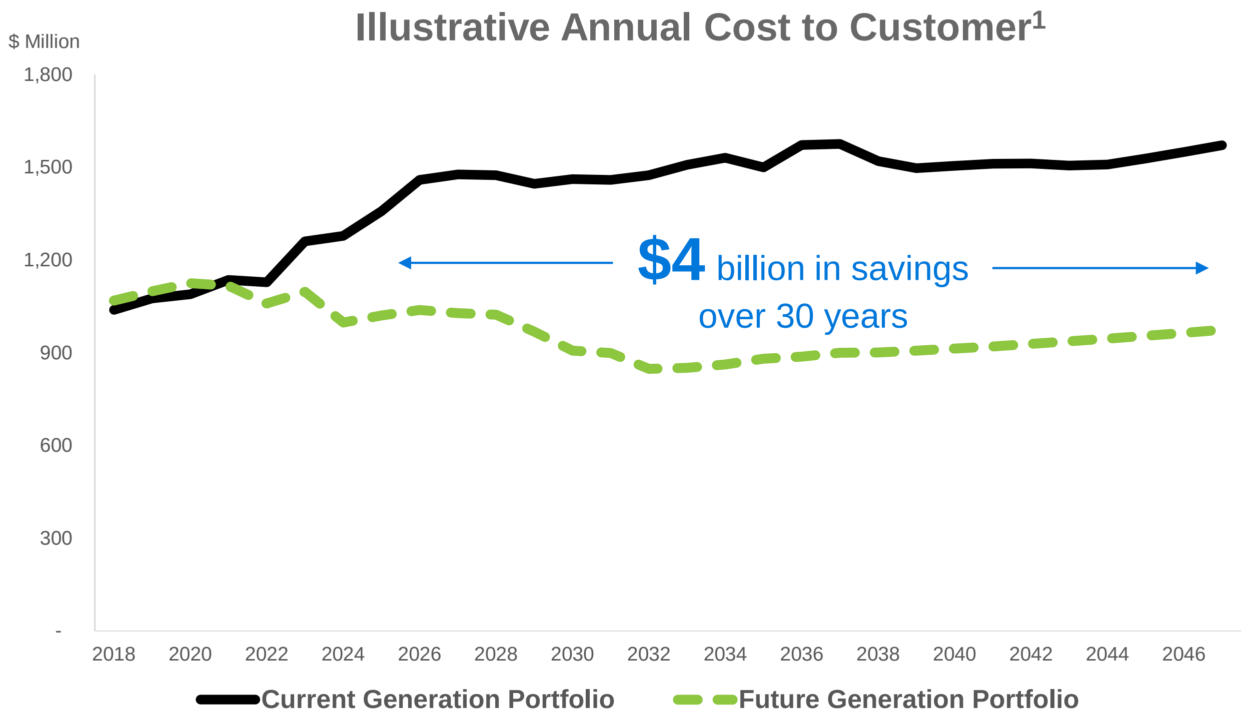
YOUR ENERGY YOUR FUTURE

$1.8B–$2B of planned investment opportunities through 2023

GHG emissions to be reduced 90% by 2030[1]

[1]Compared to 2005 baseline

DRIVING CUSTOMER AND COMMUNITY BENEFITS



Renewable investments expected to benefit Indiana's economy

- Renewable generation infrastructure estimated to be $5B-$6B by 2023[3]
- ~11k in direct FTEs created during project construction
- ~$2.3B of contribution to Indiana economic output (Gross State Product)
- Significant reinvestment in local tax base

[1]Reflects renewable investments through 2023 and potential considerations for Michigan City replacement
[2]Based on average of 2013 – 2019 fuel costs
[3]Includes JVs and PPAs

DRIVING ENVIRONMENTAL BENEFITS

Driving down other environmental impacts related to coal

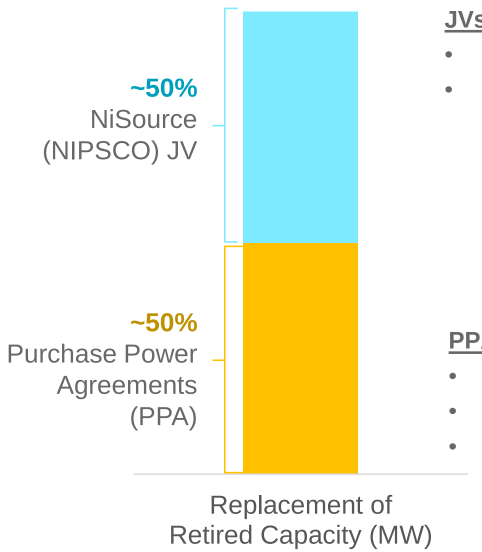
Greenhouse Gas
Reductions from 2005 Levels

48%
By 2019

90%
By 2030E

	Reduction 2005 to 2019	Reduction 2005 to 2030E
Nitrogen Oxides (tons)	84%	~100%
Sulfur Dioxide (tons)	97%	~100%
Mercury (pounds)	94%	99%
Water Withdrawal (millions gallons)	89%	99%
Water Discharge (millions gallons)	93%	99%
Coal Ash Generated (tons)	52%	100%

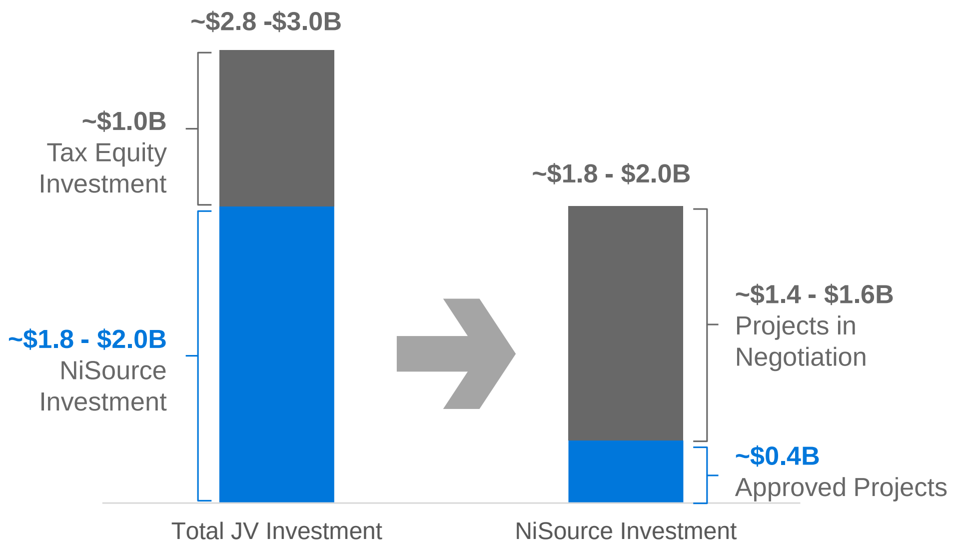
Tax equity partnerships allow for significant reduction in cost to customers and efficient timing of capital deployment



JVs Submitted to IURC:
- Rosewater (EDPR)
- Indiana Crossroads (EDPR)

PPAs Submitted to IURC:
- Jordan Creek (NextEra)
- Greensboro (NextEra)
- Brickyard (NextEra)

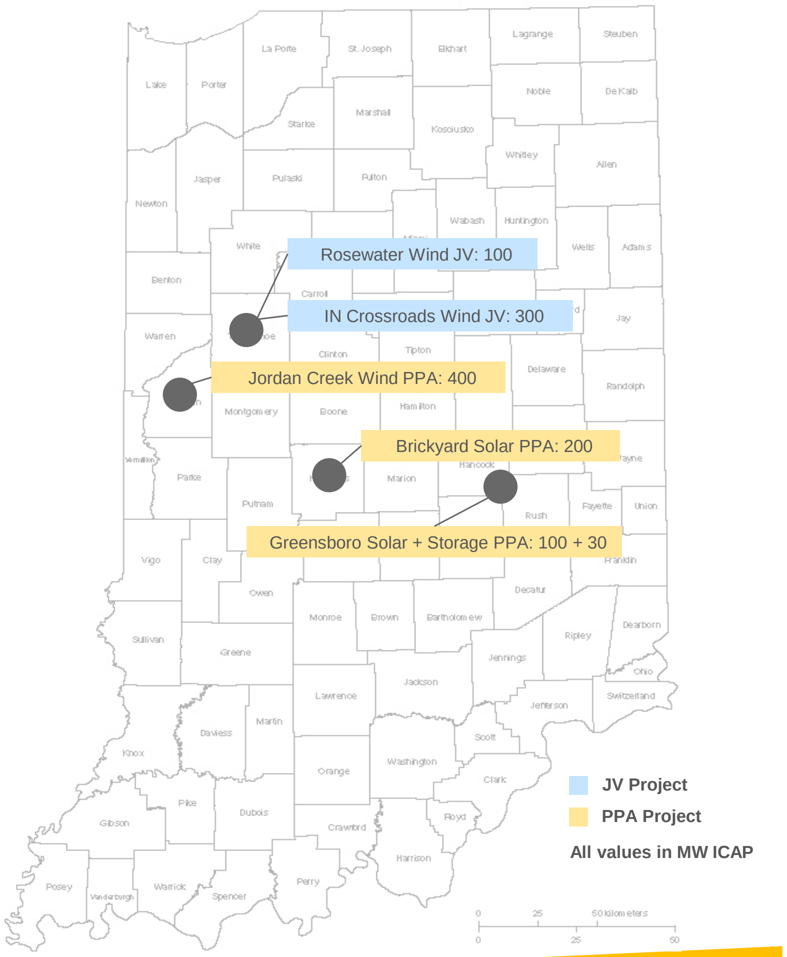
Expected NiSource (NIPSCO) JV Ownership



Mix of JVs and PPAs Drives Customer Benefits and Shareholder Value

ROBUST RENEWABLE INVESTMENTS IN INDIANA

Project	Structure	NIPSCO Investment ($M)	In Service	Status
Executed Projects:				
Rosewater Wind *(EDPR)*	JV	~$100	'20	Under Construction
Jordan Creek Wind *(NextEra)*	PPA	N/A	'20	Under Construction
Indiana Crossroads Wind *(EDPR)*	JV	~$300	'21	Under Construction
Brickyard Solar *(NextEra)*	PPA	N/A	'22	Pending Approval
Greensboro Solar + Storage *(NextEra)*	PPA	N/A	'22	Pending Approval
In Process Projects:				
Solar (+ Storage) Projects[1]	JV	~$1,400 – $1,600	'22–'23	Advanced Commercial Negotiations
Solar & Wind Projects	PPA	N/A	'23	Advanced Commercial Negotiations
Total		**$1,800 – $2,000**		



[1]Includes transmission projects included in IRP which will be fully owned by NIPSCO

All renewable projects are on time and on budget

Build Transfer Agreement (JV) | Purchase Power Agreement | Milestone Achieved

	Project					
Initial Wind Projects	**Rosewater** Capacity: 100 MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2020E	In Rate Base 2023E
Initial Wind Projects	**Jordan Creek** Capacity: 400 MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2020E	Recovered through Fuel Cost Mechanism
Initial Wind Projects	**Indiana Crossroads** Capacity: 300 MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2021E	In Rate Base 2023E
Solar Projects	**Brickyard Solar** Capacity: 200 MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2022E	Recovered through Fuel Cost Mechanism
Solar Projects	**Greensboro Solar** Capacity: 130 MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2022E	Recovered through Fuel Cost Mechanism

Approximately eight to ten additional projects in advanced commercial negotiations

2018
- Engineering/Design Completed
- Board Approval

2019
- Commercial Agreement Reached January 2019
- Filed CPCN February 2019
- Regulatory Approval Received August 2019

2020
- Closed Tax Equity Financing July 2020
- Expected In-Service 4Q 2020

2023
- Developer Buy-Out
- Addition to rate base

ROSEWATER WIND FARM

edp renewables

Project Profile

- 100 MW wind project in White County
- 20 Vestas V136 3.6 MW wind turbines
- 5 Vestas V150 4.2 MW wind turbines
- Substation and transmission lines

Tax Equity Structure

- Tax equity partner (Wells Fargo) funding ~55% of $170M project cost with an estimated flip date of 2030

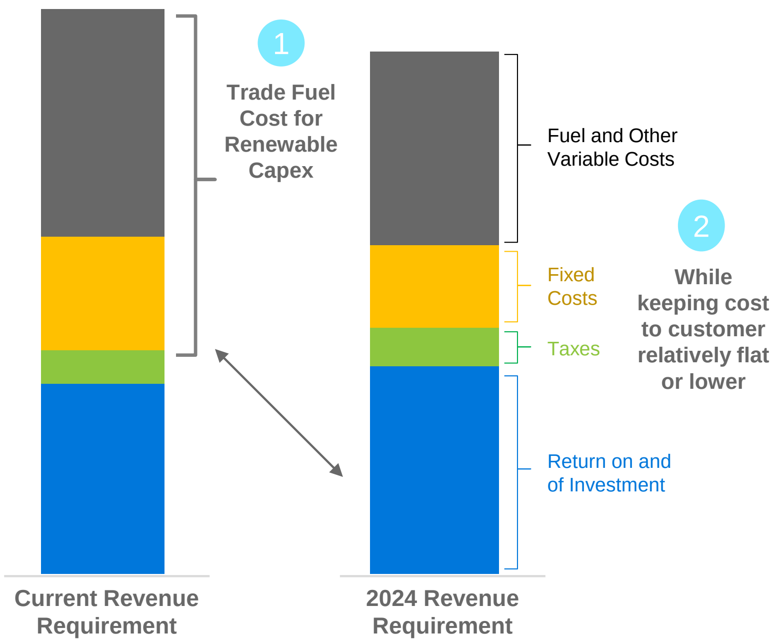
Expected Rate Base Contribution

- ~$90M rate base investment (includes developer carry) to be paid in 2023
- Will be recovered through base rate case

Rate Case planned to add renewable assets to NIPSCO rate base and immediately start passing savings to customers and returns to investors

- **2018 Rate Case set the foundation for execution of the replacement transition**
  - Resolved federal tax reform benefits being passed back to customers
  - Approved changes to depreciation and amortization schedules related to early retirements of coal-fired generation as submitted in the IRP (coal-fired generation to be fully depreciated by 2032)
  - Implemented new rate structure and service flexibility for large industrial customers that provide planning certainty for future capacity needs
- **2023 rate case is expected to transfer CPCN approved renewable investments into rate base (2H/2023)**
  - "Locking in" long-term customer, community and environmental benefits

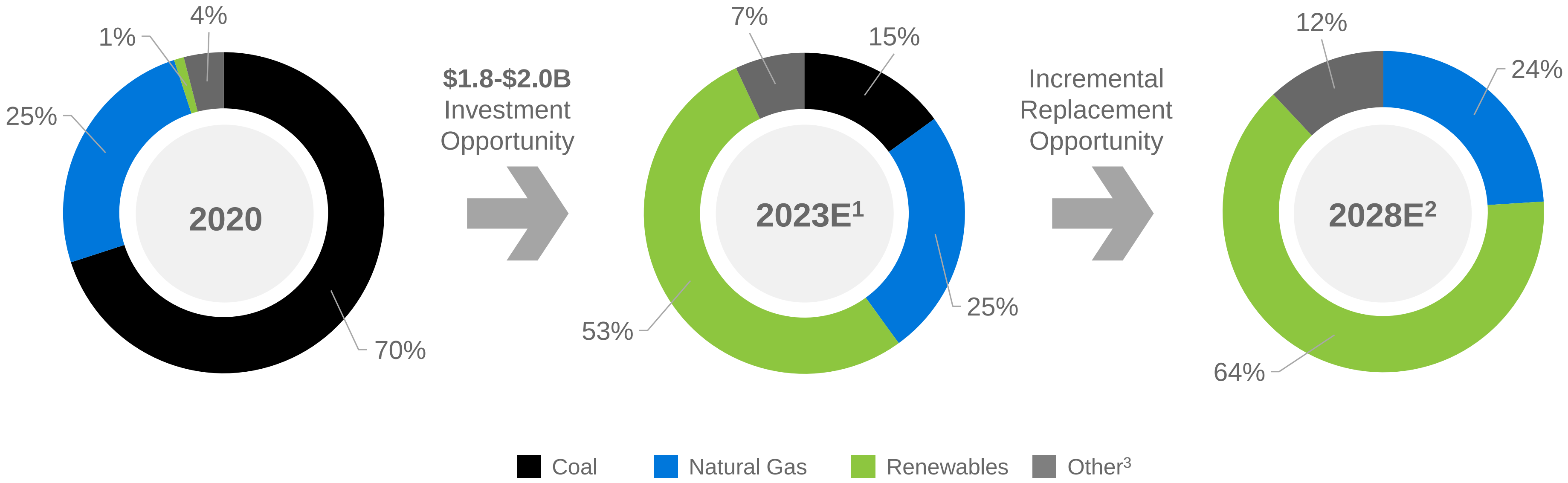
Illustrative Future Revenue Requirement*



Significant reduction of annual maintenance and fuel costs provides long-term rate benefits to customers

*NIPSCO Generation Only

The 2018 NIPSCO IRP outlines the path to retire 100% of coal assets by 2028 …with replacement capacity pointing primarily to solar resources



Incremental generation opportunities beyond 2023 will be shaped by future IRPs

[1]Retirement of Schahfer Units 14/15/17/18; [2]Retirement of Michigan City Unit 12; [3]Other includes DSM

RENEWABLE PROJECT (VIDEO)




Financial Overview

Donald Brown
EVP/CFO & President, NiSource
Corporate Services

NiSource®




Strong Financial Foundation

- 100% Regulated and Stable Revenue Stream
- Diversified Footprint with Utility Businesses across Six Jurisdictions[1]
- Focused Business Strategy Highlighted by Significant Investment Opportunities
  - $1.9B - $2.2B of Planned Annual Growth, Safety & Modernization investments through 2024
  - $1.8B - $2.0B of Planned Renewable Generation investments primarily across 2022 and 2023
- Solid Liquidity with No Major Debt Maturities through the Planning Horizon

Driving

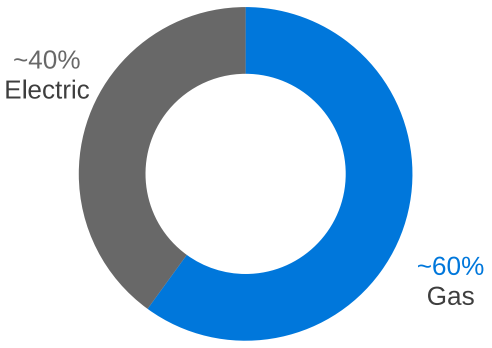
Expected Value Creation

- Utility Rate Base CAGR of 10%–12% over 2021–2024
- NOEPS[2] CAGR of 7%–9% over 2021–2024
  - 5%–7% Near-Term Annual Growth (2021-2023)
- Annual Dividend Growth
  - Targeting 60%–70% Payout Ratio
- Commitment to Strengthening the Balance Sheet and Maintaining Current Investment Grade Credit Ratings
- Customer Value Advantage Enhanced by Sustainable Plan

[1]Operations are post sale of Columbia Gas of Massachusetts which is expected to close in October 2020; [2]Net Operating Earnings Per Share (Non-GAAP)

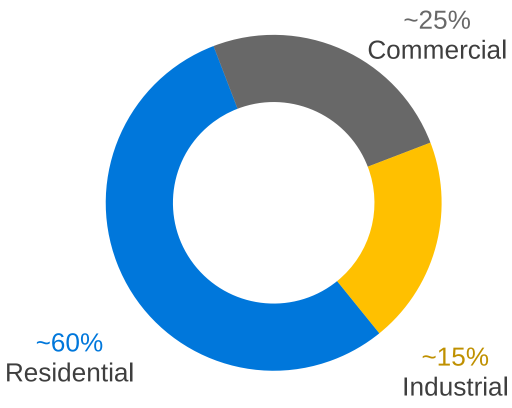
Balanced Business Mix

Operating
Earnings



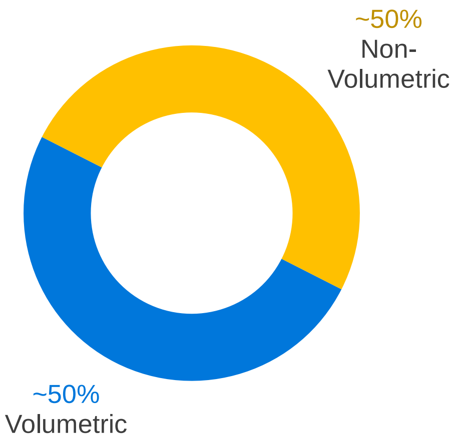
Diversified Revenue Mix

Retail Margins by
Customer Class



Stable Revenue Profile

Rate Design
(Margin)



Financial strength driven by strong regulatory constructs and balanced portfolio mix

[1]Data based on 2019 fiscal year results and excludes CMA.

NISOURCE NEXT COST AND CAPABILITY ENHANCEMENTS

- NiSource Next initiatives and CMA sale projected to drive an ~8% reduction in O&M costs in 2021E from 2020E

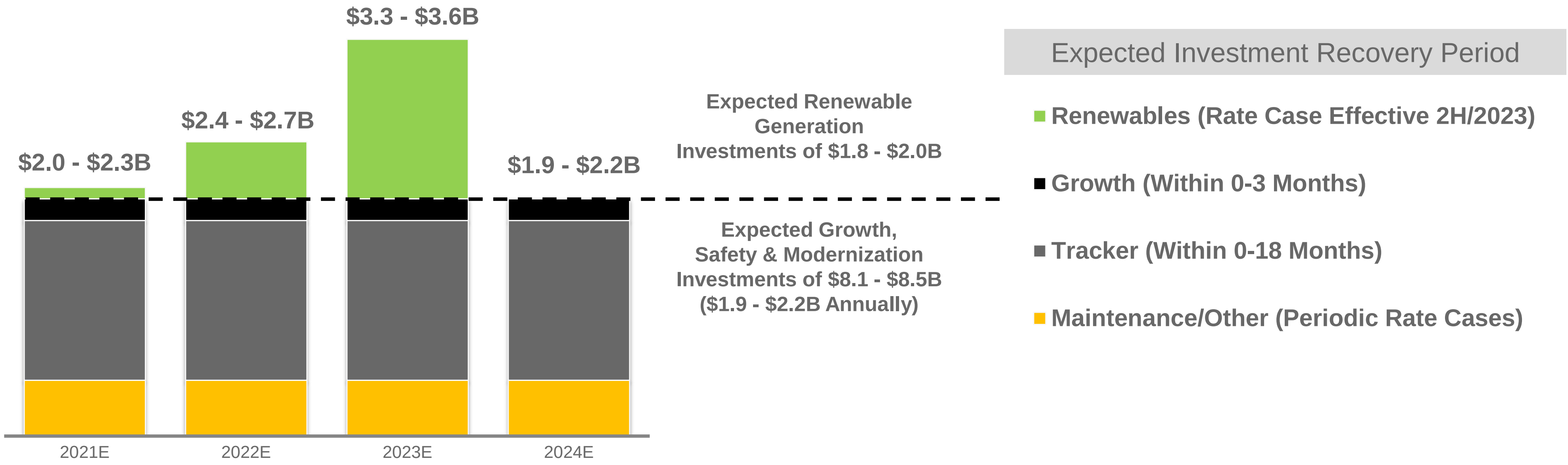
Cost Initiatives Under Way

- Voluntary Separation Program savings
- Improvements identified
  - Streamlined organizational structure
  - Evolved business services
  - Work standardization
  - Greater field mobility
  - Connected customer experience
- Modernization-driven fuel and cost reductions

Offset to future inflationary pressure

Relatively Flat Annual O&M
(2021-2024)

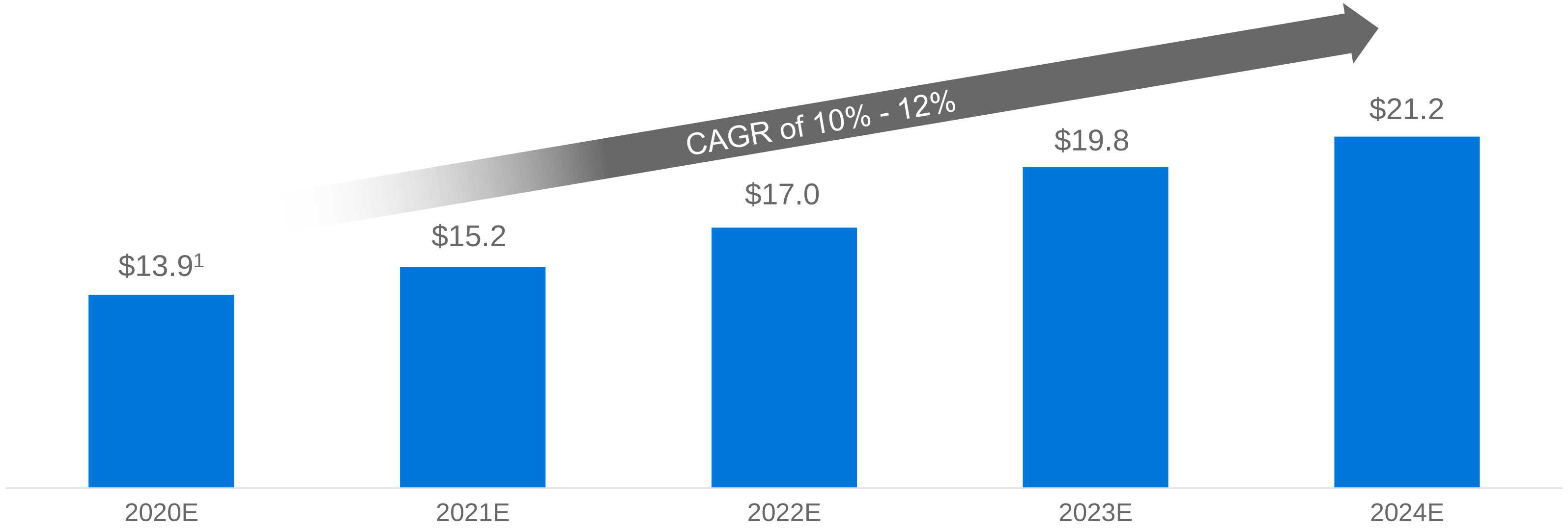
Investment opportunities expected to enhance system safety and reliability while driving shareholder value



More than 75% of Growth, Safety & Modernization Investments begin earning in less than 18 months

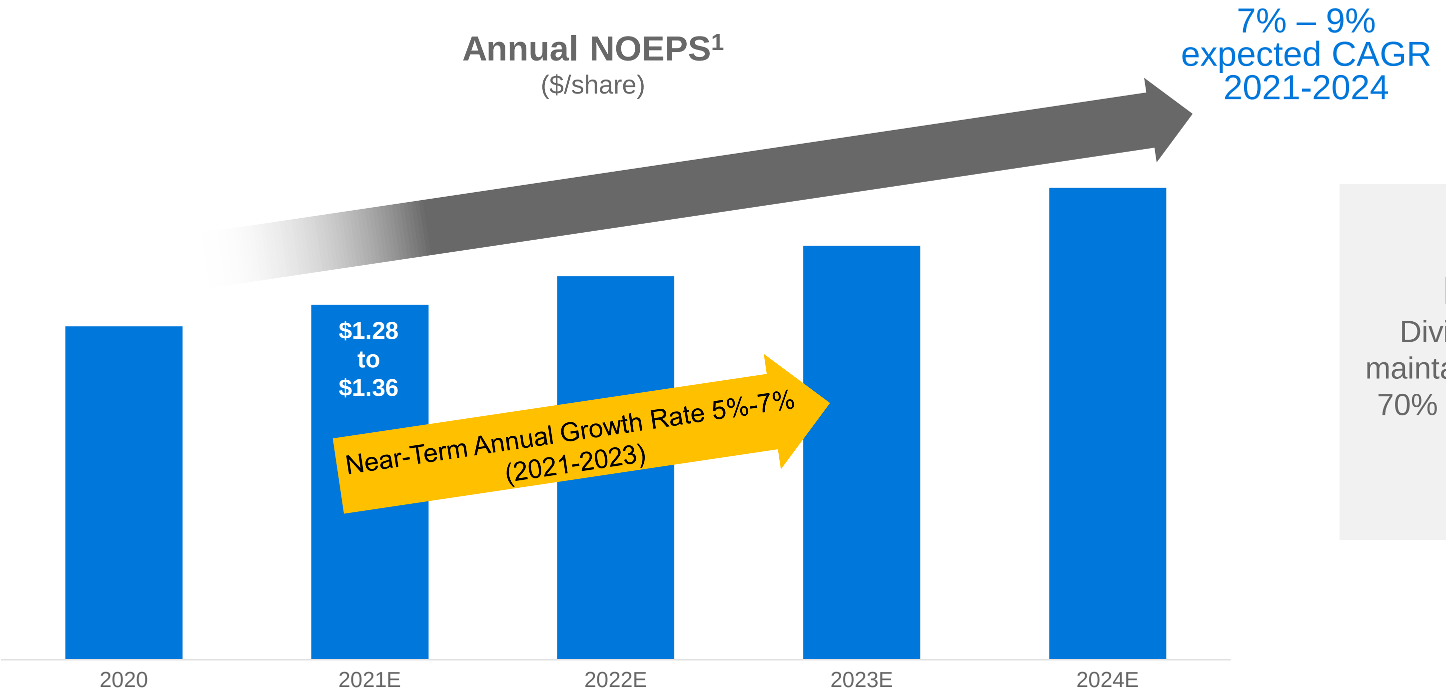
Planned Growth, Safety & Modernization and Renewable investments expected to drive robust rate base growth

NiSource Projected YE Rate Base ($ in Billions)



Rate base growth balanced across jurisdictions and between gas and electric businesses

[1]2020E rate base is post sale of Columbia Gas of Massachusetts which is expected to close in October 2020



Dividend

Dividend growth to maintain targeted 60%–70% long-term payout ratio[2]

Long-term ~$40B investment opportunity expected to drive continued NOEPS growth beyond 2024

[1]Net Operating Earnings Per Share (Non-GAAP)
[2]Subject to board approval

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity				
ATM (At-the-Market)	$200 - $300 Annually			
ESPP/401K/Other	$30 - $50 Annually			
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Annually		
Planned Renewable Generation Investments (Targeting 60% Equity)				
Equity				
Common Equity Block		$500 - $700 Total		
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Total		
Other Financing				
Hybrids, Convertibles, etc.	$600 - $1,000 Total			

Current Financing Plan …

- All financing is included on our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)
- Doesn't include potential portfolio optimization opportunities

Financing strategy targets long-term Adj. FFO[2]/total debt of ~14%-15%

[1]Current financing plan may change based on business developments
[2]Adjusted funds from operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes

Well positioned to maintain current investment grade credit ratings

NiSource	September 30, 2020 (Estimated)
Total Long-Term Debt (LTD)	$9.1B
Weighted Average Rate (LTD)	3.68%
Weighted Average Maturity (LTD)	15.5 Years
Credit Ratings	Baa2 / BBB+ / BBB
Available Liquidity[1]	$1.5B - $1.6B

No significant refinancing needs through 2024

[1]Defined as cash plus available credit facility capacity.




Closing

Joe Hamrock
President, Chief Executive Officer and Director, NiSource

NiSource®




Environmental

- $1.8B-$2.0B of planned renewable investments through 2023
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- Driving toward 90% reduction[1] in greenhouse gas emissions by 2030

Social

- Transformation focused on customer safety and reliability
- Economically benefiting customers and communities
- Committed to engagement, diversity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board recently refreshed
- Robust framework for strategy, risk management and oversight

[1]Compared to 2005 baseline

Leveraging our platform through a dedicated investment approach and relentless commitment to safety

- Asset Modernization
- SMS Implementation
- Generation Transition
- Cost-Structure Improvements
- Enhanced Capabilities

- ✓ **Enhanced System Safety**
- ✓ **Customer Affordability and Increased Customer Satisfaction**
- ✓ **Improved Earnings Power**
- ✓ **Sustainable Value Creation over Long-Term Horizon**


Q&A
NiSource®

Appendix

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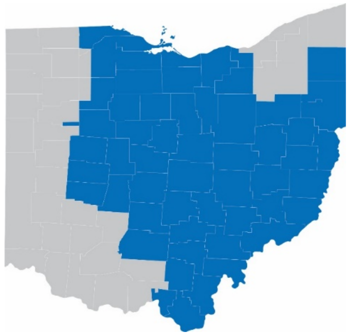
COLUMBIA GAS OF OHIO

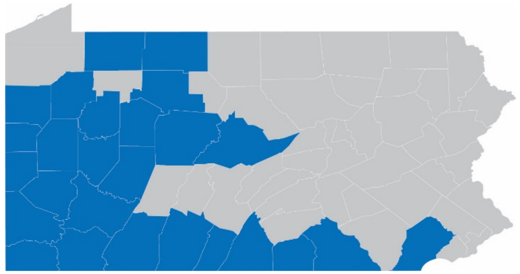
- Business Profile
  - Largest LDC in Ohio (~1.5M customers)
  - ~ 20,200 miles of pipe
  - ~ 2,000 miles of bare steel and cast iron
  - ~ $3.2B rate base
- Customer Focus
  - Nationally recognized energy efficiency programs
  - Positive trending customer satisfaction
- Rate Design
  - Straight fixed variable rate design (fully fixed residential distribution rate)
  - Bad debt tracked with full recovery
  - Several other O&M trackers
- Economic Outlook / Customer Growth
  - Stable economic environment with modest customer growth
  - Energy is central to state economy
- Constructive Legislation
  - House Bill 95
    - Utility modernization capital programs authorized
  - House Bill 319
    - Infrastructure cost recovery for up to $25.5M annually for economic development projects
  - Senate Bill 378
    - Underground protection and enforcement
- Regulatory Environment and Growth Strategy
  - Fully tracked annual Infrastructure Replacement Program (IRP) and Capital Expenditure Program (CEP)
  - Ability to defer costs associated with non-tracked investments
  - Public policy provides tools supporting investment for economic development and deferral of pipeline safety costs



Anticipated Modernization Investment Summary	
Total Investment Opportunities	~$10.6B
Annual Program Investment Range	$540M - $560M
Regulatory Treatment	Tracked
Tracker Filing Period	Historical – 12 months
Tracker Filing Date	February
Recovery Begins	May (IRP Rider), Sept. (CEP Rider)
Weighted Avg Regulatory Lag	< 12 Months
Authorized Program ROE	10.39%

COLUMBIA GAS OF PENNSYLVANIA

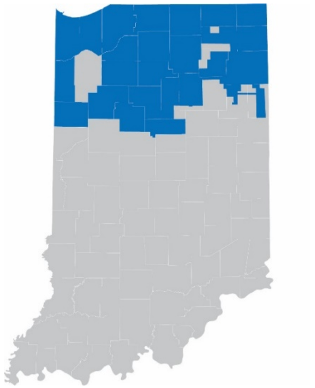
- Business Profile
  - Third-Largest LDC in PA (~437K customers)
  - ~ 7,600 miles of pipe
  - ~ 1,200 miles of bare steel and cast iron
  - ~ $1.9B rate base
- Customer Focus
  - State leader in universal services, low-income initiatives, choice and energy efficiency programs
- Rate Design
  - ~ 27% of residential distribution rate fixed (assuming average customer usage)
  - Weather normalization adjustment for residential customers stabilizes revenue
- Economic Outlook / Customer Growth
  - Stable economic environment
  - Tariff program allows for modest customer growth
- Constructive Legislation
  - Act 11
  - Allows a gas utility to file a Distribution Service Improvement Charge (DSIC) and rate case with fully forecasted rate year
  - No limits for rate cases; DSIC increase limited to 5% of billed revenue
- Regulatory Environment and Growth Strategy
  - Recovery of infrastructure and other costs through base rate filings using a fully projected future test year
  - Tariff supports system expansion by providing limited main and service extensions at cost to customers



Anticipated Modernization Investment Summary	
Total Investment Opportunities	~$4.1B
Annual Program Investment Range	$275M - $340M
Regulatory Treatment	Base Rate Case
Test Year	Fully Projected Future Test – 12 months
Filing Date	1Q
Recovery Begins	Typically within 9 months of filing
Weighted Avg Regulatory Lag	None
Authorized ROE	Not Specified

NIPSCO GAS (INDIANA)

