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, 2023 NiSource Inc. Annual Message to Stockholders.

b. See Attachment B to Exhibit No. 403 for a copy of the December 31, 2023 10K.

c. See GAS-ROR-001, Attachments A through C for the NiSource Inc. June 30, 2024 SEC Form 10Q (Attachment A), March 31, 2024 SEC Form 10Q (Attachment B) and September 30, 2023 SEC Form 10Q (Attachment C).

   See Exhibit No. 402 for a copy of the September 30, 2024 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, 2024**

**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<br>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 |

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: 448,509,837 shares outstanding at July 31, 2024.

**NISOURCE INC.**
**FORM 10-Q QUARTERLY REPORT**
**FOR THE QUARTER ENDED JUNE 30, 2024**

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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 (not exhaustive)**

| | |
|---|---|
| Columbia of Kentucky | Columbia Gas of Kentucky, Inc. |
| Columbia of Maryland | Columbia Gas of Maryland, Inc. |
| 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 |
| NIPSCO Holdings I | NIPSCO Holdings I LLC |
| NIPSCO Holdings II | NIPSCO Holdings II LLC |
| NiSource ("we," "us" or "our") | NiSource Inc. |
| Rosewater | Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC |
| Indiana Crossroads Wind | Indiana Crossroads Wind Generation LLC and its wholly owned subsidiary, Indiana Crossroads Wind Farm LLC |
| Indiana Crossroads Solar | Indiana Crossroads Solar Generation LLC and its wholly owned subsidiary, Meadow Lake Solar Park LLC |
| Dunns Bridge I | Dunn's Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunns Bridge Solar Center, LLC |
| Dunns Bridge II | Dunn's Bridge II Solar Generation LLC |
| Gibson | Gibson Solar Generation LLC |
| Fairbanks | Fairbanks Solar Generation LLC |
| Cavalry | Cavalry Solar Generation LLC |

**Abbreviations and Other**

| | |
|---|---|
| AFUDC | Allowance for funds used during construction |
| AOCI | Accumulated Other Comprehensive Income (Loss) |
| ASC | Accounting Standards Codification |
| ASU | Accounting Standards Update |
| ATM | At-the-market |
| BIP | BIP Blue Buyer L.L.C |
| BIP Blue Buyer VCOC L.L.C | BIP Blue Buyer VCOC L.L.C., a Delaware limited liability company and also an affiliate of Blackstone |
| Blackstone | Blackstone Infrastructure Partners L.P |
| BTA | Build-transfer agreement |
| CCRs | Coal Combustion Residuals |
| CEP | Ohio Capital Expenditure Program |
| CERCLA | Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund) |
| CODM | Chief Operating Decision Maker |
| Columbia Operations | Reportable segment comprised of the results of NiSource Gas Distribution company, including all of its Columbia Gas distribution companies and related subsidiaries |
| Corporate Units | Series A Corporate Units |
| DSIC | Distribution System Improvement Charge |
| DSM | Demand Side Management |
| EPA | United States Environmental Protection Agency |

**DEFINED TERMS**

| | |
|---|---|
| EPS | Earnings per share |
| Equity Units | Series A Equity Units |
| FAC | Fuel adjustment clause |
| FASB | Financial Accounting Standards Board |
| FMCA | Indiana Federally Mandated Cost Adjustment mechanism |
| GAAP | Generally Accepted Accounting Principles |
| GCA | Gas cost adjustment |
| GHG | Greenhouse gases |
| GWh | Gigawatt hours |
| IRA | Inflation Reduction Act of 2022 |
| IRP | Ohio Infrastructure Replacement Program |
| IURC | Indiana Utility Regulatory Commission |
| JV | Joint Venture |
| LIFO | Last In, First Out |
| LIHEAP | Low Income Heating Energy Assistance Program |
| MGP | Manufactured Gas Plant |
| MISO | Midcontinent Independent System Operator |
| MMDth | Million dekatherms |
| MW | Megawatts |
| MWh | Megawatt hours |
| NIPSCO Electric | The electric generation and transmission activities of the NIPSCO Operations reportable segment |
| NIPSCO Gas | The gas distribution activities of the NIPSCO Operations reportable segment |
| NIPSCO Minority Interest Transaction | A transaction between NiSource, NIPSCO Holdings II (sole owner of NIPSCO) and an affiliate of Blackstone pursuant to a purchase and sale agreement entered into on June 17, 2023, that offered equity interests in NIPSCO Holdings II in exchange for capital contributions by the parties. |
| NIPSCO Operations | Reportable segment comprised of the results of NIPSCO Holdings I, NIPSCO Holdings II, and NIPSCO and all related subsidiaries |
| NYMEX | New York Mercantile Exchange |
| OPEB | Other Postemployment Benefits |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |
| PPA | Power Purchase Agreement |
| RNG | Renewable Natural Gas |
| SAVE | Steps to Advance Virginia's Energy Plan |
| Scope 1 GHG Emissions | Direct emissions from sources owned or controlled by us (e.g., emissions from our combustion of fuel, vehicles, and process emissions and fugitive emissions) |
| Scope 2 GHG Emissions | Indirect emissions from sources owned or controlled by us |
| SEC | Securities and Exchange Commission |
| SMRP | Kentucky Safety Modification and Replacement Program |
| SMS | Safety Management System |
| 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 | Indiana Transmission, Distribution and Storage System Improvement Charge |

**DEFINED TERMS**

| | |
|---|---|
| VIE | Variable Interest Entity |
| WAM | Work and Asset Management enterprise resourcing system |

***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"). Forward-looking statements in this Quarterly Report on Form 10-Q 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 work successfully with our third-party investors;
- our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations;
- our increased dependency on 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 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 demand;
- our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations;
- our ability to manage new initiatives and organizational changes;
- the actions of activist stockholders;
- the performance and quality of third-party suppliers and service providers;
- potential cybersecurity attacks or security breaches;
- increased requirements and costs related to cybersecurity;
- any damage to our reputation;
- the impacts of natural disasters, potential terrorist attacks or other catastrophic events;
- the physical impacts of climate change and the transition to a lower carbon future;
- our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal (as defined below);
- our debt obligations;
- any changes to our credit rating or the credit rating of certain of our subsidiaries;
- adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment;
- economic regulation and the impact of regulatory rate reviews;
- our ability to obtain expected financial or regulatory outcomes;
- 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;
- the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation;
- compliance with changes in, or new interpretations of applicable laws, regulations and tariffs;
- the cost of compliance with environmental laws and regulations and the costs of associated liabilities;
- changes in tax laws or the interpretation thereof;
- and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this report, 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.

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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 June 30, **2024** | 2023 | Six Months Ended June 30, **2024** | 2023 |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Customer revenues | **$ 1,054.1** | $ 1,067.2 | **$ 2,697.1** | $ 2,963.3 |
| Other revenues | **30.6** | 22.8 | **93.9** | 92.7 |
| Total Operating Revenues | **1,084.7** | 1,090.0 | **2,791.0** | 3,056.0 |
| **Operating Expenses** | | | | |
| Cost of energy | **164.7** | 251.9 | **589.7** | 1,017.0 |
| Operation and maintenance | **357.7** | 369.5 | **736.1** | 760.7 |
| Depreciation and amortization | **253.5** | 233.1 | **495.6** | 440.0 |
| Loss on impairment of assets | **2.9** | — | **2.9** | — |
| Loss (gain) on sale of assets, net | **1.6** | (0.3) | **1.6** | (0.3) |
| Other taxes | **67.3** | 66.9 | **144.7** | 138.7 |
| Total Operating Expenses | **847.7** | 921.1 | **1,970.6** | 2,356.1 |
| **Operating Income** | **237.0** | 168.9 | **820.4** | 699.9 |
| **Other Income (Deductions)** | | | | |
| Interest expense, net | **(129.3)** | (110.5) | **(245.6)** | (219.4) |
| Other, net | **13.0** | 2.0 | **22.2** | 3.5 |
| Total Other Deductions, Net | **(116.3)** | (108.5) | **(223.4)** | (215.9) |
| **Income before Income Taxes** | **120.7** | 60.4 | **597.0** | 484.0 |
| **Income Taxes** | **17.6** | 14.1 | **93.6** | 99.9 |
| **Net Income** | **103.1** | 46.3 | **503.4** | 384.1 |
| Net income (loss) attributable to noncontrolling interest | **17.3** | (12.5) | **52.6** | (7.7) |
| **Net Income Attributable to NiSource** | **85.8** | 58.8 | **450.8** | 391.8 |
| Preferred dividends | **—** | (12.7) | **(6.7)** | (26.5) |
| Preferred redemption premium | **—** | (6.2) | **(14.0)** | (6.2) |
| **Net Income Available to Common Shareholders** | **$ 85.8** | $ 39.9 | **$ 430.1** | $ 359.1 |
| **Earnings Per Share** | | | | |
| Basic Earnings Per Share | **$ 0.19** | $ 0.10 | **$ 0.96** | $ 0.87 |
| Diluted Earnings Per Share | **$ 0.19** | $ 0.09 | **$ 0.95** | $ 0.80 |
| **Basic Average Common Shares Outstanding** | **448.5** | 413.3 | **448.2** | 413.1 |
| **Diluted Average Common Shares** | **450.2** | 446.8 | **449.8** | 446.9 |

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

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

| *(in millions, net of taxes)* | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| Net Income | **$ 103.1** | $ 46.3 | **$ 503.4** | $ 384.1 |
| Other comprehensive income: | | | | |
| Net unrealized gain (loss) on available-for-sale debt securities[(1)] | **—** | (1.2) | **(0.3)** | 0.8 |
| Reclassification adjustment for cash flow hedges[(2)] | **(0.1)** | (0.2) | **(0.2)** | (0.1) |
| Unrecognized pension and OPEB benefit[(3)] | **0.3** | 0.3 | **0.5** | 0.6 |
| Total other comprehensive income (loss) | **0.2** | (1.1) | **—** | 1.3 |
| **Comprehensive Income** | **$ 103.3** | $ 45.2 | **$ 503.4** | $ 385.4 |

[(1)]Net unrealized gain (loss) on available-for-sale debt securities, net of $0.0 million tax expense and $0.3 million tax benefit in the second quarter of 2024 and 2023, respectively, and $0.1 million of tax benefit and $0.2 million tax expense for the six months ended 2024 and 2023, respectively.
[(2)]Reclassification adjustment for cash flow hedges, net of $0.0 million tax benefit and $0.0 million tax expense in the second quarter of 2024 and 2023, respectively, and $0.0 million of tax benefit and $0.1 million tax benefit for the six months ended 2024 and 2023, respectively.
[(3)]Unrecognized pension and OPEB benefit, net of $0.1 million of tax expense and $0.1 million tax expense in the second quarter of 2024 and 2023, respectively, and $0.2 million of tax expense and $0.2 million tax expense for the six months ended 2024 and 2023, 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)* | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| **Property, Plant and Equipment** | | |
| Plant | **$ 32,031.1** | $ 30,482.1 |
| Accumulated depreciation and amortization | **(8,418.5)** | (8,207.2) |
| Net Property, Plant and Equipment[1] | **23,612.6** | 22,274.9 |
| **Investments and Other Assets** | | |
| Unconsolidated affiliates | **5.4** | 5.3 |
| Available-for-sale debt securities (amortized cost of $155.5 and $169.0, allowance for credit losses of $0.3 and $0.6, respectively) | **145.5** | 159.1 |
| Other investments | **84.9** | 82.7 |
| Total Investments and Other Assets | **235.8** | 247.1 |
| **Current Assets** | | |
| Cash and cash equivalents | **101.2** | 2,245.4 |
| Restricted cash | **34.7** | 35.7 |
| Accounts receivable | **650.2** | 884.9 |
| Allowance for credit losses | **(26.2)** | (22.9) |
| Accounts receivable, net | **624.0** | 862.0 |
| Gas storage | **133.1** | 265.8 |
| Materials and supplies, at average cost | **180.8** | 172.1 |
| Electric production fuel, at average cost | **59.3** | 65.3 |
| Exchange gas receivable | **13.0** | 66.0 |
| Regulatory assets | **278.4** | 214.3 |
| Deposits to renewable generation asset developer | **381.1** | 454.2 |
| Prepayments and other | **138.2** | 118.6 |
| Total Current Assets[1] | **1,943.8** | 4,499.4 |
| **Other Assets** | | |
| Regulatory assets | **2,221.7** | 2,245.9 |
| Goodwill | **1,485.9** | 1,485.9 |
| Deferred charges and other | **397.8** | 324.0 |
| Total Other Assets | **4,105.4** | 4,055.8 |
| **Total Assets** | **$ 29,897.6** | $ 31,077.2 |

[1]Includes $1,346.8 million and $1,369.8 million at June 30, 2024 and December 31, 2023, respectively, of net property, plant and equipment assets and $62.8 million and $63.6 million at June 30, 2024 and December 31, 2023, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 4, "Noncontrolling Interests," 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)* | | **June 30, 2024** | | December 31, 2023 |
|---|---|---|---|---|
| **CAPITALIZATION AND LIABILITIES** | | | | |
| **Capitalization** | | | | |
| Stockholders' Equity | | | | |
| Common stock - $0.01 par value,750,000,000 shares authorized; 448,398,632 and 447,381,671 shares outstanding, respectively | **$** | **4.5** | $ | 4.5 |
| Preferred stock - $0.01 par value, 20,000,000 shares authorized; 0 and 40,000 shares outstanding, respectively | | **—** | | 486.1 |
| Treasury stock | | **(99.9)** | | (99.9) |
| Additional paid-in capital | | **8,894.2** | | 8,879.5 |
| Retained deficit | | **(896.2)** | | (967.0) |
| Accumulated other comprehensive loss | | **(33.6)** | | (33.6) |
| Total NiSource Stockholders' Equity | | **7,869.0** | | 8,269.6 |
| Noncontrolling interest in consolidated subsidiaries | | **1,950.6** | | 1,866.7 |
| Total Stockholders' Equity | | **9,819.6** | | 10,136.3 |
| Long-term debt, excluding amounts due within one year | | **12,809.6** | | 11,055.5 |
| Total Capitalization | | **22,629.2** | | 21,191.8 |
| **Current Liabilities** | | | | |
| Current portion of long-term debt | | **23.4** | | 23.8 |
| Short-term borrowings | | **644.0** | | 3,048.6 |
| Accounts payable | | **584.0** | | 749.4 |
| Dividends payable - common stock | | **120.0** | | — |
| Customer deposits and credits | | **187.7** | | 294.4 |
| Taxes accrued | | **163.7** | | 166.2 |
| Interest accrued | | **146.4** | | 136.1 |
| Exchange gas payable | | **34.7** | | 50.5 |
| Regulatory liabilities | | **193.4** | | 278.6 |
| Asset retirement obligations | | **69.6** | | 72.5 |
| Accrued compensation and employee benefits | | **174.0** | | 227.6 |
| Other accruals | | **167.1** | | 217.4 |
| Total Current Liabilities[(1)] | | **2,508.0** | | 5,265.1 |
| **Other Liabilities** | | | | |
| Deferred income taxes | | **2,198.2** | | 2,080.4 |
| Accrued liability for postretirement and postemployment benefits | | **241.8** | | 250.1 |
| Regulatory liabilities | | **1,456.5** | | 1,510.7 |
| Asset retirement obligations | | **555.6** | | 480.5 |
| Other noncurrent liabilities and deferred credits | | **308.3** | | 298.6 |
| Total Other Liabilities[(1)] | | **4,760.4** | | 4,620.3 |
| **Commitments and Contingencies (Refer to Note 16, "Other Commitments and Contingencies")** | | | | |
| **Total Capitalization and Liabilities** | **$** | **29,897.6** | $ | 31,077.2 |

[(1)]Includes $55.3 million and $68.3 million at June 30, 2024 and December 31, 2023, respectively, of current liabilities and $57.0 million and $55.7 million at June 30, 2024 and December 31, 2023, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 4, "Noncontrolling Interests," for additional information.