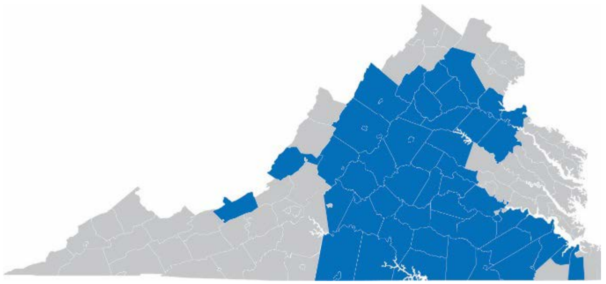
- Business Profile
  - Largest LDC in Indiana (~839K customers)
  - ~ 17,500 miles of pipe
  - ~ 23 miles of bare steel
  - ~ $1.7B rate base
- Customer Focus
  - Lowest-cost gas provider in Indiana over the last 10 years
  - Fewest customer complaints in Indiana in the last five years
  - Continued rise in J.D. Power customer satisfaction survey
- Rate Design
  - ~ 50% of residential distribution rate fixed
  - Low income program fully tracked
  - Energy efficiency tracker
- Economic Outlook / Customer Growth
  - Typically stable economic environment. NIPSCO continues to work with customers impacted by the pandemic with extended payment plans. Favorable regulatory treatment related to bad debt expense
  - Customer-growth potential through rural extension opportunities
- Constructive Legislation
  - Senate Bill 560
    - Use of forward test year, timely rate cases, infrastructure investment tracking, rural expansion for natural gas
  - House Bill 1470
    - Provides for flexibility for TDSIC plan length from 5 to 7 years, permits IURC to authorize multi-unit projects without specific numbers and locations, terminating a plan prior to expiration with ability to continue TDSIC treatment, and to allow companies to seek a new TDSIC plan.
  - Rate case required during term of each TDSIC plan
  - 2% revenue cap applies to aggregate of TDSIC plans
- Regulatory Environment and Growth Strategy
  - Six-year, $949M Infrastructure Modernization Program with semi-annual tracker filings
  - Four-year $93M capital and $32M expense amounts for the Pipeline Safety Compliance Plan; and five-year $223M capital amount for the PHMSA Compliance Plan in the Federally Mandated Program with semi-annual tracker filings
  - Regulatory construct encourages gas system expansion into rural areas



Anticipated Modernization Investment Summary	
Total Investment Opportunities	~ $5.0B
Annual Program Investment Range	TDSIC: $150M - $200M; FMCA $3M - $43M
Regulatory Treatment	Tracked
Tracker Filing Period	Historical – Prior 6 Months
Tracker Filing Cadence	TDSIC Feb. and Aug; FMCA May and Nov
Recovery Begins	TDSIC Jul and Jan; FMCA Apr and Oct
Weighted Avg Regulatory Lag	< 12 Months
Authorized Program ROE	9.85%

COLUMBIA GAS OF VIRGINIA

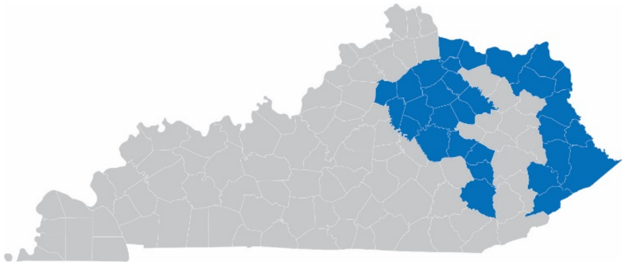
- Business Profile
  - Third-Largest LDC in VA (~274K customers)
  - ~ 5,300 miles of pipe
  - ~ 140 miles of bare steel
  - ~ $850M rate base
- Customer Focus
  - Broad residential, commercial and industrial portfolio
  - Industry-leading third-party damage rate
  - Top-tier J.D. Power customer satisfaction scores
- Rate Design
  - ~ 38% of residential distribution rate fixed
  - Revenue normalization adjustments provides full residential distribution revenue recovery
  - Energy conservation tracker
- Economic Outlook / Customer Growth
  - Stable economic environment
  - Customer growth opportunities through system expansion
  - Initiatives in place to promote customer conversions and growth
  - Year-over-year customer growth of 1.5%–2.0%
- Constructive Legislation
  - DIMP Act - Allows deferral of incremental O&M costs related to pipeline safety
  - SAVE Act - Allows recovery of investment on infrastructure replacement
  - CARE Act - Provides for energy efficiency programs and a decoupling adjustment
  - NEED Act - Allows deferral of infrastructure expansion costs and recovery of costs associated with upstream natural gas supply infrastructure
  - MAIN Act - Provides cost recovery for infrastructure expansion into unserved certificated areas
- Regulatory Environment and Growth Strategy
  - Forward-looking annual modernization / safety infrastructure investment tracker filings
  - Tracker filings supplemented by rate case filings with forward test year
  - Multi-Family program provides incentives for multi-family building development



Anticipated Modernization Investment Summary	
Total Investment Opportunities	~ $500M
Annual Program Investment Range	$45M - $70M
Regulatory Treatment	Tracked
Tracker Filing Period	Forward – 12 months
Tracker Filing Date	August
Recovery Begins	January
Weighted Avg Regulatory Lag	None
Authorized Program ROE	9.70%

COLUMBIA GAS OF KENTUCKY

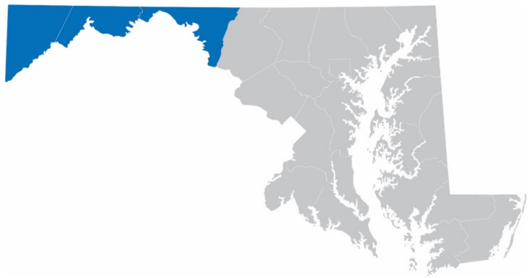
- Business Profile
  - Second-Largest Gas-Only LDC in KY (~137K customers)
  - ~ 2,600 miles of pipe
  - ~ 350 miles of bare steel and cast iron
  - ~ $327M rate base
- Customer Focus
  - Top-tier customer satisfaction levels
- Rate Design
  - ~ 52% of residential distribution rate fixed
  - Weather normalization adjustment for residential and commercial customers stabilizes revenue
- Economic Outlook / Customer Growth
  - Stable economic environment with improving customer growth rates
- Constructive Legislation
  - House Bill 100
    - Governments may create and assess for special energy efficiency project districts
- Regulatory Environment and Growth Strategy
  - Safety Modification Replacement Program
    - Allows for full recovery of eligible pipeline replacement program costs not recovered in existing rates via a rider that permits the use of a forward-looking test year and is reconciled
    - Expanded to include recovery of eligible safety related initiatives beginning in November 2019
    - There is no stated recovery limit on the tracker
  - PSC has authorized economic development extension tariff for high potential sites that require natural gas infrastructure
  - Annual modernization / safety infrastructure investment tracker filings
  - Tracker filings supplemented by rate case filings with forward-looking test year



Anticipated Modernization Investment Summary	
Total Investment Opportunities	~ $900M
Annual Program Investment Range	$40M - $50M
Regulatory Treatment	Tracked
Test Year	Forward – 12 months
Tracker Filing Date	October
Recovery Begins	January
Weighted Avg Regulatory Lag	None
Authorized Program ROE	9.50%

COLUMBIA GAS OF MARYLAND

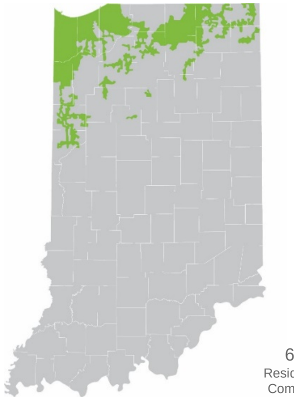
- Business Profile
  - Complementary to PA operations (~34K customers)
  - ~ 650 miles of pipe
  - ~ 51 miles of bare steel & cast iron
  - ~ $149M rate base
- Customer Focus
  - Sustained industry-leading employee and system safety performance
- Rate Design
  - Revenue normalization adjustment provides full residential distribution revenue recovery
  - Energy efficiency tracker
- Economic Outlook / Customer Growth
  - Stable economic environment with modest customer growth
  - Tariff provisions allow for modest customer growth
- Constructive Legislation
  - STRIDE
    - Prospective cost recovery for age and condition investment
    - The surcharge cannot exceed $2 per month on each residential bill
- Regulatory Environment and Growth Strategy
  - Forward-looking annual Infrastructure Replacement and Improvement Surcharge (IRIS) recovers age and condition investment
  - IRIS filings supplemented by periodic rate cases
  - Commission evaluating alternative rate designs

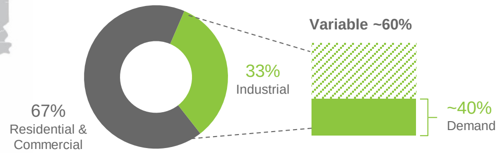


Anticipated Modernization Investment Summary	
Total Investment Opportunities	~ $230M
Annual Program Investment Range	$25M - $35M
Regulatory Treatment	Tracked
Tracker Filing Period	Forward – 12 Months
Tracker Filing Date	November
Recovery Begins	January
Weighted Avg Regulatory Lag	< 12 Months
Authorized Program ROE	9.60%

INDIANA ELECTRIC (NIPSCO)

- Business Profile
  - Third-largest electric utility in Indiana (~ 475K customers)
  - Fully integrated electric utility
  - ~ 3,000 MW of environmentally compliant generation
  - ~10,000 distribution line miles
  - ~ 3,000 transmission line miles
  - ~ $4.7B rate base
- Customer Focus
  - Fewest customer complaints in Indiana in the last five years
  - Rates are below the national average
  - Continued rise in J.D. Power customer satisfaction survey
- Rate Design
  - 100% fuel costs pass-through
  - Industrial customers ~ 40% demand charge weighted
- Economic Outlook
  - Challenging economic environment whereby NIPSCO is working with customers struggling due to the pandemic on extended payment plans and changes in energy demand
- Constructive Legislation
  - Senate Bill 560
    - Use of forward-looking test year, timely rate cases, and infrastructure investment tracking
    - Rate case required within seven years of original TDSIC filing
    - Rider cannot increase customer rates more than 2% of prior 12 months' revenues
  - House Bill 1470
    - Allows more flexibility for TDSIC plans by allowing projects that may rely on future inspections or details not available at the time the plan is first filed
- Regulatory Environment and Growth Strategy
  - Your Energy Your Future generation transition plan to retire nearly 80% of our coal-fired generating units by 2023, and all of them by 2028, replacing them with lower-cost, cleaner energy sources, including wind and solar
  - Seven-Year, ~ $1.25B transmission and distribution infrastructure modernization program with semi-annual tracker filings





Anticipated Modernization Investment Summary	
Total Investment Opportunities	~ $5B
Annual Program Investment Range	$170M - $230M
Regulatory Treatment	Modernization and Environmental Projects Tracked
Authorized ROE	9.75%

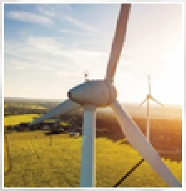



SUPPLEMENTAL SLIDES
THIRD QUARTER 2020 EARNINGS

NiSource®

November 2, 2020






FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of federal securities laws. 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 our 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 presentation include among other things, our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; 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; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; potential incidents and other operating risks associated with our business; potential impacts from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential, commercial and industrial 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; 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; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and in our subsequent SEC filings, 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.

Regulation G Disclosure Statement
This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the SEC’s Regulation G. The company includes this measure because management believes it permits investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

KEY TAKEAWAYS

- **Non-GAAP Net Operating Earnings Per Share (NOEPS)* of $0.09 vs. $0.00 in 3Q 2019**
  - Cost and regulatory mitigation efforts reduce financial impacts of COVID-19
  - NiSource Next well underway to enhance organizational capabilities and drive efficiencies and continued customer affordability
- **Safety, asset modernization investments remain top priorities**
  - Expected 2020 CapEx reaffirmed at $1.7 to $1.8B
- **2021 and long-term financial commitments reaffirmed**
  - 2021 NOEPS* guidance in range of $1.28 to $1.36, includes ($0.05) of COVID-19 impacts
  - $1.9 to $2.2B in annual growth, safety and asset modernization investments, 2021-2024
  - $1.8 to $2.0B of renewable generation investment opportunities, 2022-2023
  - 7-9% NOEPS* CAGR, 2021-2024 (5-7% 2021 - 2023)
- **Commercial agreements reached on additional renewable generation**
  - Build-Transfer Agreements executed with NextEra for three Indiana solar and storage projects representing $850 million in NIPSCO capital investment
- **Regulatory initiatives support continued capital investment**
  - Settlement reached in Maryland gas rate case
  - Ohio CEP rider update approved
- **Columbia Gas of Massachusetts asset sale closed October 9**

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

*Net Operating Earnings Per Share (Non-GAAP); For the GAAP Basic Earnings (Loss) Per Share and the reconciliation of GAAP to non-GAAP earnings per share, see Schedule 1 of NiSource's November 2, 2020 Earnings Release

THIRD QUARTER and YTD CONSOLIDATED FINANCIAL RESULTS

GAAP	Third Quarter			YTD		
	2020	2019	Change	2020	2019	Change
Net Income (Loss) Available to Common Shareholders ($ Millions)	$(186.7)	$(7.2)	$(179.5)	$(143.4)	$481.0	$(624.4)
Basic Income (Loss) Per Share	$(0.49)	$(0.02)	$(0.47)	$(0.37)	$1.29	$(1.66)

Non-GAAP*	Third Quarter			YTD		
	2020	2019	Change	2020	2019	Change
Net Operating Earnings (Loss) Available to Common Shareholders ($ Millions)	$36.3	$(1.7)	$38.0	$377.4	$325.1	$52.3
Net Operating Earnings Per Share	$0.09	$—	$0.09	$0.98	$0.87	$0.11

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's November 2, 2020, Earnings Release

EARNINGS IMPACT OF COVID-19 REDUCED BY COST AND REGULATORY MITIGATION

THIRD QUARTER and YTD 2020 SEGMENT NON-GAAP* RESULTS

Gas Distribution Operations ($ Millions)	Third Quarter			YTD		
	2020	2019	Change	2020	2019	Change
Operating Revenues	$472.5	$468.6	$3.9	$2,334.5	$2,507.9	$(173.4)
Operating Expenses**	$462.8	$495.0	$32.2	$1,859.8	$2,089.8	$230.0
Operating Earnings (Loss)*	$9.7	$(26.4)	$36.1	$474.7	$418.1	$56.6

** Includes cost of sales net decrease of $10.0M QTD, $200.2M YTD

Electric Operations ($ Millions)	Third Quarter			YTD		
	2020	2019	Change	2020	2019	Change
Operating Revenues	$427.7	$462.6	$(34.9)	$1,161.0	$1,300.7	$(139.7)
Operating Expenses**	$294.8	$327.2	$32.4	$858.7	$984.1	$125.4
Operating Earnings (Loss)*	$132.9	$135.4	$(2.5)	$302.3	$316.6	$(14.3)

** Includes cost of sales net decrease of $43.6M QTD, $136.4M YTD

*Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 of NiSource's Supplemental Financial Information.

CONTINUED FOCUS ON SAFE AND RELIABLE EXECUTION

COVID-19 FINANCIAL IMPACTS

Usage Impact by Customer Class ($ Millions)*

3Q '20 vs. '19	Gas	Electric	Total
Residential	$0.3	$5.8	**$6.1**
Commercial	$(1.8)	$(3.1)	**$(4.9)**
Industrial	$(0.8)	$(1.3)	**$(2.1)**
Total	**$(2.3)**	**$1.4**	**$(0.9)**

YTD '20 vs. '19	Gas	Electric	Total
Residential	$0.9	$12.0	**$12.9**
Commercial	$(1.8)	$(7.0)	**$(8.8)**
Industrial	$(5.2)	$(10.5)	**$(15.7)**
Total	**$(6.1)**	**$(5.5)**	**$(11.6)**

3Q / YTD 2020 COVID-19 NOEPS impact of (~$0.01) / (~$0.07), offset with cost management and regulatory solutions**

- Usage impact - see above
- Reduced other revenues - late payment and reconnection fees
- Increased bad debt and other expenses

Midpoint of 2021 base case NOEPS impact of COVID-19 = (~$0.05); included in 2021 guidance range**

COST MANAGEMENT AND REGULATORY SOLUTIONS REDUCE COVID-19 IMPACT

* Positive figures represent favorable period-over-period variances
* *Net Operating Earnings Per Share (Non-GAAP)

NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$10.6B as of September 30, 2020**
  - ~$9.1B of long-term debt
    - Weighted average maturity ~15 years
    - Weighted average interest rate of 3.68%

- **Solid liquidity position**
  - ~$1.6B in net available liquidity as of September 30, 2020*
  - ~$2.1B of committed facilities in place as of September 30, 2020
    - ~$1.9B revolving credit facility
    - ~$0.2B accounts receivable securitization facilities **

- **Net proceeds of $1.1B from closing of sale of Columbia Gas of Massachusetts used to pay down term loan and other short-term debt in October**

- **Executed liability management transaction in 3Q**
  - Lowered weighted average interest rate by over 60 basis points and removed significant long-term debt refinancing needs through 2024

- **Committed to maintaining current investment-grade credit ratings**
  - S&P BBB+ | Moody's Baa2 | Fitch BBB

SOLID FINANCIAL FOUNDATION TO SUPPORT LONG-TERM INFRASTRUCTURE AND SAFETY INVESTMENTS

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

2020 FINANCING PLAN

NiSource Current Financing Plan*		
$ Millions	**2019 Actual**	**2020 Estimated**
Equity		
Common Equity Block Issuance	None	None Planned
ATM (At-The-Market)	$229	$200 - $300
ESPP/401K/Other	$34	$35 - $60
Long-Term Debt		
Incremental Long-Term Debt	$714	~$1,375

* Current financing plan may change based on business developments.
**Adjusted Funds from Operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes.

LONG-TERM FINANCING TARGETS ADJ. FFO/TOTAL DEBT OF ~14%-15%**

GAS DISTRIBUTION OPERATIONS

- Rate case settlement reached in Maryland, case pending in Pennsylvania
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

Highlight	Key Components	Status
Columbia Gas of Kentucky Safety Modification and Replacement Program (SMRP) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Request covers $50.0M for 2021 capital investments	◦ Filed Oct. 15, 2020 ◦ Order expected Q1 2021 ◦ New rates effective Q1 2021
NIPSCO Gas System Modernization Program	◦ Long-term infrastructure modernization program ◦ TDSIC1 filing covers $26.0M in incremental capital investments made between January and June 2020	◦ Filed Aug. 25, 2020 ◦ Order expected Dec. 2020
Columbia Gas of Virginia Steps to Advance Virginia's Energy (SAVE) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades guided by SMS risk prioritization ◦ Request covers $46.4M for 2021 capital investments	◦ Filed July 24, 2020 ◦ Order expected Nov. 2020 ◦ New rates effective Jan. 2021
Columbia Gas of Maryland Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Settlement includes $3.3M total annual revenue increase; $2.0M net of infrastructure trackers	◦ Filed May 15, 2020 ◦ Order expected Nov. 2020 ◦ New rates effective Dec. 2020
Columbia Gas of Pennsylvania Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Requests $100.4M total annual revenue increase	◦ Filed Apr. 24, 2020 ◦ Order expected Q1 2021 ◦ New rates effective Jan. 2021
Columbia Gas of Ohio Capital Expenditure Program (CEP) Annual Rider Update	◦ Allows for recovery of capital investments and related deferred expenses that are not recovered through IRP tracker ◦ Application covers ~$185M in 2019 capital investments	◦ Filed Feb. 28, 2020 ◦ Order received Aug. 12, 2020 ◦ New rates effective Sep. 2020

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- Three new solar JV projects announced for coal-fired generation replacement capacity
- $1.8 - $2.0B incremental capital investment opportunities expected in 2022 and 2023
- Continued execution of seven-year ~$1.2B electric system modernization program

Highlight	Key Components	Status
Renewable Generation JV Projects	◦ Construction continues on Rosewater and Indiana Crossroads wind projects ◦ Agreements executed on Dunns Bridge Solar I, Dunns Bridge Solar II and Cavalry Solar	◦ Rosewater expected in service YE2020 ◦ Indiana Crossroads expected in service YE2021 ◦ CPCN filing expected for Dunns / Cavalry Q42020
Renewable Generation PPA Projects	◦ Construction continues on Jordan Creek wind project ◦ Commercial terms reached on Brickyard Solar and Greensboro Solar + storage, PPAs filed with IURC	◦ Jordan Creek expected in service YE2020 ◦ Regulatory approval for Brickyard and Greensboro Solar expected by YE2020
Electric System Modernization Program	◦ Focused on electric transmission and distribution investments designed to improve system safety and reliability ◦ TDSIC 7 semi-annual tracker update covering $122.3M in investments from July 2019 - July 2020	◦ Filed Sep. 29, 2020 ◦ Order expected Jan. 2021 ◦ Rates effective Feb. 2021

* Represents installed capacity of generation facilities.

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

SAFETY AND INFRASTRUCTURE PROGRAMS

Company	Year-End 2019 Rate Base	Authorized Program ROE	Modernization Program Investments	Estimated Annual Modernization Program Investments	Recovery Mechanism
Columbia Gas of OH	$3.2B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$1.9B	N/A	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.7B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$850M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$327M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$149M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.7B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $12.8B RATE BASE**

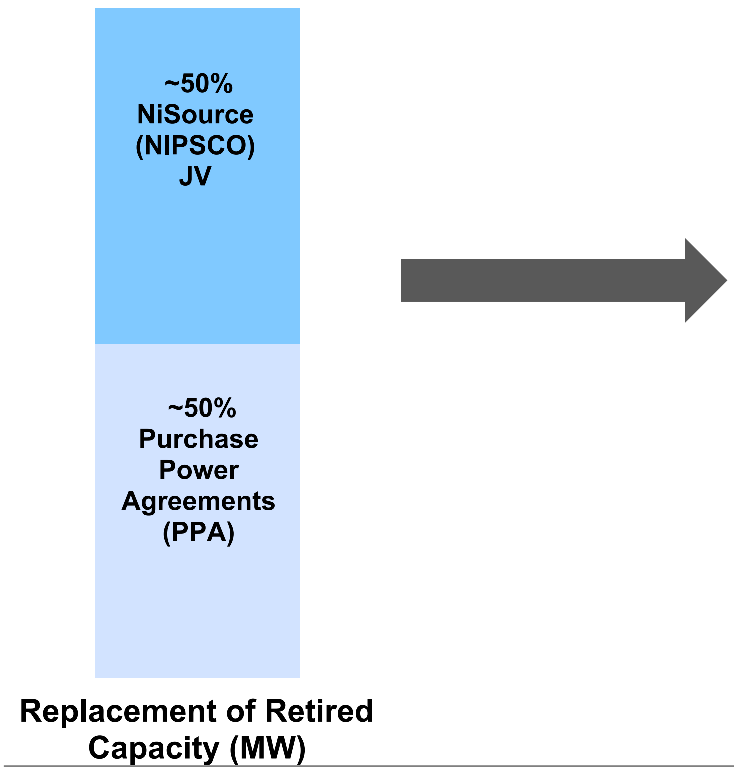
* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2019

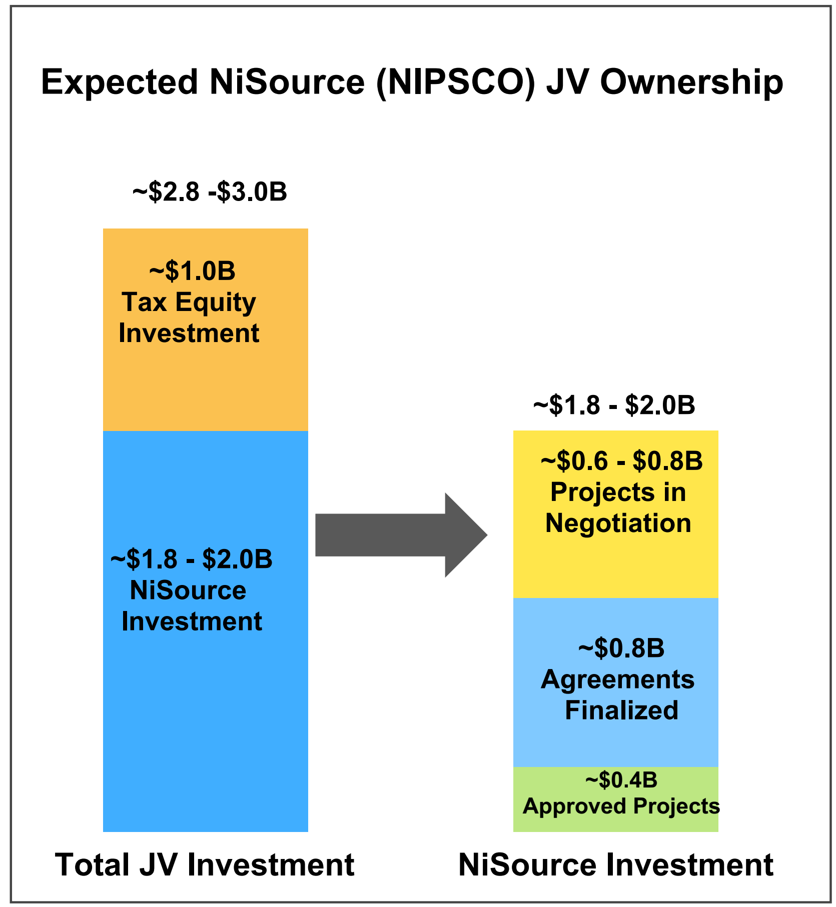
SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

Company	Mechanism	Incremental Investments		Recovery	
		Period	Amount ($ Millions)	Filing Date	Effective Date
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2018	$199.6	Feb 2019	May 2019
		FY 2019	$234.4	Feb 2020	May 2020
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2018	$121.7	Feb 2019	Sept 2019
		FY 2019	$185.1	Feb 2020	Sept 2020
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Mar 2020 - May 2020	$28.6	Jun 2020	Jul 2020
		Jun 2020 - Aug 2020	$85.0	Sep 2020	Oct 2020
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2021	$46.4	Jul 2020	Expected - Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2020	$40.4	Oct 2019	Jan 2020
		FY 2021	$50.0	Oct 2020	Expected - Jan 2021
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2020	$15.0	Jan 2020	Feb 2020
		FY 2021	$16.9	Oct 2020	Expected - Jan 2021
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 11: May 2019 - Dec 2019	$38.7	Feb 2020	Jul 2020
		TDSIC 1: Jan 2020 - Jun 2020	$26.0	Aug 2020	Expected - Jan 2021
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 6: Dec 2018 – Jun 2019	$131.1	Aug 2019	Jan 2020
		TDSIC 7: Jul 2019 - Jul 2020	$122.3	Sep 2020	Expected - Feb 2021

RENEWABLE INVESTMENT OPPORTUNITY THROUGH 2023

Tax equity partnerships allow for significant reduction in cost to customers and $1.8-$2B of NiSource capital investment





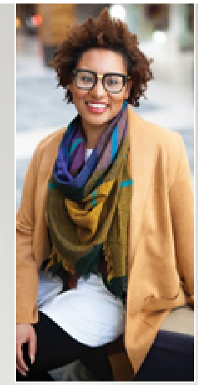
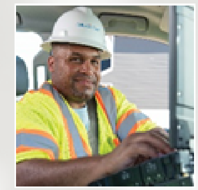
MIX OF JVs AND PPAs DRIVES CUSTOMER BENEFITS AND SHAREHOLDER VALUE

RENEWABLE INVESTMENT PROJECT UPDATE

Project	Structure	NIPSCO Investment ($ Millions)	Anticipated In Service	Status
Projects In Execution:				
Rosewater Wind	JV	~$100	’20	Under Construction
Jordan Creek Wind	PPA	N/A	’20	Under Construction
Indiana Crossroads Wind	JV	~$300	’21	Under Construction
Brickyard Solar	PPA	N/A	‘22	Pending Approval
Greensboro Solar + Storage	PPA	N/A	‘22	Pending Approval
Dunns Bridge I Solar	JV		’22	Agreement Finalized
Dunns Bridge II Solar + Storage	JV	~$850	’23	Agreement Finalized
Cavalry Solar + Storage	JV		’23	Agreement Finalized
In Process Projects:				
Solar (+ Storage) Projects*	JV	~$550 – $750	’22–’23	Advanced Commercial Negotiations
Solar & Wind Projects	PPA	N/A	‘23	Advanced Commercial Negotiations
Total		**$1,800 – $2,000**		

*Includes transmission projects included in IRP which will be fully owned by NIPSCO



APPENDIX

THIRD QUARTER 2020 EARNINGS

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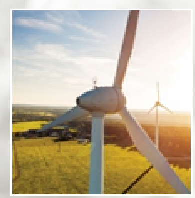
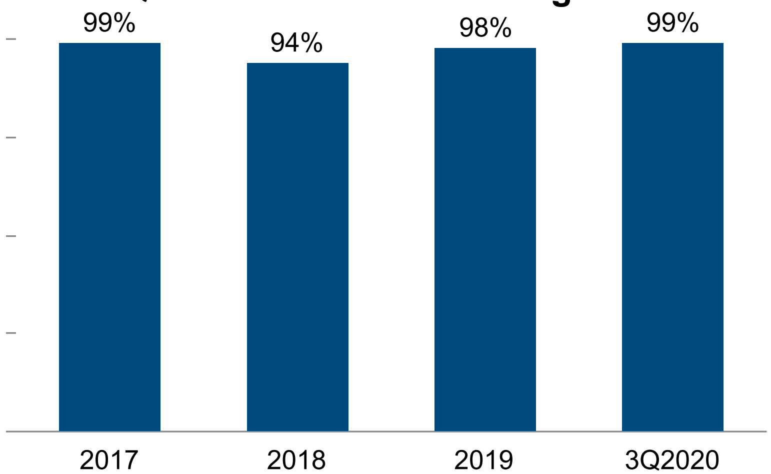



LIQUIDITY AND CAPITALIZATION AS OF THIRD QUARTER 2020 ($M)

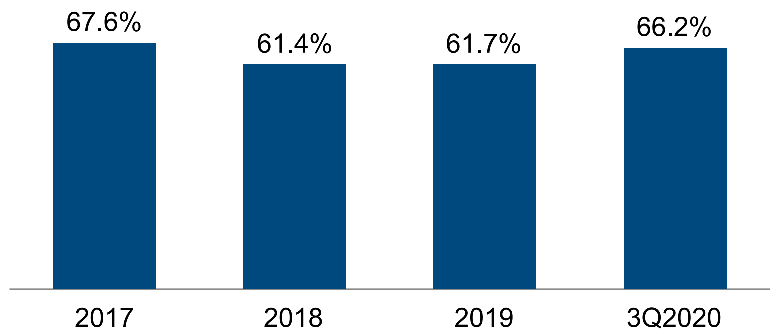
Current Liquidity	Actual 9/30/2020	Maturity
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	231	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	307	
Accounts Receivable Programs Utilized	231	
L/C's Outstanding Under Credit Facility	10	
Add:		
Cash & Equivalents	59	
Net Available Liquidity	$1,591	

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

Qualified Pension Funding



Total Debt/Total Capitalization



TOTAL DEBT AS OF THIRD QUARTER 2020 ($ Millions)

Debt Detail	Balance	Wtd. Avg. Rate**	Wtd. Avg. Maturity
Long-Term Debt	$9,135	3.7 %	15 years
Revolving Credit Facility	$0		
Commercial Paper	$307	0.23 %	39 days
A/R Program Borrowings	$231	0.66 %	1 month
Term Loan	$850	0.90 %	6 months
Capital Leases, Def Cost & Other	$95	N/A	N/A
Total Debt*	**$10,618**		

* Net proceeds of $1.1B from closing of sale of Columbia Gas of Massachusetts used to pay down term loan and other short-term debt in October
** Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges
N/A = Not Applicable

NO SIGNIFICANT LONG-TERM DEBT MATURITIES THROUGH 2024

BAD DEBT RECOVERY MECHANISMS

Company	Bad Debt Expense Included in Base Rates*	Tracked Incremental Expense	Filing Frequency
GAS DISTRIBUTION OPERATIONS			
NIPSCO Gas	Yes	Gas cost only	Quarterly
Columbia Gas of Ohio	Yes	Gas cost and delivery charge	Annual
Columbia Gas of Pennsylvania	Yes	Partial gas cost only	Quarterly
Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
ELECTRIC OPERATIONS			
NIPSCO Electric	Yes	None	N/A

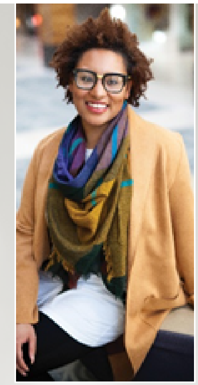
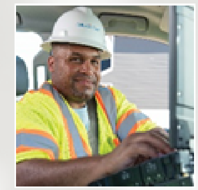
* Based on historical bad debt of ~1% of gross revenue

REVENUE AND WEATHER NORMALIZATION MECHANISMS

Company	Revenue Decoupling / Normalization	Weather Normalization
GAS DISTRIBUTION OPERATIONS		
NIPSCO Gas	None	None
Columbia Gas of Ohio	Straight Fixed Variable Rates for Residential and Small Commercial	None
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Virginia	Yes (RNA*) - Residential	Yes - Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) - Residential	Yes - Residential & Commercial
Columbia Gas of Kentucky	None	Yes - Residential & Commercial
ELECTRIC OPERATIONS		
NIPSCO Electric	None (Demand Ratcheting Large Industrial Rates)	None

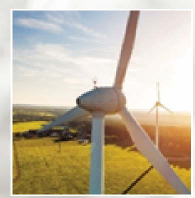
* Revenue Normalization Adjustment



APPENDIX
INVESTOR DAY HIGHLIGHTS

NiSource®

THE U.S. REGULATED UTILITY INVESTMENT OF CHOICE

Safety and environmental leadership will continue to drive customer value and sustainable growth

Strong Foundation

- Regulatory diversity resulting from multiple jurisdictions provides stability
- Significant scale, with ~$14B of regulated electric and gas rate base*
- Proximity to abundant, low-cost natural gas resources supports ongoing rate affordability
- Investments and recovery supported by favorable energy policies and constructive regulatory environments

Clear Path to Drive Incremental Growth

- Enhanced ~$40B infrastructure investment opportunity set driving long-term growth
  - Increase of ~$10B from prior expectation
- Well-established capital investment programs with track record of recovery through regulatory trackers
- Driving 10%-12% expected rate base CAGR 2021-2024

Benefiting Customers and Communities

- Accelerated and enhanced implementation of Safety Management System (SMS)
- Generation investments to save customers $4B over 30 years and reduce GHG 90% by 2030**
- Investments and focus on organizational efficiency to drive continued customer affordability
- Gas safety and modernization investments advancing environmental benefits

Committed to Shareholder Value

- 100% regulated revenue expected to deliver consistent and predictable earnings growth
- Expected 7%-9% NOEPS*** CAGR 2021-2024
- Dividend growth to maintain targeted 60%-70% payout ratio
- Balanced financing plan focused on maintaining current investment grade credit ratings and maximizing NOEPS growth

*2020E excludes CMA; **Compared to 2005 baseline; ***Net Operating Earnings Per Share (Non-GAAP)

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- $1.8B-$2.0B of planned renewable investments through 2023
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- Driving toward 90% reduction* in greenhouse gas emissions by 2030

Social

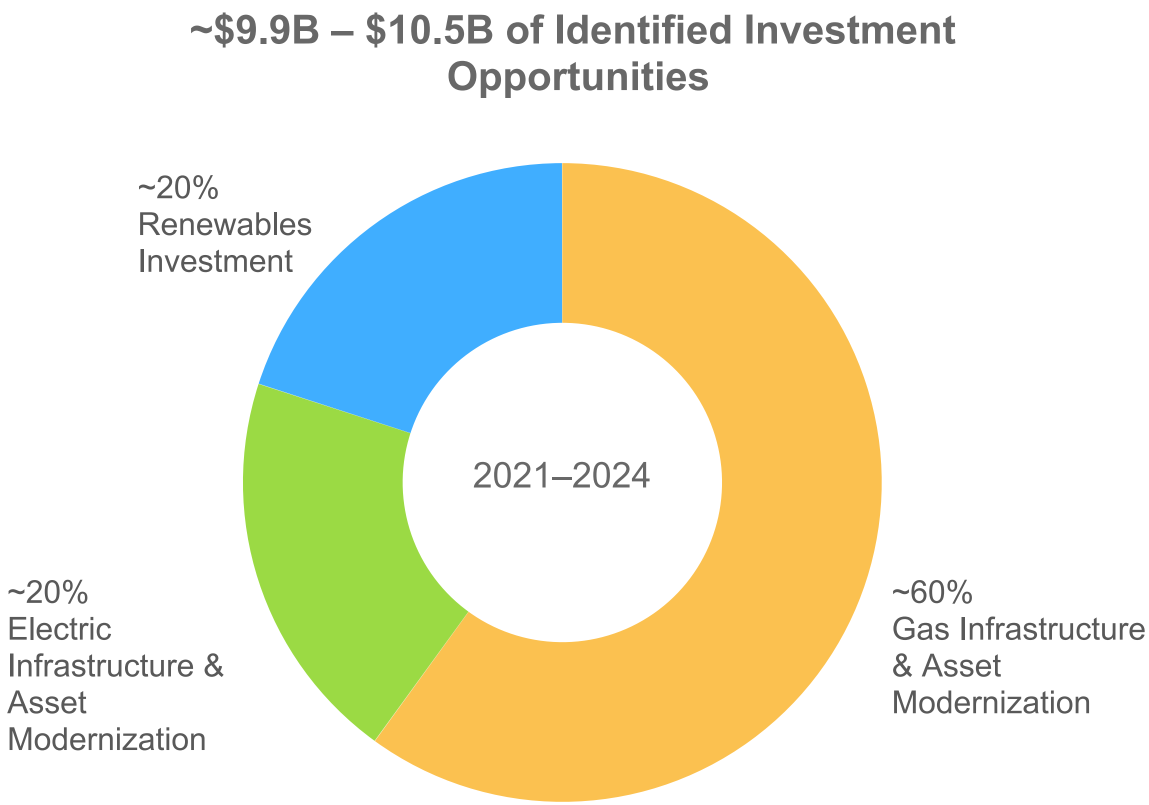
- Transformation focused on customer safety and reliability
- Economically benefiting customers and communities
- Committed to engagement, diversity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board recently refreshed
- Robust framework for strategy, risk management and oversight

* Compared to 2005 baseline

CAPITAL PLAN RESULTING IN EXPECTED LASTING VALUE CREATION

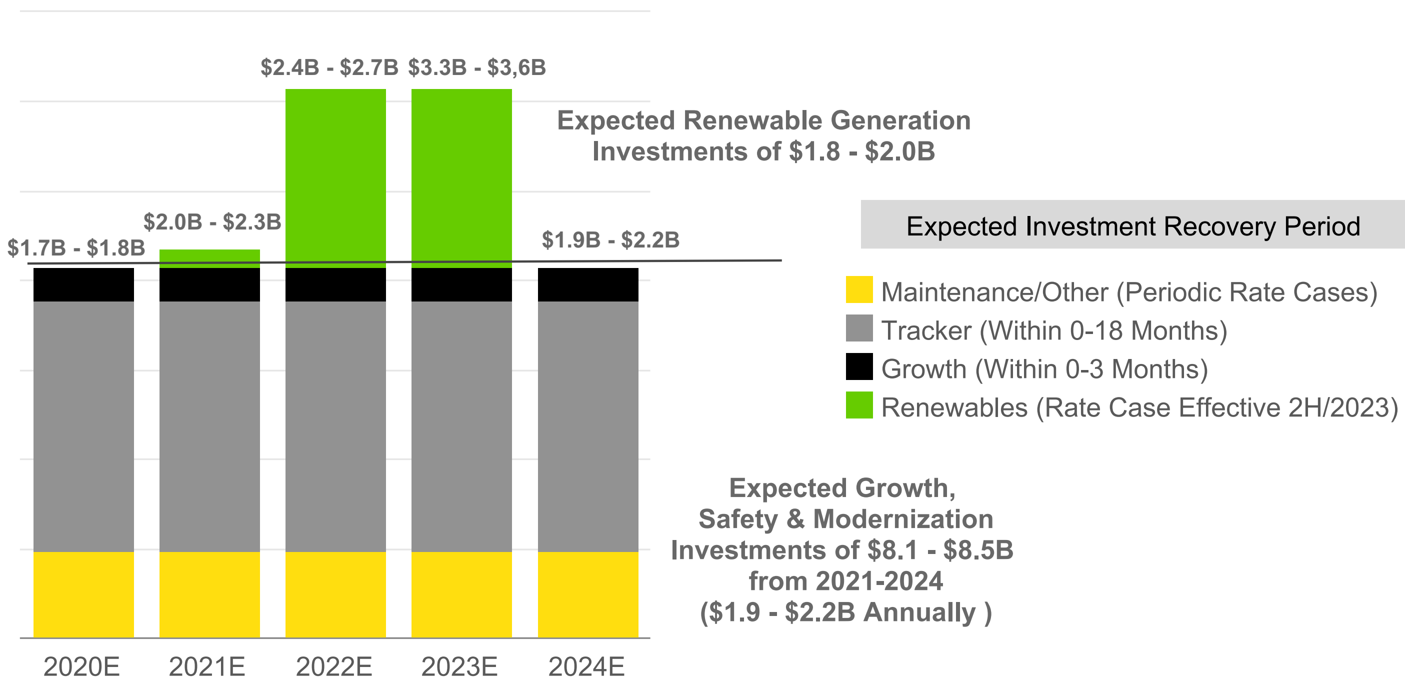


10% to 12%
Expected rate base CAGR 2021–2024

7% to 9%
Expected NOEPS* CAGR 2021–2024

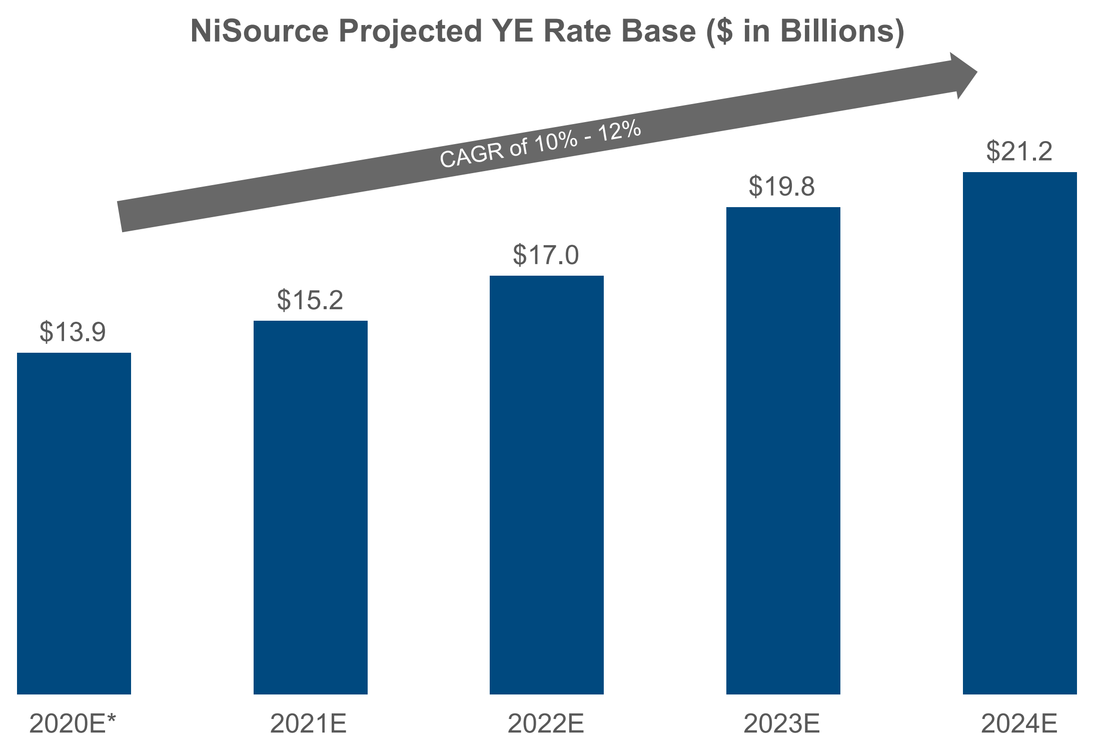
*Net Operating Earnings Per Share (Non-GAAP)

CAPITAL FORECAST



ANTICIPATE >75% OF CAPITAL INVESTMENTS BEGIN EARNING IN LESS THAN 18 MONTHS

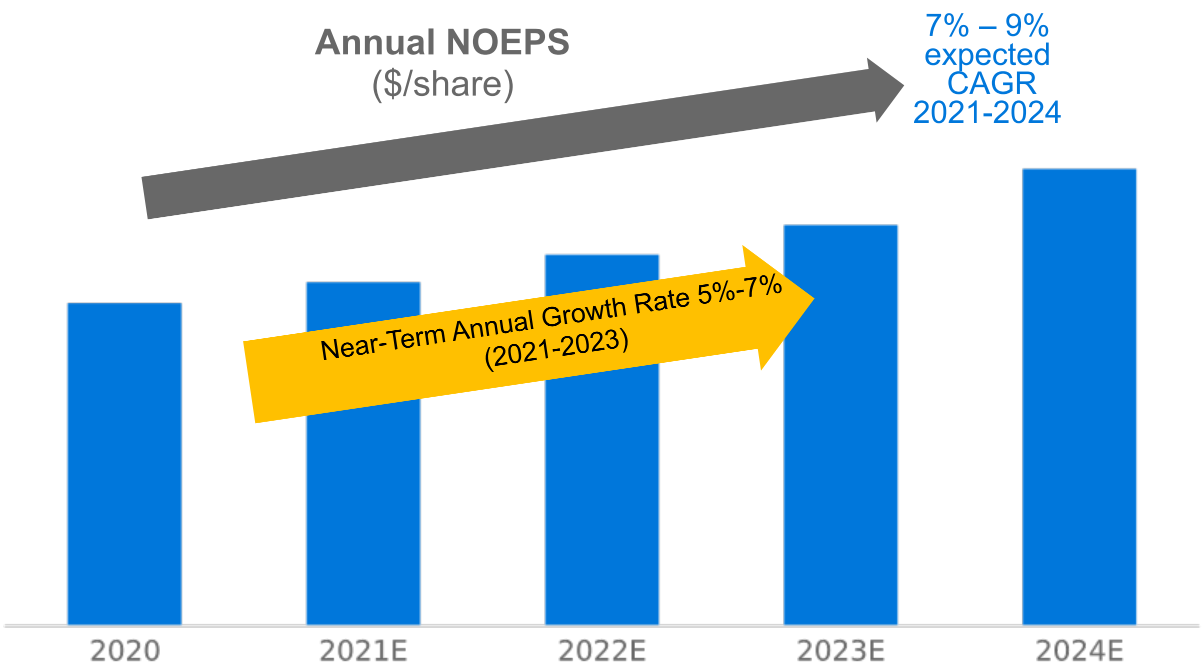
CAPITAL INVESTMENT DRIVING ROBUST RATE BASE GROWTH



RATE BASE GROWTH BALANCED ACROSS JURISDICTIONS AND BETWEEN GAS AND ELECTRIC BUSINESSES

*2020E rate base is post sale of Columbia Gas of Massachusetts

ROBUST CAPITAL INVESTMENT DRIVING NOEPS* GROWTH



Dividend
Dividend growth to maintain targeted 60%–70% long-term payout ratio**

LONG-TERM ~$40B INVESTMENT OPPORTUNITY EXPECTED TO DRIVE CONTINUED NOEPS GROWTH BEYOND 2024

*Net Operating Earnings Per Share (Non-GAAP)
**Subject to board approval

2021E - 2024E FINANCING STRATEGY*

Financing strategy targets long-term Adj. FFO**/total debt of ~14%-15%

<table>
<tr><th>($ millions)</th><th>2021E</th><th>2022E</th><th>2023E</th><th>2024E</th></tr>
<tr><td colspan="5">Planned Annual Safety & Modernization Investments</td></tr>
<tr><td colspan="5"><u>Equity</u></td></tr>
<tr><td>ATM (At-the-Market)</td><td colspan="3">$200 - $300 Annually</td><td></td></tr>
<tr><td>ESPP/401K/Other</td><td colspan="4">$30 - $50 Annually</td></tr>
<tr><td colspan="5"><u>Long-Term Debt</u></td></tr>
<tr><td>Incremental Long-Term Debt</td><td></td><td colspan="3">$500 - $700 Annually</td></tr>
<tr><td colspan="5">Planned Renewable Generation Investments (Targeting 60% Equity)</td></tr>
<tr><td colspan="5"><u>Equity</u></td></tr>
<tr><td>Common Equity Block</td><td></td><td colspan="2">$500 - $700 Total</td><td></td></tr>
<tr><td colspan="5"><u>Long-Term Debt</u></td></tr>
<tr><td>Incremental Long-Term Debt</td><td></td><td colspan="2">$500 - $700 Total</td><td></td></tr>
<tr><td colspan="5"><u>Other Financing</u></td></tr>
<tr><td>Hybrids, Convertibles, etc.</td><td>$600 - $1,000 Total</td><td></td><td></td><td></td></tr>
</table>

Current Financing Plan

- All financing is included on our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)
- Doesn't include potential portfolio optimization opportunities

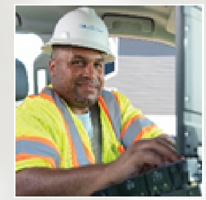
*Current financing plan may change based on business developments
**Adjusted funds from operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes

ANNOUNCED RENEWABLE PROJECT UPDATES

Wind Projects	Rosewater Capacity: 100MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2020E	In Rate Base 2023E
Wind Projects	Jordan Creek Capacity: 400MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2020E	Recovered through Fuel Cost Mechanism
Wind Projects	Indiana Crossroads Capacity: 300MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2021E	In Rate Base 2023E
Solar Projects	Brickyard Solar Capacity: 200MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2022E	Recovered through Fuel Cost Mechanism
Solar Projects	Greensboro Solar Capacity: 130MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2022E	Recovered through Fuel Cost Mechanism
Solar Projects	Dunns Bridge I Solar Capacity: 265MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2022E	In Rate Base 2023E
Solar Projects	Dunns Bridge II Solar Capacity: 510MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2023E	In Rate Base 2023E
Solar Projects	Cavalry Solar Capacity: 260MW	Executed Agreement	Regulatory Approval	Under Construction	In Service 2023E	In Rate Base 2023E

ALL RENEWABLE PROJECTS ARE ON TIME AND ON BUDGET

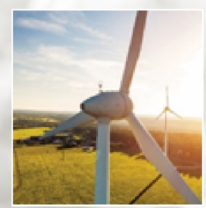
Build Transfer Agreement (JV) | Purchase Power Agreement | Milestone Achieved



SUPPLEMENTAL SLIDES
YEAR END 2020 RESULTS

NiSource®

February 17, 2021



FORWARD-LOOKING STATEMENTS

This presentation 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 our 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II. Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, some 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.

Regulation G Disclosure Statement

This presentation includes financial results for NiSource with respect to net operating earnings available to common shareholders and operating earnings which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. This presentation also includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations / total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

KEY TAKEAWAYS

- **2020 Non-GAAP Net Operating Earnings Per Share (NOEPS)* of $1.32**
  - Cost and regulatory mitigation efforts reduced financial impacts of COVID-19
- **Safety & asset modernization, renewable generation transition remain top priorities**
- **2021 and long-term financial commitments reaffirmed**
  - 2021 NOEPS* guidance in range of $1.28 to $1.36
  - $1.9 to $2.2B in annual growth, safety and asset modernization investments, 2021-2024
  - $1.8 to $2.0B of renewable generation investment opportunities, 2022-2023
  - 7-9% NOEPS* CAGR, 2021-2024 (5-7% 2021 - 2023)
- **Order in Pennsylvania base rate case expected in Q1 2021**
- **Achieved a number of key milestones in 2020**
  - Maintained safe, reliable service and supported customers through COVID pandemic
  - Invested $1.7B in our gas & electric utilities, primarily on safety & asset modernization
  - Advanced and matured our Safety Management System and safety enhancement initiatives
  - Completed the sale of Columbia Gas of Massachusetts business
  - Completed first two wind projects, and received approval of three other renewable projects
  - Lowered weighted average interest rate on long term debt by 60 basis points
  - Continued automatic shutoff device, remote monitoring deployment, with 70% of LP systems protected
  - Launched transformative NiSource Next initiative to build capabilities, enhance efficiency
  - Added more than 30,000 net new gas customers across diverse six-state footprint

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

*Net Operating Earnings Per Share (Non-GAAP); For the GAAP Basic Earnings (Loss) Per Share and the reconciliation of GAAP to non-GAAP earnings per share, see Schedule 1 in the appendix to this presentation

FOURTH QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

GAAP	FOURTH QUARTER			YTD		
	2020	2019	Change	2020	2019	Change
Net Income (Loss) Available to Common Shareholders ($ in Millions)	$70.7	$(153.0)	$223.7	$(72.7)	$328.0	$(400.7)
Basic Earnings (Loss) Per Share	$0.18	$(0.41)	$0.59	$(0.19)	$0.88	$(1.06)

NON-GAAP*	FOURTH QUARTER			YTD		
	2020	2019	Change	2020	2019	Change
Net Operating Earnings (Loss) Available to Common Shareholders ($ in Millions)	$130.1	$169.6	$(39.5)	$507.5	$494.7	$12.8
Net Operating Earnings Per Share	$0.34	$0.45	$(0.11)	$1.32	$1.32	$—

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

2020 GAAP RESULTS REFLECT IMPACTS OF MA DIVESTITURE AND EARLY EXTINGUISHMENT OF LONG-TERM DEBT

FOURTH QUARTER & YTD SEGMENT NON-GAAP* RESULTS

GAS DISTRIBUTION OPERATIONS ($ Millions)	FOURTH QUARTER			YTD		
	2020	2019	Change	2020	2019	Change
Operating Revenues	$ 833.9	$ 995.3	$ (161.4)	$ 3,168.4	$ 3,503.2	$ (334.8)
Cost of Energy	$ 234.6	$ 307.8	$ 73.2	$ 794.2	$ 1,067.6	$ 273.4
Tracked Operating Expenses	$ 44.7	$ 75.8	$ 31.1	$ 203.9	$ 246.0	$ 42.1
Other Operating Expenses	$ 361.6	$ 397.8	$ 36.2	$ 1,502.6	$ 1,557.6	$ 55.0
Total Operating Expenses	$ 640.9	$ 781.4	$ 140.5	$ 2,500.7	$ 2,871.2	$ 370.5
Operating Earnings (Loss)*	**$ 193.0**	**$ 213.9**	**$ (20.9)**	**$ 667.7**	**$ 632.0**	**$ 35.7**

ELECTRIC OPERATIONS ($ Millions)	FOURTH QUARTER			YTD		
	2020	2019	Change	2020	2019	Change
Operating Revenues	$ 371.3	$ 393.3	$ (22.0)	$ 1,532.3	$ 1,694.0	$ (161.7)
Cost of Energy	$ 80.9	$ 96.6	$ 15.7	$ 315.2	$ 467.3	$ 152.1
Tracked Operating Expenses	$ 9.7	$ 14.8	$ 5.1	$ 42.4	$ 67.6	$ 25.2
Other Operating Expenses	$ 221.1	$ 197.0	$ (24.1)	$ 812.8	$ 757.6	$ (55.2)
Total Operating Expenses	$ 311.7	$ 308.4	$ (3.3)	$ 1,170.4	$ 1,292.5	$ 122.1
Operating Earnings (Loss)*	**$ 59.6**	**$ 84.9**	**$ (25.3)**	**$ 361.9**	**$ 401.5**	**$ (39.6)**

*Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part II. Item 7 of the Company's Annual Report on Form 10-K for the period ended December 31, 2020. For a reconciliation of GAAP to non-GAAP earnings, see Schedules 2 and 3 in the appendix to this presentation

CONTINUED FOCUS ON SAFE AND RELIABLE EXECUTION

COVID-19 FINANCIAL IMPACTS

USAGE IMPACT BY CUSTOMER CLASS ($ Millions)*

4Q '20 vs. '19	Gas	Electric	Total
Residential	$4.1	$1.6	**$5.7**
Commercial	$(0.2)	$(3.8)	**$(4.0)**
Industrial	$1.0	$(0.7)	**$0.3**
Total	**$4.9**	**$(2.9)**	**$2.0**

YTD '20 vs. '19	Gas	Electric	Total
Residential	$5.0	$13.5	**$18.5**
Commercial	$(2.0)	$(10.9)	**$(12.9)**
Industrial	$(4.2)	$(11.2)	**$(15.4)**
Total	**$(1.2)**	**$(8.6)**	**$(9.8)**

4Q / YTD 2020 COVID-19 NOEPS impact of (~$0.02) / (~$0.10), partially offset with cost management and regulatory solutions**

- Usage impact - see above
- Reduced other revenues - late payment and reconnection fees
- Increased bad debt and other expenses

Midpoint of 2021 base case NOEPS impact of COVID-19 = (~$0.05); included in 2021 guidance range**

COST MANAGEMENT AND REGULATORY SOLUTIONS REDUCE COVID-19 IMPACT

* Positive figures represent favorable period-over-period variances
* *Net Operating Earnings Per Share (Non-GAAP)

NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$9.7B as of December 31, 2020**
  - ~$9.1B of long-term debt
    - Weighted average maturity ~15 years
    - Weighted average interest rate of 3.68%

- **Solid liquidity position**
  - ~$1.7B in net available liquidity as of December 31, 2020*
  - ~$2.1B of committed facilities in place as of December 31, 2020
    - ~$1.9B revolving credit facility
    - ~$0.3B accounts receivable securitization facilities **

- **Net proceeds of $1.1B from closing of sale of Columbia Gas of Massachusetts used to pay down term loan and other short-term debt in October**

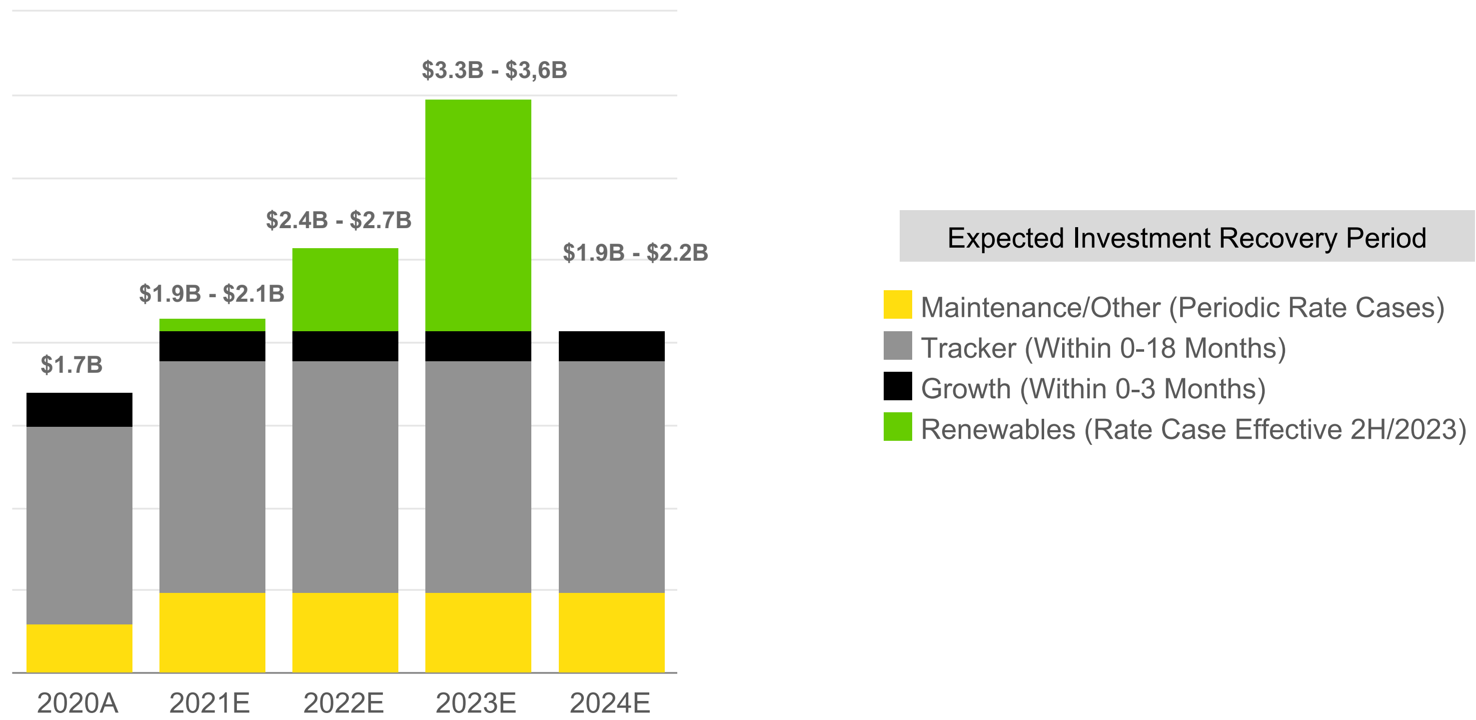
- **Executed liability management transaction in 3Q**
  - Lowered weighted average interest rate by over 60 basis points and removed significant long-term debt refinancing needs through 2024

- **Committed to maintaining current investment-grade credit ratings**
  - S&P BBB+ | Moody's Baa2 | Fitch BBB

SOLID FINANCIAL FOUNDATION TO SUPPORT LONG-TERM INFRASTRUCTURE AND SAFETY INVESTMENTS

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

CAPITAL FORECAST



ANTICIPATE >75% OF CAPITAL INVESTMENTS BEGIN EARNING IN LESS THAN 18 MONTHS

2021 - 2024 FINANCING PLAN*

Financing strategy targets long-term Adj. FFO/total debt** of ~14%-15%

($ millions)	2020A	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments					
Equity					
ATM (At-the-Market)	$ 197	$200 - $300 Annually			
ESPP/401K/Other	$ 28	$30 - $50 Annually			
Long-Term Debt					
Incremental Long-Term Debt	$ 1,374		$500 - $700 Annually		
Planned Renewable Generation Investments (Targeting 60% Equity)					
Equity					
Common Equity Block	$ —		$500 - $700 Total		
Long-Term Debt					
Incremental Long-Term Debt	$ —		$500 - $700 Total		
Other Financing					
Hybrids, Convertibles, etc.	$ —	$600 - $1,000 Total			

Current Financing Plan

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)
- Doesn't include potential portfolio optimization opportunities

*Current financing plan may change based on business developments
**As calculated according to the S&P and Moody's rating agency methodologies

GAS DISTRIBUTION OPERATIONS

- Rate case settlement approved in Maryland, case pending in Pennsylvania
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

HIGHLIGHT	KEY COMPONENTS	STATUS
Columbia Gas of Kentucky Safety Modification and Replacement Program (SMRP) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Request covers $50.0M for 2021 capital investments	◦ Filed Oct. 15, 2020 ◦ Order expected Q2 2021 ◦ New rates effective Q2 2021
NIPSCO Gas System Modernization Program	◦ Long-term infrastructure modernization program ◦ TDSIC1 filing covers $26.0M in incremental capital investments made between January and June 2020	◦ Filed Aug. 25, 2020 ◦ Order received Dec. 23, 2020 ◦ New rates effective Jan. 2021
Columbia Gas of Virginia Steps to Advance Virginia's Energy (SAVE) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades guided by SMS risk prioritization ◦ Request covers $46.4M for 2021 capital investments	◦ Filed July 24, 2020 ◦ Order received Nov. 18, 2020 ◦ New rates effective Jan. 2021
Columbia Gas of Maryland Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Settlement includes $3.3M total annual revenue increase; $2.0M net of infrastructure tracker	◦ Filed May 15, 2020 ◦ Order received Nov. 7, 2020 ◦ New rates effective Dec. 2020
Columbia Gas of Pennsylvania Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Modified request seeks $76.8M total annual revenue increase	◦ Filed Apr. 24, 2020 ◦ Order expected Q1 2021 ◦ New rates retroactive to Jan. 23, 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- On-time completion of first two wind projects
- Commercial and regulatory progress continues on remaining renewable projects
- $1.8 - $2.0B of capital investment opportunities expected in 2022 and 2023
- Continued execution of seven-year ~$1.2B electric system modernization program

HIGHLIGHT	KEY COMPONENTS	STATUS
Renewable Generation JV Projects	◦ Rosewater wind project placed into service in 2020 ◦ Construction progresses on Indiana Crossroads wind project ◦ CPCNs pending before IURC for Dunns Bridge Solar I, Dunns Bridge Solar II and Cavalry Solar	◦ Indiana Crossroads expected in service YE 2021 ◦ IURC order for Dunns / Cavalry expected Q2 2021
Renewable Generation PPA Projects	◦ Jordan Creek wind project completed in 2020 ◦ PPAs approved by IURC for Brickyard Solar and Greensboro Solar + storage ◦ PPAs filed with IURC for Gibson and Green River solar projects	◦ Regulatory approval for Gibson and Green River expected by Q2 2021
Electric System Modernization Program	◦ Focused on electric transmission and distribution investments designed to improve system safety and reliability ◦ TDSIC 7 semi-annual tracker update covering $122.3M in investments from July 2019 - July 2020	◦ Filed Sep. 29, 2020 ◦ Order received Jan. 27, 2021 ◦ Rates effective Feb. 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

SAFETY AND INFRASTRUCTURE PROGRAMS

COMPANY	YEAR-END 2020 RATE BASE	AUTHORIZED PROGRAM ROE	MODERNIZATION PROGRAM INVESTMENTS	ESTIMATED ANNUAL MODERNIZATION PROGRAM INVESTMENTS	RECOVERY MECHANISM
Columbia Gas of OH	$3.5B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$2.1B	None specified	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.8B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$905M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$372M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$173M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.8B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $13.6B RATE BASE**

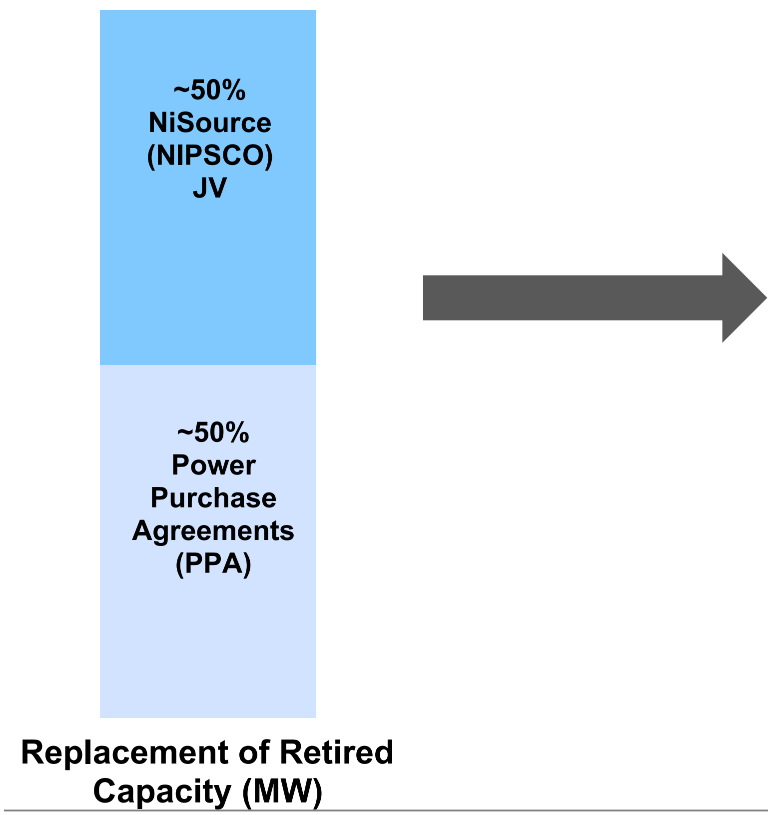
* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2020

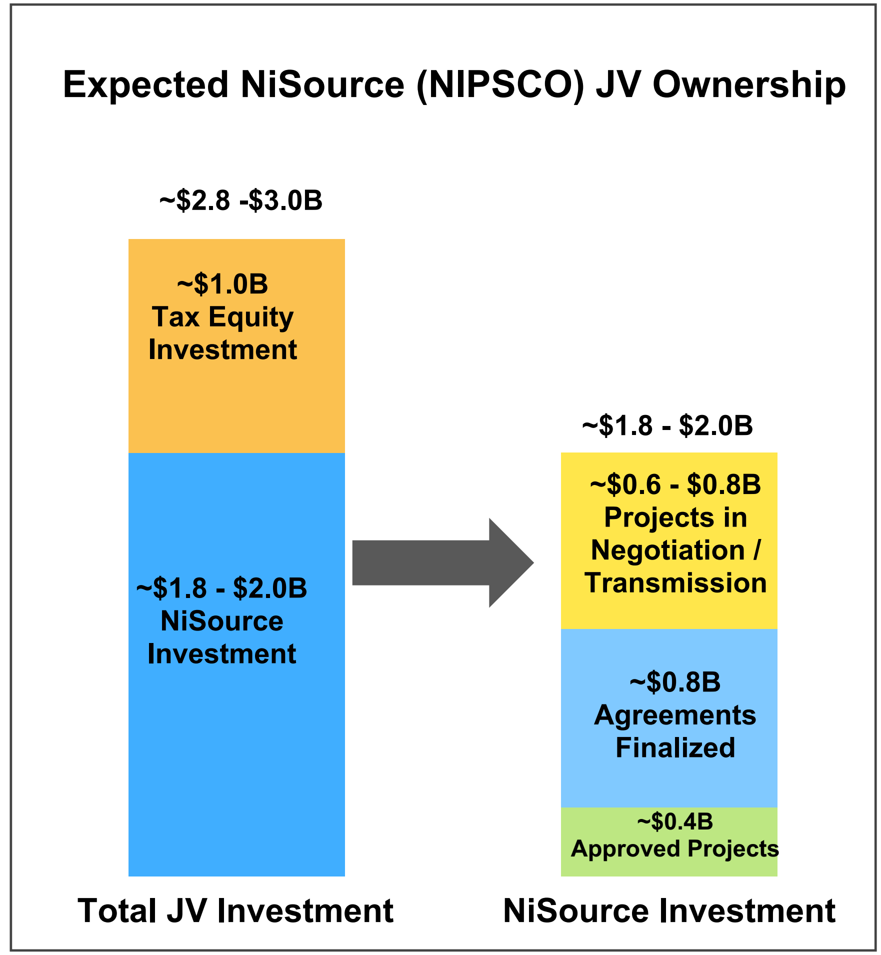
SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

COMPANY	MECHANISM	INCREMENTAL INVESTMENTS		RECOVERY	
		PERIOD	AMOUNT ($M)	FILING DATE	EFFECTIVE DATE
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2018	$199.6	Feb 2019	May 2019
		FY 2019	$234.4	Feb 2020	May 2020
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2018	$121.7	Feb 2019	Sept 2019
		FY 2019	$185.1	Feb 2020	Sept 2020
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Jun 2020 - Aug 2020	$85.0	Sep 2020	Oct 2020
		Sep 2020 - Nov 2020	$25.0	Dec 2020	Jan 2021
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2021	$46.4	Jul 2020	Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2020	$40.4	Oct 2019	Jan 2020
		FY 2021	$50.0	Oct 2020	Expected Q2 2021
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2020	$15.0	Jan 2020	Feb 2020
		FY 2021	$16.9	Oct 2020	Jan 2021
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 11: May 2019 - Dec 2019	$38.7	Feb 2020	Jul 2020
		TDSIC 1: Jan 2020 - Jun 2020	$26.0	Aug 2020	Jan 2021
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 6: Dec 2018 – Jun 2019	$131.1	Aug 2019	Jan 2020
		TDSIC 7: Jul 2019 - Jul 2020	$122.3	Sep 2020	Feb 2021

RENEWABLE INVESTMENT OPPORTUNITY THROUGH 2023

Tax equity partnerships allow for significant reduction in cost to customers and $1.8-$2B of NiSource capital investment





MIX OF JVs AND PPAs DRIVES CUSTOMER BENEFITS AND SHAREHOLDER VALUE

RENEWABLE INVESTMENT PROJECT UPDATE

PROJECT	STRUCTURE	NIPSCO INVESTMENT ($M)	ANTICIPATED IN SERVICE	STATUS
Projects In Execution:				
Rosewater Wind	JV	~$100	'20	Complete
Jordan Creek Wind	PPA	N/A	'20	Complete
Indiana Crossroads Wind	JV	~$300	'21	Under Construction
Brickyard Solar	PPA	N/A	'22	IURC approved
Greensboro Solar + Storage	PPA	N/A	'22	IURC approved
Dunns Bridge I Solar	JV	~$240	'22	Pending IURC approval
Dunns Bridge II Solar + Storage	JV	~$420	'23	Pending IURC approval
Cavalry Solar + Storage	JV	~$190	'23	Pending IURC approval
Gibson Solar	PPA	N/A	23	Pending IURC approval
Green River Solar	PPA	N/A	23	Pending IURC approval
In Process Projects:				
Solar Projects*	JV	~$400 – $600	'22–'23	Advanced Commercial Negotiations
Solar & Wind Projects	PPA	N/A	'23	Advanced Commercial Negotiations
Transmission Projects	NI owned	~ $150	'21–'22	Engineering / Under Construction
Total		**$1,800 – $2,000**		

*Includes transmission projects included in IRP which will be fully owned by NIPSCO