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)* | 2024 | 2023 |
|---|---|---|
| **Operating Activities** | | |
| Net Income | **$ 503.4** | $ 384.1 |
| Adjustments to Reconcile Net Income to Net Cash from Operating Activities: | | |
| Depreciation and amortization | **495.6** | 440.0 |
| Deferred income taxes and investment tax credits | **85.1** | 93.0 |
| Loss (Gain) on sale of assets | **1.6** | (0.3) |
| Payments for asset retirement obligations | **(35.0)** | (15.0) |
| Other adjustments | **2.5** | 6.6 |
| Changes in Assets and Liabilities: | | |
| Components of working capital | **(116.2)** | 300.6 |
| Regulatory assets/liabilities | **(5.9)** | 12.6 |
| Deferred charges and other noncurrent assets | **(32.7)** | (18.4) |
| Other noncurrent liabilities and deferred credits | **3.3** | (12.2) |
| **Net Cash Flows from Operating Activities** | **901.7** | 1,191.0 |
| **Investing Activities** | | |
| Capital expenditures | **(1,219.3)** | (1,161.9) |
| Milestone payments to renewable generation asset developer | **(320.8)** | (137.4) |
| Other investing activities | **(53.9)** | (76.3) |
| **Net Cash Flows used for Investing Activities** | **(1,594.0)** | (1,375.6) |
| **Financing Activities** | | |
| Proceeds from issuance of long-term debt | **1,734.5** | 1,488.7 |
| Repayments of finance lease obligations | **(13.5)** | (16.1) |
| Repayment of short term credit agreements | **(1,650.0)** | — |
| Net change in commercial paper and other short-term borrowings | **(754.6)** | (172.2) |
| Issuance of common stock, net of issuance costs | **5.6** | 6.3 |
| Redemption of preferred stock | **(486.1)** | (393.9) |
| Preferred stock redemption premium | **(14.0)** | (6.2) |
| Equity costs, premiums and other debt related costs | **(60.0)** | (16.7) |
| Contributions from NIPSCO minority interest holders | **59.7** | — |
| Contributions from equity tax partners | **—** | 35.0 |
| Distributions to tax equity partners | **(8.2)** | (10.0) |
| Distribution to NIPSCO minority interest holders | **(20.2)** | — |
| Dividends paid - common stock | **(237.9)** | (206.6) |
| Dividends paid - preferred stock | **(8.2)** | (27.6) |
| Contract liability payment | **—** | (33.2) |
| Payment of obligation to renewable generation asset developer | **—** | (347.2) |
| **Net Cash Flows from Financing Activities** | **(1,452.9)** | 300.3 |
| Change in cash, cash equivalents and restricted cash | **(2,145.2)** | 115.7 |
| Cash, cash equivalents and restricted cash at beginning of period | **2,281.1** | 75.4 |
| **Cash, Cash Equivalents and Restricted Cash at End of Period** | **$ 135.9** | $ 191.1 |

**Reconciliation to Balance Sheet**

| Six Months Ended June 30, *(in millions)* | 2024 |
|---|---|
| Cash and cash equivalents | **101.2** |
| Restricted Cash | **34.7** |
| **Total Cash, Cash Equivalents and Restricted Cash** | **135.9** |

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ITEM 1. FINANCIAL STATEMENTS (continued)

**Supplemental Disclosures of Cash Flow Information**

| Six Months Ended June 30, *(in millions)* | **2024** | 2023 |
|---|---|---|
| Non-cash transactions: | | |
| Capital expenditures included in current liabilities | **$ 283.6** | $ 410.2 |
| Dividends declared but not paid | **120.0** | 111.6 |
| Purchase contract liability | **—** | 32.6 |

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

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

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of April 1, 2024** | **$ 4.5** | **$ —** | **$ (99.9)** | **$ 8,886.8** | **$ (861.7)** | **$ (33.8)** | **$ 1,899.0** | **$ 9,794.9** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 85.8 | — | 17.3 | 103.1 |
| Other comprehensive loss, net of tax | — | — | — | — | — | 0.2 | — | 0.2 |
| Dividends: | | | | | | | | |
| Common stock ($0.27 per share) | — | — | — | — | (120.3) | — | — | (120.3) |
| Noncontrolling Interests: | | | | | | | | |
| Contributions from noncontrolling interests | — | — | — | — | — | — | 59.7 | 59.7 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | (25.4) | (25.4) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 1.6 | — | — | — | 1.6 |
| Long-term incentive plan | — | — | — | 3.6 | — | — | — | 3.6 |
| 401(k) and profit sharing | — | — | — | 2.2 | — | — | — | 2.2 |
| **Balance as of June 30, 2024** | **$ 4.5** | **$ —** | **$ (99.9)** | **$ 8,894.2** | **$ (896.2)** | **$ (33.6)** | **$ 1,950.6** | **$ 9,819.6** |

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2024** | **$ 4.5** | **$ 486.1** | **$ (99.9)** | **$ 8,879.5** | **$ (967.0)** | **$ (33.6)** | **$ 1,866.7** | **$ 10,136.3** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 450.8 | — | 52.6 | 503.4 |
| Dividends: | | | | | | | | |
| Common stock ($0.80 per share) | — | — | — | — | (357.9) | — | — | (357.9) |
| Preferred stock (See Note 6) | — | — | — | — | (8.1) | — | — | (8.1) |
| Noncontrolling Interests: | | | | | | | | |
| Contributions from noncontrolling interests | — | — | — | — | — | — | 59.7 | 59.7 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | (28.4) | (28.4) |
| Stock issuances (redemptions): | | | | | | | | |
| Series B and B-1 Preferred Stock Redemption | — | (486.1) | — | — | — | — | — | (486.1) |
| Series B and B-1 Preferred stock redemption premium | — | — | — | — | (14.0) | — | — | (14.0) |
| Employee stock purchase plan | — | — | — | 3.0 | — | — | — | 3.0 |
| Long-term incentive plan | — | — | — | 6.9 | — | — | — | 6.9 |
| 401(k) and profit sharing | — | — | — | 4.8 | — | — | — | 4.8 |
| **Balance as of June 30, 2024** | **$ 4.5** | **$ —** | **$ (99.9)** | **$ 8,894.2** | **$ (896.2)** | **$ (33.6)** | **$ 1,950.6** | **$ 9,819.6** |

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ITEM 1. FINANCIAL STATEMENTS (continued)

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of April 1, 2023** | **$ 4.2** | **$ 1,546.5** | **$ (99.9)** | **$ 7,372.9** | **$ (1,114.8)** | **$ (34.7)** | **$ 329.5** | **$ 8,003.7** |
| Comprehensive Income: | | | | | | | | |
| Net income (loss) | — | — | — | — | 58.8 | — | (12.5) | 46.3 |
| Other comprehensive income, net of tax | — | — | — | — | — | (1.1) | — | (1.1) |
| Dividends: | | | | | | | | |
| Common stock ($0.25 per share) | — | — | — | — | (103.4) | — | — | (103.4) |
| Preferred stock (See Note 6) | — | — | — | — | (8.2) | — | — | (8.2) |
| Noncontrolling Interests: | | | | | | | | |
| Contributions from noncontrolling interests[(1)] | — | — | — | — | — | — | 28.7 | 28.7 |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (4.7) | (4.7) |
| Stock issuances (redemptions): | | | | | | | | |
| Series A Preferred stock redemption | — | (393.9) | — | — | — | — | — | (393.9) |
| Series A Preferred stock redemption premium | — | — | — | — | (6.2) | — | — | (6.2) |
| Employee stock purchase plan | — | — | — | 1.5 | — | — | — | 1.5 |
| Long-term incentive plan | — | — | — | 6.2 | — | — | — | 6.2 |
| 401(k) and profit sharing | — | — | — | 2.5 | — | — | — | 2.5 |
| **Balance as of June 30, 2023** | **$ 4.2** | **$ 1,152.6** | **$ (99.9)** | **$ 7,383.1** | **$ (1,173.8)** | **$ (35.8)** | **$ 341.0** | **$ 7,571.4** |

(1) Contributions from noncontrolling interest is net of transaction costs.

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2023** | **$ 4.2** | **$ 1,546.5** | **$ (99.9)** | **$ 7,375.3** | **$ (1,213.6)** | **$ (37.1)** | **$ 326.4** | **$ 7,901.8** |
| Comprehensive Income: | | | | | | | | |
| Net income (loss) | — | — | — | — | 391.8 | — | (7.7) | 384.1 |
| Other comprehensive income, net of tax | — | — | — | — | — | 1.3 | — | 1.3 |
| Dividends: | | | | | | | | |
| Common stock ($0.75 per share) | — | — | — | — | (310.1) | — | — | (310.1) |
| Preferred stock (See Note 6) | — | — | — | — | (35.7) | — | — | (35.7) |
| Noncontrolling Interests: | | | | | | | | |
| Contributions from noncontrolling interests[(1)] | — | — | — | — | — | — | 32.3 | 32.3 |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (10.0) | (10.0) |
| Stock issuances: | | | | | | | | |
| Series A Preferred stock redemption | — | (393.9) | — | — | — | — | — | (393.9) |
| Series A Preferred stock redemption premium | — | — | — | — | (6.2) | — | — | (6.2) |
| Employee stock purchase plan | — | — | — | 2.8 | — | — | — | 2.8 |
| Long-term incentive plan | — | — | — | (0.1) | — | — | — | (0.1) |
| 401(k) and profit sharing | — | — | — | 5.1 | — | — | — | 5.1 |
| **Balance as of June 30, 2023** | **$ 4.2** | **$ 1,152.6** | **$ (99.9)** | **$ 7,383.1** | **$ (1,173.8)** | **$ (35.8)** | **$ 341.0** | **$ 7,571.4** |

(1) Contributions from noncontrolling interest is net of transaction costs.

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

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of April 1, 2024** | **—** | **452,161** | **(3,963)** | **448,198** |
| Issued: | | | | |
| Employee stock purchase plan | — | 58 | — | 58 |
| Long-term incentive plan | — | 66 | — | 66 |
| 401(k) and profit sharing | — | 77 | — | 77 |
| **Balance as of June 30, 2024** | **—** | **452,362** | **(3,963)** | **448,399** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2024** | **40** | **451,345** | **(3,963)** | **447,382** |
| Issued: | | | | |
| Employee stock purchase plan | — | 111 | — | 111 |
| Long-term incentive plan | — | 729 | — | 729 |
| 401(k) and profit sharing | — | 177 | — | 177 |
| Redeemed: | | | | |
| Series B and B-1 Preferred Stock | (40) | — | — | — |
| **Balance as of June 30, 2024** | **—** | **452,362** | **(3,963)** | **448,399** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of April 1, 2023** | **1,303** | **416,946** | **(3,963)** | **412,983** |
| Issued: | | | | |
| Employee stock purchase plan | — | 53 | — | 53 |
| Long-term incentive plan | — | 26 | — | 26 |
| 401(k) and profit sharing | — | 87 | — | 87 |
| Redeemed: | | | | |
| Series A Preferred Stock | (400) | — | — | — |
| **Balance as of June 30, 2023** | **903** | **417,112** | **(3,963)** | **413,149** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2023** | **1,303** | **416,106** | **(3,963)** | **412,143** |
| Issued: | | | | |
| Employee stock purchase plan | — | 101 | — | 101 |
| Long-term incentive plan | — | 721 | — | 721 |
| 401(k) and profit sharing | — | 184 | — | 184 |
| Redeemed: | | | | |
| Series A Preferred Stock | (400) | — | — | — |
| **Balance as of June 30, 2023** | **903** | **417,112** | **(3,963)** | **413,149** |

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

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

## 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, 2023. 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.

## 2. Recent Accounting Pronouncements

**Recently Issued Accounting Pronouncements**

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This pronouncement enhances annual and interim disclosure requirements over reportable segments, primarily through enhanced disclosures about significant segment expenses that are regularly provided to or easily computed from information regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. The pronouncement also allows for more than one measure of segment profit if the CODM uses more than one measure in assessing segment performance. The pronouncement is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We will implement and provide the required disclosures beginning in the 2024 Annual Report on Form 10-K.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This pronouncement enhances required income tax disclosures. The pronouncement will require disclosure of specific categories and reconciling items included in the rate reconciliation, disaggregation between federal, state and local income taxes paid, and disclosure of income taxes paid by jurisdictions over a certain threshold. Additionally, the pronouncement eliminates certain required disclosures related to unrecognized tax benefits. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted, and is to be applied on a prospective basis with retrospective application permitted. We will implement and provide the required disclosures beginning in 2025.

## 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 of January 1, 2024, we have changed our reportable segments from Gas Distribution Operations and Electric Operations to Columbia Operations and NIPSCO Operations. Our historical segment disclosures have been recast to be consistent with the current presentation. For additional information see Note 18, "Business Segment Information."

The Columbia Operations segment provides regulated natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, and Maryland. The NIPSCO Operations segment provides regulated gas and electric service in the northern part of Indiana.

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):

| Three months ended June 30, 2024 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 332.3 | $ 78.6 | $ — | $ 410.9 |
| Commercial | 96.9 | 30.7 | — | 127.6 |
| Industrial | 33.0 | 16.1 | — | 49.1 |
| Off-system | 10.6 | — | — | 10.6 |
| Wholesale | 0.2 | — | — | 0.2 |
| Miscellaneous[1] | 4.3 | 2.6 | — | 6.9 |
| **Subtotal** | $ 477.3 | $ 128.0 | $ — | $ 605.3 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 156.9 | $ — | $ 156.9 |
| Commercial | — | 154.4 | — | 154.4 |
| Industrial | — | 119.7 | — | 119.7 |
| Wholesale | — | 11.2 | — | 11.2 |
| Public Authority | — | 1.9 | — | 1.9 |
| Miscellaneous[1] | — | 4.7 | — | 4.7 |
| **Subtotal** | $ — | $ 448.8 | $ — | $ 448.8 |
| **Total Customer Revenues[2]** | 477.3 | 576.8 | — | 1,054.1 |
| **Other Revenues[3]** | 10.1 | 20.4 | 0.1 | 30.6 |
| **Total Operating Revenues** | $ 487.4 | $ 597.2 | $ 0.1 | $ 1,084.7 |

[1]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations are primarily related to revenue refunds, public repairs and property rentals. [2]Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.
[3]Amounts included in Columbia Operations primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

| Three months ended June 30, 2023 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 344.7 | $ 105.9 | $ — | $ 450.6 |
| Commercial | 109.0 | 43.1 | — | 152.1 |
| Industrial | 32.3 | 18.8 | — | 51.1 |
| Off-system | 22.9 | — | — | 22.9 |
| Wholesale | 0.4 | — | — | 0.4 |
| Miscellaneous[1] | 8.1 | 3.2 | — | 11.3 |
| **Subtotal** | $ 517.4 | $ 171.0 | $ — | $ 688.4 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 122.8 | $ — | $ 122.8 |
| Commercial | — | 130.1 | — | 130.1 |
| Industrial | — | 112.6 | — | 112.6 |
| Wholesale | — | 7.7 | — | 7.7 |
| Public Authority | — | 1.7 | — | 1.7 |
| Miscellaneous[1] | — | 3.9 | — | 3.9 |
| **Subtotal** | $ — | $ 378.8 | $ — | $ 378.8 |
| **Total Customer Revenues[2]** | 517.4 | 549.8 | — | 1,067.2 |
| **Other Revenues[3]** | 4.2 | 18.4 | 0.2 | 22.8 |
| **Total Operating Revenues** | $ 521.6 | $ 568.2 | $ 0.2 | $ 1,090.0 |

[1]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations, are primarily related to revenue refunds, public repairs and property rentals. [2]Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.
[3]Amounts included in Columbia Operations are primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

| Six months ended June 30, 2024 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 960.3 | $ 290.7 | $ — | $ 1,251.0 |
| Commercial | 317.3 | 105.4 | — | 422.7 |
| Industrial | 73.1 | 39.9 | — | 113.0 |
| Off-system | 23.4 | — | — | 23.4 |
| Wholesale | 1.0 | — | — | 1.0 |
| Miscellaneous[1] | 12.5 | 10.5 | — | 23.0 |
| **Subtotal** | $ 1,387.6 | $ 446.5 | $ — | $ 1,834.1 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 300.7 | $ — | $ 300.7 |
| Commercial | — | 297.3 | — | 297.3 |
| Industrial | — | 235.6 | — | 235.6 |
| Wholesale | — | 17.5 | — | 17.5 |
| Public Authority | — | 4.0 | — | 4.0 |
| Miscellaneous[1] | — | 7.9 | — | 7.9 |
| **Subtotal** | $ — | $ 863.0 | $ — | $ 863.0 |
| **Total Customer Revenues[2]** | 1,387.6 | 1,309.5 | — | 2,697.1 |
| **Other Revenues[3]** | 53.5 | 40.1 | 0.3 | 93.9 |
| **Total Operating Revenues** | $ 1,441.1 | $ 1,349.6 | $ 0.3 | $ 2,791.0 |

[1]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations are primarily related to revenue refunds, public repairs and property rentals. [2]Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.
[3]Amounts included in Columbia Operations primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

| Six months ended June 30, 2023 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 1,029.3 | $ 408.3 | $ — | $ 1,437.6 |
| Commercial | 357.0 | 155.7 | — | 512.7 |
| Industrial | 72.7 | 50.3 | — | 123.0 |
| Off-system | 40.1 | — | — | 40.1 |
| Wholesale | 1.4 | — | — | 1.4 |
| Miscellaneous[1] | 19.9 | 8.8 | — | 28.7 |
| **Subtotal** | $ 1,520.4 | $ 623.1 | $ — | $ 2,143.5 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 273.2 | $ — | $ 273.2 |
| Commercial | — | 281.0 | — | 281.0 |
| Industrial | — | 246.8 | — | 246.8 |
| Wholesale | — | 10.3 | — | 10.3 |
| Public Authority | — | 3.8 | — | 3.8 |
| Miscellaneous[1] | — | 4.7 | — | 4.7 |
| **Subtotal** | $ — | $ 819.8 | $ — | $ 819.8 |
| **Total Customer Revenues[2]** | 1,520.4 | 1,442.9 | — | 2,963.3 |
| **Other Revenues[3]** | 50.1 | 42.2 | 0.4 | 92.7 |
| **Total Operating Revenues** | $ 1,570.5 | $ 1,485.1 | $ 0.4 | $ 3,056.0 |

[1]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations, are primarily related to revenue refunds, public repairs and property rentals. [2]Customer revenue amounts exclude intersegment revenues. See Note 18, "Business Segment Information," for discussion of intersegment revenues.
[3]Amounts included in Columbia Operations are primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

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

***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, 2024 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, 2023 | $ 479.4 | $ 337.6 |
| Balance as of June 30, 2024 | 381.7 | 208.7 |

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.

***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. Internal and external inputs are used in our credit model including, but not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-offs, customer delinquencies, final bill data, and inflation. We continuously evaluate available information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or following 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 including, but 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 to 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, 2024 and December 31, 2023 are presented in the table below:

| (*in millions*) | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2024** | $ 10.2 | $ 11.9 | $ 0.8 | $ 22.9 |
| Current period provisions | 15.2 | 6.2 | — | 21.4 |
| Write-offs charged against allowance | (19.0) | (5.3) | (0.8) | (25.1) |
| Recoveries of amounts previously written off | 6.6 | 0.4 | — | 7.0 |
| **Balance as of June 30, 2024** | $ 13.0 | $ 13.2 | $ — | $ 26.2 |

| (*in millions*) | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2023** | $ 11.1 | $ 12.0 | $ 0.8 | $ 23.9 |
| Current period provisions | 28.3 | 11.5 | — | 39.8 |
| Write-offs charged against allowance | (49.2) | (12.4) | — | (61.6) |
| Recoveries of amounts previously written off | 20.0 | 0.8 | — | 20.8 |
| **Balance as of December 31, 2023** | $ 10.2 | $ 11.9 | $ 0.8 | $ 22.9 |

## 4. Noncontrolling Interests

***Variable Interest Entities.*** A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO is a member of JVs that own and operate two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO is also a member of JVs that own two solar facilities, Indiana Crossroads Solar and Dunns Bridge I, which have a nameplate capacity of 200 MW and 265 MW, respectively. We have determined that these JVs are VIEs. We control decisions that are significant to these entities' ongoing operations and economic results. Therefore, we have concluded that NIPSCO is the primary beneficiary and have consolidated all four entities.

Members of each respective JV include 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. NIPSCO and each tax equity partner contributed cash to each JV. Once the tax equity partner has earned their negotiated rate of return and have reached a stated contractual date, NIPSCO has the option to purchase the remaining interest in the respective JV, at fair market value, from the tax equity partner. NIPSCO has an obligation to purchase 100% of the electricity generated by our commercially operational JVs.

We did not provide any financial or other support during the quarter that was not previously contractually required.

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

| *(in millions)* | **June 30, 2024** | December 31, 2023 |
|---|---|---|
| Net Property, Plant and Equipment | **$ 1,346.8** | $ 1,369.8 |
| Current assets | **62.8** | 63.6 |
| Total assets[(1)] | **1,409.6** | 1,433.4 |
| Current liabilities | **55.3** | 68.3 |
| Asset retirement obligations | **57.0** | 55.7 |
| Total liabilities[(1)(2)] | **$ 112.3** | $ 124.0 |

[(1)]The assets of each consolidated VIE can only be used to settle obligations of the respective consolidated VIE. The creditors of the liabilities of the VIEs do not have recourse to the general credit of the primary beneficiary.
[(2)]In addition to the amounts disclosed above there is a de minimis amount of other noncurrent assets and liabilities at Rosewater as of June 30, 2024.

***Voting Interest Entities.*** In December 31, 2023, we consummated the NIPSCO Minority Interest Transaction for a capital contribution of $2.16 billion in cash. The difference between the $2.16 billion consideration received and the $1.36 billion carrying value of the noncontrolling interest claim on net assets was recorded to additional paid-in capital, net of $54.7 million in transaction costs and a $63.5 million income tax benefit. We retain a controlling financial interest in NIPSCO Holdings II and its subsidiaries and consolidate their financial results. During the second quarter of 2024, we received $59.7 million of contributions and we made $20.2 million of distributions to our NIPSCO minority interest holders based on their relative ownership percentages.

## 5. Earnings Per Share

The calculations of basic and diluted EPS are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. For the three and six months ended June 30, 2024, the weighted-average shares outstanding for diluted EPS includes the incremental effects of the various long-term incentive compensation plans and ATM forward agreements under the Treasury Stock Method when the impact would be dilutive (See Note 6, "Equity,"). For the purposes of determining diluted EPS, for the three and six months ended June 30, 2023, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding using the if-converted method under US GAAP and we assumed share settlement of the remaining purchase contract payment balance from our Equity Units based on the average share price during the period. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred in the three and six months ended June 30, 2023, net of tax, related to the purchase contracts. The purchase contracts were settled on December 1, 2023.

We began using the two-class method of computing earnings per share in 2023 because we have participating securities in the form of non-vested restricted stock units with a non-forfeitable right to dividend equivalents, for which vesting is predicated solely on the passage of time. The calculation of earnings per share using the two-class method excludes income attributable to these participating securities from the numerator and excludes the dilutive impact of those shares from the denominator.

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)* | **2024** | 2023 | **2024** | 2023 |
| **Numerator:** | | | | |
| Net Income Available to Common Shareholders | **$ 85.8** | $ 39.9 | **$ 430.1** | $ 359.1 |
| Less: Income allocated to participating securities | **0.4** | — | **0.7** | 0.2 |
| Net Income Available to Common Shareholders - Basic | **85.4** | 39.9 | **429.4** | 358.9 |
| Add: Dilutive effect of Equity Units | — | 0.4 | — | 0.8 |
| Net Income Available to Common Shareholders - Diluted | **$ 85.4** | $ 40.3 | **$ 429.4** | $ 359.7 |
| **Denominator:** | | | | |
| Average common shares outstanding - Basic | **448.5** | 413.3 | **448.2** | 413.1 |
| Dilutive potential common shares: | | | | |
| Equity Units purchase contracts | — | 31.3 | — | 31.2 |
| Equity Units purchase contract payment balance | — | 1.2 | — | 1.5 |
| Shares contingently issuable under employee stock plans | **0.7** | 0.6 | **0.8** | 0.7 |
| Shares restricted under employee stock plans | **0.3** | 0.4 | **0.3** | 0.4 |
| ATM forward agreements | **0.7** | — | **0.5** | — |
| Average Common Shares - Diluted | **450.2** | 446.8 | **449.8** | 446.9 |
| **Earnings per common share:** | | | | |
| Basic | **$ 0.19** | $ 0.10 | **0.96** | 0.87 |
| Diluted | **$ 0.19** | $ 0.09 | **0.95** | 0.80 |

## 6. Equity

***ATM Program.*** In February, 2024, we entered into eight separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of $900.0 million of our common stock.

Also in February, 2024, under the ATM program, we executed a forward sale agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. The forward purchaser under our forward sale agreement borrowed 7,757,951 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of $25.78 per share. We may settle the forward sale agreement in shares, cash or net shares by December 20, 2024. Had we settled all the shares under the forward sale agreement at June 30, 2024, we would have received approximately $200.0 million, based on a net price of $25.78 per share.

In May, 2024, under the ATM program, we executed a forward sale agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. The forward purchaser under our forward sale agreement borrowed 10,390,000 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of $28.87 per share. We may settle the forward sale agreement in shares, cash or net shares by December 20, 2024. Had we settled all the shares under the forward sale agreement at June 30, 2024, we would have received approximately $299.1 million, based on a net price of $28.79 per share.

As of June 30, 2024, the ATM program (inclusive of the forward sale agreements) had approximately $400.0 million of equity available for issuance. The program expires on December 31, 2025.

***Series A Preferred Stock***. There were no dividends declared per share for the Series A Preferred Stock during the three months ended June 30, 2024 and 2023. Dividends declared per share for the Series A Preferred Stock were zero and $28.25 during the six months ended June 30, 2024 and 2023, respectively.

On June 15, 2023, we redeemed all 400,000 outstanding shares of Series A Preferred Stock for a redemption price of $1,000 per share or $400.0 million in total.

***Series B and B-1 Preferred Stock.*** Dividends declared per share for the Series B Preferred Stock were zero and $406.25 during the three months ended June 30, 2024 and 2023, respectively. Dividends declared per share for the Series B Preferred Stock were $406.25 and $1,218.75 during the six months ended June 30, 2024 and 2023, respectively.

On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of $25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of $0.01 per share or $500.0 million in total. Following the redemption, dividends ceased to accrue on the shares of Series B Preferred Stock, shares of the Series B Preferred Stock and Series B-1 Preferred Stock were no longer deemed outstanding and all rights of the holders of such shares of Series B Preferred Stock and Series B-1 Preferred Stock terminated. In conjunction with the redemption, we recorded a $14.0 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series B Preferred Stock and Series B-1 Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings during the first quarter of 2024. We have not recognized an excise tax liability under the IRA in connection with this redemption as we expect to issue common stock in 2024 in excess of the fair value of the Series B Preferred Stock and Series B-1 Preferred Stock redeemed.

In March 2024, we filed a Certificate of Elimination to our Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware to eliminate from the Amended and Restated Certificate of Incorporation all matters set forth in the Certificate of Designations with respect to the Series B Preferred Stock and the Certificate of Designations with respect to the Series B-1 Preferred Stock. As a result, the 20,000 shares that were previously designated as Series B Preferred Stock and the 20,000 shares that were previously designated as Series B-1 Preferred Stock were returned to the status of authorized but unissued shares of preferred stock, par value $0.01 per share, without designation as to series. The Certificate of Elimination does not change the total number of authorized shares of capital stock of NiSource or the total number of authorized shares of preferred stock. We voluntarily delisted the preferred stock from the New York Stock Exchange.

***Equity Units.*** On December 1, 2023, we issued 33,898,837 shares of our common stock under the purchase contract component of the Corporate Units. As of December 1, 2023, each holder of Corporate Units was deemed to have automatically delivered to us the related Series C Mandatory Convertible Preferred Stock that were components of the Corporate Units in full satisfaction of such holder’s obligations under the related purchase contract, and all shares of Series C Mandatory Convertible Preferred Stock were returned to the status of authorized but unissued preferred stock, par value of $0.01 per share, without designation as to series. We voluntarily delisted the Corporate Units from the New York Stock Exchange.

Refer to Note 5, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS during 2023.

## 7. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreements. Each of these borrowing sources is described further 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. We had no outstanding borrowings under this facility as of June 30, 2024 and December 31, 2023.

***Commercial Paper Program.*** On February 9, 2024 we increased our commercial paper program limit from $1.50 billion to $1.85 billion. We had $644.0 million and $1,061.0 million of commercial paper outstanding with weighted-average interest rates of 5.58% and 5.65% as of June 30, 2024 and December 31, 2023, respectively.

***Accounts Receivable Transfer Programs.*** 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 consolidated special purpose entities. The three agreements expire between August 2024 and May 2025 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, 2024, the maximum amount of debt that could be borrowed related to our accounts receivable programs was $280.3 million.

We had zero and $337.6 million of short-term borrowings related to the securitization transactions as of June 30, 2024 and December 31, 2023, respectively.

For the six months ended June 30, 2024 and 2023, $337.6 million and $347.2 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 $0.7 million for the three months ended June 30, 2024 and 2023, and $0.9 million and $1.6 million for the six months ended June 30, 2024 and 2023, 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.

***Term Credit Agreements.*** At December 31, 2023, we had $1.0 billion, and $650.0 million outstanding under term credit agreements with interest rates of 6.41% and 6.50%, respectively. On January 3, 2024, we terminated and repaid in full our $1.0 billion term credit agreement and our $650.0 million term credit agreement with proceeds from the NIPSCO Minority Interest Transaction.

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

## 8. Long-Term Debt

On March 14, 2024, we completed the issuance and sale of $650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately $642.6 million of net proceeds after discount and debt issuance costs.

On May 16, 2024, we completed the issuance and sale of $500.0 million of 6.95% fixed-to-fixed reset rate junior subordinated notes maturing in 2054, which resulted in approximately $493.4 million of net proceeds after debt issuance costs. The subordinated notes bear interest (i) from and including May 16, 2024 to, but excluding, November 30, 2029 at a rate of 6.95% per annum and (ii) from and including November 30, 2029, during each five-year reset period at a rate per annum equal to the five-year U.S. treasury rate (determined as described in the prospectus supplement filed with the SEC) as of the then most recent reset interest determination date plus a spread of 2.45%, to be reset on each reset date. At our option, we may redeem some or all of the subordinated notes during specified periods, and upon the occurrence of certain ratings or tax events, all as described in the prospectus supplement. In accordance with terms of the subordinated notes, we have the right, from time to time, to defer the payment of interest on the outstanding subordinated notes on one or more occasions for up to ten consecutive years. In the event that we were to exercise such right to defer interest on the subordinated notes, we would not be able to pay cash dividends on the common stock during the periods in which such payments were deferred. The subordinated notes were issued pursuant to a Subordinated Indenture, dated as of May 16, 2024, between us and The Bank of New York Mellon, as trustee, as supplemented by the First Supplemental Indenture thereto, dated as of May 16, 2024.

On June 24, 2024, we completed the issuance and sale of $600.0 million of 5.20% senior unsecured notes maturing in 2029, which resulted in approximately $593.7 million of net proceeds after discount and debt issuance costs.

## 9. Gas in Storage

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Natural gas storage injections are priced at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference in the cost of replacing the current portion of stored gas inventory compared to the amount stated on a LIFO basis is recorded within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. The LIFO basis exceeded the cost of replacing the current portion of stored gas by $11.4 million and zero respectively, for the periods ended June 30, 2024 and December 31, 2023, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

## 10. Regulatory Matters

Renewable generation filings
In March 2024, NIPSCO filed a petition with the IURC to, after notice and hearing, issue an order modifying its November 22, 2023 order to approve direct ownership of the Gibson Project. A hearing was held in June 2024 with a final order expected in August 2024. In March 2024, NIPSCO also filed a petition with the IURC to, after notice and hearing, issue an order modifying its June 29, 2021 order to approve direct ownership of the Fairbanks Project. A hearing was held in July 2024 with a final order expected in August 2024.

WAM system filing
In March 2024, NIPSCO filed a petition with the IURC for authority to defer, as a regulatory asset, certain costs, including depreciation and amortization incurred in connection with improvements to its information technology systems through the design, development, and implementation of a new WAM program for the scheduling, dispatch, and execution of work and the management of underlying assets. These improvements are part of our enterprise-wide transformation roadmap which seeks to optimize our field work and reduce enterprise risk. The petition also included the confirmation that the WAM program assets, including the requested regulatory assets, will be included in NIPSCO's rate base for ratemaking purposes in rate cases after the WAM assets have been placed in service. The hearing is scheduled for August 2024 with a final order expected in October 2024.

NIPSCO Gas Peaker filing
In September 2023, NIPSCO filed a request for issuance of a certificate of public convenience and necessity for an approximately 400 MW natural gas peaking generation facility with the IURC, which was supplemented in January 2024 based on updates on availability of certain key equipment. A hearing was held in July 2024 with a final order expected November 2024.

Columbia of Virginia CARE Plan
On May 22, 2024, Columbia Gas of Virginia filed an application for approval to amend and extend its Conservation and Ratemaking Efficiency ("CARE") Plan. The application proposed an extension for an additional three-year period, from January 1, 2025 through December 31, 2027.

Regulatory deferral related to renewable energy investments
In accordance with the accounting principles of ASC 980, we recognize a regulatory liability or asset for amounts representing the timing difference between the profit earned from the JVs and the amount included in regulated rates to recover our approved investments in consolidated JVs. The amounts recorded in income will ultimately reflect the amount allowed in regulated rates to recover our investments over the useful life of the projects. The offset to the regulatory liability or asset associated with our renewable investments included in regulated rates is recorded in "Depreciation and amortization" on the Condensed Statements of Consolidated Income (unaudited). NiSource recorded depreciation expense of $13.1 million and $16.6 million for the three and six months ended June 30, 2024, and $13.7 million and $9.3 million for the three and six months ended June 30, 2023, respectively. Following the implementation of the electric base rate case, we began recognizing amounts to recover our investments of projects that have been placed in service. Refer to Note 4, "Noncontrolling Interests," for additional information.

## 11. 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:

| | June 30, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| *(in millions)* | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Current[(1)] | | | | |
| Derivatives not designated as hedging instruments | **$ 5.2** | **$ 5.1** | $ 1.1 | $ 7.5 |
| Total | **$ 5.2** | **$ 5.1** | $ 1.1 | $ 7.5 |
| Noncurrent[(2)] | | | | |
| Derivatives not designated as hedging instruments | **$ 21.3** | **$ 2.9** | $ 22.2 | $ 1.9 |
| Total | **$ 21.3** | **$ 2.9** | $ 22.2 | $ 1.9 |

[(1)]Current assets and liabilities are presented in "Prepayments and other" and "Other accruals", respectively, on the Condensed Consolidated Balance Sheets (unaudited).
[(2)]Noncurrent assets and liabilities are presented in "Deferred charges and other" and "Other noncurrent liabilities and deferred credits", respectively, on the Condensed Consolidated Balance Sheets (unaudited).