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- $1.8B-$2.0B of planned renewable investments through 2023
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- Driving toward 90% reduction* in greenhouse gas emissions by 2030

Social

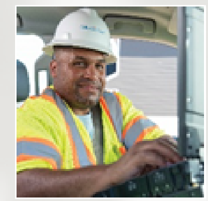
- Transformation focused on customer safety and reliability
- Economically benefiting customers and communities
- Committed to engagement, diversity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board recently refreshed
- Robust framework for strategy, risk management and oversight

* Compared to 2005 baseline

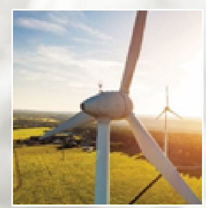


APPENDIX

YEAR END 2020 RESULTS

NiSource®

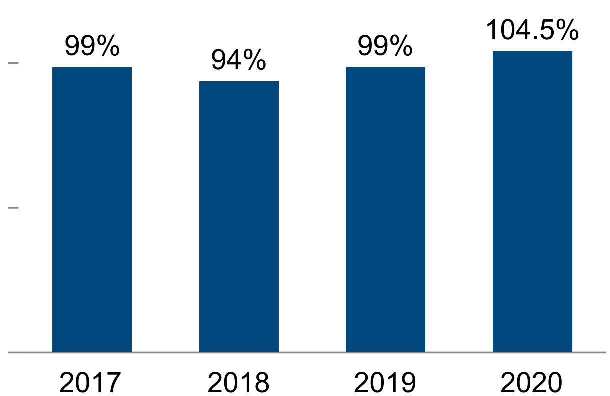



LIQUIDITY AND CAPITALIZATION AS OF YEAR END 2020 ($M)

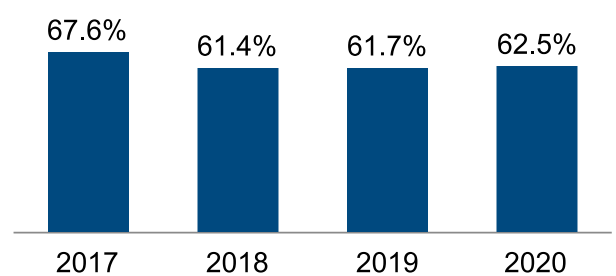
CURRENT LIQUIDITY	ACTUAL 12/31/20	MATURITY
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	273	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	503	
Accounts Receivable Programs Utilized	—	
L/C's Outstanding Under Credit Facility	15	
Add:		
Cash & Equivalents	117	
Net Available Liquidity	$1,722	

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

Qualified Pension Funding



Total Debt/Total Capitalization



TOTAL DEBT AS OF YEAR END 2020 ($M)

DEBT DETAIL	BALANCE	WTD. AVG. RATE*	WTD. AVG. MATURITY
Long-Term Debt	$9,135	3.7 %	15 years
Commercial Paper	$503	0.27 %	60 days
Finance Leases, Deferred Costs & Other	$108	N/A	N/A
Total Debt*	**$9,746**		

* Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges

NO SIGNIFICANT LONG-TERM DEBT MATURITIES THROUGH 2024

BAD DEBT RECOVERY MECHANISMS*

COMPANY	BAD DEBT EXPENSE INCLUDED IN BASE RATES**	TRACKED INCREMENTAL EXPENSE	FILING FREQUENCY
GAS DISTRIBUTION OPERATIONS			
NIPSCO Gas	Yes	Gas cost only	Quarterly
Columbia Gas of Ohio	Yes	Gas cost and delivery charge	Annual
Columbia Gas of Pennsylvania	Yes	Partial gas cost only	Quarterly
Columbia Gas of Virginia	Yes	Gas cost only	Quarterly
Columbia Gas of Maryland	Yes	Gas cost only	Quarterly
Columbia Gas of Kentucky	Yes	Gas cost only	Quarterly
ELECTRIC OPERATIONS			
NIPSCO Electric	Yes	None	N/A

* Table below illustrates bad debt recovery mechanisms in place pre-COVID-19 and continue to be in place. In 2020 Indiana, Pennsylvania, Ohio, Maryland and Virginia authorized utilities to defer certain bad debt costs to regulatory assets in response to COVID-19. These COVID-19 authorizations are not reflected in the table.
** Based on historical bad debt of ~1% of gross revenue

REVENUE AND WEATHER NORMALIZATION MECHANISMS

COMPANY	REVENUE DECOUPLING / NORMALIZATION	WEATHER NORMALIZATION
GAS DISTRIBUTION OPERATIONS		
NIPSCO Gas	None	None
Columbia Gas of Ohio	Straight Fixed Variable Rates for Residential and Small Commercial	None
Columbia Gas of Pennsylvania	None	Yes - Residential
Columbia Gas of Virginia	Yes (RNA*) - Residential	Yes - Residential & Commercial
Columbia Gas of Maryland	Yes (RNA) - Residential	Yes - Residential & Commercial
Columbia Gas of Kentucky	None	Yes - Residential & Commercial
ELECTRIC OPERATIONS		
NIPSCO Electric	None (Demand Ratcheting Industrial Rates)	None

* Revenue Normalization Adjustment

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income (Loss) Available to Common Shareholders to Net Operating Earnings (Loss) Available to Common Shareholders (Non-GAAP) *(unaudited)*

(in millions, except per share amounts)	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
GAAP Net Income (Loss) Available to Common Shareholders	$ **70.7**	$ (153.0)	$ **(72.7)**	$ 328.0
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	**8.0**	(11.8)	**24.0**	(24.8)
Massachusetts Business transaction revenue[1]	**(9.0)**	—	**(9.0)**	—
Operating Expenses:				
Greater Lawrence Incident[2]	**1.3**	(54.2)	**16.7**	(233.6)
Plant retirement costs[3]	**—**	—	**4.6**	—
NiSource Next initiative[4]	**19.2**	—	**45.8**	—
Massachusetts Business sale related amounts[5]	**18.9**	414.5	**400.3**	414.5
Loss (Gain) on sale of assets, net	**(1.4)**	0.1	**(1.8)**	—
Total adjustments to operating income (loss)	**37.0**	348.6	**480.6**	156.1
Other Income (Deductions):				
Loss on early extinguishment of long-term debt[6]	**0.1**	—	**243.5**	—
Income Taxes:				
Tax effect of above items[7]	**(10.4)**	(90.5)	**(191.8)**	(38.2)
Income taxes - discrete items[8]	**32.7**	64.5	**47.9**	48.8
Total adjustments to net income (loss)	**59.4**	322.6	**580.2**	166.7
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	$ **130.1**	$ 169.6	$ **507.5**	$ 494.7
Basic Average Common Shares Outstanding	**387.0**	377.2	**384.3**	374.6
GAAP Basic Earnings (Loss) Per Share	$ **0.18**	$ (0.41)	$ **(0.19)**	$ 0.88
Adjustments to basic earnings (loss) per share	**0.16**	0.86	**1.51**	0.44
Non-GAAP Basic Net Operating Earnings Per Share	$ **0.34**	$ 0.45	$ **1.32**	$ 1.32

[1]Represents certain reimbursed costs for services rendered as part of the sale of the Massachusetts Business to Eversource that occurred on October 9, 2020.

[2]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.

[3]Represents costs incurred in connection with the planned retirement of the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.

[4]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

[5]2020 represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business and the loss on sale to Eversource, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale. 2019 represents a non-cash impairment of the Columbia of Massachusetts franchise rights and of the goodwill attributable to Columbia of Massachusetts as a result of the announced sale to Eversource.

[6]Represents non-recurring costs incurred for the early redemption of $1,603.6 million in long-term notes, consisting primarily of early redemption premiums.

[7]Represents income tax expense calculated using the statutory tax rates by legal entity.

[8]2020 represents non-deductible fines and penalties related to Greater Lawrence Incident and tax discrete adjustments in connection with the sale of the Massachusetts Business, including (i) deferred taxes on a TCJA regulatory liability divested, (ii) consolidated state deferred taxes and (iii) associated valuation allowance related to state net operating loss carryforward. 2019 represents (i) the non-deductible goodwill impairment, (ii) non-deductible fines and penalties and (iii) adjustments to consolidated state deferred taxes, all related to the Greater Lawrence Incident.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Three Months Ended December 31, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (GAAP)	$ 161.1	$ 53.4	$ 3.6	$ 218.1
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	7.1	0.9	—	**8.0**
Massachusetts Business transaction revenue[1]	—	—	(9.0)	**(9.0)**
Operating Expenses:				
Greater Lawrence Incident[2]	1.3	—	—	**1.3**
NiSource Next initiative[3]	13.6	5.3	0.3	**19.2**
Massachusetts Business sale related amounts[4]	9.9	—	9.0	**18.9**
Loss (Gain) on sale of fixed assets and impairments, net	—	—	(1.4)	**(1.4)**
Total Adjustments to Operating Income	**31.9**	**6.2**	**(1.1)**	**37.0**
Operating Earnings (Non-GAAP)	**$ 193.0**	**$ 59.6**	**$ 2.5**	**$ 255.1**

[1]Represents certain reimbursed costs for services rendered as part of the sale of the Massachusetts Business to Eversource that occurred on October 9, 2020.
[2]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[3]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[4]Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business and the loss on sale to Eversource, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Three Months Ended December 31, 2019 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (Loss) (GAAP)	$ 69.6	$ 85.4	$ (193.0)	$ (38.0)
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	(11.4)	(0.4)	—	**(11.8)**
Operating Expenses:				
Greater Lawrence Incident[1]	(54.2)	—	—	**(54.2)**
Massachusetts Business sale related amounts[2]	209.7	—	204.8	**414.5**
Loss (Gain) on sale of fixed assets and impairments, net	0.2	(0.1)	—	**0.1**
Total Adjustments to Operating Income (Loss)	**144.3**	**(0.5)**	**204.8**	**348.6**
Operating Earnings (Non-GAAP)	**$ 213.9**	**$ 84.9**	**$ 11.8**	**$ 310.6**

[1] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[2]Represents a non-cash impairment of the Columbia of Massachusetts franchise rights and of the goodwill attributable to Columbia of Massachusetts as a result of the announced sale to Eversource.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Earnings (Loss) (Non-GAAP) *(unaudited)*

Twelve Months Ended December 31, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (GAAP)	$ 199.1	$ 348.8	$ 2.9	$ 550.8
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	28.3	(4.3)	—	24.0
Massachusetts Business transaction revenue[1]	—	—	(9.0)	(9.0)
Operating Expenses:				
Greater Lawrence Incident[2]	16.7	—	—	16.7
Plant retirement costs[3]	—	4.6	—	4.6
NiSource Next initiative[4]	32.3	12.8	0.7	45.8
Massachusetts Business sale related amounts[5]	391.3	—	9.0	400.3
Loss (Gain) on sale of fixed assets and impairments, net	—	—	(1.8)	(1.8)
Total Adjustments to Operating Income	468.6	13.1	(1.1)	480.6
Operating Earnings (Non-GAAP)	$ 667.7	$ 361.9	$ 1.8	$ 1,031.4

[1]Represents certain reimbursed costs for services rendered as part of the sale of the Massachusetts Business to Eversource that occurred on October 9, 2020.
[2]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[3]Represents costs incurred in connection with the planned retirement of the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.
[4]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[5]Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business and the loss on sale to Eversource, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Twelve Months Ended December 31, 2019 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Income (Loss) (GAAP)	$ 675.4	$ 406.8	$ (191.5)	$ 890.7
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	(19.6)	(5.2)	—	(24.8)
Operating Expenses:				
Greater Lawrence Incident[1]	(233.6)	—	—	(233.6)
Massachusetts Business sale related amounts[2]	209.7	—	204.8	414.5
Loss (Gain) on sale of fixed assets and impairments, net	0.1	(0.1)	—	—
Total Adjustments to Operating Income (Loss)	(43.4)	(5.3)	204.8	156.1
Operating Earnings (Non-GAAP)	$ 632.0	$ 401.5	$ 13.3	$ 1,046.8

[1] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[2]Represents a non-cash impairment of the Columbia of Massachusetts franchise rights and of the goodwill attributable to Columbia of Massachusetts as a result of the announced sale to Eversource.

NiSource Inc.

Schedule 3 - Reconciliation by Segment of Operating Revenues and Expenses (GAAP) to Operating Revenues and Expenses (Non-GAAP) *(unaudited)*

Three Months Ended December 31, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 826.8	$ 370.4	$ 13.8	$ 1,211.0
Adjustments:				
Weather - compared to normal	7.1	0.9	—	8.0
Massachusetts Business transaction revenue[1]	—	—	(9.0)	(9.0)
Operating Revenues (Non-GAAP)	$ 833.9	$ 371.3	$ 4.8	$ 1,210.0

[1]Represents certain reimbursed costs for services rendered as part of the sale of the Massachusetts Business to Eversource that occurred on October 9, 2020.

Three Months Ended December 31, 2019 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 1,006.7	$ 393.7	$ (3.2)	$ 1,397.2
Adjustments:				
Weather - compared to normal	(11.4)	(0.4)	—	(11.8)
Operating Revenues (Non-GAAP)	$ 995.3	$ 393.3	$ (3.2)	$ 1,385.4

Three Months Ended December 31, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Expenses (GAAP)	$ 665.7	$ 317.0	$ 10.2	$ 992.9
Adjustments:				
Greater Lawrence Incident[1]	1.3	—	—	1.3
NiSource Next initiative[2]	13.6	5.3	0.3	19.2
Massachusetts Business sale related amounts[3]	9.9	—	9.0	18.9
Loss (Gain) on sale of fixed assets and impairments, net	—	—	(1.4)	(1.4)
Operating Expenses (Non-GAAP)	$ 640.9	$ 311.7	$ 2.3	$ 954.9

[1]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business and the loss on sale to Eversource, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Three Months Ended December 31, 2019 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Expenses (GAAP)	$ 937.1	$ 308.3	$ 189.8	$ 1,435.2
Adjustments:				
Greater Lawrence Incident[1]	(54.2)	—	—	(54.2)
Massachusetts Business sale related amounts[2]	209.7	—	204.8	414.5
Loss (Gain) on sale of fixed assets and impairments, net	0.2	(0.1)	—	0.1
Operating Expenses (Non-GAAP)	$ 781.4	$ 308.4	$ (15.0)	$ 1,074.8

[1] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
[2]Represents a non-cash impairment of the Columbia of Massachusetts franchise rights and of the goodwill attributable to Columbia of Massachusetts as a result of the announced sale to Eversource.

Twelve Months Ended December 31, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 3,140.1	$ 1,536.6	$ 5.0	$ 4,681.7
Adjustments:				
Weather - compared to normal	28.3	(4.3)	—	24.0
Massachusetts Business transaction revenue[1]	—	—	(9.0)	(9.0)
Operating Revenues (Non-GAAP)	$ 3,168.4	$ 1,532.3	$ (4.0)	$ 4,696.7

[1]Represents certain reimbursed costs for services rendered as part of the sale of the Massachusetts Business to Eversource that occurred on October 9, 2020.

NiSource Inc.
Schedule 3 - Reconciliation by Segment of Operating Revenues and Expenses (GAAP) to Operating Revenues and Expenses (Non-GAAP) *(unaudited)*

Twelve Months Ended December 31, 2019 *(in millions)*	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	$ 3,522.8	$ 1,699.2	$ (13.1)	$ 5,208.9
Adjustments:				
Weather - compared to normal	(19.6)	(5.2)	—	(24.8)
Operating Revenues (Non-GAAP)	$ 3,503.2	$ 1,694.0	$ (13.1)	$ 5,184.1

Twelve Months Ended December 31, 2020 *(in millions)*	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Expenses (GAAP)	$ 2,941.0	$ 1,187.8	$ 2.1	$ 4,130.9
Adjustments:				
Greater Lawrence Incident(1)	16.7	—	—	16.7
Plant retirement costs(2)	—	4.6	—	4.6
NiSource Next initiative(3)	32.3	12.8	0.7	45.8
Massachusetts Business sale related amounts(4)	391.3	—	9.0	400.3
Loss (Gain) on sale of fixed assets and impairments, net	—	—	(1.8)	(1.8)
Operating Expenses (Non-GAAP)	$ 2,500.7	$ 1,170.4	$ (5.8)	$ 3,665.3

(1)Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
(2)Represents costs incurred in connection with the planned retirement of the Schahfer Generating Station. Includes costs for write downs of certain capital projects and materials and supplies inventory balances.
(3)Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
(4)Represents third-party consulting costs incurred for the separation and transition of the Massachusetts Business and the loss on sale to Eversource, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

Twelve Months Ended December 31, 2019 *(in millions)*	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Expenses (GAAP)	$ 2,847.4	$ 1,292.4	$ 178.4	$ 4,318.2
Adjustments:				
Greater Lawrence Incident(1)	(233.6)	—	—	(233.6)
Massachusetts Business sale related amounts(2)	209.7	—	204.8	414.5
Loss (Gain) on sale of fixed assets and impairments, net	0.1	(0.1)	—	—
Operating Expenses (Non-GAAP)	$ 2,871.2	$ 1,292.5	$ (26.4)	$ 4,137.3

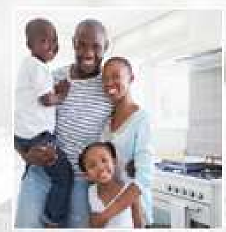
(1) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident, net of insurance recoveries recorded.
(2)Represents a non-cash impairment of the Columbia of Massachusetts franchise rights and of the goodwill attributable to Columbia of Massachusetts as a result of the announced sale to Eversource.




SUPPLEMENTAL SLIDES
1Q 2021 RESULTS

May 5, 2021

NiSource®




FORWARD-LOOKING STATEMENTS

This presentation 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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should,“ "could," "would," "aims," "seeks," "expects," "plans," "anticipates," “intends," "believes," "estimates,“ "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Item 1, “Business,” Item 1A, “Risk Factors” and Part II. Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, and Item 1A, “Risk Factors,” of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, some 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.

Regulation G Disclosure Statement

This presentation includes financial results for NiSource with respect to net operating earnings available to common shareholders and operating earnings which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. This presentation also includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations / total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

KEY TAKEAWAYS

- **First Quarter 2021 Non-GAAP Diluted Net Operating Earnings Per Share (NOEPS)* of $0.77**
  - Results reflect increased earnings from annual safety & modernization investments and reflect the profile of our business without Columbia Gas of Massachusetts
- **2021 Guidance narrowed and long-term financial commitments reaffirmed**
  - 2021 Diluted NOEPS* guidance narrowed to $1.32 to $1.36
  - $1.9 to $2.2B in annual growth, safety and asset modernization investments, 2021-2024
  - Renewable generation investments now expected to be approximately $2.0B, 2022-2023
  - 7-9% Diluted NOEPS* CAGR, 2021-2024 (5-7% 2021 - 2023)
- **Convertible Issuance resolves all discrete (block) equity needs**
  - $862.5M Convertible Issuance at 7.75% yield
  - 100% equity credit with all three agencies
  - Allows NiSource to retain share price upside and aligns proceeds with renewable investment needs
- **Pennsylvania 2020 base rate case approved with 9.86% ROE and $63.5M revenue increase**
  - CPA files 2021 base rate case, requesting a $98.3M revenue increase to continue to support safety & modernization investments
- **Renewable generation projects advance**
  - There are now a total of 14 renewable energy projects announced as part of NiSource's customer-centric "Your Energy, Your Future" initiative, which includes the generation transition plan at NIPSCO.

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

* Diluted Net Operating Earnings Per Share (Non-GAAP); For the GAAP Diluted Earnings Per Share and the reconciliation of GAAP to non-GAAP diluted earnings per share, see Schedule 1 in the appendix to this presentation

FIRST QUARTER CONSOLIDATED FINANCIAL RESULTS

GAAP	FIRST QUARTER		
	2021	2020	Change
Net Income (Loss) Available to Common Shareholders ($ in Millions)	$281.7	$61.8	$219.9
Diluted Earnings (Loss) Per Share	$0.72	$0.16	$0.56

NON-GAAP*	FIRST QUARTER		
	2021	2020	Change
Net Operating Earnings (Loss) Available to Common Shareholders ($ in Millions)	$304.8	$290.9	$13.9
Diluted Net Operating Earnings Per Share	$0.77	$0.76	$0.01

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

FIRST QUARTER SEGMENT NON-GAAP* RESULTS

GAS DISTRIBUTION OPERATIONS ($ Millions)	FIRST QUARTER 2021		FIRST QUARTER 2020		FIRST QUARTER Change	
Operating Revenues	$	1,147.3	$	1,255.8	$	(108.5)
Cost of Energy	$	379.0	$	377.4	$	(1.6)
Tracked Operating Expenses	$	66.3	$	92.6	$	26.3
Other Operating Expenses	$	328.0	$	394.2	$	66.2
Total Operating Expenses	$	773.3	$	864.2	$	90.9
Operating Earnings (Loss)*	**$**	**374.0**	**$**	**391.6**	**$**	**(17.6)**

Note: 2021 Gas Distribution results exclude CMA impact, CMA sale closed October 2020

ELECTRIC OPERATIONS ($ Millions)	FIRST QUARTER 2021		FIRST QUARTER 2020		FIRST QUARTER Change	
Operating Revenues	$	403.3	$	379.0	$	24.3
Cost of Energy	$	97.8	$	85.0	$	(12.8)
Tracked Operating Expenses	$	12.3	$	9.9	$	(2.4)
Other Operating Expenses	$	202.6	$	204.1	$	1.5
Total Operating Expenses	$	312.7	$	299.0	$	(13.7)
Operating Earnings (Loss)*	**$**	**90.6**	**$**	**80.0**	**$**	**10.6**

*Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2021. For a reconciliation of GAAP to non-GAAP earnings, see Schedules 2 and 3 in the appendix to this presentation

CONTINUED FOCUS ON SAFE AND RELIABLE EXECUTION

NISOURCE DEBT AND CREDIT PROFILE

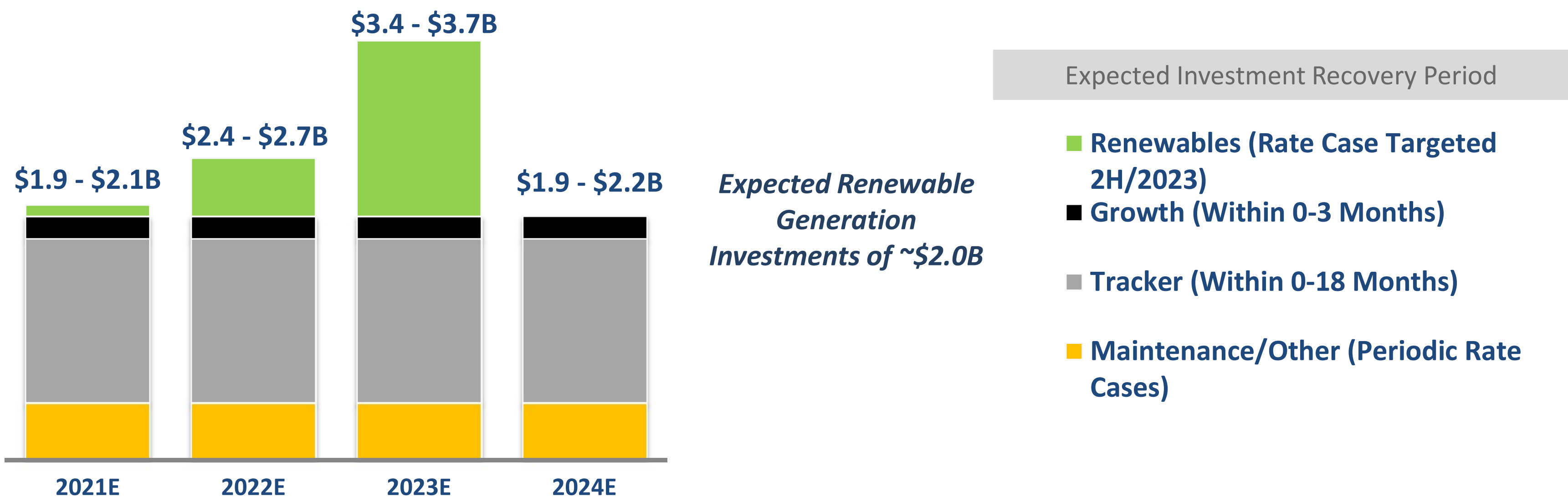
- **Debt level: ~$9.8B as of March 31, 2021**
  - ~$9.1B of long-term debt
    - Weighted average maturity ~15 years
    - Weighted average interest rate of 3.68%
- **Solid liquidity position**
  - ~$1.9B in net available liquidity as of March 31, 2021*
  - ~$2.3B of committed facilities in place as of March 31, 2021
    - ~$1.9B revolving credit facility
    - ~$0.4B accounts receivable securitization facilities **
- **Executed $862.5M Equity Unit Issuance**
  - Resolves all the discrete equity needs with remarketing of $862.5M in December of 2023
  - Provides 100% equity credit with all three agencies
  - Allows NiSource to retain share price upside and aligns proceeds with renewable investments
- **Committed to maintaining current investment-grade credit ratings**
  - S&P BBB+ | Moody's Baa2 | Fitch BBB

SOLID FINANCIAL FOUNDATION TO SUPPORT LONG-TERM INFRASTRUCTURE AND SAFETY INVESTMENTS

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

2021E – 2024E CAPITAL FORECAST

Investment opportunities expected to enhance system safety and reliability while driving shareholder value



Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

2021 - 2024 FINANCING PLAN*

Financing strategy targets long-term Adj. FFO/total debt** of ~14%-15%

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity				
ATM (At-the-Market)	$200 - $300 Annually		$0 - $150 Total	
ESPP/401K/Other	$30 - $50 Annually			
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Annually		
Planned Renewable Generation Investments (Targeting 60% Equity)				
Equity				
Common Equity Block	--------------- None Planned ---------------			
Long-Term Debt				
Incremental Long-Term Debt		~ $800 Total		
Other Financing				
Equity Unit Issuance	$862.5 Total***			

Current Financing Plan

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)
- Doesn't include potential portfolio optimization opportunities

*Current financing plan may change based on business developments
**As calculated according to the S&P and Moody's rating agency methodologies
*** Remarketing of additional $862.5M in December of 2023

GAS DISTRIBUTION OPERATIONS

- Pennsylvania 2020 rate case approved, new rate case filed
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

HIGHLIGHT	KEY COMPONENTS	STATUS
Columbia Gas of Kentucky Safety Modification and Replacement Program (SMRP) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Approval covers $40.0M for 2021 capital investments	◦ Filed Oct. 15, 2020 ◦ Order received April 30, 2021 ◦ New rates effective May 2021
NIPSCO Gas System Modernization Program	◦ Long-term infrastructure modernization program ◦ TDSIC1 filing covers $26.0M in incremental capital investments made between January and June 2020	◦ Filed Aug. 25, 2020 ◦ Order received Dec. 23, 2020 ◦ New rates effective Jan. 2021
Columbia Gas of Virginia Steps to Advance Virginia's Energy (SAVE) Annual Rider Update	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades guided by SMS risk prioritization ◦ Request covers $46.4M for 2021 capital investments	◦ Filed July 24, 2020 ◦ Order received Nov. 18, 2020 ◦ New rates effective Jan. 2021
Columbia Gas of Pennsylvania 2021 Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Requested initial increase $98.3M	◦ Filed March 30, 2021 ◦ New rates effective Dec 2021
Columbia Gas of Pennsylvania 2020 Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Approved $63.5M total annual revenue increase	◦ Filed Apr. 24, 2020 ◦ Order received Feb 19, 2021 ◦ New rates retroactive to Jan. 23, 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- Commercial and regulatory progress continues on remaining renewable projects
  - $2.0B of capital investment opportunities expected in 2022 and 2023
- Continued execution of seven-year ~$1.2B electric system modernization program

HIGHLIGHT	KEY COMPONENTS	STATUS
2021 Integrated Resource Plan	◦ Process will include RFP solicitation for new resources, similar to the 2018 IRP	◦ Meetings throughout 2021 ◦ Completion targeted for fall
New 5-Year TDSIC and Termination of 7-Year TDSIC	◦ To include long-term investments in modernizing the company's electric infrastructure with some projects that were previously identified in the latest TDSIC plan and newly identified projects aimed at enhancing service and reliability for customers.	◦ Filed termination notice April 1, 2021 ◦ Expect new filing around June 1, 2021
Renewable Generation JV Projects	◦ Announced new build-transfer agreements for Indiana Crossroads solar park, Fairbanks solar and Elliott solar ◦ Construction progresses on Indiana Crossroads wind project ◦ CPCNs pending before IURC for Dunns Bridge Solar I, Dunns Bridge Solar II and Cavalry Solar	◦ Indiana Crossroads expected in service YE 2021 ◦ IURC order for Dunns / Cavalry expected Q2 2021
Renewable Generation PPA Projects	◦ Announced new PPA for Indiana Crossroads II ◦ PPAs approved by IURC for Brickyard Solar and Greensboro Solar + storage ◦ PPAs filed with IURC for Gibson and Green River solar projects, and Indiana Crossroads II wind project	◦ Regulatory approval for Gibson and Green River expected by Q2 2021 ◦ Regulatory approval for Indiana Crossroads II expected late 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

SAFETY AND INFRASTRUCTURE PROGRAMS

COMPANY	YEAR-END 2020 RATE BASE	AUTHORIZED PROGRAM ROE	MODERNIZATION PROGRAM INVESTMENTS	ESTIMATED ANNUAL MODERNIZATION PROGRAM INVESTMENTS	RECOVERY MECHANISM
Columbia Gas of OH	$3.5B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$2.1B	None specified	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.8B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$905M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$372M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$173M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.8B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $13.6B RATE BASE**

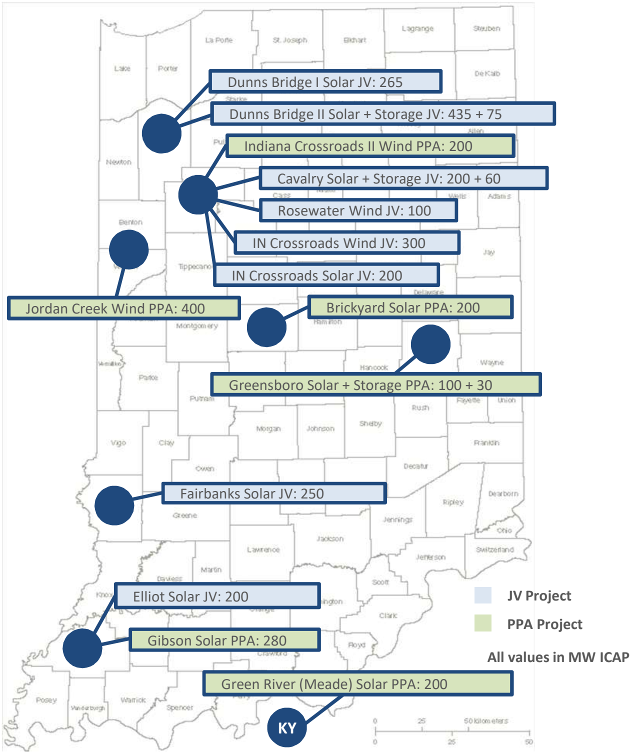
* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2020

SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

COMPANY	MECHANISM	INCREMENTAL INVESTMENTS		RECOVERY	
		PERIOD	AMOUNT ($M)	FILING DATE	EFFECTIVE DATE
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2019	$234.4	Feb 2020	May 2020
		FY 2020	$212.6	Feb 2021	May 2021
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2019	$185.1	Feb 2020	Sept 2020
		FY 2020	$179.2	Feb 2021	Sept 2021
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Jun 2020 - Aug 2020	$85.0	Sep 2020	Oct 2020
		Sep 2020 - Nov 2020	$25.0	Dec 2020	Jan 2021
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2021	$46.4	Jul 2020	Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2020	$40.4	Oct 2019	Jan 2020
		FY 2021	$40.0	Oct 2020	May 2021
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2020	$15.0	Jan 2020	Feb 2020
		FY 2021	$16.9	Oct 2020	Jan 2021
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 1: Jan 2020 - Jun 2020	$26.0	Aug 2020	Jan 2021
		TDSIC 2: July 2020 – Dec 2020	$52.3	Feb 2021	July 2021
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 7: Jul 2019 - Jul 2020	$122.3	Sep 2020	Feb 2021
		TDSIC 8: Aug 2020 - Jan 2021	$73.5	Mar 2021	Aug 2021

ROBUST RENEWABLE INVESTMENTS IN INDIANA

Project	Structure	NIPSCO Investment ($M)	In Service	Status
Projects in Execution:				
Rosewater Wind	JV	~$100	’20	Complete
Jordan Creek Wind	PPA	N/A	’20	Complete
Indiana Crossroads Wind	JV	~$300	’21	Under Construction
Brickyard Solar	PPA	N/A	‘22	Approved
Greensboro Solar + Storage	PPA	N/A	‘22	Approved
Dunns Bridge I Solar	JV	~$240	’22	Pending Approval
Dunns Bridge II Solar + Storage	JV	~$420	’23	Pending Approval
Cavalry Solar + Storage	JV	~$190	’23	Pending Approval
Gibson Solar	PPA	N/A	’23	Pending Approval
Green River Solar	PPA	N/A	‘23	Pending Approval
Fairbanks Solar	JV	~$245	’23	Pending Approval
Crossroads II Wind	PPA	N/A	‘23	Pending Approval
Crossroads Solar	JV	~$200	’22	Pending Approval
Elliott Solar	JV	~$180	’23	Pending Approval
Transmission Projects	NI owned	~$150	’21–’22	Engineering / Under Construction
Total		**~$2,000**		



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- $1.8B-$2.0B of planned renewable investments through 2023
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- Driving toward 90% reduction* in greenhouse gas emissions by 2030

Social

- Transformation focused on customer safety and reliability
- Economically benefiting customers and communities
- Committed to engagement, diversity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board
- Robust framework for strategy, risk management and oversight

* Compared to 2005 baseline




APPENDIX
1Q 2021 RESULTS

NiSource®

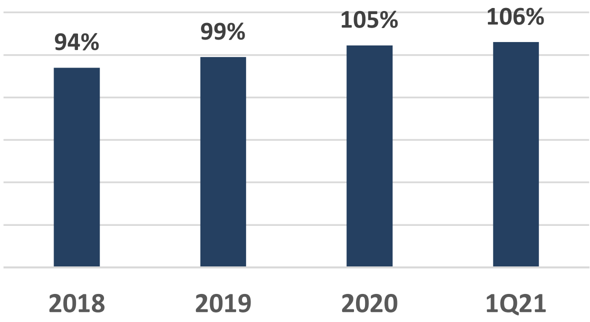



LIQUIDITY AND CAPITALIZATION AS OF 1Q 2021 ($M)

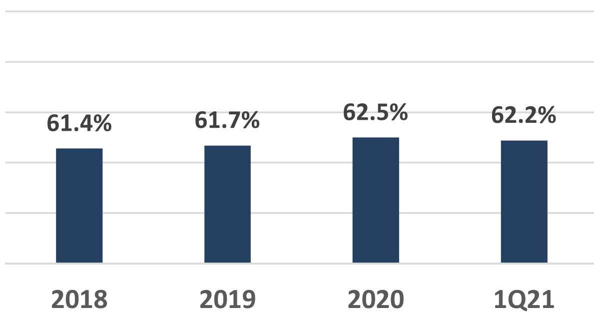
CURRENT LIQUIDITY	ACTUAL 3/31/21	MATURITY
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	462	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	520	
Accounts Receivable Programs Utilized	—	
L/C's Outstanding Under Credit Facility	15	
Add:		
Cash & Equivalents	89	
Net Available Liquidity	$1,866	

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

Qualified Pension Funding



Total Debt/Total Capitalization



NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

(in millions, except per share amounts)	**Three Months Ended March 31, 2021**	2020
GAAP Net Income Available to Common Shareholders	**$ 281.7**	$ 61.8
Adjustments to Operating Income:		
Operating Revenues:		
Weather - compared to normal	**9.0**	26.3
Operating Expenses:		
Greater Lawrence Incident[1]	**5.8**	8.1
NiSource Next initiative[2]	**9.7**	—
Massachusetts Business sale related amounts[3]	**6.9**	280.2
Gain on sale of assets, net	**—**	(0.1)
Total adjustments to operating income	**31.4**	314.5
Income Taxes:		
Tax effect of above items[4]	**(8.3)**	(85.4)
Total adjustments to net income	**23.1**	229.1
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 304.8**	$290.9
Average Common Shares Outstanding[5]	**393.9**	383.1
GAAP Diluted Earnings Per Share	**$ 0.72**	$ 0.16
Adjustments to diluted earnings per share	**0.05**	0.60
Non-GAAP Diluted Net Operating Earnings Per Share	**$ 0.77**	$ 0.76

[1]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.
[2] Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3] 2021 represents loss incurred for the Massachusetts Business primarily due to net working capital adjustments on the final purchase price. 2020 represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell.
[4]Represents income tax expense calculated using the statutory tax rates by legal entity.
[5] Beginning in 2021, we changed our Non-GAAP measure from Basic to Diluted Net Operating Earnings per Share. Diluted Average Common Shares Outstanding would have been 384.1M in 2020 resulting in no change to Non-GAAP Net Operating Earnings per Share of $0.76.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Income (Loss) to Operating Income (Loss) (Non-GAAP) (unaudited)

Three Months Ended March 31, 2021 *(in millions)*	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 346.9**	**$ 87.9**	**$ (1.6)**	**$ 433.2**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	8.4	0.6	—	**9.0**
Operating Expenses:				
Greater Lawrence Incident[1]	5.8	—	—	**5.8**
NiSource Next initiative[2]	6.0	2.1	1.6	**9.7**
Massachusetts Business sale related amounts[3]	6.9	—	—	**6.9**
Total Adjustments to Operating Income(Loss)	**27.1**	**2.7**	**1.6**	**31.4**
Operating Income (Non-GAAP)	**$ 374.0**	**$ 90.6**	**$ —**	**$ 464.6**

[1]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]Represents loss incurred for the Massachusetts Business primarily due to net working capitaladjustments on the final purchase price.