Our derivative instruments are subject to enforceable master netting arrangements or similar agreements. No collateral was either received or posted related to our outstanding derivative positions at June 30, 2024. If the above gross asset and liability positions were presented net of amounts owed or receivable from counterparties, we would report a net asset position of $18.5 million and $13.9 million at June 30, 2024 and December 31, 2023, respectively.

All gains and losses on derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's and Columbia of Pennsylvania's quarterly GCA mechanisms.

Derivatives Not Designated as Hedging Instruments

***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 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 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. At June 30, 2024 and December 31, 2023, we had 84.4 MMDth and 76.1 MMDth, respectively, of net energy derivative volumes outstanding related to our natural gas hedges.

NIPSCO has received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments and is limited to 20% of NIPSCO's average annual GCA purchase volume. As of June 30, 2024, the remaining terms of these instruments range from one to three years. Likewise, Columbia of Pennsylvania has received approval for a 24-month rolling hedge program. The hedging program was executed in December 2023, with an effective date of April 1, 2024 and will continue in perpetuity. The program is designed to financially hedge approximately 20% of the customer's annual demand. All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through the relevant cost recovery mechanism.

The following table summarizes the gains and losses associated with the commodity price risk programs deferred as regulatory assets and liabilities:

| *(in millions)* | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Regulatory Assets** | | |
| Losses on commodity price risk programs | **$ 11.8** | $ 24.4 |
| **Regulatory Liabilities** | | |
| Gains on commodity price risk programs | **26.8** | 23.3 |

Our derivative instruments measured at fair value as of June 30, 2024 and December 31, 2023 do not contain any credit-risk-related contingent features.

Derivatives Designated as Hedging Instruments

***Interest rate risk management.*** As of June 30, 2024 and December 31, 2023 we had no active interest rate swap positions. The overall net gain related to our multiple settled interest rate swaps is recorded in AOCI. We amortize the net gain over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three and six months ended June 30, 2024 and 2023 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited). Amounts expected to be reclassified to earnings during the next twelve months are immaterial. See Note 17, "Accumulated Other Comprehensive Loss," for additional information.

## 12. 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, 2024 and December 31, 2023:

| Recurring Fair Value Measurements June 30, 2024 *(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, 2024 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 26.5 | $ — | $ 26.5 |
| Available-for-sale debt securities | — | 145.5 | — | 145.5 |
| **Total** | **$ —** | **$ 172.0** | **$ —** | **$ 172.0** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 8.0 | $ — | $ 8.0 |
| **Total** | **$ —** | **$ 8.0** | **$ —** | **$ 8.0** |

| Recurring Fair Value Measurements December 31, 2023 *(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, 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 23.3 | $ — | $ 23.3 |
| Available-for-sale debt securities | — | 159.1 | — | 159.1 |
| **Total** | **$ —** | **$ 182.4** | **$ —** | **$ 182.4** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 9.4 | $ — | $ 9.4 |
| **Total** | **$ —** | **$ 9.4** | **$ —** | **$ 9.4** |

***Risk Management Assets and Liabilities.*** Risk management assets and liabilities include 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 that reduce exposures. As of June 30, 2024 and December 31, 2023, 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.

NIPSCO and Columbia of Pennsylvania have entered into long-term forward natural gas purchase instruments to lock in a fixed price for 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 11, "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.

Our available-for-sale debt securities impairments are recognized periodically using an allowance approach. 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 the security's fair value is less than its amortized cost basis. If certain amounts recorded 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. As of June 30, 2024 and December 31, 2023, we have $0.3 million and $0.6 million, respectively, recorded 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 June 30, 2024 and December 31, 2023 were:

| June 30, 2024 *(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 | $ 60.5 | $ — | $ (3.4) | $ — | $ 57.1 |
| Corporate/Other debt securities | 95.0 | 0.5 | (6.8) | (0.3) | 88.4 |
| **Total** | **$ 155.5** | **$ 0.5** | **$ (10.2)** | **$ (0.3)** | **$ 145.5** |

| December 31, 2023 *(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 | $ 63.8 | $ — | $ (3.2) | $ — | $ 60.6 |
| Corporate/Other debt securities | 105.2 | 0.8 | (6.9) | (0.6) | 98.5 |
| **Total** | **$ 169.0** | **$ 0.8** | **$ (10.1)** | **$ (0.6)** | **$ 159.1** |

[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 $57.1 million and $70.9 million, respectively, at June 30, 2024.
[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 $58.7 million and $74.8 million, respectively, at December 31, 2023.

The cost of maturities sold is based upon specific identification. Net realized gains and losses on available-for-sale securities were $0.1 million and $0.5 million for the three and six months ended June 30, 2024, and immaterial for the three and six months ended June 30, 2023.

Non-recurring Fair Value Measurements

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

**B. Other Fair Value Disclosures for Financial Instruments.** The carrying amount of cash and cash equivalents, restricted cash, notes receivable, 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 June 30, 2024, 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 June 30, 2024 | Estimated Fair Value as of June 30, 2024 | Carrying Amount as of Dec. 31, 2023 | Estimated Fair Value as of Dec. 31, 2023 |
|---|---|---|---|---|
| Long-term debt (including current portion) | **$ 12,833.0** | **$ 11,762.2** | $ 11,079.3 | $ 10,370.9 |

## 13. Goodwill

The following presents our goodwill balance allocated by segment as of June 30, 2024:

| *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | **Total** |
|---|---|---|---|---|
| Goodwill | $ 1,468.1 | $ 17.8 | $ — | **$ 1,485.9** |

For our annual goodwill impairment analysis performed as of May 1, 2024, 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. 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 exceeded its carrying value. As a result, no impairment charge was recorded as of the May 1, 2024 test date.

While our annual goodwill impairment test was performed with a valuation date of May 1, 2024, we continue to monitor events and circumstances that could indicate that it is more likely than not that the fair value of our reporting units is less than the reporting unit carrying value. At June 30, 2024, we assessed events including, but not limited to, general economic conditions, access to capital, developments in the equity and credit markets, the impact on NiSource's share price, the availability and cost of materials and labor, the impact on revenue and cash flow, and regulatory and political activity. The results of this assessment indicated that it was not more likely than not that the fair values of our reporting units were less than their respective carrying values at June 30, 2024.

## 14. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2024 and 2023 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended June 30, 2024 and 2023 were 14.6% and 23.3%, respectively. The effective tax rates for the six months ended June 30, 2024 and 2023 were 15.7% and 20.6%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to renewable partnership income, amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state flow through, and other permanent book-to-tax differences.

The decrease in the three month effective tax rate of 8.7% in 2024 compared to 2023 is primarily attributed to the lower renewable partnership income, jurisdictional mix of pre-tax book income, and decrease of non-deductible permanent differences offset by lower amortization of excess deferred federal income tax liabilities.

The decrease in the six month effective tax rate of 4.9% in 2024 compared to 2023 is primarily attributed to the lower renewable partnership income, jurisdictional mix of pre-tax book income, offset by lower amortization of excess deferred federal income tax liabilities.

As of June 30, 2024, there have been no material changes to our unrecognized tax benefits or possible changes that could reasonably be expected to occur during the next twelve months. See Note 15 to the Company’s Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of these unrecognized tax benefits.

## 15. Pension and Other Postemployment 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, 2024 and 2023, we contributed $1.3 million and $2.0 million, respectively to our pension plans and $10.7 million and $11.2 million, respectively to our OPEB plans.

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three and six months ended June 30, 2024 and 2023:

| | Pension Benefits | | OPEB | |
|---|---|---|---|---|
| Three Months Ended June 30, *(in millions)* | **2024** | 2023 | **2024** | 2023 |
| **Components of Net Periodic Benefit Cost**[1] | | | | |
| Service cost | **$ 5.5** | $ 5.1 | **$ 1.3** | $ 1.3 |
| Interest cost | **16.3** | 17.1 | **5.5** | 5.5 |
| Expected return on assets | **(23.8)** | (23.6) | **(4.0)** | (3.8) |
| Amortization of prior service credit | **—** | — | **(0.4)** | (0.5) |
| Recognized actuarial loss | **7.2** | 8.4 | **0.8** | 0.8 |
| Settlement loss | **—** | 0.1 | **—** | — |
| **Total Net Periodic Benefit Cost** | **$ 5.2** | $ 7.1 | **$ 3.2** | $ 3.3 |

[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).

| | Pension Benefits | | OPEB | |
|---|---|---|---|---|
| Six Months Ended June 30, *(in millions)* | **2024** | 2023 | **2024** | 2023 |
| **Components of Net Periodic Benefit Cost**[1] | | | | |
| Service cost | **$ 10.9** | $ 10.2 | **$ 2.6** | $ 2.6 |
| Interest cost | **32.6** | 34.2 | **10.9** | 10.9 |
| Expected return on assets | **(47.6)** | (47.2) | **(8.0)** | (7.6) |
| Amortization of prior service credit | **—** | — | **(0.8)** | (1.0) |
| Recognized actuarial loss | **14.4** | 16.8 | **1.6** | 1.6 |
| Settlement loss | **—** | 0.1 | **—** | — |
| **Total Net Periodic Benefit Cost** | **$ 10.3** | $ 14.1 | **$ 6.3** | $ 6.5 |

[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).

## 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, 2024 and December 31, 2023, we had issued stand-by letters of credit of $9.9 million for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At June 30, 2024 and December 31, 2023, our guarantees for multiple BTAs totaled $921.1 million and $646.1 million, respectively. The amount of each guaranty will decrease upon the substantial completion of the construction of the facilities. See "- D. Other Matters - Generation Transition," below for more information.

**B. Legal Proceedings.** From time to time, various legal and regulatory claims and proceedings are pending or threatened against the Company and its subsidiaries. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company establishes reserves whenever it believes it to be appropriate for pending litigation matters. However, the actual results of resolving the pending litigation matters may be

substantially higher than the amounts reserved. If one or more 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. Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim, proceeding or investigation would not have a material adverse effect on our results of operations, financial position or liquidity.

***Other Claims and Proceedings.*** We are also party to other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, and based upon an investigation of these matters and discussion with legal counsel, we believe the ultimate outcome of such other legal proceedings to be individually, or in aggregate, not material at this time.

**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 and asset retirement costs, further described below, to be recoverable through rates.

As of June 30, 2024 and December 31, 2023, we had recorded a liability of $87.3 million and $80.0 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities and deferred credits" in the Condensed Consolidated Balance Sheets (unaudited). 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 CERCLA 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. At this time, we cannot estimate the full cost of remediating properties that have not yet been investigated, but it is possible that the future costs could be material to the Condensed Consolidated Financial Statements (unaudited).

***MGP.*** We maintain a program to identify and investigate former MGP sites where our subsidiaries or predecessors may have liability. The program has identified 53 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 completed an annual refresh of the model in the second quarter. We recorded a $11.2 million increase to the estimated future remediation costs as a result of the refresh completed as of June 30, 2024. Our total estimated liability related to the facilities subject to remediation was $82.3 million and $73.7 million at June 30, 2024 and December 31, 2023, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. Our model indicates that it is reasonably possible that remediation costs could vary by as much as $16.4 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.*** NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The CCR rule requirements currently in effect required 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. On May 8, 2024 the EPA finalized changes to the current CCR

regulations which address inactive surface impoundments at inactive facilities, referred to as legacy impoundments, and CCR management units ("CCRMUs") at inactive and active facilities. The rule largely requires these newly regulated units to conform to existing requirements. Specifically, the EPA will now require NIPSCO to conduct groundwater monitoring, close, and perform corrective action on these units. As of June 30, 2024 we accrued an immaterial amount to cover newly required applicability determinations and facility evaluations, internal labor, groundwater well installations and sampling, and initial field compliance activities. Applicability determinations for legacy impoundments are due when the rule becomes effective on November 8, 2024. Facility evaluations for CCRMUs are required by February 2026 and 2027. NIPSCO continues to assess whether existing legal obligations associated with the retirement of certain facilities must be revised and to estimate probable additional required asset retirement costs. NIPSCO expects to receive recovery of any such costs through existing and future depreciation rates.

**D. Other Matters.**

***Generation Transition.*** NIPSCO has also executed several BTAs with developers to construct renewable generation facilities. NIPSCO has received IURC approval for all of its BTAs and PPAs. In addition to IURC approval, NIPSCO's purchase obligation under the BTAs is dependent on timely completion of construction. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. With respect to BTAs for which tax equity partnerships are utilized, NIPSCO and the tax equity partner are obligated to make cash contributions to the JV 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 the remaining interest in the JV from the tax equity partner. On January 17, 2024, the IURC approved the full ownership of Cavalry and Dunns Bridge II, which will allow those BTAs to be executed through direct ownership. In March 2024, NIPSCO filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions. In March 2024, Cavalry achieved mechanical completion, resulting in NIPSCO making a $110.6 million payment to the developer. In May 2024, Cavalry achieved substantial completion and commencement of commercial operations, resulting in NIPSCO making a $114.9 million payment to the developer.

## 17. Accumulated Other Comprehensive Loss

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

| *(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, 2024 | $ (7.6) | $ (12.9) | $ (13.3) | $ (33.8) |
| Other comprehensive income (loss) before reclassifications | (0.1) | (0.2) | — | (0.3) |
| Amounts reclassified from accumulated other comprehensive loss | 0.1 | 0.1 | 0.3 | 0.5 |
| Net current-period other comprehensive income (loss) | — | (0.1) | 0.3 | 0.2 |
| **Balance as of June 30, 2024** | **$ (7.6)** | **$ (13.0)** | **$ (13.0)** | **$ (33.6)** |

[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, 2024 | $ (7.3) | $ (12.8) | $ (13.5) | $ (33.6) |
| Other comprehensive income (loss) before reclassifications | (0.7) | (0.4) | — | (1.1) |
| Amounts reclassified from accumulated other comprehensive loss | 0.4 | 0.2 | 0.5 | 1.1 |
| Net current-period other comprehensive income (loss) | (0.3) | (0.2) | 0.5 | — |
| **Balance as of June 30, 2024** | **$ (7.6)** | **$ (13.0)** | **$ (13.0)** | **$ (33.6)** |

[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, 2023 | $ (9.2) | $ (12.5) | $ (13.0) | $ (34.7) |
| Other comprehensive income (loss) before reclassifications | (1.4) | (0.3) | — | (1.7) |
| Amounts reclassified from accumulated other comprehensive loss | 0.2 | 0.1 | 0.3 | 0.6 |
| Net current-period other comprehensive income (loss) | (1.2) | (0.2) | 0.3 | (1.1) |
| Balance as of June 30, 2023 | $ (10.4) | $ (12.7) | $ (12.7) | $ (35.8) |

[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, 2023 | $ (11.2) | $ (12.6) | $ (13.3) | $ (37.1) |
| Other comprehensive income (loss) before reclassifications | 0.3 | (0.3) | — | — |
| Amounts reclassified from accumulated other comprehensive loss | 0.5 | 0.2 | 0.6 | 1.3 |
| Net current-period other comprehensive income (loss) | 0.8 | (0.1) | 0.6 | 1.3 |
| Balance as of June 30, 2023 | $ (10.4) | $ (12.7) | $ (12.7) | $ (35.8) |

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

## 18. Business Segment Information

Our reportable segments reflect the manner in which our business is managed and our resources are allocated. Following the consummation of the NIPSCO Minority Interest Transaction, we revised how we evaluate results and allocate resources across our business with an increased focus on operating performance at the state level. Refer to Note 4, "Noncontrolling Interests," for additional information on the NIPSCO Minority Interest Transaction. Our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations includes the results of NIPSCO Holdings I and its majority-owned subsidiaries, including NIPSCO, which has fully regulated gas and electric operations in Northwest Indiana.

The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable segment, are presented as "Corporate and Other" and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues. The following table provides information about our reportable segments. Our CODM uses operating income as the primary measurement for each of the reported segments and makes decisions on financing, 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.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | **2024** | 2023 |
| **Operating Revenues** | | | | |
| **Columbia Operations** | | | | |
| Unaffiliated | **$ 487.4** | $ 521.6 | **$ 1,441.1** | $ 1,570.5 |
| Intersegment | **3.1** | 3.1 | **6.3** | 6.1 |
| Total | **490.5** | 524.7 | **1,447.4** | 1,576.6 |
| **NIPSCO Operations** | | | | |
| Unaffiliated | **597.2** | 568.2 | **1,349.6** | 1,485.1 |
| Intersegment | **0.2** | 0.1 | **0.5** | 0.4 |
| Total | **597.4** | 568.3 | **1,350.1** | 1,485.5 |
| **Corporate and Other** | | | | |
| Unaffiliated | **0.1** | 0.2 | **0.3** | 0.4 |
| Intersegment | **139.0** | 122.8 | **278.9** | 239.5 |
| Total | **139.1** | 123.0 | **279.2** | 239.9 |
| Eliminations | **(142.3)** | (126.0) | **(285.7)** | (246.0) |
| **Consolidated Operating Revenues** | **$ 1,084.7** | $ 1,090.0 | **$ 2,791.0** | $ 3,056.0 |
| **Operating Income** | | | | |
| Columbia Operations | **$ 96.6** | $ 101.1 | **$ 458.6** | $ 452.9 |
| NIPSCO Operations | **142.3** | 63.8 | **358.7** | 240.8 |
| Corporate and Other | **(1.9)** | 4.0 | **3.1** | 6.2 |
| **Consolidated Operating Income** | **$ 237.0** | $ 168.9 | **$ 820.4** | $ 699.9 |

The following table provides information about the assets of our reportable segments included in the Condensed Consolidated Balance Sheet (unaudited):

| (in millions) | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Columbia Operations | **$ 13,863.5** | $ 13,664.5 |
| NIPSCO Operations | **14,785.5** | 13,962.6 |
| Corporate and Other | **1,248.6** | 3,450.1 |
| **Consolidated Assets** | **$ 29,897.6** | $ 31,077.2 |

Information about our reportable segments for the six months ended June 30, 2023, as well as for the period ended December 31, 2023 has been recast to align with the current year's presentation.