Three Months Ended March 31, 2020 *(in millions)*	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Income (Loss) (GAAP)	**$ 78.5**	**$ 78.5**	**$ (8.8)**	**$ 148.2**
Adjustments to Operating Income (Loss):				
Operating Revenues:				
Weather - compared to normal	24.8	1.5	—	**26.3**
Operating Expenses:				
Greater Lawrence Incident[1]	8.1	—	—	**8.1**
Loss on classification as held for sale[2]	280.2	—	—	**280.2**
Gain on sale of fixed assets and impairments, net	—	—	(0.1)	**(0.1)**
Total Adjustments to Operating Income (Loss)	**313.1**	**1.5**	**(0.1)**	**314.5**
Operating Income (Non-GAAP)	**$ 391.6**	**$ 80.0**	**$ (8.9)**	**$ 462.7**

[1]Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.
[2]Represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell.

NiSource Inc.

Schedule 3 - Reconciliation by Segment of Operating Revenues and Expenses (GAAP) to Operating Revenues and Expenses (Non-GAAP) (unaudited)

Three Months Ended March 31, 2021 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	**$ 1,138.9**	**$ 402.7**	**$ 4.0**	**$ 1,545.6**
Adjustments:				
Weather - compared to normal	8.4	0.6	—	**9.0**
Operating Revenues (Non-GAAP)	**$ 1,147.3**	**$ 403.3**	**$ 4.0**	**$ 1,554.6**

Three Months Ended March 31, 2020 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	**$ 1,231.0**	**$ 377.5**	**$ (3.0)**	**$ 1,605.5**
Adjustments:				
Weather - compared to normal	24.8	1.5	—	**26.3**
Operating Revenues (Non-GAAP)	**$ 1,255.8**	**$ 379.0**	**$ (3.0)**	**$ 1,631.8**

Three Months Ended March 31, 2021 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Expenses (GAAP)	**$ 792.0**	**$ 314.8**	**$ 5.6**	**$ 1,112.4**
Adjustments:				
Greater Lawrence Incident[(1)]	5.8	—	—	**5.8**
NiSource Next initiative[(2)]	6.0	2.1	1.6	**9.7**
Massachusetts Business sale related amounts[(3)]	6.9	—	—	**6.9**
Operating Expenses (Non-GAAP)	**$ 773.3**	**$ 312.7**	**$ 4.0**	**$ 1,090.0**

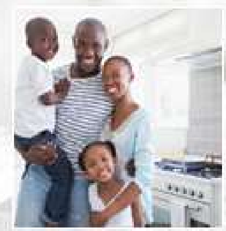
[(1)] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.
[(2)] Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[(3)] Represents loss incurred for the Massachusetts Business primarily due to net working capital adjustments on the final purchase price.

Three Months Ended March 31, 2020 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Expenses (GAAP)	**$ 1,152.5**	**$ 299.0**	**$ 5.8**	**$ 1,457.3**
Adjustments:				
Greater Lawrence Incident[(1)]	8.1	—	—	**8.1**
Loss on classification as held for sale[(2)]	280.2	—	—	**280.2**
Gain on sale of fixed assets and impairments, net	—	—	(0.1)	**(0.1)**
Operating Expenses (Non-GAAP)	**$ 864.2**	**$ 299.0**	**$ 5.9**	**$ 1,169.1**

[(1)] Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.
[(2)] Represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell.




APPENDIX
EQUITY UNITS

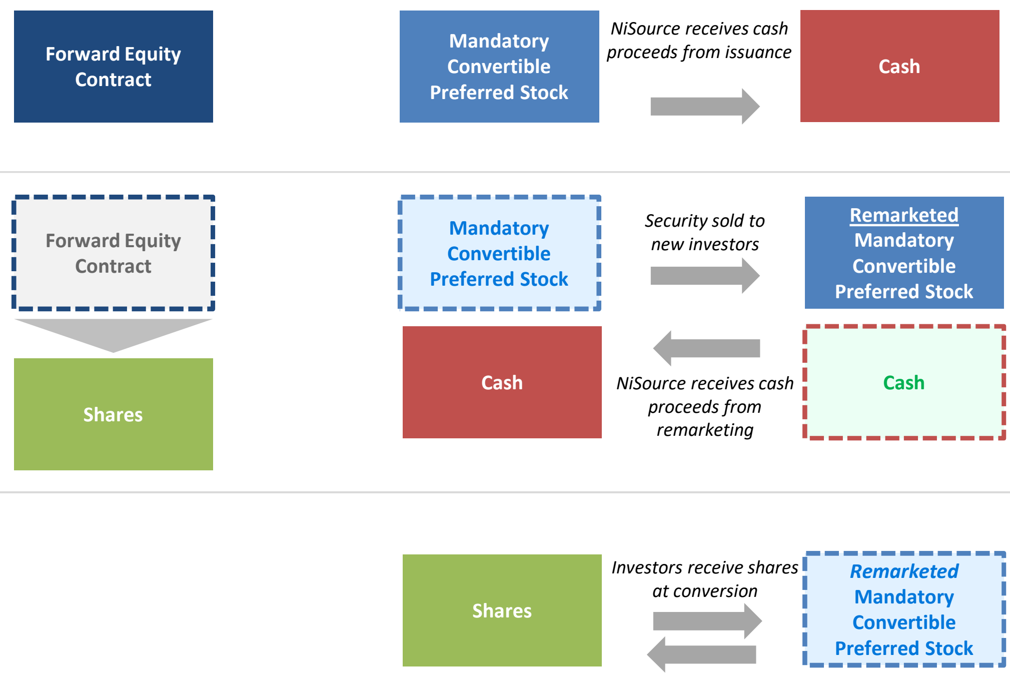



STRUCTURE DIAGRAM OF EQUITY UNIT STRUCTURE

<u>Step 1:</u> At Inception
(T = 0)
NiSource receives cash proceeds from offering and agrees to issue a variable number of common shares & pay yield on equity unit

<u>Step 2:</u> At Remarketing
(T = 2.5 years)
NiSource receives cash proceeds from remarketing[1] to settle forward equity contract. NiSource issues shares

<u>Step 3:</u> At Conversion of *Remarketed* Mandatory Preferred Stock
(T = 2.75 years)
Conversion of remarketed mandatory preferred stock into common shares



[1] If remarketing fails, any separated convertible preferred stock may be used to recreate corporate units, and any convertible preferred stock that is part of a corporate unit is used to pay purchase price under forward contract at year 2.5 (i.e. the preferred is returned to NiSource)

2021E – 2024E FINANCING STRATEGY[1]

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity			*Reduced to $0 - $150*	
ATM (At-the-Market)	$200 - $300	$200 - $300	~~$200 - $300~~	
ESPP/401K/Other	$30 - $50 Annually			
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Annually		
Planned Renewable Generation Investments: (Targeting 60% Equity)				
Equity		*No Longer Planned*		
Common Equity Block		~~$500 - $700 Total~~		
Long-Term Debt				
Incremental Long-Term Debt		~$800 Total		
Other Financing	*Satisfied*			
Convertible	$600 - $1,000 Total			

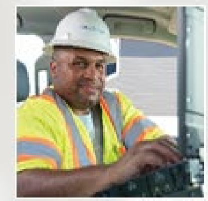
Current Financing Plan …

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)
- Doesn't include potential portfolio optimization opportunities
- Financing strategy targets long-term Adj. FFO[2] / Total Debt of ~14%-15%

Expected to satisfy all anticipated discrete equity needs through 2024, and reduces ATM issuance expectations in 2023

[1]Current financing plan may change based on business developments
[2]Adjusted funds from operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes



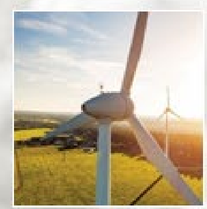



SUPPLEMENTAL SLIDES
2Q 2021 RESULTS

NiSource®

August 4, 2021






FORWARD-LOOKING STATEMENTS

This presentation 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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should,“ "could," "would," "aims," "seeks," "expects," "plans," "anticipates," “intends," "believes," "estimates,“ "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Part I, Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, and Part II, Item 1A, “Risk Factors,” of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, 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.

Regulation G Disclosure Statement
This presentation includes financial results for NiSource with respect to net operating earnings available to common shareholders and operating earnings which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. This presentation also includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations / total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

KEY TAKEAWAYS

- **Second Quarter 2021 Non-GAAP Diluted NOEPS* of $0.13**
  - Results reflect safety & modernization investments and lower COVID impact during the quarter as well as the profile of our business without Columbia Gas of Massachusetts
- **2021 Guidance and long-term financial commitments reaffirmed**
  - 2021 Diluted NOEPS* guidance of $1.32 to $1.36 affirmed
  - $1.9 to $2.2B in annual growth, safety and asset modernization investments, 2021-2024
  - Renewable generation investments expected to be approximately $2.0B, 2022-2023
  - 7-9% Diluted NOEPS* CAGR, 2021-2024 (5-7% 2021 - 2023)
- **Renewable generation transition advancing**
  - Renewable transition remains ahead of original schedule with planned retirements
  - Indiana regulatory approval of all renewable JV projects included in total estimated $2 billion investment
- **2021 Indiana IRP and RFP processes continue**
  - RFP process initiated in May yielded more than 180 total proposals for 78 individual projects across a range of deal structures and technologies
- **New base rate cases filed in Ohio, Kentucky and Maryland; Pennsylvania case continues**

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

* Diluted Net Operating Earnings Per Share (Non-GAAP). For the GAAP Diluted Earnings Per Share and the reconciliation of GAAP to non-GAAP diluted earnings per share, see Schedule 1 in the appendix to this presentation

SECOND QUARTER CONSOLIDATED FINANCIAL RESULTS

GAAP	SECOND QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Income (Loss) Available to Common Shareholders ($ in Millions)	$46.5	$(18.5)	$65.0	$328.2	$43.3	$284.9
Diluted Earnings (Loss) Per Share	$0.11	$(0.05)	$0.16	$0.80	$0.11	$0.69

NON-GAAP*	SECOND QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Operating Earnings (Loss) Available to Common Shareholders ($ in Millions)	$52.6	$50.2	$2.4	$357.4	$341.1	$16.3
Diluted Net Operating Earnings Per Share	$0.13	$0.13	$0.00	$0.88	$0.89	$(0.01)

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

SECOND QUARTER SEGMENT NON-GAAP* RESULTS

GAS DISTRIBUTION OPERATIONS ($ Millions)	SECOND QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Operating Revenues	$ 576.6	$ 606.2	$ (29.6)	$ 1,723.9	$ 1,862.0	$ (138.1)
Cost of Energy	129.0	119.2	(9.8)	508.0	496.6	(11.4)
Tracked Operating Expenses	30.3	41.7	11.4	96.6	134.3	37.7
Other Operating Expenses	351.4	371.9	20.5	679.4	766.1	86.7
Total Operating Expenses	510.7	532.8	22.1	1,284.0	1,397.0	113.0
Operating Earnings (Loss)*	**$ 65.9**	**$ 73.4**	**$ (7.5)**	**$ 439.9**	**$ 465.0**	**$ (25.1)**

Note: 2021 Gas Distribution results exclude CMA impact, CMA sale closed October 2020

ELECTRIC OPERATIONS ($ Millions)	SECOND QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Operating Revenues	$ 398.3	$ 354.3	$ 44.0	$ 801.6	$ 733.3	$ 68.3
Cost of Energy	99.3	69.2	(30.1)	197.1	154.2	(42.9)
Tracked Operating Expenses	11.6	9.2	(2.4)	23.9	19.1	(4.8)
Other Operating Expenses	202.8	186.5	(16.3)	405.4	390.6	(15.1)
Total Operating Expenses	313.7	264.9	(48.8)	626.4	563.9	(62.5)
Operating Earnings (Loss)*	**$ 84.6**	**$ 89.4**	**$ (4.8)**	**$ 175.2**	**$ 169.4**	**$ 5.8**

*Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2021. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation

CONTINUED FOCUS ON SAFE AND RELIABLE EXECUTION

NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$9.2B as of June 30, 2021**
  - ~$9.1B of long-term debt
    - Weighted average maturity ~15 years
    - Weighted average interest rate of 3.68%

- **Solid liquidity position**
  - ~$2.2B in net available liquidity as of June 30, 2021*
  - ~$2.1B of committed facilities in place as of June 30, 2021
    - ~$1.9B revolving credit facility
    - ~$0.2B accounts receivable securitization facilities **

- **Executed $862.5M Equity Unit Issuance in April**
  - Resolves all the discrete equity needs with remarketing of $862.5M in December of 2023
  - Provides 100% equity credit with all three agencies
  - Allows NiSource to retain share price upside and aligns proceeds with renewable investments

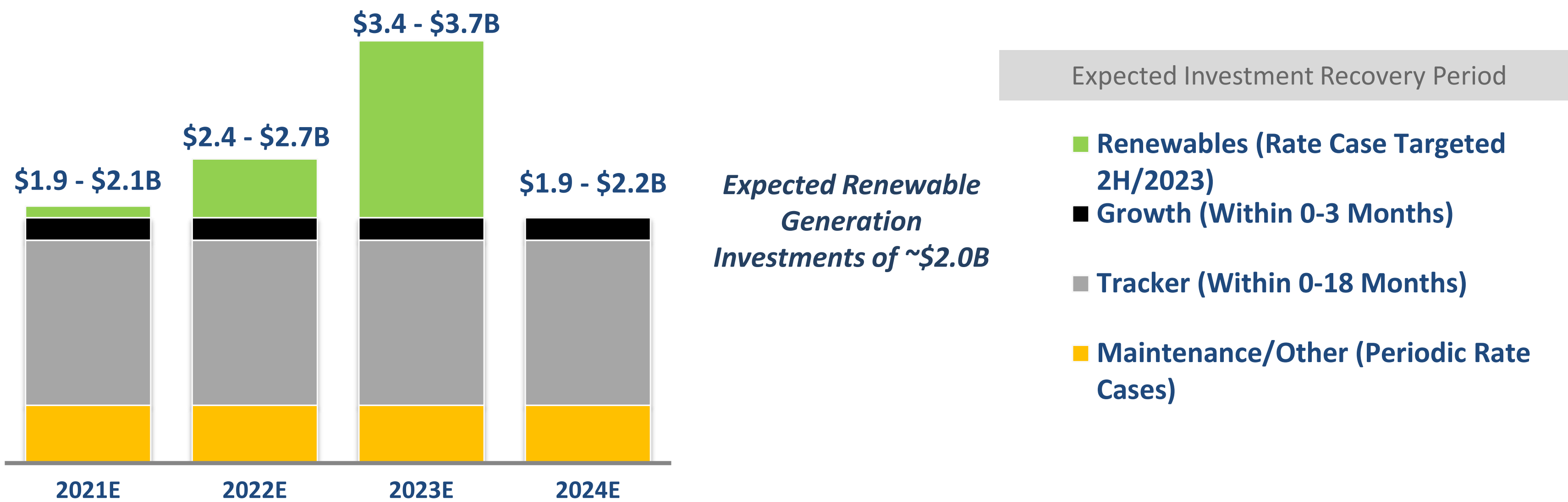
- **Moody's affirmed Baa2 rating with stable outlook in July**
  - Follows affirmations at S&P (BBB+) and Fitch (BBB) early this year and underscores commitment to investment-grade credit ratings

SOLID FINANCIAL FOUNDATION TO SUPPORT LONG-TERM INFRASTRUCTURE AND SAFETY INVESTMENTS

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

2021E – 2024E CAPITAL FORECAST

Investment opportunities expected to enhance system safety and reliability while driving shareholder value



Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

2021 - 2024 FINANCING PLAN*

Financing strategy targets long-term Adj. FFO/total debt** of ~14%-15%

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity				
ATM (At-the-Market)	**$200 - $300 Annually**		**$0 - $150 Total**	
ESPP/401K/Other	**$30 - $50 Annually**			
Long-Term Debt				
Incremental Long-Term Debt		**$500 - $700 Annually**		
Planned Renewable Generation Investments (Targeting 60% Equity)				
Equity				
Common Equity Block	**- - - - - - - - - - - - - - - None Planned - - - - - - - - - - - - - - -**			
Long-Term Debt				
Incremental Long-Term Debt		**~ $800 Total**		
Other Financing				
Equity Unit Issuance	**$862.5 Total*** **			

Current Financing Plan

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)

*Current financing plan may change based on business developments
**As calculated according to the S&P and Moody's rating agency methodologies
*** Remarketing of additional $862.5M in December of 2023

GAS DISTRIBUTION OPERATIONS

- New base rate cases filed in Ohio, Kentucky and Maryland; Pennsylvania case continues
- Continuing to execute infrastructure modernization designed to enhance system safety, reliability and environmental performance

HIGHLIGHT	KEY COMPONENTS	STATUS
Columbia Gas of Ohio Base Rate Case	◦ Requesting $221.4 million, net of the Capital Expenditure Program ("CEP") and Infrastructure Replacement Program ("IRP") Riders; $3.6 billion rate base ◦ Filing requests 10.95% ROE and 50.6% equity capital structure	◦ Filed June 30, 2021 ◦ New rates proposed effective Mid-2022
Columbia Gas of Kentucky Base Rate Case	◦ Requesting $26.7 million net of infrastructure tracker on $446 million forecasted rate base ◦ Filing requests 10.3% ROE and 52.64% equity capital structure	◦ Filed May 28, 2021
Columbia Gas of Maryland Base Rate Case	◦ Requesting $5 million net of infrastructure trackers on $185 million partially forecasted rate base ◦ Filing requests 10.85% ROE and 52.95% equity capital structure	◦ Filed May 14, 2021 ◦ New rates proposed effective December 2021
Columbia Gas of Pennsylvania 2021 Base Rate Case	◦ Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades ◦ Requested initial increase of $98.3M on $2.7 billion forecasted rate base ◦ Filing requests 10.95% ROE and 54.34% equity capital structure	◦ Filed March 30, 2021 ◦ New rates proposed effective December 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- Regulatory progress continues on remaining 2018 IRP renewable projects
- RFP solicitation generated more than 180 total proposals for 78 individual projects within 2021 IRP process
- New ~$1.6B TDSIC electric system modernization program filed for 2021-2026

HIGHLIGHT	KEY COMPONENTS	STATUS
2021 Integrated Resource Plan & Request for Proposals	◦ RFP solicitation launched in May ◦ More than 180 total proposals for 78 individual projects received across a range of deal structures and technologies	◦ IRP meetings through Oct 2021 ◦ IRP submission to IURC targeted by November
New 5-Year TDSIC	◦ Includes long-term investments in modernizing the company's electric infrastructure with some projects that were previously identified in the latest TDSIC plan ◦ Total $1.64 billion of current and planned investments over the 2021-2026 period	◦ New plan filed June 2021
Renewable Generation JV Projects	◦ CPCNs recently approved for Dunns Bridge I & II, Cavalry Solar, Fairbanks Solar, Crossroads Solar and Elliot ◦ Construction progresses on Indiana Crossroads wind project	◦ Indiana Crossroads expected in service YE 2021
Renewable Generation PPA Projects	◦ PPAs recently approved by IURC for Gibson Solar and Green River ◦ PPA filed with IURC for Crossroads II Wind	◦ Crossroads II Wind IURC decision expected by late September

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

SAFETY AND INFRASTRUCTURE PROGRAMS

COMPANY	YEAR-END 2020 RATE BASE	AUTHORIZED PROGRAM ROE	MODERNIZATION PROGRAM INVESTMENTS	ESTIMATED ANNUAL MODERNIZATION PROGRAM INVESTMENTS	RECOVERY MECHANISM
Columbia Gas of OH	$3.5B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$2.1B	9.86%	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.8B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$905M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$372M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$173M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.8B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $13.6B RATE BASE**

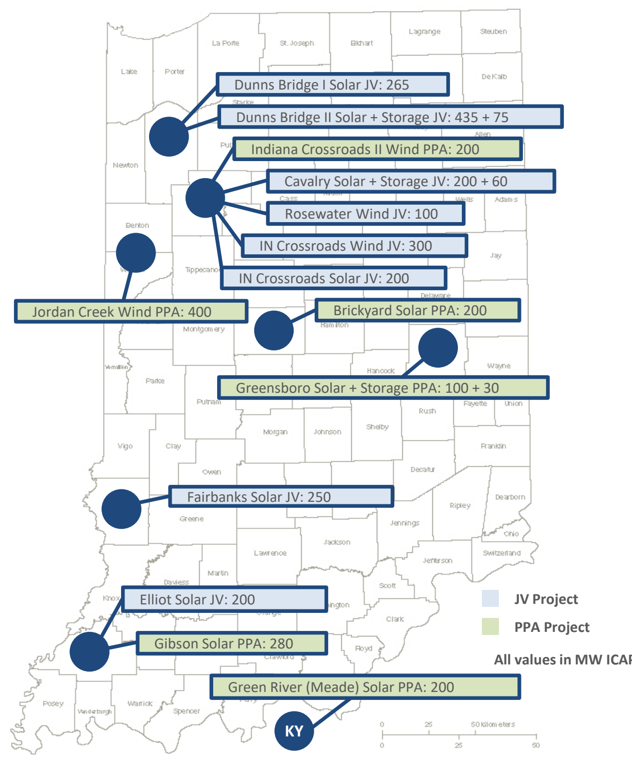
* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2020

SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

COMPANY	MECHANISM	INCREMENTAL INVESTMENTS		RECOVERY	
		PERIOD	AMOUNT ($M)	FILING DATE	EFFECTIVE DATE
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2019	$234.4	Feb 2020	May 2020
		FY 2020	$212.6	Feb 2021	May 2021
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2019	$185.1	Feb 2020	Sept 2020
		FY 2020	$177.2	Feb 2021	Sept 2021
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Jun 2020 - Aug 2020	$85.0	Sep 2020	Oct 2020
		Sep 2020 - Nov 2020	$25.0	Dec 2020	Jan 2021
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2021	$46.4	Jul 2020	Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2020	$40.4	Oct 2019	Jan 2020
		FY 2021	$40.0	Oct 2020	May 2021
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2020	$15.0	Jan 2020	Feb 2020
		FY 2021	$16.9	Oct 2020	Jan 2021
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 1: Jan 2020 - Jun 2020	$26.0	Aug 2020	Jan 2021
		TDSIC 2: July 2020 – Dec 2020	$52.3	Feb 2021	July 2021
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 7: Jul 2019 - Jul 2020	$122.3	Sep 2020	Feb 2021
		TDSIC 8: Aug 2020 - Jan 2021	$73.5	Mar 2021	Aug 2021

ROBUST RENEWABLE INVESTMENTS IN INDIANA

Project	Structure	NIPSCO Investment ($M)	In Service	Status
Projects in Execution:				
Rosewater Wind	JV	~$100	'20	Complete
Jordan Creek Wind	PPA	N/A	'20	Complete
Indiana Crossroads Wind	JV	~$300	'21	Under Construction
Brickyard Solar	PPA	N/A	'22	Approved
Greensboro Solar + Storage	PPA	N/A	'22	Approved
Dunns Bridge I Solar	JV	~$240	'22	Approved
Dunns Bridge II Solar + Storage	JV	~$420	'23	Approved
Cavalry Solar + Storage	JV	~$190	'23	Approved
Gibson Solar	PPA	N/A	'23	Approved
Green River Solar	PPA	N/A	'23	Approved
Fairbanks Solar	JV	~$245	'23	Approved
Crossroads II Wind	PPA	N/A	'23	Pending Approval
Crossroads Solar	JV	~$200	'22	Approved
Elliot Solar	JV	~$180	'23	Approved
Transmission Projects	NI owned	~$150	'21–'22	Engineering / Under Construction
Total		**~$2,000**		



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- $1.8B-$2.0B of planned renewable investments through 2023
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- Driving toward 90% reduction* in greenhouse gas emissions by 2030

Social

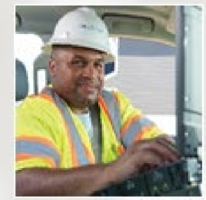
- Transformation focused on customer safety and reliability
- Economically benefiting customers and communities
- Committed to engagement, diversity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board
- Robust framework for strategy, risk management and oversight

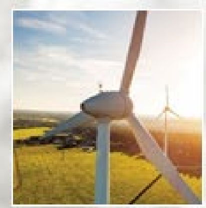
* Compared to 2005 baseline



APPENDIX
2Q 2021 RESULTS

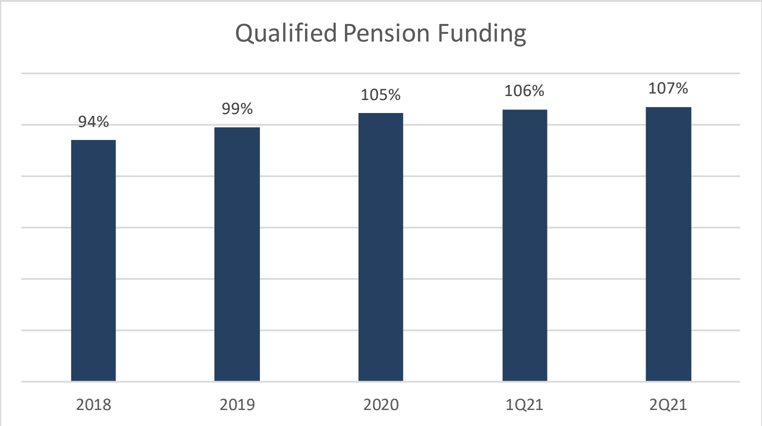


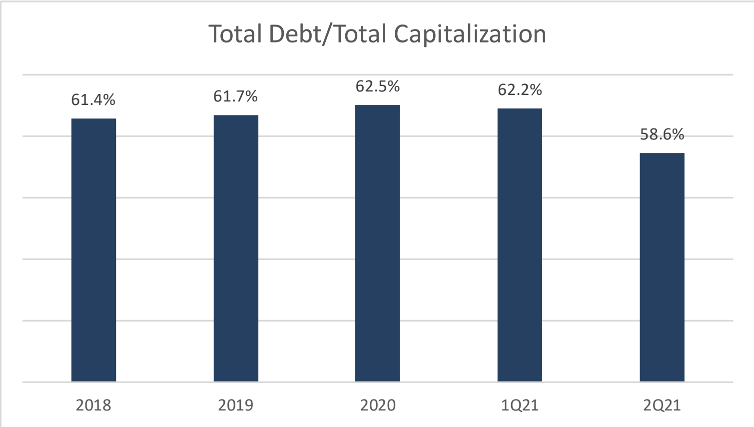



LIQUIDITY AND CAPITALIZATION AS OF 2Q 2021 ($M)

CURRENT LIQUIDITY	ACTUAL 6/30/21	MATURITY
Revolving Credit Facility	$1,850	Feb. 20, 2024
Accounts Receivable Programs*	246	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	—	
Accounts Receivable Programs Utilized	—	
L/C's Outstanding Under Credit Facility	14	
Add:		
Cash & Equivalents	78	
Net Available Liquidity	$2,160	

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables





2021 Integrated Resource Planning Process Will Inform Generation Transition Timeline

IRP Process Key Milestones	Timing
▪ Kicked off Public Stakeholder Advisory meetings and engagement	March
▪ Issued "all-source" Request for Proposal solicitation	May
– *Collect responses (project bids) from vendors*	June
▪ Incorporate RFP results into IRP modeling and analysis	July/ August
▪ Share IRP modeling analysis and results with stakeholders	September
▪ Communicate IRP preferred plan incorporating stakeholder feedback	October
– *Submit IRP to Indiana Utility Regulatory Commission*	November

2021 IRP Preferred Plan

- The IRP Preferred Plan is designed to select the ***preferred resource/technology mix for NIPSCO***. However the IRP is not making specific assets or project selections
- Once the Preferred Plan is finalized and communicated in October, Preferred Plan execution activities will begin which may include commercial negotiations and further due diligence on specific assets/projects bid into RFP
- Any potential projects and investments that emerge will likely be announced in 2022
- Link to IRP website

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	**2021**	2020	**2021**	2020
GAAP Net Income (Loss) Available to Common Shareholders	**$ 46.5**	$ (18.5)	**$ 328.2**	$ 43.3
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	**(6.1)**	(5.1)	**2.9**	21.2
Operating Expenses:				
Greater Lawrence Incident[(1)]	**1.2**	5.0	**7.0**	13.1
Plant retirement costs[(2)]	**8.6**	4.6	**8.6**	4.6
NiSource Next initiative[(3)]	**4.6**	—	**14.3**	—
Massachusetts Business sale related amounts[(4)]	**—**	69.7	**6.9**	349.9
Gain on sale of assets, net	**—**	(0.6)	**—**	(0.7)
Total adjustments to operating income	**8.3**	73.6	**39.7**	388.1
Income Taxes:				
Tax effect of above items[(5)]	**(2.2)**	(4.9)	**(10.5)**	(90.3)
Total adjustments to net income (loss)	**6.1**	68.7	**29.2**	297.8
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 52.6**	$ 50.2	**$ 357.4**	$ 341.1
Diluted Average Common Shares[(6)]	**422.9**	384.3	**408.5**	384.2
GAAP Diluted Earnings (Loss) Per Share[(7)]	**$ 0.11**	$ (0.05)	**$ 0.80**	$ 0.11
Adjustments to diluted earnings (loss) per share	**0.02**	0.18	**0.08**	0.78
Non-GAAP Diluted Net Operating Earnings Per Share[(7)]	**$ 0.13**	$ 0.13	**$ 0.88**	$ 0.89

(1)Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

(2)Represents non-recurring unrecoverable costs incurred in connection with the planned retirement of Units 14 and 15 at R.M. Schahfer Generating Station.

(3)Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

(4)2021 represents loss incurred for the Massachusetts Business primarily due to net working capital adjustments on the final purchase price. 2020 primarily represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell, including third-party consulting costs incurred for the separation and transition of the Massachusetts Business, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale.

(5)Represents income tax expense calculated using the statutory tax rates by legal entity. 2020 includes adjustment for CMA non-deductible payment in lieu of penalties.

(6)Beginning in 2021, we changed our Non-GAAP measure from Basic to Diluted Net Operating Earnings per Share. Basic Average Common Shares Outstanding were 383.5M and 383.3M for the three and six months ended June 30, 2020. Non-GAAP Net Operating Earnings per Share of $0.13 and $0.89 respectively, remained unchanged.

(7)The Non-GAAP diluted NOEPS numerator for the three and six months ended June 30, 2021 is equal to net operating earnings available to common shareholders adjusted for a $0.4M add-back for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (unaudited)

Three Months Ended June 30, 2021 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 577.3	$ 403.7	$ 5.0	$ 986.0
Adjustments:				
Weather - compared to normal	(0.7)	(5.4)	—	**(6.1)**
Operating Revenues (Non-GAAP)	$ 576.6	$ 398.3	$ 5.0	$ 979.9
Operating Expenses (GAAP)	$ 516.1	$ 324.1	$ 3.6	$ 843.8
Adjustments:				
Greater Lawrence Incident[1]	1.2	—	—	**1.2**
Plant retirement costs[2]	—	8.6	—	**8.6**
NiSource Next initiative[3]	4.2	1.8	(1.4)	**4.6**
Operating Expenses (Non-GAAP)	$ 510.7	$ 313.7	$ 5.0	$ 829.4
Operating Income (GAAP)	$ 61.2	$ 79.6	$ 1.4	$ 142.2
Total Adjustments to Operating Income	4.7	5.0	(1.4)	8.3
Operating Income (Non-GAAP)	$ 65.9	$ 84.6	$ —	$ 150.5

Three Months Ended June 30, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 609.2	$ 356.4	$ (2.9)	$ 962.7
Adjustments				
Weather - compared to normal	(3.0)	(2.1)	—	**(5.1)**
Operating Revenues (Non-GAAP)	$ 606.2	$ 354.3	$ (2.9)	$ 957.6
Operating Expenses (Benefit) (GAAP)	$ 607.5	$ 269.5	$ (6.0)	$ 871.0
Adjustments				
Greater Lawrence Incident[1]	5.0	—	—	**5.0**
Plant retirement costs[2]	—	4.6	—	**4.6**
Massachusetts Business sale related amounts[4]	69.7	—	—	**69.7**
Gain on sale of assets, net	—	—	(0.6)	**(0.6)**
Operating Expenses (Benefit) (Non-GAAP)	$ 532.8	$ 264.9	$ (5.4)	$ 792.3
Operating Income (GAAP)	$ 1.7	$ 86.9	$ 3.1	$ 91.7
Total Adjustments to Operating Income	71.7	2.5	(0.6)	73.6
Operating Income (Non-GAAP)	$ 73.4	$ 89.4	$ 2.5	$ 165.3

See footnote descriptions contained with Schedule 1.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (unaudited)

Six Months Ended June 30, 2021 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 1,716.2	$ 806.4	$ 9.0	$ 2,531.6
Adjustments:				
Weather - compared to normal	7.7	(4.8)	—	2.9
Operating Revenues (Non-GAAP)	$ 1,723.9	$ 801.6	$ 9.0	$ 2,534.5
Operating Expenses (GAAP)	$ 1,308.1	$ 638.9	$ 9.2	$ 1,956.2
Adjustments:				
Greater Lawrence Incident[1]	7.0	—	—	7.0
Plant retirement costs[2]	—	8.6	—	8.6
NiSource Next initiative[3]	10.2	3.9	0.2	14.3
Massachusetts Business sale related amounts[4]	6.9	—	—	6.9
Operating Expenses (Non-GAAP)	$ 1,284.0	$ 626.4	$ 9.0	$ 1,919.4
Operating Income (Loss) (GAAP)	$ 408.1	$ 167.5	$ (0.2)	$ 575.4
Total Adjustments to Operating Income (Loss)	31.8	7.7	0.2	39.7
Operating Income (Non-GAAP)	$ 439.9	$ 175.2	$ —	$ 615.1

Six Months Ended June 30, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 1,840.2	$ 733.9	$ (5.9)	$ 2,568.2
Adjustments:				
Weather - compared to normal	21.8	(0.6)	—	21.2
Operating Revenues (Non-GAAP)	$ 1,862.0	$ 733.3	$ (5.9)	$ 2,589.4
Operating Expenses (Benefit) (GAAP)	$ 1,760.0	$ 568.5	$ (0.2)	$ 2,328.3
Adjustments:				
Greater Lawrence Incident[1]	13.1	—	—	13.1
Plant retirement costs[2]	—	4.6	—	4.6
Massachusetts Business sale related amounts[4]	349.9	—	—	349.9
Gain on sale of assets, net	—	—	(0.7)	(0.7)
Operating Expenses (Non-GAAP)	$ 1,397.0	$ 563.9	$ 0.5	$ 1,961.4
Operating Income (Loss) (GAAP)	$ 80.2	$ 165.4	$ (5.7)	$ 239.9
Total Adjustments to Operating Income (Loss)	384.8	4.0	(0.7)	388.1
Operating Income (Loss) (Non-GAAP)	$ 465.0	$ 169.4	$ (6.4)	$ 628.0

See footnote descriptions contained with Schedule 1.

NiSource

ESG Update

September/October 2021








FORWARD-LOOKING STATEMENTS

This presentation 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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should,“ "could," "would," "aims," "seeks," "expects," "plans," "anticipates, " "intends," "believes," "estimates,“ "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Part I, Item 1, “Business,” Item 1A, “Risk Factors” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, and Part II, Item 1A, “Risk Factors,” of our quarterly report on Form 10-Q for the quarter ended March 31,2021, 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.