## 19. Other, Net

The following table displays the components of Other, Net included on the Condensed Statements of Consolidated Income (unaudited):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | **2024** | 2023 |
| Interest income | **$ 1.9** | $ 1.8 | **$ 4.4** | $ 3.6 |
| AFUDC equity | **13.3** | 4.4 | **24.6** | 9.2 |
| Pension and other postretirement non-service cost | **(2.1)** | (4.9) | **(4.3)** | (8.4) |
| Miscellaneous | **(0.1)** | 0.7 | **(2.5)** | (0.9) |
| Total Other, net | **$ 13.0** | $ 2.0 | **$ 22.2** | $ 3.5 |

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

**NiSource Inc.**

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## 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, 2023.

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: Columbia Operations and NIPSCO Operations. Refer to "Note 18, "Business Segment Information," for further discussion of our business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) focus on long-term infrastructure investment and safety programs to better serve our customers, (ii) align our tariff structures with our cost structure, and (iii) address changing customer energy demand. These strategies focus on improving safety and reliability, enhancing customer experience, pursuing regulatory and legislative initiatives to increase accessibility for customers currently not on our gas and electric service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our focus. Serving as a guiding practice for our SMS, NiSource is certified in conformance to the American Petroleum Institute Recommended Practice 1173, which is the foundation to our journey towards operational excellence. We also made advancements in key strategic initiatives, described in further detail below.

**Energy Transition:** We continue to advance our energy transition strategy, primarily through the continuation and enhancement of existing programs, such as retiring and replacing remaining coal-fired electric generation by 2028 with a balanced mix of low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak detection and repair. Our electric generation transition, initiated through the NIPSCO 2018 Integrated Resource Plan ("2018 Plan") is well underway, and we are continually adjusting to the dynamic energy landscape. As of June 30, 2024, we have executed and received IURC approval for BTAs and PPAs for wind, solar and solar plus storage projects, with a combined nameplate capacity of 1,950 MW and 1,400 MW, respectively, under the 2018 Plan. On January 17, 2024, the IURC approved full ownership of the Cavalry and Dunns Bridge II projects, allowing NIPSCO to leverage provisions of the IRA, to monetize renewable tax credits more effectively. Full ownership of these projects provide enhanced benefits to customers as compared to the previous tax equity partnership structure approved by the IURC. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions referenced above. In May 2024, the Cavalry project was placed in service. We remain on track to retire R.M Schahfer's remaining two coal units by the end of 2025. For additional information, see "Results and Discussion of Segment Operations - NIPSCO Operations," in this Management's Discussion.

In 2021, we announced and filed with the IURC the Preferred Energy Resource Plan associated with our 2021 Integrated Resource Plan ("2021 Plan"). The 2021 Plan affirms plans to retire the coal unit at the Michigan City Generating Station by the end of 2028. The 2021 Plan calls for the replacement of the retiring units with a diverse portfolio of resources including demand side management resources, incremental solar, stand-alone energy storage and upgrades to existing facilities at the Sugar Creek Generating Station, among other steps. In the first half of 2024, Sugar Creek completed an Advanced Gas Path Tech upgrade that enhanced its overall production capabilities by an estimated 68 MW. Additionally, the 2021 Plan calls for a new natural gas peaking facility to replace existing vintage gas peaking facilities at the R.M. Schahfer Generating Station to support system reliability and resiliency, and upgrades to the electric transmission system. In September of 2023, we filed a request for issuance of a certificate of public convenience and necessity for an approximately 400 MW natural gas peaking generation facility with the IURC. The planned retirement of the two vintage gas peaking facilities at the R.M. Schahfer Generating Station is also expected to occur by the end of 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval.

NIPSCO's 2024 Integrated Resource Plan ("2024 Plan") is currently in-progress and formal stakeholder engagement began in the second quarter. The 2024 Plan will inform future generation investments needed to ensure reliability for NIPSCO's customers and will incorporate factors such as anticipated load growth from data centers and other economic development

opportunities, new EPA emissions rules, and evolving MISO resource accreditation rules. The 2024 Plan will be submitted to the IURC in November 2024 and will include an updated Preferred Energy Resource Plan. We have seen an acceleration of customer interest in our northern Indiana service territory in the form of data center development. We believe data center development can enhance our local tax base, diversify the employment base across the state of Indiana, and provide greater value to existing customers and shareholders. We are evaluating the potential for data center development in our service territory and will move as quickly as possible while maintaining the integrity of our commercial, planning, regulatory, procurement and operational execution processes.

We continue to enhance safety and reduce methane emissions on our gas systems through modernization programs and utilization of advanced leak detection and repair. In addition, we plan to advance other low- or zero-emission energy resources and technologies, such as hydrogen and renewable natural gas.

**NIPSCO Minority Interest Transaction:** On December 31, 2023, contemporaneously with the closing of the NIPSCO Minority Interest Transaction, Blackstone, NIPSCO Holdings I, NIPSCO Holdings II, and NiSource entered into an Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of NIPSCO Holdings II. On January 31, 2024, BIP transferred a 4.5% equity interest in NIPSCO Holdings II to BIP Blue Buyer VCOC L.L.C., a Delaware limited liability company and also an affiliate of Blackstone. Effective upon the closing of this transfer, the members of NIPSCO Holdings II entered into a Second Amended and Restated Limited Liability Company Operating Agreement of NIPSCO Holdings II (the "Amended LLC Agreement"). The two affiliates of Blackstone must vote their equity holdings under the Amended LLC Agreement as one investor. Refer to Note 4, "Noncontrolling Interests," for more information on this transaction.

**Transformation:** Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We are committed to identifying and implementing initiatives that will enable us to streamline work and improve logistics company-wide. These efforts include investments in proven technologies backed with standardized processes that will change the way we plan, schedule, and execute work in the field and how we engage and provide service to our customers. Taken together, all of our optimization initiatives will prioritize safety and continue to optimize our long-term growth profile. We are making progress towards our transformation goals with a successful completion of the first phase of our WAM program, an enterprise resource planning system that will optimize the scheduling, dispatch, and execution of our field operations. This phase of the program implemented the solution within our electric distribution operations, while our second phase for gas distribution operations is anticipated to be completed by the third quarter of 2025.

**Economic Environment:** We continue to monitor risks related to increasing order and delivery lead times for construction and other materials, potential unavailability of materials due to global shortages in raw materials, and decreased construction labor productivity in the event of disruptions in the availability of materials. We continue to see increasing prices associated with environmental remediation services and certain materials and supplies. To the extent that work delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We are faced with increased competition for employee and contractor talent in the current labor market which has resulted in increased costs to attract and retain talent. We are ensuring that we use all internal human capital programs (development, leadership enablement programs, succession, performance management) to promote retention of our current employees along with having a competitive and attractive employee value proposition for potential recruits. With a focus on workforce planning, we are evaluating our future talent footprint by creating flexible work arrangements where possible to ensure we have the right people, in the right role, and at the right time.

We continue to evaluate our financing plan to manage interest expense and exposure to rates. For more information on interest rate risk, see "Market Risk Disclosures".

**Summary of Consolidated Financial Results**

A summary of our consolidated financial results for the three and six months ended June 30, 2024 and 2023 are presented below:

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2024** | 2023 | Favorable (Unfavorable) | **2024** | 2023 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 1,084.7** | $ 1,090.0 | $ (5.3) | **$ 2,791.0** | $ 3,056.0 | $ (265.0) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **164.7** | 251.9 | 87.2 | **589.7** | 1,017.0 | 427.3 |
| Other Operating Expenses | **683.0** | 669.2 | (13.8) | **1,380.9** | 1,339.1 | (41.8) |
| **Total Operating Expenses** | **847.7** | 921.1 | 73.4 | **1,970.6** | 2,356.1 | 385.5 |
| **Operating Income** | **237.0** | 168.9 | 68.1 | **820.4** | 699.9 | 120.5 |
| Total Other Deductions, Net | **(116.3)** | (108.5) | (7.8) | **(223.4)** | (215.9) | (7.5) |
| Income Taxes | **17.6** | 14.1 | (3.5) | **93.6** | 99.9 | 6.3 |
| **Net Income** | **103.1** | 46.3 | 56.8 | **503.4** | 384.1 | 119.3 |
| Net income (loss) attributable to noncontrolling interest | **17.3** | (12.5) | (29.8) | **52.6** | (7.7) | (60.3) |
| **Net Income Attributable to NiSource** | **85.8** | 58.8 | 27.0 | **450.8** | 391.8 | 59.0 |
| Preferred dividends and redemption premium | **—** | (18.9) | 18.9 | **(20.7)** | (32.7) | 12.0 |
| **Net Income Available to Common Shareholders** | **85.8** | 39.9 | 45.9 | **430.1** | 359.1 | 71.0 |
| **Earnings Per Share** | | | | | | |
| Basic Earnings Per Share | **$ 0.19** | $ 0.10 | $ 0.09 | **$ 0.96** | $ 0.87 | $ 0.09 |
| Diluted Earnings Per Share | **$ 0.19** | $ 0.09 | $ 0.10 | **$ 0.95** | $ 0.80 | $ 0.15 |

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

The increase in net income available to common shareholders for the three and six months ended June 30, 2024 was primarily due to higher revenues, net of cost of energy, driven by rate increases from regulatory outcomes. Additionally, net income available to common shareholders increased due to the elimination of the preferred stock dividends following the redemption of both the Series A and B preferred stock . Higher net income available to common shareholders is primarily offset by increased net income attributable to noncontrolling interest following the consummation of the NIPSCO Minority Interest Transaction. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

For additional information on operating income variance drivers see "Results and Discussion of Segment Operations" for Columbia Operations and NIPSCO Operations in this Management's Discussion.

Income Taxes

Refer to Note 14, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rates for the periods presented.

We continue to monitor and evaluate the impacts of final or proposed income tax regulations issued on provisions of the IRA including but not limited to renewable energy tax credits.

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## RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

In response to the NIPSCO Minority Interest Transaction, our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Our historical segment disclosures have been recast to be consistent with the current presentation. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations aggregates the results of NIPSCO Holdings I, and its majority-owned subsidiaries, including NIPSCO, which has both fully regulated gas and electric operations in Northwest Indiana. The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable 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.

**NiSource Inc.**
**Columbia Operations**

Financial and operational data for the Columbia Operations segment for the three and six months ended June 30, 2024 and 2023 are presented below.

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) | **2024** | 2023 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 490.5** | $ 524.7 | $ (34.2) | **$ 1,447.4** | $ 1,576.6 | $ (129.2) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **56.3** | 94.3 | 38.0 | **285.1** | 432.6 | 147.5 |
| Operation and maintenance | **191.3** | 187.3 | (4.0) | **402.0** | 407.8 | 5.8 |
| Depreciation and amortization | **99.4** | 92.2 | (7.2) | **197.6** | 179.9 | (17.7) |
| Other taxes | **46.9** | 49.8 | 2.9 | **104.1** | 103.4 | (0.7) |
| Total Operating Expenses | **393.9** | 423.6 | 29.7 | **988.8** | 1,123.7 | 134.9 |
| Operating Income | **$ 96.6** | $ 101.1 | $ (4.5) | **$ 458.6** | $ 452.9 | $ 5.7 |
| **Revenues** | | | | | | |
| Residential | **$ 338.4** | $ 344.8 | $ (6.4) | **$ 1,004.2** | $ 1,067.7 | $ (63.5) |
| Commercial | **97.9** | 109.5 | (11.6) | **323.2** | 362.7 | (39.5) |
| Industrial | **33.3** | 32.5 | 0.8 | **73.7** | 73.0 | 0.7 |
| Off-System | **10.6** | 22.9 | (12.3) | **23.3** | 40.1 | (16.8) |
| Other | **10.3** | 15.0 | (4.7) | **23.0** | 33.1 | (10.1) |
| Total | **$ 490.5** | $ 524.7 | $ (34.2) | **$ 1,447.4** | $ 1,576.6 | $ (129.2) |
| **Sales and Transportation (MMDth)** | | | | | | |
| Residential | **16.7** | 21.0 | (4.3) | **93.7** | 95.4 | (1.7) |
| Commercial | **18.5** | 20.6 | (2.1) | **72.8** | 71.3 | 1.5 |
| Industrial | **68.5** | 62.7 | 5.8 | **137.0** | 124.3 | 12.7 |
| Off-System | **5.9** | 11.2 | (5.3) | **13.2** | 18.6 | (5.4) |
| Other | **—** | — | — | **0.2** | 0.2 | — |
| Total | **109.6** | 115.5 | (5.9) | **316.9** | 309.8 | 7.1 |
| **Heating Degree Days**[1] | **347** | 492 | (145) | **2,631** | 2,721 | (90) |
| **Normal Heating Degree Days**[1] | **518** | 510 | 8 | **3,257** | 3,239 | 18 |
| **% Warmer than Normal** | **(33)%** | (4)% | | **(19)%** | (16)% | |
| **% Warmer than prior year** | **(29)%** | | | **(3)%** | | |
| **Columbia Operations Customers** | | | | | | |
| Residential | | | | **2,208,280** | 2,197,051 | 11,229 |
| Commercial | | | | **187,308** | 187,012 | 296 |
| Industrial | | | | **1,968** | 1,966 | 2 |
| Other | | | | **5** | 3 | 2 |
| Total | | | | **2,397,561** | 2,386,032 | 11,529 |

[1] Heating degree figures represent averages of the five jurisdictions served by Columbia Operations.

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.

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2024 compared to the same period in 2023 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Revenues** *(in millions)* | **Three Months Ended June 30, 2024 vs 2023** | **Six Months Ended June 30, 2024 vs 2023** |
| New rates from base rate proceedings and regulatory capital programs | $ 17.3 | $ 52.2 |
| Increased customer usage | 1.3 | 9.4 |
| The effects of customer growth | 1.4 | 3.6 |
| The effects of weather in 2024 compared to 2023 | (6.9) | (5.3) |
| Other | (0.5) | (3.4) |
| Change in operating revenues (before cost of energy and other tracked items) | $ 12.6 | $ 56.5 |
| **Operating revenues offset in operating expense** | | |
| Lower cost of energy billed to customers | (38.1) | (147.5) |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | (8.7) | (38.2) |
| **Total change in operating revenues** | **$ (34.2)** | **$ (129.2)** |

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 Columbia 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.

Throughput

The decrease in total volumes for the three months ended June 30, 2024, compared to the same period in 2023, is primarily attributable to the effects of warmer weather offset by industrial usage.

The increase in total volumes for the six months ended June 30, 2024, compared to the same period in 2023, is primarily attributable to increased industrial usage offset by off-system sales.

Commodity Price Impact

Cost of energy for the Columbia Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All Columbia 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 of the Columbia 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.

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2024 compared to the same period in 2023 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Expenses** *(in millions)* | **Three Months Ended June 30, 2024 vs 2023** | **Six Months Ended June 30, 2024 vs 2023** |
| Higher employee and administrative related expenses | $ (4.3) | $ (18.0) |
| Higher depreciation and amortization expense | (7.1) | (17.7) |
| Higher property tax | — | (2.6) |
| Other | (5.7) | (12.5) |
| Change in operating expenses (before cost of energy and other tracked items) | $ (17.1) | $ (50.8) |
| **Operating expenses offset in operating revenue** | | |
| Lower cost of energy billed to customers | 38.1 | 147.5 |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | 8.7 | 38.2 |
| **Total change in operating expense** | **$ 29.7** | **$ 134.9** |

**NiSource Inc.**
**NIPSCO Operations**

Financial and operational data for the NIPSCO Operations segment, which services both gas and electric customers, for the three and six months ended June 30, 2024 and 2023 are presented below.