Regulation G Disclosure Statement

This presentation includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt, which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations/ total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

PREMIER REGULATED UTILITY BUSINESS

NiSource®

- NATURAL GAS
  - COLUMBIA GAS OF KENTUCKY
  - COLUMBIA GAS OF MARYLAND
  - COLUMBIA GAS OF OHIO
  - COLUMBIA GAS OF PENNSYLVANIA
  - COLUMBIA GAS OF VIRGINIA
  - NIPSCO GAS
- NIPSCO
- ELECTRIC
  - NIPSCO ELECTRIC

Significant Scale across Six States

~3.2M
Gas Customers

~500K
Electric Customers

NI
LISTED
NYSE

10%–12%
Compelling expected annual total shareholder return proposition 2021-2024*

* Estimated total shareholder return at a constant P/E ratio
Note: Structure is post sale of Columbia Gas of Massachusetts, which closed in October 2020

NiSource's – Long-Term Strategic Aspirations

Aspirations are the pillars through which NiSource can prioritize and deliver on long-term risk-adjusted strategy

Customer –

Achieve top quartile satisfaction, meet customer expectations as they conduct business according to their changing preference, build trusted relationships, ensure safety, reliability, value, and service

Workforce –

We strive to be an employer of choice that attracts, develops and retains people with unique backgrounds and experiences that enables a high performing culture. We will reflect the communities we serve by building an inclusive environment that supports our diverse workforce and creates equity for all.

Safety –

Lead the industry in occupational and public safety performance to fulfill NiSource's customer promise by measurably and efficiently de-risking the business. Exhibit zero tolerance for harm to our employees, contractors, customers, and the public.

Financial –

Deliver industry-leading, risk-adjusted, long-term shareholder value.

Sustainability –

Enable our customers to pursue their energy and sustainability preferences, safely, reliably, and affordably, while meeting the increasing expectations of investors and regulators, and adjusting to the changing dynamics around the energy business. Convene and influence key stakeholders to shape sustainable plans for delivering the energy needs of our communities

.

INVESTMENT HIGHLIGHTS

1. Diverse Portfolio of Sustainable Assets with Significant Renewable Investment Opportunities
2. Proven History of Consistent Earnings and Rate-Base Growth, Supporting Cash Flow Generation
3. Stable and Growing Customer Base with Midwestern Centric Footprint
4. Committed to Maintaining Current Investment Grade Ratings
5. Industry Leading Focus on Safety, Risk Management and Customer Reliability

Key Financial Commitments / Stats

7%-9%
Projected NOEPS* CAGR 2021-2024

5%-7%
Expected Annual Near-Term NOEPS* Growth (2021-2023)

10%-12%
Expected Utility Rate Base Growth CAGR 2021-2024

14%-15%
Long-term FFO**/Debt Target

~$14B
Regulated Electric and Gas Rate Base

$40B
Planned Long-Term Infrastructure Investments

(includes $2B in renewables)

100%
Coal Free by 2028
Driving Toward 90% Reduction in Greenhouse Gas Emissions by 2030

Growing Dividend Targeting 60%-70% Payout Ratio

* Net Operating Earnings Per Share (Non-GAAP)
** Funds from Operations (Non-GAAP)

ELECTRIC OPERATIONS

We are making significant progress accelerating our energy transition to replace existing electrical assets with more renewable alternatives

Progress to Date

2020 – Present:
Completed First Two Renewable Projects

- ✓ Rosewater Wind
- ✓ Jordan Creek Wind

2021 – Beyond:
Additional Projects in Pipeline

2021 – On track to complete **Indiana Crossroads Wind project in 2021**

2022-2023 – Received regulatory approval for **eleven more renewable energy projects to be in service in 2022/2023**

2024+ – Replacement Capacity for Remaining Coal-Fired Generation has seen significant (primarily renewable) interest following RFP solicitation, generating **182 proposals for 78 projects**

Energy Transition Goals

"Your Energy, Your Future" continues to advance as we work with stakeholders to create a **dependable, affordable, and sustainable energy model**

$2B in planned renewable energy investments through 2023	**90%** reduction in GHG emissions by 2030
$1.6B TDSIC[1] program electrical system modernization 2021-2026	**100%** coal-free by 2028

[1]Transmission, Distribution, Storage Improvement Charge.

NATURAL GAS DISTRIBUTION

Natural gas is critical to the US' diverse energy portfolio - our operations are strategically located adjacent to abundant, low-cost resources

Strategic Investments to Capitalize on Natural Gas with Roadmap to Sustainability

**Current – 2024:
Safety and Modernization Programs**

- **Active Investments are Encouraged through Timely Regulatory Recovery in our Jurisdictions**
- **Enhance System Safety, Reliability, and Environmental Performance**
- **Meeting the Energy Content and Affordability in the Midwest**

Natural gas is the most in-demand and affordable heating source in the Mid-West

30K

new gas customers in 2020

**2025 – Beyond:
Sustainability of Natural Gas**

- Constant improvements to our gas infrastructure will drive further reductions in methane
- Natural gas infrastructure enables us to support the delivery of other environmentally friendly fuel sources, such as renewable natural gas and hydrogen
- Continue to utilize our robust shale resources and policy support, while working closely with regulators in establishing constructive rate case outcomes

Ensure long-term environmental benefits for our Customers

50%

reduction in methane emissions from gas mains and services by 2025

OUR SUSTAINABLE APPROACH TO ESG

Environmental

- Driving toward 90% reduction[1] in greenhouse gas emissions by 2030, inclusive of a 50% reduction in methane emissions from gas mains and services by 2025
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewable generation
- $1.8B-$2.0B of planned renewable investments through 2023

Social

- Transformation focused on customer safety, reliability and affordability
- Economically benefiting customers and communities
- Committed to engagement, diversity, equity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board recently refreshed
- Robust framework for strategy, risk management and oversight

[1]Compared to 2005 baseline

DRIVING ENVIRONMENTAL BENEFITS

Generation transition to retire 100% of coal by 2028 and pipeline replacements continue to drive improved environmental performance

Cleaner generation mix significantly reducing GHG emissions

Driving down other environmental impacts related to coal

Greenhouse Gas
Reductions from 2005 Levels

63%
By 2020

90%
By 2030

Key Updates

- Generation Transition Advances
  - Received regulatory approval for 14 renewable generation projects to replace coal-fired plant retirement
  - 2021 Integrated Resource Plan (IRP) to address remaining coal-fired generation retirement is well underway
- Replaced 274 miles of priority natural gas pipe in 2020
- Evaluating renewable natural gas opportunities and hydrogen pilot programs
- Detailed planning underway to establish next level targets
- Working to establish a sustainability platform for future financing options
- Joined the Low Carbon Resources Initiative (LCRI) and Energy Capital Ventures (ECV) to help accelerate the development of low-carbon energy technologies

COMMITTED TO CONTINUING TO ENHANCE SOCIAL RESPONSIBILITIES

Continuing to take proactive steps to enhance our social practices

Social

Key Updates

- SMS (Safety Management System) is established and continues to mature as the NiSource core operating model
  - Expanded deployment of advanced leak detection technology for improved risk-informed decision making
  - Leading the effort to establish a natural gas SMS industry collaborative
- Enhancing DE&I initiatives across the organization
  - Hired a DE&I officer
  - Executive leadership team now consists of ~30% women and >40% minorities
- Continuing efforts for economically vulnerable customers through payment assistance programs
- Ongoing support of the NiSource Charitable Foundation and Merrimack Valley

ROBUST GOVERNANCE FRAMEWORK*

Continued enhancements to our best practices governance framework

Governance

Key Updates

- Continuing the commitment to an independent and diverse board with the 2020 addition of Lloyd Yates
- Chief Safety Officer has dual reporting relationship to the CEO and the ES&S Committee (per amendments made to the charter in October 2020)
- Added age limit of 72 to board members
- Enhanced alignment of employee and executive incentive programs
  - STI (Short-Term Incentive) includes financial, customer and safety targets…safety weighting was increased from 10% to 30% for 2021
  - The 2021 PSU (Performance-Based Stock Units) include a safety magnifier and an environmental and diversity magnifier

*Please refer to slides on Compensation and Governance Practices in the appendix for additional details

CONTINUING TO FOCUS ON STRENGTHENING NISOURCE DISCLOSURES & REPORTING

Comprehensive NiSource ESG Reporting

- Integrated Annual Report (IAR)
- Form 10-K/10-Q
- Proxy Statement
- LINK https://investors.nisource.com/financial-filings-and-reports/quarterly-and-annual-materials/default.aspx

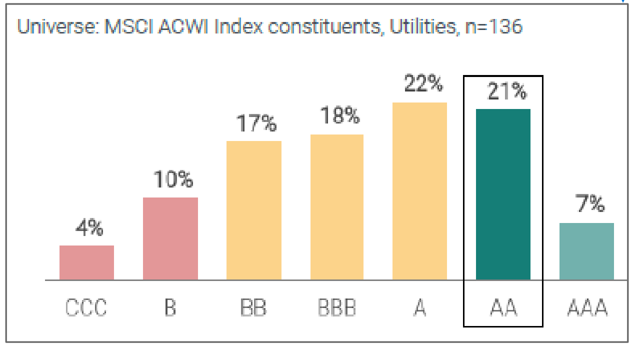
- SASB (New Reporting – Q3 2021)
- Climate (TCFD) Report (Update – Q4 2021)
- Biodiversity Commitment (New in 2020)
- Edison Electric Institute (EEI)-American Gas Association (AGA) ESG/Sustainability Template
- Global Reporting Initiative (GRI)
- CDP Climate & Water
- Sustainability Scorecard
- Supplemental Sustainability Data
- Published Policies Including Climate Change, EH&S and Sustainability
- LINK https://www.nisource.com/company/sustainability/reports-and-policies

2021 Plan Includes SASB Reporting, Enhanced Climate Report (TCFD) and Updates to the NiSource Climate Change, EH&S, and Sustainability Policies

NISOURCE ESG RATING TRENDS ARE MIXED, GENERALLY FAVORABLE AND NEAR OUR TARGET OF TOP QUARTILE

	Trend	NiSource Rating Information	Where Rating is Used or Audience Able to View Results
S&P Dow Jones Indices, A Division of S&P Global	↗	One of 7 North American utilities; on index 7 years in a row 73rd percentile in 2020, up from 69th percentile in 2019	Bloomberg Terminals S&P Global website
SUSTAINALYTICS, a Morningstar company	→	66th percentile (Utilities category), 'Strong' Risk Management	Yahoo Finance, Morningstar, and ESG Risk Ratings Investor Reports
MSCI | MSCI ESG RESEARCH LLC	↗	Upgraded from 'A' to 'AA' rating in June 2021	Barclays, RiskMetrics, RiskManager, MSCI ESG and client platforms
JUST capital	↘	Ranked 32nd of 36 companies in our industry, down from 26th of 37 in 2019	Forbes JUST 100
FTSE Russell, FTSE4Good	↗	Constituent of the FTSE4Good Index Series since 2018 84th percentile, up from 82nd percentile in 2020	FTSE Russell Analytics
ISS CORPORATE SOLUTIONS	↘	Environmental - 4th decile (unchanged from 2020) Social - 5th decile (down from 4th decile in 2020) Governance – 3rd decile (down from 1st decile in 2020)	Corporate Analytics

Recent Upgrade



Increasing trends are a result of:
- Environmental improvements
- Enhanced disclosure and communication with raters
- Publication of Biodiversity Commitment

Decreasing trends are a result of:
- Safety performance (Merrimack Valley)
- Existing coal
- Financial returns
- Publicly available information on our cybersecurity program
- Tend to weight lagging indicators




Appendix – additional information




EXECUTIVE SUMMARY

Strategic Framework and Important Actions	Strengthened Commitment to Safety and a Sustainable Strategy for All Stakeholders
Safety and Risk Management	Robust Risk Framework Helps Drive Toward Sustained Industry Leadership in Safety
Environmental Initiatives	Continuing to Build on Foundation of Environmental Stewardship
Diversity, Equity and Inclusion	Prioritizing Diversity, Equity and Inclusion Initiatives and Setting Clear Goals for Progress
Board of Directors	Qualified and Well-Balanced Board Aligned with Company Strategy
Management Team	Appropriate Balance of Skills and Experience to Oversee the Execution of NiSource Strategy
Compensation Overview	Pay-For-Performance Culture Aligned with Strategic Framework to Meet All Stakeholder Commitments
Commitment to Customer Satisfaction	Setting a New Standard in Customer Experience
Cyber Initiatives	Focus on Being Able to Identify, Protect, Detect, Respond and Recover from Incidents
Political Spending	Participating Constructively in the Political Process Where Legal and Appropriate

THE U.S. REGULATED UTILITY INVESTMENT OF CHOICE

Safety and environmental leadership will continue to drive customer value and sustainable growth

Strong Foundation

- Regulatory diversity resulting from multiple jurisdictions provides stability
- Significant scale, with ~$14B of regulated electric and gas rate base[1]
- Proximity to abundant, low-cost natural gas resources supports ongoing rate affordability
- Investments and recovery supported by favorable energy policies and constructive regulatory environments

Clear Path to Drive Incremental Growth

- Enhanced ~$40B infrastructure investment opportunity set driving long-term growth
  - Increase of ~$10B from prior expectation
- Well-established capital investment programs with track record of recovery through regulatory trackers
- Driving 10%-12% expected rate base CAGR 2021-2024

Benefiting Customers and Communities

- Established and maturing Safety Management System (SMS)
- Renewable generation investments to save customers $4B over 30 years and help reduce GHG 90% by 2030[2]
- Investments and focus on organizational efficiency to drive continued customer affordability
- Gas safety and modernization investments advancing environmental benefits

Committed to Shareholder Value

- 100% regulated revenue expected to deliver consistent and predictable earnings growth
- Expected 7%-9% NOEPS[3] CAGR 2021-2024
- Dividend growth to maintain targeted 60%-70% payout ratio
- Balanced financing plan focused on maintaining current investment grade credit ratings and maximizing NOEPS growth

[1] 2020E excludes CMA
[2] Compared to 2005 baseline
[3] Net Operating Earnings Per Share (Non-GAAP)

IMPORTANT STRATEGIC ACTIONS AT NISOURCE

Strengthening Commitment to Safety and a Sustainable Strategy for all Stakeholders

- NiSource On-track to Achieve Environment Targets – 90% Reduction in Green House Gas (GHG) by 2030 (from 2005 Levels)
  - Including a 50% reduction in methane emissions from core pipeline replacement programs
  - Executing generation transition that retires 80% of coal-fired generation by 2023 and all coal-fired generation by 2028
  - Evaluating additional renewable natural gas opportunities as well as hydrogen pilot programs
- IRP Milestones Enabling Generation Transition
  - All 2018 IRP renewable generation projects now approved, driving future cleaner energy and significant savings for customers
  - 2021 IRP process underway with new RFP yielding more than 78 individual projects
- NiSource Next Drives Customer Affordability – Executing a multi-year program to deliver long-term safety, sustainable capability enhancements and cost optimization improvements
- Your Energy Your Future Expanding to Gas – Working to broaden existing program focused on generation transition to sustainability initiative across our electric and gas footprint
- Board Includes Significant Industry Experience and Safety Expertise
  - Theodore Bunting, Jr., Lloyd Yates and Michael E. Jesanis bring significant energy industry, regulated and integrated utility experience; Former Chair of the NTSB, Deborah Hersman, adds widely respected safety expertise
- Safety Management System (SMS) Established and Continues to Mature as Core Operating Model
  - SMS is a comprehensive approach to managing safety, emphasizing continual assessment and improvements as well as identifying and mitigating potential risks proactively
- Columbia Gas of Massachusetts Sale Completed in 2020

SAFETY PERFORMANCE AND EMERGENCY RESPONSE

Driving Toward Sustained Industry Leadership in Safety

- Safety Management System (SMS) vision is to lead and exceed anchored by three pillars
  - Culture - all employees are empowered to identify and report risks
  - Asset management - accountability to effectivity evaluate, prioritize and mitigate identified risks
  - Process safety - layers of protection for safe work with a focus on enhanced, consistent standards and processes
- Quality review board (QRB) was established in 2019 and advises management on SMS and Enterprise Risk Management (ERM)
- Established a Corrective Action Program (CAP) tool and process for employees to use to report risks
- Automatic Shut-off devices to protect against over pressurization expected to be added to all low pressure systems by YE2021

Key Performance Category	2020 YE Status	Goal
DART* Rate	**Second Quartile**	**Industry Top Decile**
OSHA Injury Rate	**Top Quartile**	**Industry Top Decile**
Miles of Priority Pipe Replaced	**274**	**> 350 Per Year**
Natural Gas System Leaks Found	**20% Reduction in leaks found (2020 vs. 2019)**	**Continued Reduction**
Emergency Response Time (<45 minutes)	**97%**	**98%**

*Days away, restricted or transferred

CONTINUING TO ENHANCE ENVIRONMENTAL STEWARDSHIP

The ESS Committee Provides Oversight over Environmental Stewardship Initiatives and Execution

Environmental Impact Targets

Eliminating Owned Coal Generation by 2028 and Replacing with Cleaner and Lower-Cost Energy Achieving:

	Emissions Reductions	2020 Reduction*	2030 Reduction Target*	
ALL OPERATIONS	Greenhouse Gas	63%	**90%**	
ELECTRIC BUSINESS	Air Emissions --Nitrogen Oxide --Sulfur Dioxide --Mercury	 89% 98% 96%	**99%**	**$4 Billion in Long-Term Cost Savings Projected for Our Electric Customers**
	Water Withdrawal Water Discharge	91% 95%	**99%**	
	Coal Ash Generated	71%	**100%**	
GAS BUSINESS	Methane from Mains & Services	39%	**>50%**	

*Compared to 2005

Environmental Execution

- Coal retirements reduce greenhouse gas emissions consistent with the goals of the Paris Agreement
- $1.8B-$2.0B planned renewable generation investments in 2021-2023
- Accelerated natural gas pipeline modernization reduces leaks and methane emissions
- Enhanced reporting: Climate Report incorporates TCFD recommendations, EEI-AGA ESG/Sustainability template, plan to report SASB metrics

Environmental/ESG Recognition

- In 2020 named to the Dow Jones Sustainability North America Index for the seventh consecutive year and the FTSE4Good Index Series
- ‘AA’ Rating from MSCI in June 2021
- Founding member of the EPA’s Methane Challenge Program in 2016

ROBUST FRAMEWORK FOR RISK MANAGEMENT AND OVERSIGHT

The Board and Management Have Both Augmented Committees and Structures to Facilitate the Board's Oversight of Senior Management and Risk Management

Board Oversight

The Board sets the strategy for the five-year operating plan and oversees management's execution thereof, including key sustainability and risk management initiatives

The Audit Committee regularly reviews key risks facing the Company and mitigation efforts

- Chief Strategy & Risk Officer provides regular reports on the ERM program and Risk Management Committee activities
- Chaired by Theodore H. Bunting Jr. who joined the board in 2018 and includes Wayne DeVeydt, Deborah Henretta and Carolyn Woo

The Environmental, Safety & Sustainability Committee was founded in 2015 and oversees the programs, performance and risks related to environmental, safety and sustainability matters

- NiSource is one of the few among its peers with a Board committee dedicated to safety and sustainability
- Chaired by Aristides Candris and includes Deborah Hersman, Michael Jesanis and Lloyd Yates
  - Ms. Hersman joined the board in 2019 and formerly Chaired the National Transportation Safety Board

Management Oversight

Senior leaders serve on Risk Management Committee (RMC), which was formed with NiSource's inception in 2000

- Formal bi-monthly meetings with executive leadership to review risks and mitigations
- Committee consists of Executive Leadership Team (ELT) plus the head of internal Audit

NiSource is a leader among peers by having both a dedicated Chief Strategy and Risk Officer (Shawn Anderson) as well as a Chief Safety Officer (Chuck Shafer)

- Chief Strategy Officer reports directly to the CEO
- Chief Safety Officer has dual reporting relationship to the CEO and the ES&S Committee (per amendments made to the charter in October 2020)

Quality Review Board (QRB) was established in 2019 and advises management on SMS and Enterprise Risk Management (ERM)

Announced acceleration of SMS in 2018 using probabilistic risk assessment as a quantitative way to assess risk. SMS continues to mature as the core operating model at NiSource

EXPANDING DIVERSITY, CREATING AN INCLUSIVE CULTURE AND DEVELOPING ENGAGED EMPLOYEES

Prioritizing Inclusion, Equity and Diversity

- Diversity is a critical consideration for NiSource's Board, as evidenced by its current strong representation of diversity, setting expectations from the top
- NiSource added a Chief DE&I Officer (Juan Carlos Ayala) to further advance company focus and efforts
- Management further aligned with diversity efforts in 2021 via new diversity performance goals added to long-term compensation framework
- Supporting Cultural Awareness Initiatives and Development Opportunities for Under-represented Groups
- Developed "Inclusive Index" as part of Annual Employee Survey; Providing Inclusive Leadership Training for all Managers
- NiSource Mentoring Program and Targeted Development for Diverse Talent Program Focused on Traditionally Under-represented Leaders

Engaging Employees

- Annual Employee Surveys Driving "Action Items"
- Employee Resource Groups and Inclusion and Diversity Councils Open to all Employees

Giving Back and Making a Difference in Our Communities

- $7.4M Donated to targeted nonprofit organizations in our communities in 2020
- Provided $10M as part of a 5 year commitment to Merrimack Valley following sale of CMA

Progress/Recognition

- CEO Signed on to the CEO Action for Diversity & Inclusion Pledge in 2017
- Named one of American's Best Large Employers by *Forbes* since 2016
- Member of the Bloomberg Gender Equality index since 2018

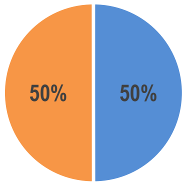
BOARD COMPOSITION AND EVALUATION

Diverse, Refreshed Board with a Broad Range of Relevant Experience and Skills

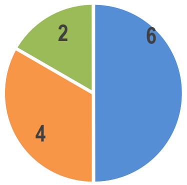
Rigorous Board Evaluation and Selection Process

- Annual and ongoing evaluation of full Board, Board Committees and individual Directors overseen by the Nominating and Governance Committee
- In searching for Director candidates, the Nominating and Governance Committee uses a professional search firm, considers recommendations from current Board members and existing shareholders and hosts interviews of candidates before making its recommendation to the Board
- The Nominating and Governance Committee considers the skills, expertise, experience and qualifications that will best complement the overall mix of skills and expertise of the Board in view of our strategy and the risks and opportunities we face
- Diversity is a critical consideration for NiSource's Board, as evidenced by its current diversity, because a breadth of perspectives is necessary to fully evaluate ideas and challenge the status quo
- The Nominating and Governance Committee also assesses the diversity of the Board as part of its annual self-assessment process
- Retirement policy added in 2021 that requires Board members to retire at age 72

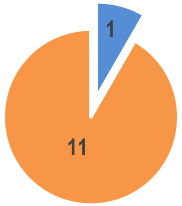
Diverse Composition



Refreshed Board with Balance of Tenures



Highly Independent



NISOURCE BOARD OF DIRECTORS

Directors with a Wide Range of Experience and Expertise

Peter A. Altabef
Age: 62
Elected: 2017
Occupation: Chairman. & CEO, Unisys Corp.
Board Committees: Finance (C)*, Nom & Gov**

Theodore H. Bunting, Jr.
Age: 62
Elected: 2018
Occupation: Retired Group Pres., Entergy Corp.
Board Committees: Audit (C), Nom & Gov

Eric L. Butler
Age: 61
Elected: 2017
Occupation: Pres. & CEO, Aswani-Butler Associates
Board Committees: Comp (C), Nom & Gov

Aristides S. Candris
Age: 70
Elected: 2012
Occupation: Retired Pres. & CEO, Westinghouse
Board Committees: ESS*** (C), Nom & Gov

Wayne S. DeVeydt
Age: 51
Elected: 2016
Occupation: Executive Chair of Surgery Partners, Inc.
Board Committees: Audit, Finance

Joseph Hamrock
Age: 58
Elected: 2015
Occupation: Pres. & CEO, NiSource Inc.

Deborah A. Henretta
Age: 60
Elected: 2015
Occupation: Partner G100 Companies
Board Committees: Audit, Comp

Deborah A. P. Hersman
Age:51
Elected: 2019
Occupation: Consultant Waymo, LLC
Board Committees: ESS, Finance

Michael E. Jesanis
Age: 65
Elected: 2008
Occupation: Retired Pres. & CEO National Grid USA
Board Committees: Comp, ESS

Kevin T. Kabat
Age: 64
Elected: 2015
Occupation: Independent Chairman of the Board, NiSource Inc.; Retired CEO of Fifth Third Bancorp
Board Committees: Nom & Gov (C)

Carolyn Y. Woo
Age: 67
Elected: 1998
Occupation: Retired Pres. & CEO, Catholic Relief Services
Board Committees: Audit, Finance

Lloyd M. Yates
Age: 60
Elected: 2020
Occupation: Retired EVP, Duke Energy
Board Committees: Comp, ESS

*(C) Chair
** Nominating and Governance
*** Environmental Safety and Sustainability

NISOURCE BOARD OF DIRECTORS

Robust Experience, Independent Perspectives and the Necessary Skills to Support NiSource Strategy

Area of Expertise	% of Directors	Commentary
Industry Experience • Gas Distribution or Transmission • Electricity Distribution, Transmission or Generation • Energy Markets or Technology	 50% 50% 67%	*Ensures Board has the knowledge to keep abreast of industry trends and be a leader in the utilities space*
Operations & Leadership • Other Operations/Customer Service • CEO (current or prior) • Strategic Planning • Technology • Talent Management	 92% 83% 100% 58% 100%	*Provides the Board with the experience to oversee the execution of strategy*
ESG • Environmental, Sustainability, Corporate Responsibility and Ethics • Community Service / Non-Profit Board	 100% 92%	*Ensures that NiSource will consider the concerns of all stakeholders and focus on long-term value creation*
Oversight • Safety • Government and Regulatory • Risk Management	 67% 92% 100%	*Focuses the Board on the most material risks, including safety and regulatory, facing the Company*
Finance • Financial or Capital Markets • Financial Literacy and Expertise	 83% 100%	*Provides the Board with the skills to review strategic alternatives and financing options as well as oversee the auditing process*
Public Company Board Experience	75%	

MANAGEMENT OVERVIEW

Skills and Experience to Lead Commitment to Safety, Customer Experience and Stakeholder Value

Joe Hamrock
- President and CEO since July 1, 2015
- Joined NiSource in 2012, held numerous executive positions with American Electric Power

Pablo Vegas
- EVP/COO & President NiSource Utilities since June 1, 2020
- Joined NiSource in 2016, held various executive positions in utility and consulting industries

Donald Brown
- EVP/CFO & President, NiSource Corporate Services since June 1, 2020
- Joined NiSource in 2015, has more than 20 years of experience, including at UGI Corp., Constellation Energy and Progress Energy.

Violet Sistovaris
- EVP & Chief Experience Officer since June 1, 2020
- Joined NiSource in 1994, has held a variety of leadership and executive positions

Anne-Marie D'Angelo
- EVP, General Counsel & Corporate Secretary of NiSource since Jan 2021
- Joined NiSource in 2019, has held a variety of leadership positions

Shawn Anderson
- Chief Strategy and Risk Officer since June 1, 2020
- Joined NiSource in 2010, has held a variety of leadership positions

Chuck Shafer
- Chief Safety Officer since Oct. 1, 2019
- Joined NiSource in 1989, has 30 years experience in the utility industry

Average Say-On Pay Vote for the Last Five Years is 97%

2020 EXECUTIVE COMPENSATION OVERVIEW

Compensation Committee changes to 2021 incentive programs to better align with long-term ESG initiatives

Variable or "At Risk" (85% / 72%) — applies to Short-term Cash-based Incentive (STI) and Equity Based Long-Term Incentive (LTI)

Pay Element (% of 2020 CEO / NEOs pay)	Form	Performance Element	Rationale and Link to Strategy
Base Salary (15% / 28%)	Fixed Cash	• Reviewed annually based on corporate performance relative to business and financial goals, market competitiveness and individual performance relative to the role	• Provides all employees with level of fixed pay that is commensurate with their role and responsibility, enabling us to attract and retain top talent
Short-term Cash-based Incentive (STI) (18% / 21%)	Performance-Based Cash	• No payout unless an one-year NOEPS performance trigger goal is met • 75% payout based on annual NOEPS performance • 25% payout based on annual performance related to safety and customer care goals	• Directly links compensation to achievement of business and financial objectives over a one-year performance period
Equity Based Long-Term Incentive (LTI) (67% / 51%)	Performance Stock Units	• No payout unless a three-year cumulative NOEPS performance trigger goal is met • 65% of LTI target opportunity vests based on cumulative NOEPS performance, subject to +/-25% payout modifier based on RTSR performance • 15% of LTI target opportunity vests based on Customer Value Framework performance	• Directly links compensation to achievement of business and financial objectives over a three-year performance period by promoting long-term decision making and driving accountability for safety, customer care, organizational culture improvement and environmental impact performance: the "Customer Value Framework"
	Restricted Stock Units	• 20% of LTI opportunity • Vests based on continued employment over a multi-year period	• Retains our executives by rewarding long-term service

COMPENSATION PRACTICES

Reflects Best Practices

We DO have these practices:

- ✓ Incentive Award Metrics Tied to Key Company Performance Measures
- ✓ Share Ownership Guidelines for Executive Officers and Directors
- ✓ Double-trigger Severance Benefits Upon a Change-in-control
- ✓ Limited perquisites
- ✓ Compensation Recoupment Policy
- ✓ Prohibition Against Pledging Unearned Shares in our Long-term Incentive Plan
- ✓ One-year Minimum Vesting for Equity Awards
- ✓ Annual Say-on-Pay Vote by Stockholders

We DO NOT have these practices:

- X Dividends or Dividend Rights on Unvested Performance Shares or Restricted Stock Units
- X Automatic Single-trigger Equity Vesting Upon a Change-in-control
- X Excise Tax Gross-ups Under Change-in-control Agreements
- X Excessive Severance Benefits
- X Tax Gross-ups for Executive Officers (Other Than Gross-ups Available to All Employees Who Receive Relocation Benefits)
- X Excessive Pension Benefits or Defined Benefit Supplemental Executive Retirement Plans
- X Hedging or Pledging Transactions or Short Sales by Executive Officers or Directors

GOVERNANCE PRACTICES

Reflects Best Practices

We DO have these practices:

- ✓ Majority Vote Standard to Elect Directors
- ✓ Director Resignation Absent Majority Vote
- ✓ Equal Voting Structure (Single Class)
- ✓ Separated Chair and CEO Roles
- ✓ Proxy Access
- ✓ Shareholder Ability to Call Special Meeting

We DO NOT have these practices:

- X Classified Board
- X Supermajority Vote Requirements to Remove Directors
- X Unanimous Written Consent

SETTING A NEW STANDARD IN CUSTOMER EXPERIENCE

Focused on Achieving Top-Tier Customer Satisfaction and Dependable Service

- Fostering a Customer-centric Culture, Enhancing our Processes and Implementing New Technologies to Meet Customers' Changing Expectations
  - Launched a New Customer facing mobile app for Columbia Gas and NIPSCO in August 2021
  - Improved Website functionality by adding ability for customers to digitally Start/Stop/Move service in June 2021
  - Made process and technology improvements to drive Paperless adoption in 2020 and 2021
  - Improved call center productivity without affecting customer experience via enhanced workforce management in 2021
  - Deployed robotic process automations to billing exceptions, automating manual work in 2021
  - Made ongoing improvements to the payment process, including the enablement of PayPal, Venmo, and Amazon Pay
  - Launched New Customer-facing websites for Columbia Gas and NIPSCO during 2019
- Continued Support of Customer Programs to Help Ensure Affordability, Increase Comfort and Reduce Energy Usage
  - Completed an experience audit and used the findings to make customer energy assistance resources more easily accessible to customers, which included direct feedback from customer via NiSource's customer panel
  - Provided customer payment assistance during COVID (before required by law)
  - Requested expanded customer assistance programs in recent rate cases

Key Performance Category	2020 Status	Milestone
Customer Perception (JD Power)	**Second Quartile**	**Industry Top Quartile**
Customer Satisfaction (Post-Interaction Survey)	**90%**	**91%**
Net Promoter Score (New Business)*	**63%**	**57%**

*NPS score represents the question "Would you recommend Columbia Gas/NIPSCO to

NISOURCE CYBER INITIATIVES

- The Chief Information Security Officer and Chief Information Officer Manage Cybersecurity at NiSource and Provide Regular Updates to the Cybersecurity Sub-Committee, Which Then Reports to the Full Risk Management Committee
- The Audit Committee Provides Independent Board Oversight

Identify	• Implementing NIST Cybersecurity Framework (CSF) controls across all of IT • Enhancing control testing for Sarbanes-Oxley (SOX), Personally Identifiable Information (PII) and Payment Card Industry (PCI) • Implementation of Third-Party Risk Management across IT and NERC CIP vendors • Updated IT Policies, Standards, Procedures and Technical Specifications to meet industry best practices and benchmarks
Protect	• Implementation of tools to enhance user access management, Privileged Access Management (PAM), and multi-factor authentication capabilities • Updated security awareness training courses and continuous awareness communications • Implementing controls related to data security across the NiSource environment
Detect	• Maturing cyber capabilities with technology such as log management, security orchestration, automation and response (SOAR), firewall protections, cloud security and endpoint security • Implementing network security tools to monitor baseline activity and anonymous behaviors • Enhancing the vulnerability management program
Response	• Updated incident response plans to follow FEMA Incident Command System (ICS) guidelines • Participated in Cyber Range tabletop exercise to enhance incident response (IR) capabilities and will participate in GridEx in November 2021 • Implementing cyber forensics program including tools and personnel
Recover	• Engaging with Enterprise Risk Management (ERM) and Corporate Insurance to evaluate organizational risk and exposure related to a cyber event • Performing lessons learned exercises after each IR event • Updated cyber recovery plans to align with the IT Disaster Recovery plan

NISOURCE KEY RELATIONSHIPS

NiSource Engages with Various External Organizations and Peers in Order to Share Information and Advance our Cyber Intelligence Program

Information Sharing Partnerships

DNG-ISAC

E-ISAC
A DIVISION OF NERC
ELECTRICITY INFORMATION SHARING AND ANALYSIS CENTER

UNITE
Utility Benchmarking for Continuous Improvement

Government Relationships

THE SPIRIT OF ENTERPRISE ★ U.S. CHAMBER OF COMMERCE ★

DEPARTMENT OF ENERGY • UNITED STATES OF AMERICA •

State Reps

Homeland Security

PUC
PUBLIC UTILITY COMMISSION

Industry Associations

EEI
Edison Electric INSTITUTE

AGA
American Gas Association

Political Engagement

NiSource is Committed to Being a Good Corporate Citizen in the Communities in Which it Conducts Business, Which Includes Participating Constructively in the Political Process Where Legal and Appropriate

Political Spending Policy

- **In January of 2021, NiSource's Executive Leadership Team updated our Political Spending Policy that affirms and supports our long-standing commitment to constructive political involvement**
  - Corporate funds may be used, where legally permissible, for indirect political support and to participate in the election of state and local candidates who share NiSource's public policy views or in support of state and local ballot measures having an impact on our business and industry
  - Contributions to federal candidates may only be made by NiSource Inc. Political Action Committee (NiPAC), a non-profit entity that solicits voluntary contributions from eligible employees in compliance with applicable law
- **NiSource's President and CEO and the Nominating and Governance Committee of the Board are responsible for overseeing corporate political spending**
  - The EVP & Chief Operations Officer must approve all indirect political spending and the EVP & General Counsel reviews political spending with the President & CEO and the Nominating and Governance Committee at least once a year
- **NiSource's political spending is in support of our business plan and is not based on the personal interests or political preference of any of our individual officers, directors or employees**
- **NiSource annually discloses:**
  - Lobbying portion of trade associations dues where dues are greater than $25,000
  - Federal lobbying expenditures
  - List of associations (name only) where some portion of corporate membership dues may be attributed to lobbying
  - Contributions to political parties, committees, ballot measures
  - Total of NiPAC contributions and number of candidates supported
- **Additional detail about NiSource's contributions can be found on our website**




SUPPLEMENTAL SLIDES
3Q 2021 RESULTS

November 3, 2021

NiSource®




FORWARD-LOOKING STATEMENTS

This presentation 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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should," "could," "would," "aims," "seeks," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Part I, Item 1, “Business,” Item 1A, “Risk Factors” and Part I. Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, and in Part II, Item 1A, “Risk Factors,” of our quarterly report on from 10-Q for the quarter ended March 31, 2021, 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.

Regulation G Disclosure Statement

This presentation includes financial results for NiSource with respect to net operating earnings available to common shareholders, diluted net operating earnings per share, and operating income, which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. This presentation also includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations / total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

KEY TAKEAWAYS

- **Updating/Reaffirming financial guidance commitments**
  - Targeting the top end of 2021 guidance range of $1.32 to $1.36 NOEPS*
  - Initiating 2022 guidance of $1.42 to $1.48, consistent with 5-7% near-term growth commitment
  - Long-term 7-9% NOEPS guidance through 2024 now based on expected top end of 2021 guidance range, and 5-7% annual rate in 2023 reaffirmed
  - Expect to make capital investments of ~$2.0B in 2021 and $2.4 to $2.7B in 2022
- **Identified Preferred Plan for 2021 NIPSCO IRP**
  - Advances plans for retirement of all coal-fired generation during the 2026-28 period while shifting toward lower-cost, clean and reliable forms of generation
  - Investments of up to $750M will be necessary to replace retiring coal-fired generation, NIPSCO investment to be better understood following further Request for Proposals (RFP) evaluation
- **Regulatory execution progresses with PA & KY settlements, new NIPSCO gas filing**
  - CPA received proposed ALJ order in October recommending approval of settlement
  - CKY filed settlement in late October
  - CMD received ALJ recommendation in late October
  - NIPSCO filed gas base rate case in September
- **Non-GAAP Diluted NOEPS* of $0.11 in 3Q21 vs. $0.09 in 3Q20**
  - Results reflect continued investment in safety & reliability and represent the profile of our business without Columbia Gas of Massachusetts

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

*Diluted Net Operating Earnings Per Share (Non-GAAP). For the GAAP Diluted Earnings Per Share and the reconciliation of GAAP to non-GAAP diluted earnings per share, see Schedule 1 in the appendix to this presentation

THIRD QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

GAAP	THIRD QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Income (Loss) Available to Common Shareholders ($ in Millions)	$49.4	$(186.7)	$236.1	$377.6	$(143.4)	$521.0
Diluted Earnings (Loss) Per Share	$0.12	$(0.49)	$0.61	$0.91	$(0.37)	$1.28

NON-GAAP*	THIRD QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Operating Earnings (Loss) Available to Common Shareholders ($ in Millions)	$47.1	$36.3	$10.8	$404.5	$377.4	$27.1
Diluted Net Operating Earnings Per Share	$0.11	$0.09	$0.02	$0.98	$0.98	$—

*Net Operating Earnings and Diluted Net Operating Earnings per share (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

THIRD QUARTER & YTD SEGMENT NON-GAAP* RESULTS

GAS DISTRIBUTION OPERATIONS ($ Millions)	THIRD QUARTER 2021	THIRD QUARTER 2020	THIRD QUARTER Change Fav/(Unfav)	YTD 2021	YTD 2020	YTD Change Fav/(Unfav)
Operating Revenues	$ 476.0	$ 472.5	$ 3.5	$ 2,199.9	$ 2,334.5	$ (134.6)
Cost of Energy	$ 89.0	$ 63.0	$ (26.0)	$ 597.0	$ 559.6	$ (37.4)
Tracked Operating Expenses	$ 20.2	$ 24.9	$ 4.7	$ 116.8	$ 159.2	$ 42.4
Other Operating Expenses	$ 348.8	$ 374.9	$ 26.1	$ 1,028.2	$ 1,141.0	$ 112.8
Total Operating Expenses	$ 458.0	$ 462.8	$ 4.8	$ 1,742.0	$ 1,859.8	$ 117.8
Non-GAAP Operating Income*	**$ 18.0**	**$ 9.7**	**$ 8.3**	**$ 457.9**	**$ 474.7**	**$ (16.8)**

ELECTRIC OPERATIONS ($ Millions)	THIRD QUARTER 2021	THIRD QUARTER 2020	THIRD QUARTER Change Fav/(Unfav)	YTD 2021	YTD 2020	YTD Change Fav/(Unfav)
Operating Revenues	$ 463.0	$ 427.7	$ 35.3	$ 1,264.6	$ 1,161.0	$ 103.6
Cost of Energy	$ 119.3	$ 80.1	$ (39.2)	$ 316.4	$ 234.3	$ (82.1)
Tracked Operating Expenses	$ 11.7	$ 13.6	$ 1.9	$ 35.6	$ 32.7	$ (2.9)
Other Operating Expenses	$ 201.9	$ 201.1	$ (0.8)	$ 607.3	$ 591.7	$ (15.6)
Total Operating Expenses	$ 332.9	$ 294.8	$ (38.1)	$ 959.3	$ 858.7	$ (100.6)
Non-GAAP Operating Income*	**$ 130.1**	**$ 132.9**	**$ (2.8)**	**$ 305.3**	**$ 302.3**	**$ 3.0**

*Operating Income (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation

CONTINUED FOCUS ON SAFE AND RELIABLE EXECUTION

NISOURCE DEBT AND CREDIT PROFILE

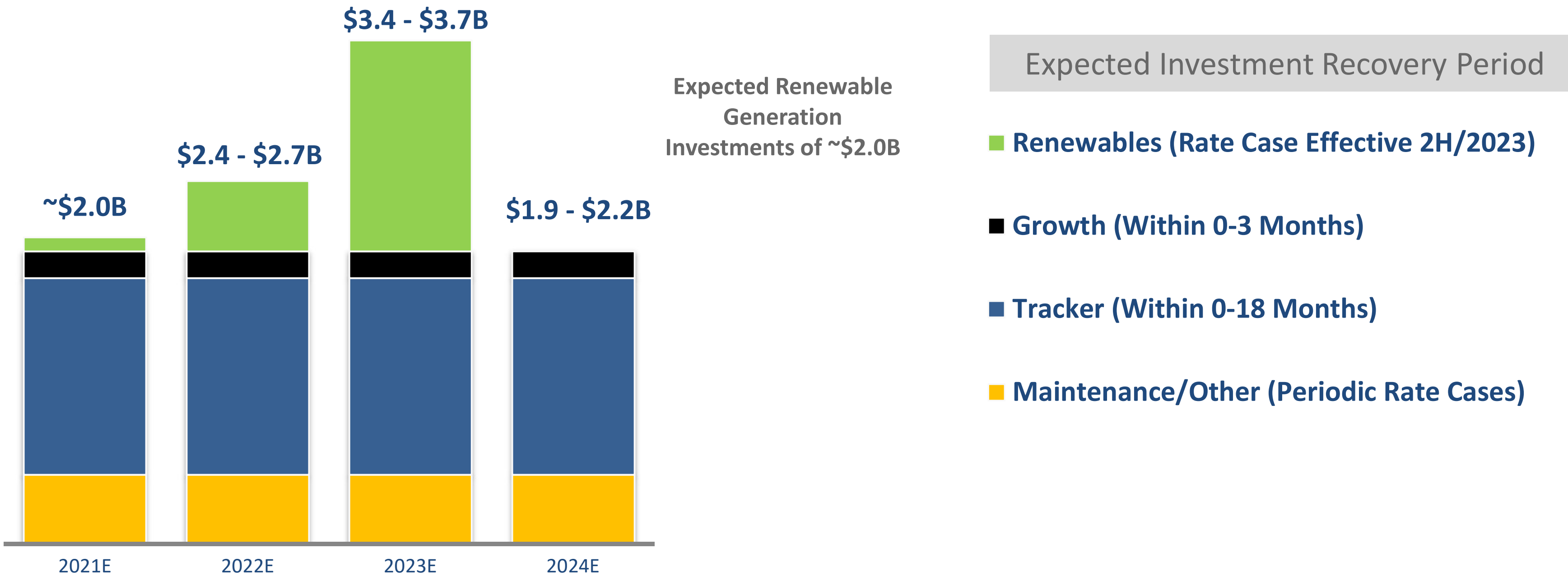
- **Debt level: ~$9.6B as of September 30, 2021**
  - ~$9.2B of long-term debt
    - Weighted average maturity ~14 years
    - Weighted average interest rate of 3.68%
- **Solid liquidity position**
  - ~$1.7B in net available liquidity as of September 30, 2021*
  - ~$2.1B of committed facilities in place as of September 30, 2021
    - ~$1.9B revolving credit facility
    - ~$0.2B accounts receivable securitization facilities **
- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)
  - All three agencies have completed their annual credit reviews in 2021 with no change to ratings and stable outlooks

SOLID FINANCIAL FOUNDATION TO SUPPORT LONG-TERM INFRASTRUCTURE AND SAFETY INVESTMENTS

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

2021E – 2024E CAPITAL FORECAST

Investment opportunities expected to enhance system safety and reliability while driving shareholder value



Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

2021 - 2024 FINANCING PLAN*

Financing strategy targets long-term Adj. FFO/total debt** of ~14%-15%

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity				
ATM (At-the-Market)	$200 - $300 Annually		$0 - $150 Total	
ESPP/401K/Other	$30 - $50 Annually			
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Annually		
Planned Renewable Generation Investments (Targeting 60% Equity)				
Equity				
Common Equity Block	- - - - - - - - - - - - - - - None Planned - - - - - - - - - - - - - - -			
Long-Term Debt				
Incremental Long-Term Debt		~ $800 Total		
Other Financing				
Equity Unit Issuance	$862.5 Total***			

Current Financing Plan

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)

*Current financing plan may change based on business developments
**As calculated according to the S&P and Moody's rating agency methodologies
*** Remarketing of additional $862.5M in December of 2023

GAS DISTRIBUTION OPERATIONS

- ALJ order recommending settlement in Pennsylvania; Settlement reached in Kentucky; ALJ order received in Maryland; New NIPSCO gas case filed in September
- Continuing to invest in infrastructure to enhance system safety, reliability and environmental performance

HIGHLIGHT	KEY COMPONENTS	STATUS
Columbia Gas of Ohio Base Rate Case	• Requesting $221.4 million, net of the Capital Expenditure Program ("CEP") and Infrastructure Replacement Program ("IRP") Riders; $3.6 billion rate base • Filing requests 10.95% ROE and 50.6% equity capital structure	• Filed June 30, 2021 • New rates proposed effective Mid-2022
Columbia Gas of Kentucky Base Rate Case	• Requesting $26.7 million net of infrastructure tracker on $446 million forecasted rate base • Filing requests 10.3% ROE and 52.64% equity capital structure • Settlement would increase revenue by $18.6 million	• Filed May 28, 2021 • Settlement reached Oct. 27, 2021
Columbia Gas of Maryland Base Rate Case	• Requesting $4.8 million net of infrastructure trackers on $185 million partially forecasted rate base • Filing requests 10.85% ROE and 52.95% equity capital structure	• Filed May 14, 2021 • Received ALJ recommendation in late October • New rates proposed effective December 2021
Columbia Gas of Pennsylvania 2021 Base Rate Case	• Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Requested initial increase of $98.3M on $2.7 billion forecasted rate base • Settlement would increase revenue by $58.5 million	• Settlement reached Sept. 7, 2021 • New rates proposed effective December 29, 2021
NIIPSCO Gas 2021 Base Rate Case	• Requesting $115.3 million net of infrastructure trackers on a $2.4 billion forecasted rate base. • Filing requests 10.5% ROE and 57.68% equity capital structure.	• Filed Sept. 29, 2021 • New rates proposed effective September 2022 and March 2023

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- 2021 IRP Preferred Plan advances plans for retirement of all coal-fired generation by 2026-2028 while shifting towards lower-cost, clean and reliable forms of generation
- Regulatory approval for all 2018 IRP renewable projects

HIGHLIGHT	KEY COMPONENTS	STATUS
2021 Integrated Resource Plan (IRP) & Request for Proposals (RFP)	• Michigan City Generation Station retirement between 2026 and 2028 • Preferred path outlines new generation investment estimated to be up to $750M • RFP solicitation concluded in 3Q21, evaluation continues	• IRP submission to IURC targeted by mid-November • RFP evaluation continues through early 2022
New 5-Year TDSIC	• Includes long-term investments in modernizing the company's electric infrastructure with some projects that were previously identified in the latest TDSIC plan • Total $1.64 billion of current and planned investments over the 2021-2026 period	• New plan filed June 2021 • Final order expected Jan. 2022
Renewable Generation Projects	• Final CPCN approval received for Indiana Crossroads II PPA in September • Construction progresses on Indiana Crossroads wind project	• Indiana Crossroads wind expected in service YE 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

SAFETY AND INFRASTRUCTURE PROGRAMS

COMPANY	YEAR-END 2020 RATE BASE	AUTHORIZED PROGRAM ROE	MODERNIZATION PROGRAM INVESTMENTS	ESTIMATED ANNUAL MODERNIZATION PROGRAM INVESTMENTS	RECOVERY MECHANISM
Columbia Gas of OH	$3.5B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$2.1B	9.86%	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.8B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$905M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$372M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$173M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.8B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $13.6B RATE BASE**

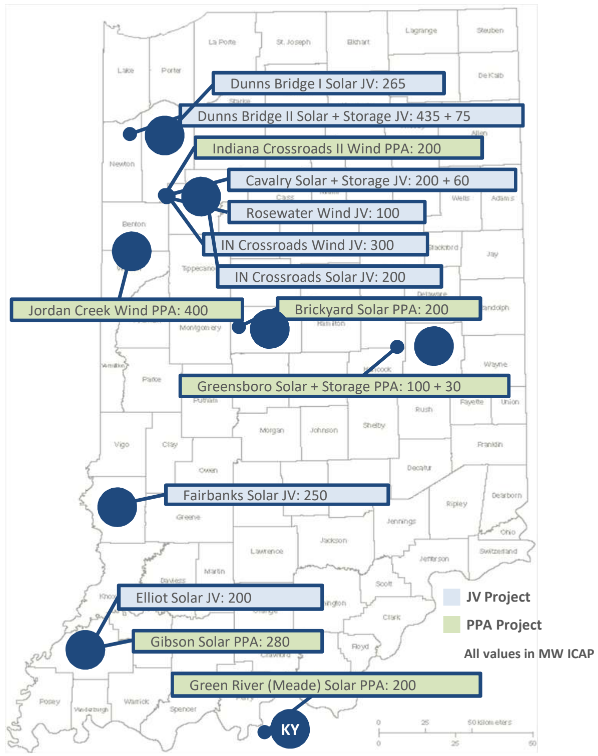
* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2020

SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

COMPANY	MECHANISM	INCREMENTAL INVESTMENTS		RECOVERY	
		PERIOD	AMOUNT ($M)	FILING DATE	EFFECTIVE DATE
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2019	$234.4	Feb 2020	May 2020
		FY 2020	$212.6	Feb 2021	May 2021
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2019	$185.1	Feb 2020	Sept 2020
		FY 2020	$177.2	Feb 2021	Sept 2021
Columbia Gas of Pennsylvania	Distribution System Improvement Charge (DSIC)	Jun 2020 - Aug 2020	$85.0	Sep 2020	Oct 2020
		Sep 2020 - Nov 2020	$25.0	Dec 2020	Jan 2021
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2020	$50.0	Aug 2019	Jan 2020
		FY 2021	$46.4	Jul 2020	Jan 2021
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2020	$40.4	Oct 2019	Jan 2020
		FY 2021	$40.0	Oct 2020	May 2021
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2020	$15.0	Jan 2020	Feb 2020
		FY 2021	$16.9	Oct 2020	Jan 2021
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 1: Jan 2020 - Jun 2020	$26.0	Aug 2020	Jan 2021
		TDSIC 2: July 2020 – Dec 2020	$52.3	Feb 2021	July 2021
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 8: Aug 2020 - Jan 2021	$73.5	Mar 2021	Aug 2021
		TDSIC 9: Feb 2021 - May 2021	$42.7	Sep 2021	Feb 2022

Robust Renewable INVESTMENTS in Indiana

Project	Structure	NIPSCO Investment ($M)	Target In Service	Status
Projects in Execution:				
Rosewater Wind	JV	~$100	'20	Complete
Jordan Creek Wind	PPA	N/A	'20	Complete
Indiana Crossroads Wind	JV	~$300	'21	Under Construction
Brickyard Solar	PPA	N/A	'22	Approved
Greensboro Solar + Storage	PPA	N/A	'22	Approved
Dunns Bridge I Solar	JV	~$240	'22	Under Construction
Dunns Bridge II Solar + Storage	JV	~$420	'23	Approved
Cavalry Solar + Storage	JV	~$190	'23	Approved
Gibson Solar	PPA	N/A	'23	Approved
Green River Solar	PPA	N/A	'23	Approved
Fairbanks Solar	JV	~$245	'23	Approved
Crossroads II Wind	PPA	N/A	'23	Approved
Crossroads Solar	JV	~$200	'22	Under Construction
Elliot Solar	JV	~$180	'23	Approved
Transmission Projects	NI owned	~$150	'21–'22	Engineering / Under Construction
Total		**~$2,000**		



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- Driving toward 90% reduction* in scope 1 greenhouse gas emissions by 2030, inclusive of a 50% reduction in methane emissions by 2025
- Expected to retire 100% of coal-fired generation assets between 2026 and 2028, and replace primarily with renewable generation
- ~$2.0B of planned renewable investments through 2023

Social

- Transformation focused on customer safety, reliability and affordability
- Economically benefiting customers and communities
- Committed to engagement, diversity, equity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board
- Robust framework for strategy, risk management and oversight

* Compared to 2005 baseline

APPENDIX
3Q 2021 RESULTS

PROCUREMENT PRACTICES HELP MITIGATE SHORT-TERM GAS PRICE VOLATILITY

Generally…residential & commercial gas utility bills are ~1/3 – 1/2 natural gas costs

NiSource
Residential & Commercial (R&C)
Gas Customers

Choice Participants/SCO Supply =
~50% of R&C Gas Customers
(3rd Party Gas Procurement)

Choice Customers have an array of natural gas purchase options that range from full market variable to fully fixed

NiSource Gas Procured Supply =
~50% of R&C Gas Customers

~77% of NI procured supply needs for the 2021/2022 Winter Season are hedged through storage (~68%) and financial/physical forward purchases (~9%)

~23% (1-77%)
of gas cost remains unhedged for 2021/2022 Winter Season

- ***~10-15%* of NiSource Gas Procured R&C Customer's bill is exposed to short-term natural gas price volatility***
- ***Quarterly/Annual Gas Cost Adjustment (GCA) Mechanisms create "smoothing" effect on price changes***

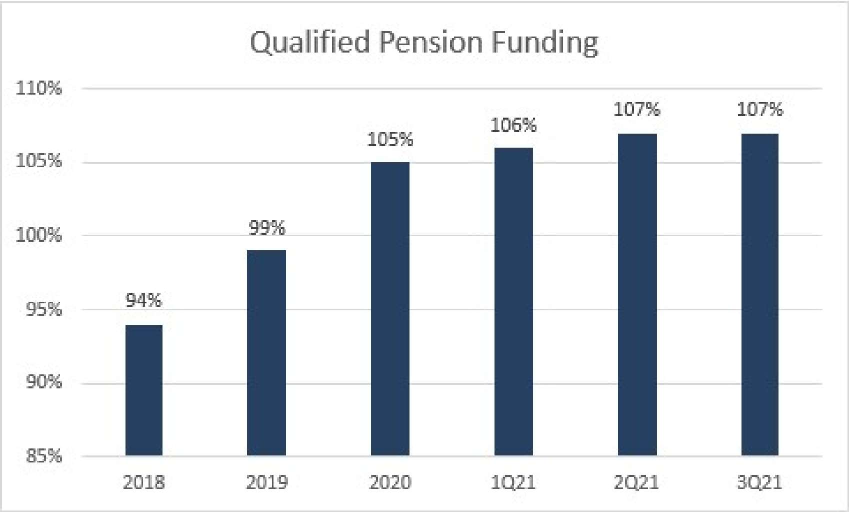
Natural Gas Forward Prices Indicate a Return to "Normal" in the 2H/2022…Bad Debt Recovery Mechanisms Minimize the NI Financial Exposure

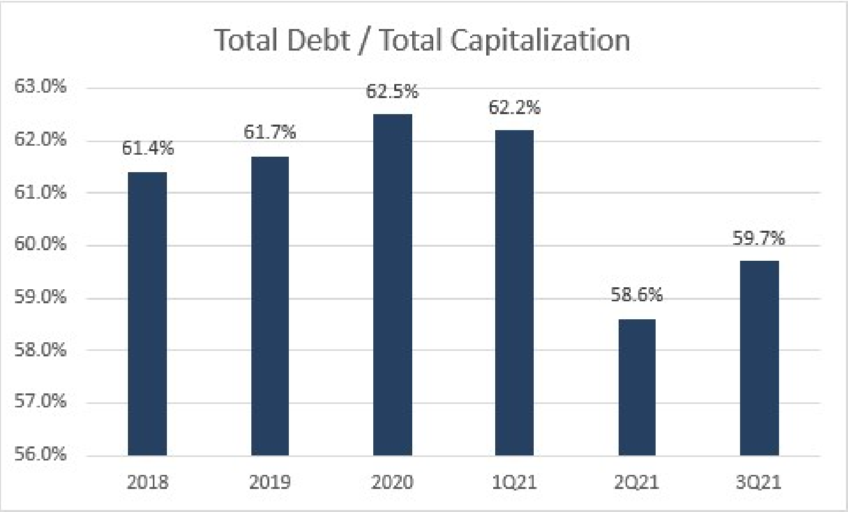
*Based on 2021 gas price volatility and its impact on 2021/2022 winter season, not a reflection of year-over-year changes to customer bills

LIQUIDITY AND CAPITALIZATION AS OF 3Q 2021 ($M)

CURRENT LIQUIDITY	ACTUAL 9/30/21	MATURITY
Revolving Credit Facility	$1,850.0	Feb. 20, 2024
Accounts Receivable Programs*	203.9	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	380.0	
Accounts Receivable Programs Utilized	—	
L/C's Outstanding Under Credit Facility	14.1	
Add:		
Cash & Equivalents	38.5	
Net Available Liquidity	$1,698.3	

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables





2021 Integrated Resource Planning Process Will Inform Generation Transition Timeline

IRP Process Key Milestones	Timing
• Kicked off Public Stakeholder Advisory meetings and engagement	March
• Issued "all-source" Request for Proposal solicitation	May
– *Collect responses (project bids) from vendors*	June
• Incorporate RFP results into IRP modeling and analysis	July/ August
• Shared IRP modeling analysis and results with stakeholders	September
• Communicate IRP preferred plan incorporating stakeholder feedback	October
– *Submit IRP to Indiana Utility Regulatory Commission*	November
• Begin project-specific identification of 2021 preferred pathway	1st half of 2022

2021 IRP Preferred Plan

- The IRP Preferred Plan is designed to select the ***preferred resource/technology mix for NIPSCO***. However the IRP is not making specific assets or project selections
- Following Preferred Plan finalization in October, execution activities are beginning and may include commercial negotiations and further due diligence on specific assets/projects bid into RFP
- Any potential projects and investments that emerge will likely begin to be announced in 2022
- Link to IRP website

NIPSCO 2021 IRP October Meeting: Supply Resource Plan And Timing

Timing	Near Term 2022-2025	Mid Term 2026-2028	Long Term 2028 & Beyond
NIPSCO Activity Description	• Complete and place in-service 12 remaining renewables projects filed with the IURC • Complete retirement and shutdown of remaining Schahfer coal units (17, 18) • Begin implementation of MC12-related transmission projects • Actively monitor changing federal/state policy, MISO market rules, and technology advancements • Optimize exact quantities and resource types of portfolio additions	• Full implementation of transmission projects • Retire Schahfer Units 16A/B and Michigan City Unit 12 • Secure approvals for replacement projects • Actively monitor changing federal/state policy, MISO market rules, and technology advancements • Optimize exact quantities and resource types of portfolio additions	• Identify long term pathway for future NIPSCO portfolio to achieve net-zero targets in line with current policy momentum • Monitor market and industry evolution and refine future IRP plans
Retirements	• Schahfer Units 17, 18 (by 2023)	• Schahfer Units 16A/B • Michigan City Unit 12	• N/A
Expected Capacity Additions	• ~2,845 MW*	• ~600-800 MW (ICAP)	
NIPSCO's Preferred Replacement Plan	• Demand Side Management (DSM) • NIPSCO Owned DER (up to 10 MW) • Thermal Contracts (150 MW) • Storage (135-370MW)**	• Sugar Creek Uprate (30-53 MW) • Solar (100-250 MW) • Storage (135-370MW)** • Gas Peaking (up to 300 MW) • Hydrogen Electrolyzer Pilot (20 MW)	• Solar (TBD MW) • Storage (TBD MW) • Sugar Creek Conversion • Other potential resource opportunities
Expected Regulatory Filings	• Approvals for replacement capacity contracts and pilot projects as needed • DSM Plan	• Approvals for replacement capacity resources and pilot projects as needed	• Approvals for replacement capacity projects • Future DSM Plans

*Additions also include replacement ICAP MW for approved renewables projects filed with the IURC
** Exact Storage ICAP MW to be optimized

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income (Loss) Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) (*unaudited*)

(in millions, except per share amounts)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
GAAP Net Income (Loss) Available to Common Shareholders	**$ 49.4**	$ (186.7)	**$ 377.6**	$ (143.4)
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	**(15.4)**	(5.2)	**(12.5)**	16.0
Operating Expenses:				
Greater Lawrence Incident[1]	**1.0**	2.3	**8.0**	15.4
Plant retirement costs[2]	**3.6**	—	**12.2**	4.6
NiSource Next initiative[3]	**7.8**	26.6	**22.1**	26.6
Massachusetts Business sale related amounts[4]	**(0.1)**	31.5	**6.8**	381.4
Loss (gain) on sale of assets, net	—	0.3	—	(0.4)
Total adjustments to operating income	**(3.1)**	55.5	**36.6**	443.6
Other Income (Deductions):				
Loss on early extinguishment of long-term debt	—	243.4	—	243.4
Income Taxes:				
Tax effect of above items[5]	**0.8**	(75.9)	**(9.7)**	(166.2)
Total adjustments to net income (loss)	**(2.3)**	223.0	**26.9**	520.8
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 47.1**	$ 36.3	**$ 404.5**	$ 377.4
Diluted Average Common Shares[6]	**430.3**	384.7	**415.8**	384.4
GAAP Diluted Earnings (Loss) Per Share[7]	**$ 0.12**	$ (0.49)	**$ 0.91**	$ (0.37)
Adjustments to diluted earnings (loss) per share	**(0.01)**	0.58	**0.07**	1.35
Non-GAAP Diluted Net Operating Earnings Per Share[7]	**$ 0.11**	$ 0.09	**$ 0.98**	$ 0.98

(1)Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

(2) Represents non-recurring unrecoverable costs incurred in connection with the accelerated partial retirement completed on October 1, 2021 at R.M. Schahfer Generating Station.

(3)Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

(4)2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business. 2020 primarily represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell, including third-party consulting costs incurred for the separation and transition of the Massachusetts Business, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale

(5)Represents income tax expense calculated using the statutory tax rates by legal entity. 2020 includes adjustment for CMA non-deductible payment in lieu of penalties.

(6)Beginning in 2021, we changed our Non-GAAP measure from Basic to Diluted Net Operating Earnings per Share. Basic Average Common Shares Outstanding were 383.8M and 383.5M for the three and nine months ended September 30, 2020. Non-GAAP Net Operating Earnings per Share of $0.09 and $0.98 respectively, remained unchanged.

(7)The Non-GAAP diluted NOEPS numerator for the three and nine months ended September 30, 2021 is equal to net operating earnings available to common shareholders adjusted for respective $0.6M and $1.0M add-backs for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (*unaudited*)

Three Months Ended September 30, 2021 (*in millions*)	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 475.3	$ 479.1	$ 5.0	$ 959.4
Adjustments:				
Weather - compared to normal	0.7	(16.1)	—	(15.4)
Operating Revenues (Non-GAAP)	$ 476.0	$ 463.0	$ 5.0	$ 944.0
Operating Expenses (GAAP)	$ 464.3	$ 338.7	$ 9.3	$ 812.3
Adjustments:				
Greater Lawrence Incident[1]	1.0	—	—	1.0
Plant retirement costs[2]	—	3.6	—	3.6
NiSource Next initiative[3]	5.4	2.2	0.2	7.8
Massachusetts Business sale related amounts[4]	(0.1)	—	—	(0.1)
Operating Expenses (Non-GAAP)	$ 458.0	$ 332.9	$ 9.1	$ 800.0
Operating Income (Loss) (GAAP)	$ 11.0	$ 140.4	$ (4.3)	$ 147.1
Total Revenue and Expense Adjustments to Operating Income (Loss)	7.0	(10.3)	0.2	(3.1)
Operating Income (Loss) (Non-GAAP)	$ 18.0	$ 130.1	$ (4.1)	$ 144.0

Three Months Ended September 30, 2020 (*in millions*)	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 473.1	$ 432.3	$ (2.9)	$ 902.5
Adjustments				
Weather - compared to normal	(0.6)	(4.6)	—	(5.2)
Operating Revenues (Non-GAAP)	$ 472.5	$ 427.7	$ (2.9)	$ 897.3
Operating Expenses (Benefit) (GAAP)	$ 515.3	$ 302.3	$ (7.9)	$ 809.7
Adjustments				
Greater Lawrence Incident[1]	2.3	—	—	2.3
NiSource Next initiative[3]	18.7	7.5	0.4	26.6
Massachusetts Business sale related amounts[4]	31.5	—	—	31.5
Loss on sale of assets, net	—	—	0.3	0.3
Operating Expenses (Benefit) (Non-GAAP)	$ 462.8	$ 294.8	$ (8.6)	$ 749.0
Operating Income (Loss) (GAAP)	$ (42.2)	$ 130.0	$ 5.0	$ 92.8
Total Revenue and Expense Adjustments to Operating Income (Loss)	51.9	2.9	0.7	55.5
Operating Income (Non-GAAP)	$ 9.7	$ 132.9	$ 5.7	$ 148.3

See footnote descriptions contained with Schedule 1.

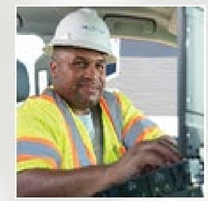
NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (*unaudited*)

Nine Months Ended September 30, 2021 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 2,191.5	$ 1,285.5	$ 14.0	$ 3,491.0
Adjustments:				
Weather - compared to normal	8.4	(20.9)	—	(12.5)
Operating Revenues (Non-GAAP)	$ 2,199.9	$ 1,264.6	$ 14.0	$ 3,478.5
Operating Expenses (GAAP)	$ 1,772.4	$ 977.6	$ 18.5	$ 2,768.5
Adjustments:				
Greater Lawrence Incident[1]	8.0	—	—	8.0
Plant retirement costs[2]	—	12.2	—	12.2
NiSource Next initiative[3]	15.6	6.1	0.4	22.1
Massachusetts Business sale related amounts[4]	6.8	—	—	6.8
Operating Expenses (Non-GAAP)	$ 1,742.0	$ 959.3	$ 18.1	$ 2,719.4
Operating Income (Loss) (GAAP)	$ 419.1	$ 307.9	$ (4.5)	$ 722.5
Total Revenue and Expense Adjustments to Operating Income (Loss)	38.8	(2.6)	0.4	36.6
Operating Income (Loss) (Non-GAAP)	$ 457.9	$ 305.3	$ (4.1)	$ 759.1

Nine Months Ended September 30, 2020 *(in millions)*	Gas Distribution	Electric	Corporate & Other	Total
Operating Revenues (GAAP)	$ 2,313.3	$ 1,166.2	$ (8.8)	$ 3,470.7
Adjustments:				
Weather - compared to normal	21.2	(5.2)	—	16.0
Operating Revenues (Non-GAAP)	$ 2,334.5	$ 1,161.0	$ (8.8)	$ 3,486.7
Operating Expenses (Benefit) (GAAP)	$ 2,275.3	$ 870.8	$ (8.1)	$ 3,138.0
Adjustments:				
Greater Lawrence Incident[1]	15.4	—	—	15.4
Plant retirement costs[2]	—	4.6	—	4.6
NiSource Next initiative[3]	18.7	7.5	0.4	26.6
Massachusetts Business sale related amounts[4]	381.4	—	—	381.4
Gain on sale of assets, net	—	—	(0.4)	(0.4)
Operating Expenses (Benefit) (Non-GAAP)	$ 1,859.8	$ 858.7	$ (8.1)	$ 2,710.4
Operating Income (Loss) (GAAP)	$ 38.0	$ 295.4	$ (0.7)	$ 332.7
Total Revenue and Expense Adjustments to Operating Income (Loss)	436.7	6.9	—	443.6
Operating Income (Loss) (Non-GAAP)	$ 474.7	$ 302.3	$ (0.7)	$ 776.3

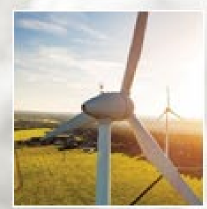
See footnote descriptions contained with Schedule 1.



Edison Electric Institute Financial Conference

November 2021

NiSource®



FORWARD-LOOKING STATEMENTS

This presentation 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 our 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. Expressions of future goals and expectations and similar expressions, including "may," "will," "should," "could," "would," "aims," "seeks," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," "forecast," and "continue," reflecting something other than historical fact are intended to identify forward-looking statements. 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 presentation include, among other things, our ability to execute our business plan or growth strategy, including utility infrastructure investments; potential incidents and other operating risks associated with our business; our ability to adapt to, and manage costs related to, advances in technology; impacts related to our aging infrastructure; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the success of our electric generation strategy; construction risks and natural gas costs and supply risks; fluctuations in demand from residential and commercial customers; fluctuations in the price of energy commodities and related transportation costs or an inability to obtain an adequate, reliable and cost-effective fuel supply to meet customer demands; the attraction and retention of a qualified workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; potential cyber-attacks; any damage to our reputation; any remaining liabilities or impact related to the sale of the Massachusetts Business; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the impacts of climate change and extreme weather conditions; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; any adverse effects related to our equity units; adverse economic and capital market conditions or increases in interest rates; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; continuing and potential future impacts from the COVID-19 pandemic; economic conditions in certain industries; the reliability of customers and suppliers to fulfill their payment and contractual obligations; the ability of our subsidiaries to generate cash; pension funding obligations; potential impairments of goodwill; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related to the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney’s Office to settle the U.S. Attorney’s Office’s investigation relating to the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; changes in taxation; and other matters set forth in Part I, Item 1, “Business,” Item 1A, “Risk Factors” and Part I. Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our annual report on Form 10-K for the year ended December 31, 2020, and in Part II, Item 1A, “Risk Factors,” of our quarterly report on from 10-Q for the quarter ended March 31, 2021, 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.

Regulation G Disclosure Statement

This presentation includes financial results for NiSource with respect to net operating earnings available to common shareholders, diluted net operating earnings per share, and operating income, which are non-GAAP financial measures as defined by the Securities and Exchange Commission's (SEC) Regulation G. This presentation also includes guidance for NiSource with respect to net operating earnings per share and adjusted funds from operations / total debt. The company includes these measures because management believes they permit investors to view the company’s performance using the same tools that management uses and to better evaluate the company’s ongoing business performance. With respect to such guidance for net operating earnings per share, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis. With respect to such guidance for adjusted funds from operations / total debt it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various adjustments the S&P and Moody's rating agencies apply when calculating their metrics. NiSource is not able to provide a reconciliation of its non-GAAP net operating earnings or adjusted funds from operations / total debt guidance, to their GAAP equivalents without unreasonable efforts.