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Operations** | | | | | | |
| **Operating Revenues** | **$ 597.4** | $ 568.3 | $ 29.1 | **$ 1,350.1** | $ 1,485.5 | $ (135.4) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **108.4** | 157.7 | 49.3 | **304.6** | 584.5 | 279.9 |
| Operation and maintenance | **187.5** | 203.0 | 15.5 | **378.8** | 393.5 | 14.7 |
| Depreciation and amortization | **143.0** | 130.1 | (12.9) | **275.7** | 238.4 | (37.3) |
| Gain on sale of assets | **(0.1)** | (0.1) | — | **(0.1)** | (0.1) | — |
| Other taxes | **16.3** | 13.8 | (2.5) | **32.4** | 28.4 | (4.0) |
| Total Operating Expenses | **455.1** | 504.5 | 49.4 | **991.4** | 1,244.7 | 253.3 |
| Operating Income | **$ 142.3** | $ 63.8 | $ 78.5 | **$ 358.7** | $ 240.8 | $ 117.9 |

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Electric** | | | | | | |
| **Revenues** | | | | | | |
| Residential | **$ 156.9** | $ 122.8 | $ 34.1 | **$ 300.7** | $ 273.2 | $ 27.5 |
| Commercial | **154.4** | 130.1 | 24.3 | **297.3** | 281.0 | 16.3 |
| Industrial | **119.9** | 112.9 | 7.0 | **236.0** | 247.3 | (11.3) |
| Wholesale | **11.1** | 7.5 | 3.6 | **17.5** | 10.1 | 7.4 |
| Other | **26.9** | 23.8 | 3.1 | **51.7** | 50.2 | 1.5 |
| Total | **$ 469.2** | $ 397.1 | $ 72.1 | **$ 903.2** | $ 861.8 | $ 41.4 |
| **Sales (GWh)** | | | | | | |
| Residential | **828.8** | 739.8 | 89.0 | **1,593.7** | 1,505.9 | 87.8 |
| Commercial | **926.9** | 876.5 | 50.4 | **1,805.6** | 1,732.7 | 72.9 |
| Industrial | **1,945.1** | 1,993.9 | (48.8) | **3,777.8** | 3,931.6 | (153.8) |
| Wholesale | **298.1** | 142.7 | 155.4 | **447.3** | 142.7 | 304.6 |
| Other | **19.7** | 17.8 | 1.9 | **43.1** | 40.6 | 2.5 |
| Total | **4,018.6** | 3,770.7 | 247.9 | **7,667.5** | 7,353.5 | 314.0 |
| **Cooling Degree Days** | **326** | 206 | 120 | **326** | 206 | 120 |
| **Normal Cooling Degree Days** | **248** | 247 | 1 | **248** | 247 | 1 |
| **% Warmer (Colder) than Normal** | **31 %** | (17)% | | **31 %** | (17)% | |
| **% Warmer than prior year** | **58 %** | | | **58 %** | | |
| **NIPSCO Electric Customers** | | | | | | |
| Residential | | | | **428,348** | 425,404 | 2,944 |
| Commercial | | | | **58,979** | 58,490 | 489 |
| Industrial | | | | **2,118** | 2,129 | (11) |
| Wholesale | | | | **707** | 708 | (1) |
| Other | | | | **3** | 3 | — |
| Total | | | | **490,155** | 486,734 | 3,421 |

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**NiSource Inc.**
**NIPSCO Operations**

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Gas** | | | | | | |
| **Revenues** | | | | | | |
| Residential | **$ 78.6** | $ 105.9 | $ (27.3) | **$ 290.7** | $ 408.3 | $ (117.6) |
| Commercial | **30.8** | 43.0 | (12.2) | **105.5** | 155.7 | (50.2) |
| Industrial | **16.1** | 18.8 | (2.7) | **39.9** | 50.3 | (10.4) |
| Other | **2.7** | 3.5 | (0.8) | **10.8** | 9.4 | 1.4 |
| Total | **$ 128.2** | $ 171.2 | $ (43.0) | **$ 446.9** | $ 623.7 | $ (176.8) |
| **Sales and Transportation Volumes (MMDth)** | | | | | | |
| Residential | **7.0** | 8.6 | (1.6) | **35.6** | 37.8 | (2.2) |
| Commercial | **6.6** | 7.3 | (0.7) | **24.3** | 25.0 | (0.7) |
| Industrial | **61.6** | 62.7 | (1.1) | **131.8** | 133.7 | (1.9) |
| Total | **75.2** | 78.6 | (3.4) | **191.7** | 196.5 | (4.8) |
| **Heating Degree Days** | **451** | 595 | (144) | **3,094** | 3,254 | (160) |
| **Normal Heating Degree Days** | **640** | 638 | 2 | **3,781** | 3,738 | 43 |
| **% Warmer than Normal** | **(30)%** | (7)% | | **(18)%** | (13)% | |
| **% Warmer than prior year** | **(24)%** | | | **(5)%** | | |
| **NIPSCO Gas Customers** | | | | | | |
| Residential | | | | **796,779** | 790,324 | 6,455 |
| Commercial | | | | **66,276** | 65,892 | 384 |
| Industrial | | | | **2,749** | 2,832 | (83) |
| Total | | | | **865,804** | 859,048 | 6,756 |

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.

The underlying reasons for changes in our operating revenues for the three and six months ended June 30, 2024 compared to the same period in 2023 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Revenues** *(in millions)* | **Three Months Ended June 30, 2024 vs 2023** | **Six Months Ended June 30, 2024 vs 2023** |
| New rates from base rate proceedings, regulatory capital and DSM programs | $ 78.7 | $ 144.3 |
| Renewable JV revenue, fully offset by JV operating expense | 6.6 | 10.6 |
| Increased customer usage | 3.6 | 7.5 |
| Increased customer count | 2.3 | 5.0 |
| The effects of weather in 2024 compared to 2023 | 0.5 | (5.2) |
| Other | 5.0 | 2.7 |
| Change in operating revenues (before cost of energy and other tracked items) | $ 96.7 | $ 164.9 |
| **Operating revenues offset in operating expense** | | |
| Lower cost of energy billed to customers | (49.2) | (279.9) |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | (18.4) | (20.4) |
| **Total change in operating revenues** | **$ 29.1** | **$ (135.4)** |

Weather

The results of operations for the NIPSCO Operations segment include income from both electric and gas service lines. In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal cooling degree days and normal heating degree days, net of weather normalization mechanisms. Our composite cooling and heating degree days reported do not directly correlate to the weather-related dollar impact on the results of NIPSCO Operations. Cooling and 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 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 cooling and heating degree day comparison.

Sales

The increase in total volumes sold to electric customers for the three and six months ended June 30, 2024 compared to the same period in 2023 was primarily attributable to increased usage by residential and wholesale customers offset by industrial customers.

The decrease in total volumes sold to gas customers for the three and six months ended June 30, 2024 compared to the same period in 2023 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the NIPSCO Operations segment's electric activities is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity, and the cost of power purchased from generators of electricity for its generation and transmission activities. For its gas distribution activities, NIPSCO Operations' cost of energy is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. NIPSCO Operations has state-approved recovery mechanisms that provide a means for full recovery of prudently incurred costs of energy. The majority of these costs of energy are passed through directly to the customer, and the costs of energy included in operating revenues are matched with the cost of energy expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel and gas costs 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.

The underlying reasons for changes in our operating expenses for the three and six months ended June 30, 2024 compared to the same period in 2023 are presented below.

**NiSource Inc.**
**NIPSCO Operations**

| **Changes in Operating Expenses** *(in millions)* | **Favorable (Unfavorable) Three Months Ended June 30, 2024 vs 2023** | **Six Months Ended June 30, 2024 vs 2023** |
|---|---|---|
| Higher depreciation and amortization expense driven by new base rates | $ (10.5) | $ (30.5) |
| Renewable JV operating expenses, partially offset by JV operating revenues | (6.9) | (16.2) |
| Higher employee and administrative expenses | (3.4) | (12.9) |
| Effects of environmental obligations | (5.2) | (4.4) |
| Lower materials and supplies costs | 5.5 | 9.9 |
| Lower outside services expenses primarily related to lower generation-related maintenance | 5.5 | 7.5 |
| Other | (3.2) | (0.4) |
| Change in operating expenses (before cost of energy and other tracked items) | $ (18.2) | $ (47.0) |
| **Operating expenses offset in operating revenue** | | |
| Lower cost of energy billed to customers | 49.2 | 279.9 |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | 18.4 | 20.4 |
| **Total change in operating expense** | **$ 49.4** | **$ 253.3** |

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan and 2021 Plan, which outlines the path to retire the remaining two coal units at R.M. Schahfer by the end of 2025 and the remaining coal-fired generation at Michigan City by the end of 2028, to be replaced by lower-cost, reliable and cleaner options.

NIPSCO continues to work with the EPA to obtain an administrative approval associated with the operation of R.M. Schahfer's remaining two coal units until 2025. In the event that the approval is not obtained, future operations could be impacted. We cannot estimate the financial impact on us if this approval is not obtained. Refer to Item 1A. Risk Factors, "Operational Risks," of the 2023 Annual Report on Form 10-K for further detail.

The current replacement plan is aligned with the Preferred Energy Resource Plan outlined in the 2021 Plan and primarily includes renewable sources of energy, including wind, solar, battery storage, and flexible natural gas resources to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from its renewable generation to third parties to offset customer costs. 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.

Since 2020, two wind PPA projects, two wind BTA projects and three solar BTA projects have been placed into service, totaling 1,665 MW of nameplate capacity plus additional battery energy storage system capacity at Cavalry. NIPSCO has executed commercial agreements for each of the seven remaining identified projects. Dunns Bridge II, Fairbanks, Gibson, GreenRiver, Appleseed, Carpenter and Templeton have received IURC approval. NIPSCO has filed for a new gas peaking facility to be located at R.M. Schahfer Generating Station. On January 17, 2024 the IURC approved increases to the project costs as well as the full ownership of Cavalry and Dunns Bridge II, allowing NIPSCO to leverage provisions of the IRA to monetize tax credits for the benefit of customers in lieu of utilizing tax equity partnerships. See "Executive Summary - Energy Transition" in this Management's Discussion for additional information. We expect the majority of our remaining BTA and PPA projects to be placed in service in 2024 and 2025.

| Remaining Renewables Projects | Transaction Type | Technology | Nameplate Capacity (MW) | Storage Capacity (MW) |
|---|---|---|---|---|
| Dunns Bridge II | BTA | Solar & Storage | 435 | 75 |
| Fairbanks | BTA | Solar | 250 | — |
| Gibson | BTA | Solar | 200 | — |
| Green River | 20 year PPA | Solar | 200 | — |
| Appleseed | 20 year PPA | Solar | 200 | — |
| Templeton | 20 year PPA | Wind | 200 | — |
| Carpenter | 20 year PPA | Wind | 200 | — |

**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 $1.85 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. Sources of financing activities for the current year are as follows:

- On December 31, 2023, we consummated the NIPSCO Minority Interest Transaction in exchange for a capital contribution of $2.16 billion in cash.
- On January 3, 2024, we applied the proceeds from the NIPSCO Minority Interest Transaction and repaid in full our $1.0 billion term credit agreement and our $650.0 million term credit agreement.
- On February 22, 2024, we entered into an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of $900.0 million through December 31, 2025. As of June 30, 2024, the ATM program (including the impact of the forward sale agreements) had approximately $400.0 million of equity available for issuance.
- On March 14, 2024 we completed the issuance and sale of $650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately $642.6 million of net proceeds after discount and debt issuance costs.
- On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of $25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of $0.01 per share or $500.0 million in total.
- On May 16, 2024, we completed the issuance and sale of $500.0 million of 6.95% fixed-to-fixed reset rate junior subordinated notes maturing in 2054, which resulted in approximately $493.4 million of net proceeds after debt issuance costs.
- On June 24, 2024, we completed the issuance and sale of $600.0 million of 5.20% senior unsecured notes maturing in 2029, which resulted in approximately $593.7 million of net proceeds after discount and debt issuance costs.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2024 and beyond. See Note 4, "Noncontrolling Interests," Note 6, "Equity," Note 7, "Short-Term Borrowings," and Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on our financing activities.

The following table summarizes our cash flow activities:

| | Six Months Ended June 30, | | |
|---|---|---|---|
| *(in millions)* | **2024** | **2023** | **Change in 2024 vs 2023** |
| **Cash from (used for):** | | | |
| Operating Activities | **$ 901.7** | $ 1,191.0 | $ (289.3) |
| Investing Activities | **(1,594.0)** | (1,375.6) | (218.4) |
| Financing Activities | **(1,452.9)** | 300.3 | (1,753.2) |

Operating Activities

The decrease in cash from operating activities was primarily driven by year over year change in accounts receivable collections, inventory and exchange gas receivables due to the impact of lower gas prices, partially offset by higher accounts payables and net income.

Investing Activities

Year over year increase in investing activities was primarily comprised of capital expenditures related to system growth and reliability and milestone payments to renewable generation asset developers for certain of our BTA projects.

We remain on track to make capital investments totaling $3.3 billion to $3.5 billion during the 2024 period. We also expect to invest approximately $16.4 billion during the 2024-2028 period, including capital investments to support our generation transition strategy. These forecasted capital investments are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates.

***Regulatory Capital Programs.*** We are in the process of upgrading and modernizing our electric system to enhance safety and reliability by addressing aged infrastructure and deploying advanced grid technologies. We are also upgrading and modernizing our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2024, 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:

*(in millions)*

| Company | Program | Capital Investment | Investment Period | Filing Date | Costs Covered[1] |
|---|---|---|---|---|---|
| **Approved** | | | | | |
| Columbia of Pennsylvania | DSIC - Q3 2024 | $ 67.5 | 2/24-5/24 | 6/21/2024 | 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. |
| Columbia of Ohio | IRP - 2024 | $ 753.5 | 4/21-12/23 | 2/26/2024 | Replacement of hazardous service lines, cast iron, wrought iron, uncoated steel, and bare steel pipe. |
| Columbia of Ohio | PHMSA IRP - 2024 | $ 14.6 | 1/23-12/23 | 2/28/2024 | Investments necessary to comply with the PHMSA Mega Rule. |
| Columbia of Ohio | CEP - 2023 | $ 482.1 | 4/21-12/22 | 2/24/2023 | Assets not included in the IRP. |
| NIPSCO - Gas | TDSIC - 7 | $ 444.9 | 1/23-8/23 | 10/31/2023 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| NIPSCO - Gas | FMCA - 2 | $ 49.0 | 1/23-9/23 | 11/29/2023 | Project costs to comply with federal mandates. |
| Columbia of Virginia | SAVE - 2024 | $ 166.5 | 10/22-12/24 | 8/15/2023 | Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions. Includes costs associated with Advanced Leak Detection and Repair. |
| Columbia of Kentucky | SMRP - 2024 | $ 81.9 | 1/23-12/24 | 10/13/2023 | Replacement of mains and inclusion of system safety investments. |
| NIPSCO - Electric | TDSIC - 3 | $ 70.7 | 7/22-1/23 | 3/28/2023 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| **Pending Commission Approval** | | | | | |
| NIPSCO - Gas | TDSIC - 8 | $ 514.1 | 1/23-2/24 | 4/30/2024 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| NIPSCO - Electric | TDSIC - 5 | $ 346.9 | 7/22-3/24 | 5/28/2024 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| Columbia of Ohio | CEP - 2024 | $ 767.0 | 4/21-12/23 | 2/26/2024 | Assets not included in the IRP or PHMSA IRP. |

[1]Programs do not include any costs already included in base rates.

Financing Activities

***Common Stock and Preferred Stock.*** Refer to Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock.

***Long-Term Debt.*** Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on long-term debt activity.

***Short-Term Debt.*** Refer to Note 7, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

***Noncontrolling Interest.*** We received $2.16 billion upon closing the NIPSCO Minority Interest Transaction. Proceeds from the closing of the NIPSCO Minority Interest Transaction were used to repay short-term debt, including our credit agreements. Under the terms of the LLC Agreement, BIP is obligated to provide up to $250 million in additional capital contributions over a three-year period after the Closing. The obligation is backed by an Equity Commitment Letter from Blackstone. BIP may contribute additional capital above $250 million as necessary to maintain its percentage ownership interest. Refer to Note 4, "Noncontrolling Interests," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions and distributions from noncontrolling interests.

Sources of Liquidity

The following table displays our liquidity position as of June 30, 2024 and December 31, 2023:

| *(in millions)* | **June 30, 2024** | December 31, 2023 |
|---|---|---|
| **Current Liquidity** | | |
| Revolving Credit Facility | $ 1,850.0 | $ 1,850.0 |
| Accounts Receivable Programs[(1)] | 280.3 | 383.9 |
| *Less:* | | |
| Commercial Paper | 644.0 | 1,061.0 |
| Accounts Receivable Programs Utilized | — | 337.6 |
| Letters of Credit Outstanding Under Credit Facility | 9.9 | 9.9 |
| *Add:* | | |
| Cash and Cash Equivalents | 101.2 | 2,245.4 |
| **Net Available Liquidity** | $ 1,577.6 | $ 3,070.8 |

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

***Debt Covenants.*** We are subject to a financial covenant under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of June 30, 2024, the ratio was 57.8%.

***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, 2024. There were no changes to the below credit ratings or outlooks since February 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 |
| 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, 2024, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $110.4 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 770,000,000 shares, $0.01 par value, of which 750,000,000 are common stock and 20,000,000 are preferred stock. As of June 30, 2024, 448,398,632 shares of common 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, 2023. Except for our 2024 debt issuances, there were no additional material changes from year-

end during the six months ended June 30, 2024. Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuances.

***Guarantees, Indemnities and Other Off Balance Sheet Arrangements.*** 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. Refer to Note 16, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

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 costs that are subject to approved regulatory tracker mechanisms generally lead to increased regulatory assets, which ultimately result in a corresponding increases in operating revenues and expenses 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 Columbia Operations and NIPSCO Operations 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.