KEY 3Q21 EARNINGS TAKEAWAYS

- **Updating/Reaffirming financial guidance commitments**
  - Targeting the top end of 2021 guidance range of $1.32 to $1.36 NOEPS*
  - Initiating 2022 guidance of $1.42 to $1.48, consistent with 5-7% near-term growth commitment
  - Long-term 7-9% NOEPS guidance through 2024 now based on expected top end of 2021 guidance range, and 5-7% annual rate in 2023 reaffirmed
  - Expect to make capital investments of ~$2.0B in 2021 and $2.4 to $2.7B in 2022
- **Identified Preferred Plan for 2021 NIPSCO IRP**
  - Advances plans for retirement of all coal-fired generation during the 2026-28 period while shifting toward lower-cost, clean and reliable forms of generation
  - Investments of up to $750M will be necessary to replace retiring coal-fired generation, NIPSCO investment to be better understood following further Request for Proposals (RFP) evaluation
- **Regulatory execution progresses with PA & KY settlements, new NIPSCO gas filing**
  - CPA received proposed ALJ order in October recommending approval of settlement
  - CKY filed settlement in late October
  - CMD received ALJ recommendation in late October
  - NIPSCO filed gas base rate case in September
- **Non-GAAP Diluted NOEPS* of $0.11 in 3Q21 vs. $0.09 in 3Q20**
  - Results reflect continued investment in safety & reliability and represent the profile of our business without Columbia Gas of Massachusetts

FOCUSED ON ENHANCING SAFETY, SERVICE, SYSTEM RELIABILITY AND ENVIRONMENTAL LEADERSHIP

*Diluted Net Operating Earnings Per Share (Non-GAAP). For the GAAP Diluted Earnings Per Share and the reconciliation of GAAP to non-GAAP diluted earnings per share, see Schedule 1 in the appendix to this presentation

NiSource™

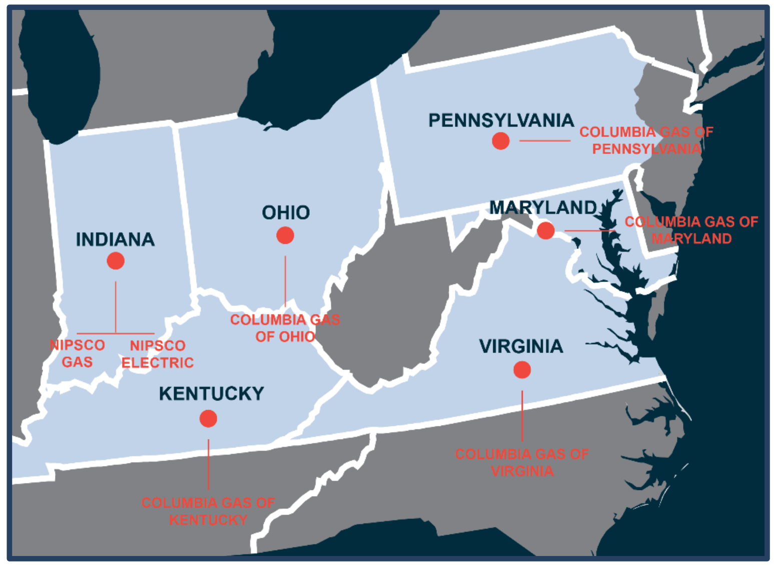
NiSource is a **100% regulated gas and electric utility** serving customers across six Mid-Western centric states with a focus on **safety and reliability**. NiSource's **well-established history** in a **strong regulatory environment** is expected to provide **consistent earnings and strong cash flows alongside sustainable growth opportunities** for the foreseeable future.

~3.2MM Gas Customers

~500k Electric Customers

~$9.0B Gas Rate Base

~$5.0B Electric Rate Base



GOLD 2021 STEVIE WINNER AMERICAN BUSINESS AWARDS

2020 Bloomberg Gender-Equality Index

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

INVESTMENT HIGHLIGHTS

1. **Diverse Portfolio of Sustainable Assets with Significant Renewable Investment Opportunities**
2. **Proven History of Consistent Earnings and Rate-Base Growth, Supporting FCF Generation**
3. **Stable and Growing Customer Base with Midwestern Centric Footprint**
4. **Committed to Maintaining Current Investment Grade Ratings**
5. **Industry Leading Focus on Safety, Risk Management and Customer Reliability**

Key Financial Commitments / Stats

7%-9%
Projected NOEPS[1] CAGR 2021-2024

5%-7%
Expected Annual 2023 NOEPS Growth

10%-12%
Expected Utility Rate Base Growth CAGR 2021-2024

14%-15%
Long-term FFO[2]/Debt Target

~$14B
Regulated Electric and Gas Rate Base

$40B
Planned Long-Term Infrastructure Investments
(includes $2B in renewables)

100%
Coal Free by 2028
Driving Toward 90% Reduction in Greenhouse Gas Emissions by 2030 from 2005 base level

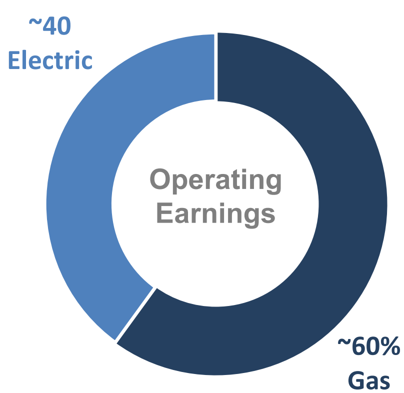
10%-12% Total Shareholder Return[3] Including Growing Dividend Targeting 60%-70% Payout Ratio

[1]Net Operating Earnings Per Share (Non-GAAP)
[2]Adjusted funds from operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes
[3]Estimated annual total shareholder return at a constant P/E ratio

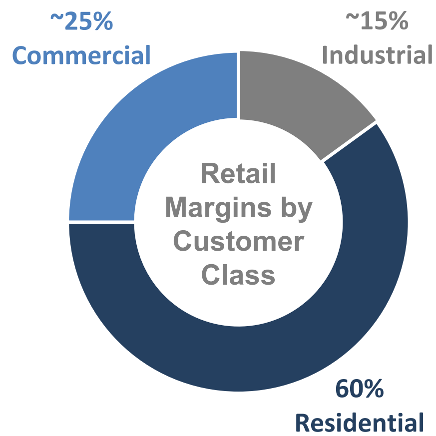
FINANCIAL OVERVIEW

Diversified Business Mix

Balanced Business Mix



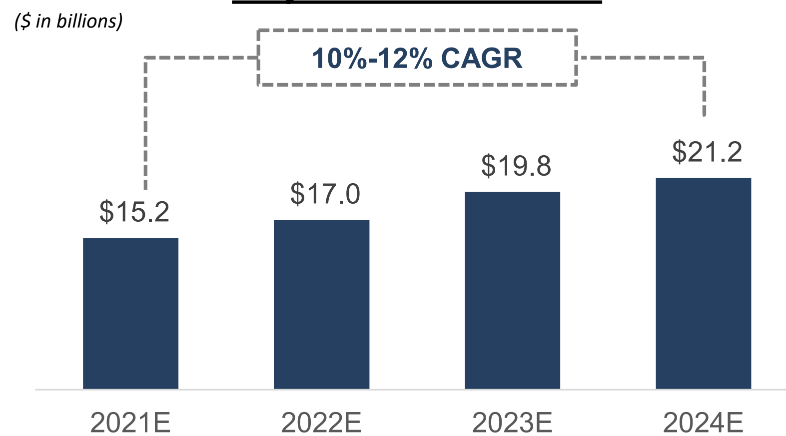
Diversified Revenue Mix



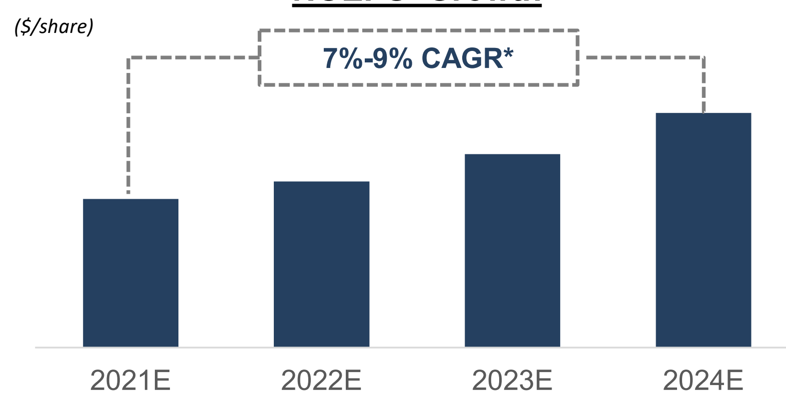
Financial strength driven by strong regulatory constructs and balanced portfolio mix

Capital Investment Driving Growth

Projected YE Rate Base



NOEPS[1] Growth



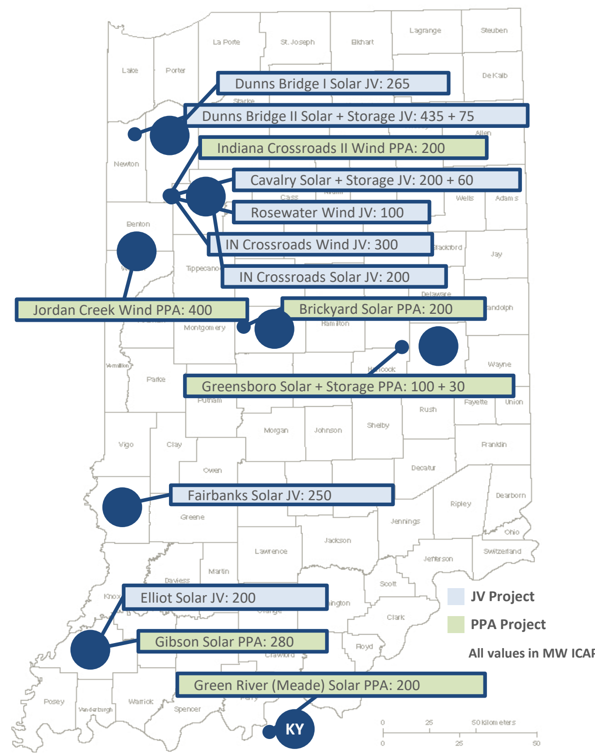
Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

[1]Net Operating Earnings Per Share (Non-GAAP)
*CAGR based on midpoint

Robust Renewable INVESTMENTS in Indiana

2018 IRP drives utility customer value

Project	Structure	NIPSCO Investment ($M)	Target In Service	Status
Projects in Execution:				
Rosewater Wind	JV	~$100	’20	Complete
Jordan Creek Wind	PPA	N/A	’20	Complete
Indiana Crossroads Wind	JV	~$300	’21	Under Construction
Brickyard Solar	PPA	N/A	‘22	Approved
Greensboro Solar + Storage	PPA	N/A	‘22	Approved
Dunns Bridge I Solar	JV	~$240	’22	Under Construction
Dunns Bridge II Solar + Storage	JV	~$420	’23	Approved
Cavalry Solar + Storage	JV	~$190	’23	Approved
Gibson Solar	PPA	N/A	’23	Approved
Green River Solar	PPA	N/A	‘23	Approved
Fairbanks Solar	JV	~$245	’23	Approved
Crossroads II Wind	PPA	N/A	‘23	Approved
Crossroads Solar	JV	~$200	’22	Under Construction
Elliot Solar	JV	~$180	’23	Approved
Transmission Projects	NI owned	~$150	’21–’22	Engineering / Under Construction
Total		**~$2,000**		



2021 Integrated Resource Planning Process Will Inform Generation Transition Timeline

IRP Process Key Milestones	Timing
• Kicked off Public Stakeholder Advisory meetings and engagement	**March**
• Issued "all-source" Request for Proposal solicitation	**May**
– *Collect responses (project bids) from vendors*	**June**
• Incorporate RFP results into IRP modeling and analysis	**July/ August**
• Shared IRP modeling analysis and results with stakeholders	**September**
• Communicate IRP preferred plan incorporating stakeholder feedback	**October**
– *Submit IRP to Indiana Utility Regulatory Commission*	**November**
• Begin project-specific identification of 2021 preferred pathway	**1st half of 2022**

2021 IRP Preferred Plan

- The IRP Preferred Plan is designed to select the ***preferred resource/technology mix for NIPSCO***. However the IRP is not making specific assets or project selections
- Following Preferred Plan finalization in October, execution activities are beginning and may include commercial negotiations and further due diligence on specific assets/projects bid into RFP
- Any potential projects and investments that emerge will likely begin to be announced in 2022
- Link to IRP website

NIPSCO 2021 IRP October Meeting: Preferred Plan Points To Need For Retirement Timing and Replacement Resource Flexibility

Evolving MISO Market rules changes and federal policy on emissions regulations are key drivers

Retirement Of Michigan City 12 and Schahfer 16AB

- Refine retirement timing of Michigan City Unit 12 to be between 2026 and 2028
- Establish retirement date for vintage peaking units at Schahfer (16A/B) to between 2025 and 2028
- Exact retirement dates will be informed by:
  - System reliability impacts
  - Policy and regulatory considerations
  - Securing replacement resources
- Flexibility in timing allows NIPSCO to optimize retirement timing of vintage peaking units (along with Michigan City 12). NIPSCO can pursue cost-effective resources that cover capacity needs for both assets
- Michigan City Unit 12 and Schahfer 16AB do not have to retire at the same time

Replacement Resources

- Preferred Plan contains a diverse, flexible and scalable mix of incremental resources to add to the NIPSCO portfolio
- Large energy storage and gas peaking resources are attractive replacement options, supplemented by continued DSM[3] expansion, new DER[4] opportunities, and contract options to firm up the capacity position in the short term

Summary MW (ICAP) Range Of Portfolio Additions by 2028	
Sugar Creek Uprate	30 – 53 MW ICAP
Short-Term Capacity Contracts	150 MW ICAP
DSM[3]	~68 MW at summer peak
New Solar	100 – 250[1] MW ICAP
New Storage	135 – 370 MW ICAP
New Gas Peaking[2]	Up to 300 MW ICAP

[1] Top end of range dependent on project sizing
[2] Potentially hydrogen enabled
[3] Demand Side Management
[4] Distributed Energy Resources

NIPSCO 2021 IRP October Meeting: Supply Resource Plan And Timing

Timing	Near Term 2022-2025	Mid Term 2026-2028	Long Term 2028 & Beyond
NIPSCO Activity Description	• Complete and place in-service 12 remaining renewables projects filed with the IURC • Complete retirement and shutdown of remaining Schahfer coal units (17, 18) • Begin implementation of MC12-related transmission projects • Actively monitor changing federal/state policy, MISO market rules, and technology advancements • Optimize exact quantities and resource types of portfolio additions	• Full implementation of transmission projects • Retire Schahfer Units 16A/B and Michigan City Unit 12 • Secure approvals for replacement projects • Actively monitor changing federal/state policy, MISO market rules, and technology advancements • Optimize exact quantities and resource types of portfolio additions	• Identify long term pathway for future NIPSCO portfolio to achieve net-zero targets in line with current policy momentum • Monitor market and industry evolution and refine future IRP plans
Retirements	• Schahfer Units 17, 18 (by 2023)	• Schahfer Units 16A/B • Michigan City Unit 12	• N/A
Expected Capacity Additions	• ~2,845 MW*	• ~600-800 MW (ICAP)	
NIPSCO's Preferred Replacement Plan	• Demand Side Management (DSM) • NIPSCO Owned DER (up to 10 MW) • Thermal Contracts (150 MW) • Storage (135-370MW)**	• Sugar Creek Uprate (30-53 MW) • Solar (100-250 MW) • Storage (135-370MW)** • Gas Peaking (up to 300 MW) • Hydrogen Electrolyzer Pilot (20 MW)	• Solar (TBD MW) • Storage (TBD MW) • Sugar Creek Conversion • Other potential resource opportunities
Expected Regulatory Filings	• Approvals for replacement capacity contracts and pilot projects as needed • DSM Plan	• Approvals for replacement capacity resources and pilot projects as needed	• Approvals for replacement capacity projects • Future DSM Plans

*Additions also include replacement ICAP MW for approved renewables projects filed with the IURC
** Exact Storage ICAP MW to be optimized

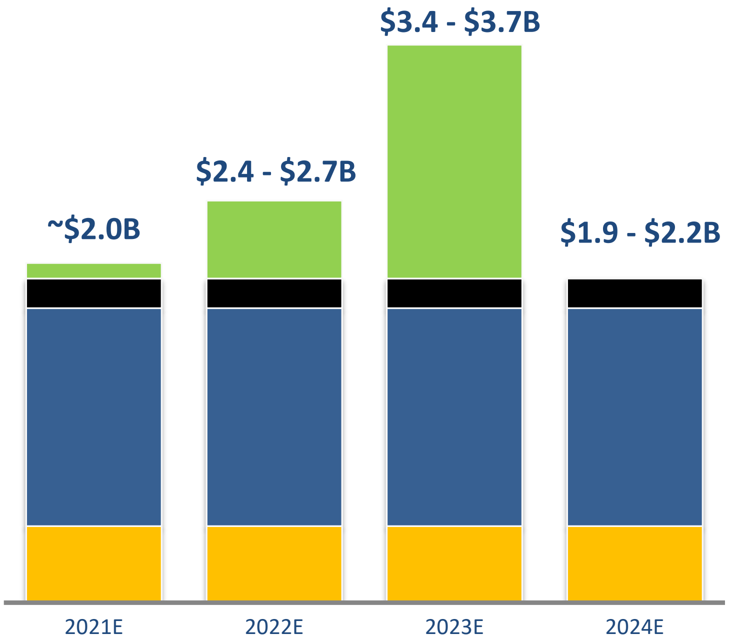
NIPSCO 2021 IRP October Meeting: Tranche Summary – Asset Sale Options

Tranche	ICAP (MW)	Heat Rate (Btu/kWh)	First Eligible Start Year**	Asset Sale ($/kW)
Solar A1	1,250		2025	$1,282
Solar A2	1,150		2025	$1,603
Solar + Storage A1	901:305^		2024	$1,346
Solar + Storage A2	549:275^		2025	$1,167
Storage A1	406		2025	$984
Gas Peaking A1	369	11,471	2024	$575
Gas CC A1	650	6,540	2026	**$1,100 - $1,300**

Notes: **Red-colored** price information shown as a range to protect confidentiality when tranches are composed of a limited number of bids.
^Capacity for Solar + Storage tranches is represented in the format of "Solar:Storage."
**First Eligible Start Year indicates the first year some part of the tranche is expected to be available, although capacity is available to start in subsequent years according to bidder information; this is incorporated in the portfolio modeling.

2021E – 2024E CAPITAL FORECAST

Investment opportunities expected to enhance system safety and reliability while driving shareholder value



Expected Renewable Generation Investments of ~$2.0B

Expected Investment Recovery Period

- **Renewables (Rate Case Effective 2H/2023)**
- **Growth (Within 0-3 Months)**
- **Tracker (Within 0-18 Months)**
- **Maintenance/Other (Periodic Rate Cases)**

Anticipate >75% of Capital Investments Begin Earning in Less Than 18 Months

2021 - 2024 FINANCING PLAN*

Financing strategy targets long-term Adj. FFO/total debt** of ~14%-15%

($ millions)	2021E	2022E	2023E	2024E
Planned Annual Safety & Modernization Investments				
Equity				
ATM (At-the-Market)	$200 - $300 Annually		$0 - $150 Total	
ESPP/401K/Other	$30 - $50 Annually			
Long-Term Debt				
Incremental Long-Term Debt		$500 - $700 Annually		
Planned Renewable Generation Investments (Targeting 60% Equity)				
Equity				
Common Equity Block	--------------- None Planned ---------------			
Long-Term Debt				
Incremental Long-Term Debt		~ $800 Total		
Other Financing				
Equity Unit Issuance	$862.5 Total***			

Current Financing Plan

- All financing is included in our long-term growth commitments
- Reflects our focus on maintaining current investment grade credit rating
- Targets renewable investment financing (60% Equity / 40% Debt)

*Current financing plan may change based on business developments
**As calculated according to the S&P and Moody's rating agency methodologies
*** Remarketing of additional $862.5M in December of 2023

PROCUREMENT PRACTICES HELP MITIGATE SHORT-TERM GAS PRICE VOLATILITY

Generally…residential & commercial gas utility bills are ~1/3 – 1/2 natural gas costs

NiSource
Residential & Commercial (R&C)
Gas Customers

Choice Participants/SCO Supply =
~50% of R&C Gas Customers
(3rd Party Gas Procurement)

Choice Customers have an array of natural gas purchase options that range from full market variable to fully fixed

NiSource Gas Procured Supply =
~50% of R&C Gas Customers

~77% of NI procured supply needs for the 2021/2022 Winter Season are hedged through storage (~68%) and financial/physical forward purchases (~9%)

~23% (1-77%)
of gas cost remains unhedged for 2021/2022 Winter Season

- ***~10-15%* of NiSource Gas Procured R&C Customer's bill is exposed to short-term natural gas price volatility***
- ***Quarterly/Annual Gas Cost Adjustment (GCA) Mechanisms create "smoothing" effect on price changes***

Natural Gas Forward Prices Indicate a Return to "Normal" in the 2H/2022…Bad Debt Recovery Mechanisms Minimize the NI Financial Exposure

*Based on 2021 gas price volatility and its impact on 2021/2022 winter season, not a reflection of year-over-year changes to customer bills

GAS DISTRIBUTION OPERATIONS

- ALJ order recommending settlement in Pennsylvania; Settlement reached in Kentucky; ALJ order received in Maryland; New NIPSCO gas case filed in September
- Continuing to invest in infrastructure to enhance system safety, reliability and environmental performance

HIGHLIGHT	KEY COMPONENTS	STATUS
Columbia Gas of Ohio Base Rate Case	• Requesting $221.4 million, net of the Capital Expenditure Program ("CEP") and Infrastructure Replacement Program ("IRP") Riders; $3.6 billion rate base • Filing requests 10.95% ROE and 50.6% equity capital structure	• Filed June 30, 2021 • New rates proposed effective Mid-2022
Columbia Gas of Kentucky Base Rate Case	• Requesting $26.7 million net of infrastructure tracker on $446 million forecasted rate base • Filing requests 10.3% ROE and 52.64% equity capital structure • Settlement would increase revenue by $18.6 million	• Filed May 28, 2021 • Settlement reached Oct. 27, 2021
Columbia Gas of Maryland Base Rate Case	• Requesting $4.8 million net of infrastructure trackers on $185 million partially forecasted rate base • Filing requests 10.85% ROE and 52.95% equity capital structure	• Filed May 14, 2021 • Received ALJ recommendation in late October • New rates proposed effective December 2021
Columbia Gas of Pennsylvania 2021 Base Rate Case	• Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Requested initial increase of $98.3M on $2.7 billion forecasted rate base • Settlement would increase revenue by $58.5 million	• Settlement reached Sept. 7, 2021 • New rates proposed effective December 29, 2021
NIIPSCO Gas 2021 Base Rate Case	• Requesting $115.3 million net of infrastructure trackers on a $2.4 billion forecasted rate base. • Filing requests 10.5% ROE and 57.68% equity capital structure.	• Filed Sept. 29, 2021 • New rates proposed effective September 2022 and March 2023

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

ELECTRIC OPERATIONS

- 2021 IRP Preferred Plan advances plans for retirement of all coal-fired generation by 2026-2028 while shifting towards lower-cost, clean and reliable forms of generation
- Regulatory approval for all 2018 IRP renewable projects

HIGHLIGHT	KEY COMPONENTS	STATUS
2021 Integrated Resource Plan (IRP) & Request for Proposals (RFP)	• Michigan City Generation Station retirement between 2026 and 2028 • Preferred path outlines new generation investment estimated to be up to $750M • RFP solicitation concluded in 3Q21, evaluation continues	• IRP submission to IURC targeted by mid-November • RFP evaluation continues through early 2022
New 5-Year TDSIC	• Includes long-term investments in modernizing the company's electric infrastructure with some projects that were previously identified in the latest TDSIC plan • Total $1.64 billion of current and planned investments over the 2021-2026 period	• New plan filed June 2021 • Final order expected Jan. 2022
Renewable Generation Projects	• Final CPCN approval received for Indiana Crossroads II PPA in September • Construction progresses on Indiana Crossroads wind project	• Indiana Crossroads wind expected in service YE 2021

~$40B IN IDENTIFIED LONG-TERM GAS AND ELECTRIC INFRASTRUCTURE INVESTMENT OPPORTUNITIES

THIRD QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

GAAP	THIRD QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Income (Loss) Available to Common Shareholders ($ in Millions)	$49.4	$(186.7)	$236.1	$377.6	$(143.4)	$521.0
Diluted Earnings (Loss) Per Share	$0.12	$(0.49)	$0.61	$0.91	$(0.37)	$1.28

NON-GAAP*	THIRD QUARTER			YTD		
	2021	2020	Change Fav/(Unfav)	2021	2020	Change Fav/(Unfav)
Net Operating Earnings (Loss) Available to Common Shareholders ($ in Millions)	$47.1	$36.3	$10.8	$404.5	$377.4	$27.1
Diluted Net Operating Earnings Per Share	$0.11	$0.09	$0.02	$0.98	$0.98	$—

*Net Operating Earnings and Diluted Net Operating Earnings per share (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

SAFETY AND INFRASTRUCTURE PROGRAMS

COMPANY	YEAR-END 2020 RATE BASE	AUTHORIZED PROGRAM ROE	MODERNIZATION PROGRAM INVESTMENTS	ESTIMATED ANNUAL MODERNIZATION PROGRAM INVESTMENTS	RECOVERY MECHANISM
Columbia Gas of OH	$3.5B	10.39%	~$10.6B	$540M - $560M	Tracked
Columbia Gas of PA	$2.1B	9.86%	~$4.1B	$275M - $340M	Rate Case (Forward Test Year)
NIPSCO Gas	$1.8B*	9.85%	~$5.0B	$155M - $245M	Tracked
Columbia Gas of VA	$905M	9.70%	~$500M	$46M - $65M	Tracked
Columbia Gas of KY	$372M	9.50%	~$900M	$35M - $40M	Tracked
Columbia Gas of MD	$173M	9.60%	~$230M	$18M - $25M	Tracked
NIPSCO Electric	$4.8B*	9.75%	~$5.0B	$170M - $230M	Tracked

ROBUST LONG-TERM INVESTMENT PROGRAMS DELIVER VALUE ON $13.6B RATE BASE**

* NIPSCO gas and electric rate base includes deferred taxes
** As of Dec. 31, 2020

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental

- Driving toward 90% reduction* in scope 1 greenhouse gas emissions by 2030, inclusive of a 50% reduction in methane emissions by 2025
- Expected to retire 100% of coal-fired generation assets between 2026 and 2028, and replace primarily with renewable generation
- ~$2.0B of planned renewable investments through 2023

Social

- Transformation focused on customer safety, reliability and affordability
- Economically benefiting customers and communities
- Committed to engagement, diversity, equity and inclusion from the boardroom through the organization and supplier network

Governance

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled and independent Board
- Robust framework for strategy, risk management and oversight

* Compared to 2005 baseline

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income (Loss) Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) (*unaudited*)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	**2021**	2020	**2021**	2020
GAAP Net Income (Loss) Available to Common Shareholders	**$ 49.4**	$ (186.7)	**$ 377.6**	$ (143.4)
Adjustments to Operating Income:				
Operating Revenues:				
Weather - compared to normal	**(15.4)**	(5.2)	**(12.5)**	16.0
Operating Expenses:				
Greater Lawrence Incident[(1)]	**1.0**	2.3	**8.0**	15.4
Plant retirement costs[(2)]	**3.6**	—	**12.2**	4.6
NiSource Next initiative[(3)]	**7.8**	26.6	**22.1**	26.6
Massachusetts Business sale related amounts[(4)]	**(0.1)**	31.5	**6.8**	381.4
Loss (gain) on sale of assets, net	**—**	0.3	**—**	(0.4)
Total adjustments to operating income	**(3.1)**	55.5	**36.6**	443.6
Other Income (Deductions):				
Loss on early extinguishment of long-term debt	**—**	243.4	**—**	243.4
Income Taxes:				
Tax effect of above items[(5)]	**0.8**	(75.9)	**(9.7)**	(166.2)
Total adjustments to net income (loss)	**(2.3)**	223.0	**26.9**	520.8
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 47.1**	$ 36.3	**$ 404.5**	$ 377.4
Diluted Average Common Shares[(6)]	**430.3**	384.7	**415.8**	384.4
GAAP Diluted Earnings (Loss) Per Share[(7)]	**$ 0.12**	$ (0.49)	**$ 0.91**	$ (0.37)
Adjustments to diluted earnings (loss) per share	**(0.01)**	0.58	**0.07**	1.35
Non-GAAP Diluted Net Operating Earnings Per Share[(7)]	**$ 0.11**	$ 0.09	**$ 0.98**	$ 0.98

(1) Represents costs incurred for estimated third-party claims and related other expenses as a result of the Greater Lawrence Incident.

(2) Represents non-recurring unrecoverable costs incurred in connection with the accelerated partial retirement completed on October 1, 2021 at R.M. Schahfer Generating Station.

(3) Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

(4) 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business. 2020 primarily represents loss recorded as a result of measuring the assets and liabilities of the Massachusetts Business at fair value, less costs to sell, including third-party consulting costs incurred for the separation and transition of the Massachusetts Business, offset by depreciation and amortization expense that was ceased for GAAP purposes as a result of classifying the Massachusetts Business as held for sale

(5) Represents income tax expense calculated using the statutory tax rates by legal entity. 2020 includes adjustment for CMA non-deductible payment in lieu of penalties.

(6) Beginning in 2021, we changed our Non-GAAP measure from Basic to Diluted Net Operating Earnings per Share. Basic Average Common Shares Outstanding were 383.8M and 383.5M for the three and nine months ended September 30, 2020. Non-GAAP Net Operating Earnings per Share of $0.09 and $0.98 respectively, remained unchanged.

(7) The Non-GAAP diluted NOEPS numerator for the three and nine months ended September 30, 2021 is equal to net operating earnings available to common shareholders adjusted for respective $0.6M and $1.0M add-backs for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (*unaudited*)

Three Months Ended September 30, 2021 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	$ 475.3	$ 479.1	$ 5.0	$ 959.4
Adjustments:				
Weather - compared to normal	0.7	(16.1)	—	(15.4)
Operating Revenues (Non-GAAP)	$ 476.0	$ 463.0	$ 5.0	$ 944.0
Operating Expenses (GAAP)	$ 464.3	$ 338.7	$ 9.3	$ 812.3
Adjustments:				
Greater Lawrence Incident(1)	1.0	—	—	1.0
Plant retirement costs(2)	—	3.6	—	3.6
NiSource Next initiative(3)	5.4	2.2	0.2	7.8
Massachusetts Business sale related amounts(4)	(0.1)	—	—	(0.1)
Operating Expenses (Non-GAAP)	$ 458.0	$ 332.9	$ 9.1	$ 800.0
Operating Income (Loss) (GAAP)	$ 11.0	$ 140.4	$ (4.3)	$ 147.1
Total Revenue and Expense Adjustments to Operating Income (Loss)	7.0	(10.3)	0.2	(3.1)
Operating Income (Loss) (Non-GAAP)	$ 18.0	$ 130.1	$ (4.1)	$ 144.0

Three Months Ended September 30, 2020 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	$ 473.1	$ 432.3	$ (2.9)	$ 902.5
Adjustments				
Weather - compared to normal	(0.6)	(4.6)	—	(5.2)
Operating Revenues (Non-GAAP)	$ 472.5	$ 427.7	$ (2.9)	$ 897.3
Operating Expenses (Benefit) (GAAP)	$ 515.3	$ 302.3	$ (7.9)	$ 809.7
Adjustments				
Greater Lawrence Incident(1)	2.3	—	—	2.3
NiSource Next initiative(3)	18.7	7.5	0.4	26.6
Massachusetts Business sale related amounts(4)	31.5	—	—	31.5
Loss on sale of assets, net	—	—	0.3	0.3
Operating Expenses (Benefit) (Non-GAAP)	$ 462.8	$ 294.8	$ (8.6)	$ 749.0
Operating Income (Loss) (GAAP)	$ (42.2)	$ 130.0	$ 5.0	$ 92.8
Total Revenue and Expense Adjustments to Operating Income (Loss)	51.9	2.9	0.7	55.5
Operating Income (Non-GAAP)	$ 9.7	$ 132.9	$ 5.7	$ 148.3

See footnote descriptions contained with Schedule 1.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses (Benefits), and Income (Loss) (Non-GAAP) (*unaudited*)

Nine Months Ended September 30, 2021 *(in millions)*		Gas Distribution		Electric		Corporate & Other		Total
Operating Revenues (GAAP)	$	2,191.5	$	1,285.5	$	14.0	$	3,491.0
Adjustments:								
Weather - compared to normal		8.4		(20.9)		—		**(12.5)**
Operating Revenues (Non-GAAP)	$	2,199.9	$	1,264.6	$	14.0	$	3,478.5
Operating Expenses (GAAP)	$	1,772.4	$	977.6	$	18.5	$	2,768.5
Adjustments:								
Greater Lawrence Incident[1]		8.0		—		—		**8.0**
Plant retirement costs[2]		—		12.2		—		**12.2**
NiSource Next initiative[3]		15.6		6.1		0.4		**22.1**
Massachusetts Business sale related amounts[4]		6.8		—		—		**6.8**
Operating Expenses (Non-GAAP)	$	1,742.0	$	959.3	$	18.1	$	2,719.4
Operating Income (Loss) (GAAP)	$	419.1	$	307.9	$	(4.5)	$	722.5
Total Revenue and Expense Adjustments to Operating Income (Loss)		38.8		(2.6)		0.4		36.6
Operating Income (Loss) (Non-GAAP)	$	457.9	$	305.3	$	(4.1)	$	759.1

Nine Months Ended September 30, 2020 *(in millions)*		Gas Distribution		Electric		Corporate & Other		Total
Operating Revenues (GAAP)	$	2,313.3	$	1,166.2	$	(8.8)	$	3,470.7
Adjustments:								
Weather - compared to normal		21.2		(5.2)		—		**16.0**
Operating Revenues (Non-GAAP)	$	2,334.5	$	1,161.0	$	(8.8)	$	3,486.7
Operating Expenses (Benefit) (GAAP)	$	2,275.3	$	870.8	$	(8.1)	$	3,138.0
Adjustments:								
Greater Lawrence Incident[1]		15.4		—		—		**15.4**
Plant retirement costs[2]		—		4.6		—		**4.6**
NiSource Next initiative[3]		18.7		7.5		0.4		**26.6**
Massachusetts Business sale related amounts[4]		381.4		—		—		**381.4**
Gain on sale of assets, net		—		—		(0.4)		**(0.4)**
Operating Expenses (Benefit) (Non-GAAP)	$	1,859.8	$	858.7	$	(8.1)	$	2,710.4
Operating Income (Loss) (GAAP)	$	38.0	$	295.4	$	(0.7)	$	332.7
Total Revenue and Expense Adjustments to Operating Income (Loss)		436.7		6.9		—		443.6
Operating Income (Loss) (Non-GAAP)	$	474.7	$	302.3	$	(0.7)	$	776.3

See footnote descriptions contained with Schedule 1.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-007:

Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.

Response:

Columbia Gas of Pennsylvania, Inc.:

The Company plans on issuing the debt below to meet business needs.

Issue Date		Principal		Coupon		Maturity
June 2022		$40M		3.80%		30 Year
December 2022		$85M		3.95%		30 Year
June 2023		$30M		4.10%		30 Year
December 2023		$95M		4.20%		30 Year

Note: The coupons are based upon U.S. Treasury yield forecasts obtained from Bloomberg L.P. plus NiSource's BBB+ credit spread.

NiSource Gas Distribution Group, Inc. ("NGD"):

NGD does not issue securities.

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-008:

Please identify all of the Company's and, if applicable, its parent's publicly underwritten common stock issuances written in the last five years. Identify which such issuances were related to mergers or acquisitions, and which were undertaken to fund facility investments in utility plant and equipment.

Response:

Columbia Gas of Pennsylvania, Inc. (Company) is a wholly owned subsidiary of NiSource Gas Distribution Group, Inc., which is a wholly owned subsidiary of NiSource Inc. (Parent). All equity of the Company is held by the Parent and is not publicly traded.

Response: NiSource Inc.

NiSource Inc. has not issued any shares of its common stock over the last five years (2017-2021) through an underwritten public offering. However, NiSource Inc. has issued 82,679,673 shares of common stock during the time period 2017-2021 by means of the respective types of transactions listed below. None of the proceeds were used to fund mergers or acquisitions. Proceeds were used for investments in utility plant and equipment and other general corporate purposes.

Type	Shares Issued
At the Market Offerings	See Attachment A
Private Placement	
Dividend Reinvestment Plan	
401(k) and other employee benefit plans	

		Shares	
401(k)			
	2017	1,396,115	
	2018	881,929	
	2019	630,393	
	2020	543,576	
	2021	390,809	
		3,842,822	
ESPP			
	2017	206,587	
	2018	222,909	
	2019	201,147	
	2020	236,323	
	2021	208,739	
		1,075,705	
DRIP			
	2017	263,827	
	2018	-	Moved to Open Market Purchases
	2019	-	
	2020	-	
	2021		
		263,827	
Omnibus Plan			
	2017	594,549	
	2018	395,835	
	2019	517,988	
	2020	385,042	
	2021	418,209	
		2,311,623	
ATM 2017			
	2017	11,931,376	
	2018	6,345,860	
		18,277,236	
ATM 2018			
	2018	2,537,154	
	2019	8,422,498	
	2020	8,459,430	
		19,419,082	
ATM 2021			
	2021	12,525,215	
Private Placement			
	2018	24,964,163	
Total Issued		82,679,673	

Columbia Gas of Pennsylvania, Inc.

Standard Data Request

Rate of Return

Question No. GAS-ROR-009:

Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.

Response:

There are currently no plans to refinance existing long term debt; debt will be refinanced in normal course at maturity. There are currently no plans to refinance existing preferred stock.