We recognize that energy efficiency reduces emissions, conserves natural resources and saves our customers money. Our gas distribution companies offer programs such as energy efficiency upgrades, home checkups and weatherization services. The increased efficiency of natural gas appliances and improvements in home building codes and standards contributes to a long-term trend of declining average use per customer. While we are looking to expand offerings so the energy efficiency programs can benefit as many customers as possible, our Columbia Operations and NIPSCO 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 for residential customers 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% during the winter heating season. Columbia of Kentucky incorporates a weather normalization adjustment for certain customer classes and also has a fixed customer charge.

A portion of the NIPSCO 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 impacted the average use per electric customer in recent years, NIPSCO Operations expects future growth in residential and commercial customer usage as a result of increasing electric applications, such as electric vehicles becoming more prevalent. These ongoing changes in use of electricity will likely lead to development of innovative rate designs, and NIPSCO Operations will continue efforts to design rates that increase the certainty of recovery of fixed costs.

**NiSource Inc.**
**Regulatory, Environmental and Safety 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 | Approved ROE | Requested Incremental Revenue | Approved Incremental Revenue | Filing Date | Rates Effective |
|---|---|---|---|---|---|
| **Approved Rate Cases** | | | | | |
| Columbia of Pennsylvania[1] | None specified | $ 82.2 | $ 44.5 | March 18, 2022 | December 2022 |
| Columbia of Maryland[1] | None specified | $ 6.5 | $ 3.9 | May 12, 2023 | December 2023 |
| Columbia of Kentucky[2] | 9.35 % | $ 26.7 | $ 18.3 | May 28, 2021 | January 2022 |
| Columbia of Virginia[3] | None specified | $ 40.5 | $ 25.8 | April 29, 2022 | October 2022 |
| Columbia of Ohio | 9.60 % | $ 221.4 | $ 68.3 | June 30, 2021 | March 2023 |
| NIPSCO - Gas[4] | 9.75 % | $ 161.9 | $ 120.9 | October 25, 2023 | September 2024 |
| NIPSCO - Electric[5] | 9.80 % | $ 291.8 | $ 261.9 | September 19, 2022 | August 2023 |
| **Pending Rate Cases** | | | | | |
| Columbia of Kentucky | In process | $ 23.8 | In process | May 16, 2024 | January 2025 |
| Columbia of Pennsylvania | In process | $ 124.1 | In process | March 15, 2024 | December 2024 |
| Columbia of Virginia[6] | In process | $ 37.2 | In process | April 29, 2024 | October 2024 |

[1]No approved ROE is identified for this matter since the approved revenue increase is the result of a black box settlement under which parties agree upon the amount of increase.
[2]The approved ROE for natural gas capital riders (e.g., SMRP) is 9.275%.
[3]Columbia of Virginia's rate case resulted in a black box settlement, representing a settlement to a specific revenue increase but not a specified ROE. The settlement provides use of a 9.70% ROE for future SAVE and filings.
[4]New rates will be implemented in 2 steps, with implementation of Step 1 rates to be effective no later than September 2024 and Step 2 rates no later than March 2025.
[5]New rates were implemented in 2 steps, with implementation of Step 1 rates in August 2023 and Step 2 rates effective in March 2024.
[6]Rates to be effective on an interim basis and subject to refund.

PHMSA Regulations

We are committed to reducing the environmental impact of our business and promoting sustained environmental stewardship. We seek proactive opportunities for improved environmental performance and are committed to complying with environmental laws and regulations. To fulfill our vision of being a trusted energy provider, we follow safety practices recommended by leading industry organizations. These practices help us identify and address potential risks, resulting in improvements to our operational and environmental safety.

PHMSA Legislation and Regulations

Under the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020, PHMSA has revised, and continues to revise, the pipeline safety regulations to require operators to update, as needed, their existing distribution integrity management plans, emergency response plans, and operation and maintenance plans. PHMSA has also adopted new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to over-pressurization.

In May 2023, PHMSA proposed numerous regulatory revisions under the PIPES Act of 2020 to minimize methane emissions and improve public safety. Under these proposed revisions, our subsidiaries would be required to detect and repair an increased number of gas leaks, reduce the time to repair leaks, increase leak survey frequency, and expand our existing advanced leak detection program. We continue to evaluate the proposed rule for additional impacts on our business.

In September 2023, PHMSA proposed additional regulatory revisions under the PIPES Act of 2020 to enhance distribution system safety through equipment and procedural expectations. Operators will be required to incorporate additional protections for low pressure distribution systems that prevent over-pressurization, amend construction procedures designed to minimize the risk of incidents caused by system over-pressurization, and update distribution integrity management programs to cover and prepare for over-pressurization incidents.

On November 30, 2023, the House Transportation & Infrastructure Committee introduced new pipeline safety reauthorization legislation known as the PIPES Act of 2023 to reauthorize PHMSA's safety programs for the next four years. The proposed legislation includes several priorities for our company, including excavation damage prevention grants to improve states'

damage prevention programs, a PHMSA study on blending hydrogen in distribution pipelines, new criminal penalties for intentionally damaging pipeline facilities, and creation of a Voluntary Information Sharing System to allow for industry participants to share learnings and best practices in a protected manner across the pipeline industry.

Climate Change Issues

***Physical Climate Risks.*** Increased frequency of severe and extreme weather events associated with climate change could materially impact our facilities, energy sales, and results of operations. We are unable to predict these events. However, we perform ongoing assessments of physical risk, including physical climate risk, to our business. More extreme and volatile temperatures, increased storm intensity and flooding, and more volatile precipitation leading to changes in lake and river levels are among the weather events that are most likely to impact our business. Efforts to mitigate these physical risks continue to be implemented on an ongoing basis.

***Transition Climate Risks***. We actively engage with and monitor the impact that proposed legislative and regulatory programs related to GHG emissions, at both the federal and state levels, would have on our business.

Regarding federal policies, we continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act ("IIJA"), IRA, EPA's final methane regulations for the oil and natural gas industry, and EPA's proposed Waste Emissions Charge for Petroleum and Natural Gas Systems. We have identified potential opportunities associated with the IIJA and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the IIJA include new federal funding for power grid infrastructure and resiliency investments, new and existing energy efficiency and weatherization programs, electric vehicle infrastructure for public chargers and additional LIHEAP funding. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

The United States is a party to 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. The Biden Administration has set 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 potential pathways to reach these goals.

In December 2023, the U.S. Department of Energy ("DOE") amended the congressionally-mandated efficiency standards for residential home furnaces manufactured after December 2028. We are assessing the potential impacts associated with these new standards.

The DOE has selected two hydrogen hubs in our territories as recipients of funding designated in the IIJA to support the development of regional clean hydrogen hubs. The two hubs are the Midwest Alliance for Clean Hydrogen Hub (MachH2), with potential projects across Illinois, Indiana, Kentucky, Michigan, Missouri, and Wisconsin; and the Appalachian Regional Clean Hydrogen Hub (ARCH2), with potential investments across West Virginia, Ohio, Kentucky, and Pennsylvania. Work is underway to determine what roles our companies may have with these hydrogen hubs.

In May 2024, the EPA published final greenhouse gas standards and guidelines for fossil fuel-fired power plants. The rules are not expected to impact NIPSCO's existing electric generation, but, depending on the outcome of ongoing litigation, may impose certain operational limitations on other existing and new electric generation. We are assessing the potential impacts of these rules through the current 2024 Plan process.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Energy Innovation Act, enacted into law in April 2022, and effective July 1, 2022, allows natural gas utilities to supply alternative forms of gas that meet certain standards and reduce emissions intensity. The Act also provides that the costs of enhanced leak detection and repair may be added to a utility's plan to identify proposed eligible infrastructure replacement projects and related cost recovery mechanisms, known as the SAVE Plan. Furthermore, under the Act, utilities can recover eligible biogas supply infrastructure costs on an ongoing basis. The provisions of these laws may provide opportunities for Columbia of Virginia as it participates in the transition to a lower carbon future.

The Climate Solutions Now Act of 2022 requires Maryland to reduce GHG emissions by 60% by 2031 (from 2006 levels), and it requires the state to reach net zero emissions by 2045. The Maryland Department of the Environment ("MDE") adopted a plan to achieve its 2031 goal and is required to adopt a plan for its 2045 net zero goal by 2030. In June 2024, Governor Moore

signed an executive order to advance Maryland's Pollution Reduction Plan, which directs the MDE to propose a zero-emission heating equipment standard regulation and a clean heat standard regulation. The Act also enacts a state policy to move to broader electrification of both existing buildings and new construction, and requires the Public Service Commission ("PSC") to complete a study assessing the capacity of gas and electric distribution systems to successfully serve customers under a transition to a highly electrified building sector. The PSC released their report on December 29, 2023, and concluded that high levels of electrification can be handled by Maryland's electric systems through 2031. The Maryland Department of the Environment issued draft proposed Building Energy Performance Standards (BEPS), which would require net zero direct greenhouse gas emissions from large buildings by 2040 with interim targets, or an alternative compliance fee. Columbia of Maryland is advocating for compliance pathways that use RNG, hydrogen, and emissions offsets. Separately, the PSC has also initiated a proceeding related to Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland's Gas Companies. Columbia of Maryland will continue to monitor these matters, but we cannot predict their final impact on our business at this time.

NIPSCO Gas, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky have each filed petitions to implement the Green Path Rider, which is a voluntary rider allowing customers to opt in and offset either 50% or 100% of their natural gas related emissions. To reduce the emissions, the utilities will purchase RNG attributes and carbon offsets to match the usage for customers opting into the program. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and began enrolling customers in September 2023. The petitions filed by Columbia of Maryland, Columbia of Pennsylvania, and Columbia of Kentucky were rejected and have not been implemented as of June 30, 2024. Additionally, NIPSCO Electric has a voluntary Green Power Rider program in place that allows customers to designate a portion or all their monthly electric usage to come from power generated by renewable energy sources.

***Net Zero Goal.*** In November 2022, we announced a goal of net zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 GHG emissions ("Net Zero Goal"). Our Net Zero Goal builds on greenhouse gas emission reductions achieved to-date and demonstrates that continued execution of our long-term business plan will drive further greenhouse gas emission reductions. We remain on track to achieve previously announced interim greenhouse gas emission reduction targets by reducing fugitive methane emissions from main and service lines by 50% from 2005 levels by 2025 and reducing Scope 1 GHG emissions from company-wide operations by 90% from 2005 levels by 2030. We plan to achieve our Net Zero Goal primarily through continuation and enhancement of existing programs, such as retiring and replacing coal-fired electric generation with low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak-detection technologies. In addition, we plan to advance other low- and zero-emission energy resources and technologies, which may include hydrogen, renewable natural gas, long-duration storage, and/or deployment of carbon capture and utilization technologies, if and when these become technologically and economically feasible. Carbon offsets and renewable energy credits may also be used to support achievement of our Net Zero Goal. As of the end of 2023, we had reduced Scope 1 GHG emissions by approximately 72% from 2005 levels.

Our greenhouse gas emissions projections, including achieving a Net Zero Goal, are subject to various assumptions that involve risks and uncertainties. Achievement of our Net Zero Goal by 2040 will require supportive regulatory and legislative policies, favorable stakeholder environments and advancement of technologies that are not currently economical to deploy. Should such regulatory and legislative policies, stakeholder environments or technologies fail to materialize, our actual results or ability to achieve our Net Zero Goal, including by 2040, may differ materially.

**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

Our gas and electric subsidiaries have commodity price risk primarily related to the purchases of 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 and does not bear signification exposure to earnings risk, since our current regulatory mechanisms allow recovery of prudently incurred purchased power, fuel and gas costs through the rate-making process, including gains or losses on these derivative instruments. These changes are included in the GCA and FAC regulatory rate-recovery mechanisms. If these mechanisms were to be adjusted or eliminated, these subsidiaries may begin providing services without the benefit of the traditional rate-making process and may be more exposed to commodity price risk. For additional information, see "Results and Discussion of Segment Operations" in this Management's Discussion.

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 11, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of June 30, 2024 and December 31, 2023.

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, and accounts receivable programs, 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 $2.6 million and $5.2 million for the three and six months ended June 30, 2024 and $3.1 million and $7.6 million for the three and six months ended June 30, 2023, 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 long-term debt issuances. From time to time we may enter into forward interest rate instruments to lock in long term interest costs and/ or rates.

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 Management Policy which establishes guidelines for documenting management approval levels for credit limits, evaluating 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 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.

**Other Information**

Critical Accounting Estimates

A summary of our critical accounting estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. There were no material changes made as of June 30, 2024.

Recently Issued Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are reported in Item 2, "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 16, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

Please refer to the risk factors set forth in Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to such risk factors.

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

Director and Officer Trading Arrangements

During the three months ended June 30, 2024, no director or Section 16 officer of the Company adopted, terminated or modified a ‘Rule 10b5-1 trading arrangement’ or ‘non-Rule 10b5-1 trading arrangement,’ as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

**NiSource Inc.**

| | |
|---|---|
| (4.1) | Form of 6.950% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due 2054 (incorporated by reference to Exhibit 4.1 to the NiSource Inc. Form 8-K filed on May 16, 2024). |
| (4.2) | Subordinated Indenture, dated as of May 16, 2024, between NiSource Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 to the NiSource Form 8-K filed on May 16, 2024). |
| (4.3) | First Supplemental Indenture, dated as of May 16, 2024, between NiSource Inc. and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.3 to the NiSource Form 8-K filed on May 16, 2024). |
| (4.4) | Form of 5.200% Notes due 2029 (incorporated by reference to Exhibit 4.1 to the NiSource Inc. Form 8-K filed on June 24, 2024). |
| (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 similar attachments to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission (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: August 7, 2024

By: /s/ Gunnar J. Gode
Gunnar J. Gode
Vice President, Chief Accounting Officer
(Principal Accounting Officer)

**Exhibit 31.1**

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

I, Lloyd M. Yates, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q of NiSource Inc.;

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 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 7, 2024

By: /s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

**Exhibit 31.2**

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

I, Shawn Anderson, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended June 30, 2024;

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 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 7, 2024

By: /s/ Shawn Anderson
Shawn Anderson
Executive Vice President and Chief Financial Officer

**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 year ending June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lloyd M. Yates, 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 result of operations of the Company.

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Date: August 7, 2024

**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, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shawn Anderson, 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 result of operations of the Company.

/s/ Shawn Anderson
Shawn Anderson
Executive Vice President and Chief Financial Officer

Date: August 7, 2024

**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, 2024**

**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<br>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 |

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: 448,305,338 shares outstanding at April 30, 2024.

**NISOURCE INC.**
**FORM 10-Q QUARTERLY REPORT**
**FOR THE QUARTER ENDED MARCH 31, 2024**

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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 (not exhaustive)**

| | |
|---|---|
| Columbia of Kentucky | Columbia Gas of Kentucky, Inc. |
| Columbia of Maryland | Columbia Gas of Maryland, Inc. |
| 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 |
| NIPSCO Holdings I | NIPSCO Holdings I LLC |
| NIPSCO Holdings II | NIPSCO Holdings II LLC |
| NiSource ("we," "us" or "our") | NiSource Inc. |
| Rosewater | Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC |
| Indiana Crossroads Wind | Indiana Crossroads Wind Generation LLC and its wholly owned subsidiary, Indiana Crossroads Wind Farm LLC |
| Indiana Crossroads Solar | Indiana Crossroads Solar Generation LLC and its wholly owned subsidiary, Meadow Lake Solar Park LLC |
| Dunns Bridge I | Dunn's Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunns Bridge Solar Center, LLC |
| Dunns Bridge II | Dunn's Bridge II Solar Generation LLC |
| Gibson | Gibson Solar Generation LLC |
| Fairbanks | Fairbanks Solar Generation LLC |
| Cavalry | Cavalry Solar Generation LLC |

**Abbreviations and Other**

| | |
|---|---|
| AFUDC | Allowance for funds used during construction |
| AOCI | Accumulated Other Comprehensive Income (Loss) |
| ASC | Accounting Standards Codification |
| ASU | Accounting Standards Update |
| ATM | At-the-market |
| BIP | BIP Blue Buyer L.L.C |
| Blackstone | Blackstone Infrastructure Partners L.P |
| BTA | Build-transfer agreement |
| CCRs | Coal Combustion Residuals |
| CEP | Capital Expenditure Program |
| CERCLA | Comprehensive Environmental Response Compensation and Liability Act (also known as Superfund) |
| Columbia Operations | Reportable segment comprised of the results of Columbia Gas distribution companies and all related subsidiaries |
| Corporate Units | Series A Corporate Units |
| DSM | Demand Side Management |
| EGUs | Electric Utility Generating Units |
| EPA | United States Environmental Protection Agency |
| EPS | Earnings per share |
| Equity Units | Series A Equity Units |
| FAC | Fuel adjustment clause |

**DEFINED TERMS**

| | |
|---|---|
| FASB | Financial Accounting Standards Board |
| FMCA | Federally Mandated Cost Adjustment |
| GAAP | Generally Accepted Accounting Principles |
| GCA | Gas cost adjustment |
| GHG | Greenhouse gases |
| GWh | Gigawatt hours |
| IRA | Inflation Reduction Act of 2022 |
| IRP | Infrastructure Replacement Program |
| IURC | Indiana Utility Regulatory Commission |
| JV | Joint Venture |
| LIFO | Last In, First Out |
| LIHEAP | Low Income Heating Energy Assistance Program |
| MGP | Manufactured Gas Plant |
| MISO | Midcontinent Independent System Operator |
| MMDth | Million dekatherms |
| MW | Megawatts |
| MWh | Megawatt hours |
| NIPSCO Electric | The electric generation and transmission activities of the NIPSCO Operations reportable segment |
| NIPSCO Gas | The gas distribution activities of the NIPSCO Operations reportable segment |
| NIPSCO Minority Interest Transaction | A transaction between NiSource, NIPSCO Holdings II (sole owner of NIPSCO) and an affiliate of Blackstone pursuant to a purchase and sale agreement entered into on June 17, 2023, that offered equity interests in NIPSCO Holdings II in exchange for capital contributions by the parties. |
| NIPSCO Operations | Reportable segment comprised of the results of NIPSCO Holdings I, NIPSCO Holdings II, and NIPSCO and all related subsidiaries |
| NYMEX | New York Mercantile Exchange |
| OPEB | Other Postemployment Benefits |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |
| PPA | Power Purchase Agreement |
| RNG | Renewable Natural Gas |
| SAVE | Steps to Advance Virginia's Energy Plan |
| Scope 1 GHG Emissions | Direct emissions from sources owned or controlled by us (e.g., emissions from our combustion of fuel, vehicles, and process emissions and fugitive emissions) |
| Scope 2 GHG Emissions | Indirect emissions from sources owned or controlled by us |
| SEC | Securities and Exchange Commission |
| SMRP | Safety Modification and Replacement Program |
| SMS | Safety Management System |
| 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 |
| WAM | Work and Asset Management |

***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"). Forward-looking statements in this Quarterly Report on Form 10-Q 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 work successfully with our third-party investors;
- our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations;
- our increased dependency on 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 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 demand;
- our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations;
- our ability to manage new initiatives and organizational changes;
- the actions of activist stockholders;
- the performance and quality of third-party suppliers and service providers;
- potential cybersecurity attacks or security breaches;
- increased requirements and costs related to cybersecurity;
- any damage to our reputation;
- the impacts of natural disasters, potential terrorist attacks or other catastrophic events;
- the physical impacts of climate change and the transition to a lower carbon future;
- our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal (as defined below);
- our debt obligations;
- any changes to our credit rating or the credit rating of certain of our subsidiaries;
- adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment;
- economic regulation and the impact of regulatory rate reviews;
- our ability to obtain expected financial or regulatory outcomes;
- 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;
- the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation;

- compliance with changes in, or new interpretations of applicable laws, regulations and tariffs;
- the cost of compliance with environmental laws and regulations and the costs of associated liabilities;
- changes in tax laws or the interpretation thereof;
- and other matters set forth in Item 1, "Business," Item 1A, "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this report, 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.

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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, 2024 | 2023 |
|---|---|---|
| **Operating Revenues** | | |
| Customer revenues | **$ 1,643.0** | $ 1,896.1 |
| Other revenues | **63.3** | 69.9 |
| Total Operating Revenues | **1,706.3** | 1,966.0 |
| **Operating Expenses** | | |
| Cost of energy | **425.0** | 765.1 |
| Operation and maintenance | **378.4** | 391.2 |
| Depreciation and amortization | **242.1** | 206.9 |
| Other taxes | **77.4** | 71.8 |
| Total Operating Expenses | **1,122.9** | 1,435.0 |
| **Operating Income** | **583.4** | 531.0 |
| **Other Income (Deductions)** | | |
| Interest expense, net | **(116.3)** | (108.9) |
| Other, net | **9.2** | 1.5 |
| Total Other Deductions, Net | **(107.1)** | (107.4) |
| **Income before Income Taxes** | **476.3** | 423.6 |
| **Income Taxes** | **76.0** | 85.8 |
| **Net Income** | **400.3** | 337.8 |
| Net income (loss) attributable to noncontrolling interest | **35.3** | 4.8 |
| **Net Income Attributable to NiSource** | **365.0** | 333.0 |
| Preferred dividends | **(6.7)** | (13.8) |
| Preferred redemption premium | **(14.0)** | — |
| **Net Income Available to Common Shareholders** | **344.3** | 319.2 |
| **Earnings Per Share** | | |
| Basic Earnings Per Share | **$ 0.77** | $ 0.77 |
| Diluted Earnings Per Share | **$ 0.77** | $ 0.71 |
| **Basic Average Common Shares Outstanding** | **447.9** | 412.8 |
| **Diluted Average Common Shares** | **449.4** | 447.1 |

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 Comprehensive Income (unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| *(in millions, net of taxes)* | **2024** | 2023 |
| Net Income | **$ 400.3** | $ 337.8 |
| Other comprehensive income: | | |
| Net unrealized loss on available-for-sale debt securities[(1)] | **(0.3)** | 2.0 |
| Reclassification adjustment for cash flow hedges[(2)] | **(0.1)** | 0.1 |
| Unrecognized pension and OPEB benefit (costs)[(3)] | **0.2** | 0.3 |
| Total other comprehensive income (loss) | **(0.2)** | 2.4 |
| **Comprehensive Income** | **$ 400.1** | $ 340.2 |

[(1)]Net unrealized loss on available-for-sale debt securities, net of $0.1 million tax benefit and $0.5 million tax expense in the first quarter of 2024 and 2023, respectively.
[(2)]Reclassification adjustment for cash flow hedges, net of $0.0 million tax benefit and $0.1 million tax benefit in the first quarter of 2024 and 2023, respectively.
[(3)]Unrecognized pension and OPEB benefit (costs), net of $0.1 million of tax expense and $0.1 million tax expense in the first quarter of 2024 and 2023, 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)* | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| **Property, Plant and Equipment** | | |
| Plant | **$ 31,300.6** | $ 30,482.1 |
| Accumulated depreciation and amortization | **(8,354.5)** | (8,207.2) |
| Net Property, Plant and Equipment[1] | **22,946.1** | 22,274.9 |
| **Investments and Other Assets** | | |
| Unconsolidated affiliates | **5.4** | 5.3 |
| Available-for-sale debt securities (amortized cost of $160.2 and $169.0, allowance for credit losses of $0.4 and $0.6, respectively) | **150.1** | 159.1 |
| Other investments | **86.8** | 82.7 |
| Total Investments and Other Assets | **242.3** | 247.1 |
| **Current Assets** | | |
| Cash and cash equivalents | **102.2** | 2,245.4 |
| Restricted cash | **38.3** | 35.7 |
| Accounts receivable | **877.2** | 884.9 |
| Allowance for credit losses | **(31.6)** | (22.9) |
| Accounts receivable, net | **845.6** | 862.0 |
| Gas storage | **70.1** | 265.8 |
| Materials and supplies, at average cost | **187.2** | 172.1 |
| Electric production fuel, at average cost | **66.3** | 65.3 |
| Exchange gas receivable | **43.2** | 66.0 |
| Regulatory assets | **260.4** | 214.3 |
| Deposits to renewable generation asset developer | **285.8** | 454.2 |
| Prepayments and other | **161.1** | 118.6 |
| Total Current Assets[1] | **2,060.2** | 4,499.4 |
| **Other Assets** | | |
| Regulatory assets | **2,231.7** | 2,245.9 |
| Goodwill | **1,485.9** | 1,485.9 |
| Deferred charges and other | **371.9** | 324.0 |
| Total Other Assets | **4,089.5** | 4,055.8 |
| **Total Assets** | **$ 29,338.1** | $ 31,077.2 |

[1]Includes $1,358.2 million and $1,369.8 million at March 31, 2024 and December 31, 2023, respectively, of net property, plant and equipment assets and $60.8 million and $63.6 million at March 31, 2024 and December 31, 2023, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Note 4, "Noncontrolling Interests," 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, 2024 | December 31, 2023 |
|---|---|---|
| **CAPITALIZATION AND LIABILITIES** | | |
| **Capitalization** | | |
| Stockholders' Equity | | |
| Common stock - $0.01 par value,750,000,000 shares authorized; 448,197,604 and 447,381,671 shares outstanding, respectively | **$ 4.5** | $ 4.5 |
| Preferred stock - $0.01 par value, 20,000,000 shares authorized; 0 and 40,000 shares outstanding, respectively | **—** | 486.1 |
| Treasury stock | **(99.9)** | (99.9) |
| Additional paid-in capital | **8,886.8** | 8,879.5 |
| Retained deficit | **(861.7)** | (967.0) |
| Accumulated other comprehensive loss | **(33.8)** | (33.6) |
| Total NiSource Stockholders' Equity | **7,895.9** | 8,269.6 |
| Noncontrolling interest in consolidated subsidiaries | **1,899.0** | 1,866.7 |
| Total Stockholders' Equity | **9,794.9** | 10,136.3 |
| Long-term debt, excluding amounts due within one year | **11,724.6** | 11,055.5 |
| Total Capitalization | **21,519.5** | 21,191.8 |
| **Current Liabilities** | | |
| Current portion of long-term debt | **24.0** | 23.8 |
| Short-term borrowings | **1,222.3** | 3,048.6 |
| Accounts payable | **612.5** | 749.4 |
| Dividends payable - common stock | **119.0** | — |
| Customer deposits and credits | **189.5** | 294.4 |
| Taxes accrued | **169.5** | 166.2 |
| Interest accrued | **148.6** | 136.1 |
| Exchange gas payable | **17.1** | 50.5 |
| Regulatory liabilities | **237.6** | 278.6 |
| Asset retirement obligations | **78.0** | 72.5 |
| Accrued compensation and employee benefits | **136.0** | 227.6 |
| Other accruals | **170.9** | 217.4 |
| Total Current Liabilities[(1)] | **3,125.0** | 5,265.1 |
| **Other Liabilities** | | |
| Deferred income taxes | **2,159.5** | 2,080.4 |
| Accrued liability for postretirement and postemployment benefits | **244.8** | 250.1 |
| Regulatory liabilities | **1,482.0** | 1,510.7 |
| Asset retirement obligations | **509.6** | 480.5 |
| Other noncurrent liabilities and deferred credits | **297.7** | 298.6 |
| Total Other Liabilities[(1)] | **4,693.6** | 4,620.3 |
| **Commitments and Contingencies (Refer to Note 15, "Other Commitments and Contingencies")** | | |
| **Total Capitalization and Liabilities** | **$ 29,338.1** | $ 31,077.2 |

[(1)]Includes $60.9 million and $68.3 million at March 31, 2024 and December 31, 2023, respectively, of current liabilities and $56.3 million and $55.7 million at March 31, 2024 and December 31, 2023, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 4, "Noncontrolling Interests," for additional information.

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)**

| Three Months Ended March 31, *(in millions)* | 2024 | 2023 |
|---|---|---|
| **Operating Activities** | | |
| Net Income | **$ 400.3** | $ 337.8 |
| Adjustments to Reconcile Net Income to Net Cash from Operating Activities: | | |
| Depreciation and amortization | **242.1** | 206.9 |
| Deferred income taxes and investment tax credits | **61.6** | 75.5 |
| Payments for asset retirement obligations | **(12.0)** | (5.5) |
| Other adjustments | **7.8** | 1.1 |
| Changes in Assets and Liabilities: | | |
| Components of working capital | **(235.2)** | 71.1 |
| Regulatory assets/liabilities | **18.4** | 11.0 |
| Deferred charges and other noncurrent assets | **(18.0)** | (12.0) |
| Other noncurrent liabilities and deferred credits | **(8.8)** | (2.5) |
| **Net Cash Flows from Operating Activities** | **456.2** | 683.4 |
| **Investing Activities** | | |
| Capital expenditures | **(589.5)** | (557.1) |
| Milestone payments to renewable generation asset developer | **(110.6)** | (137.3) |
| Other investing activities | **(22.9)** | (33.4) |
| **Net Cash Flows used for Investing Activities** | **(723.0)** | (727.8) |
| **Financing Activities** | | |
| Proceeds from issuance of long-term debt | **644.4** | 744.2 |
| Repayments of finance lease obligations | **(7.2)** | (8.1) |
| Repayment of short term credit agreements | **(1,650.0)** | — |
| Net change in commercial paper and other short-term borrowings | **(176.3)** | (480.4) |
| Issuance of common stock, net of issuance costs | **2.7** | 3.0 |
| Redemption of preferred stock | **(486.1)** | — |
| Preferred stock redemption premium | **(14.0)** | — |
| Equity costs, premiums and other debt related costs | **(57.6)** | (11.8) |
| Contributions from noncontrolling interests | **—** | 3.6 |
| Distributions to noncontrolling interests | **(3.0)** | (5.3) |
| Dividends paid - common stock | **(118.6)** | (103.2) |
| Dividends paid - preferred stock | **(8.1)** | (8.1) |
| Contract liability payment | **—** | (16.6) |
| **Net Cash Flows from Financing Activities** | **(1,873.8)** | 117.3 |
| Change in cash, cash equivalents and restricted cash | **(2,140.6)** | 72.9 |
| Cash, cash equivalents and restricted cash at beginning of period | **2,281.1** | 75.4 |
| **Cash, Cash Equivalents and Restricted Cash at End of Period** | **$ 140.5** | $ 148.3 |

**Reconciliation to Balance Sheet**

| Three Months Ended March 31, *(in millions)* | 2024 |
|---|---|
| Cash and cash equivalents | **102.2** |
| Restricted Cash | **38.3** |
| **Total Cash, Cash Equivalents and Restricted Cash** | **140.5** |

**Supplemental Disclosures of Cash Flow Information**

| Three Months Ended March 31, *(in millions)* | 2024 | 2023 |
|---|---|---|
| Non-cash transactions: | | |
| Capital expenditures included in current liabilities | **$ 239.7** | $ 261.1 |
| Dividends declared but not paid | **119.0** | 122.8 |

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

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

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2024** | **$ 4.5** | **$ 486.1** | **$ (99.9)** | **$ 8,879.5** | **$ (967.0)** | **$ (33.6)** | **$ 1,866.7** | **$ 10,136.3** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 365.0 | — | 35.3 | 400.3 |
| Other comprehensive loss, net of tax | — | — | — | — | — | (0.2) | — | (0.2) |
| Dividends: | | | | | | | | |
| Common stock ($0.53 per share) | — | — | — | — | (237.6) | — | — | (237.6) |
| Preferred stock (See Note 6) | — | — | — | — | (8.1) | — | — | (8.1) |
| Noncontrolling Interests: | | | | | | | | |
| Distributions to noncontrolling interests | — | — | — | — | — | — | (3.0) | (3.0) |
| Stock issuances (redemptions): | | | | | | | | |
| Series B and B-1 Preferred Stock Redemption | — | (486.1) | — | — | — | — | — | (486.1) |
| Series B and B-1 Preferred stock redemption premium | — | — | — | — | (14.0) | — | — | (14.0) |
| Employee stock purchase plan | — | — | — | 1.4 | — | — | — | 1.4 |
| Long-term incentive plan | — | — | — | 3.3 | — | — | — | 3.3 |
| 401(k) and profit sharing | — | — | — | 2.6 | — | — | — | 2.6 |
| **Balance as of March 31, 2024** | **$ 4.5** | **$ —** | **$ (99.9)** | **$ 8,886.8** | **$ (861.7)** | **$ (33.8)** | **$ 1,899.0** | **$ 9,794.9** |

| *(in millions)* | Common Stock | Preferred Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest in Consolidated Subsidiaries | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2023** | **$ 4.2** | **$ 1,546.5** | **$ (99.9)** | **$ 7,375.3** | **$ (1,213.6)** | **$ (37.1)** | **$ 326.4** | **$ 7,901.8** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 333.0 | — | 4.8 | 337.8 |
| Other comprehensive income, net of tax | — | — | — | — | — | 2.4 | — | 2.4 |
| Dividends: | | | | | | | | |
| Common stock ($0.50 per share) | — | — | — | — | (206.7) | — | — | (206.7) |
| Preferred stock (See Note 6) | — | — | — | — | (27.5) | — | — | (27.5) |
| Noncontrolling Interests: | | | | | | | | |
| Contributions from noncontrolling interest | — | — | — | — | — | — | 3.6 | 3.6 |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (5.3) | (5.3) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 1.3 | — | — | — | 1.3 |
| Long-term incentive plan | — | — | — | (6.3) | — | — | — | (6.3) |
| 401(k) and profit sharing | — | — | — | 2.6 | — | — | — | 2.6 |
| **Balance as of March 31, 2023** | **$ 4.2** | **$ 1,546.5** | **$ (99.9)** | **$ 7,372.9** | **$ (1,114.8)** | **$ (34.7)** | **$ 329.5** | **$ 8,003.7** |

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ITEM 1. FINANCIAL STATEMENTS (continued)

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

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2024** | **40** | **451,345** | **(3,963)** | **447,382** |
| Issued (Redeemed): | | | | |
| Employee stock purchase plan | — | 53 | — | 53 |
| Long-term incentive plan | — | 663 | — | 663 |
| 401(k) and profit sharing | — | 100 | — | 100 |
| Series B and B-1 Preferred Stock | (40) | — | — | — |
| **Balance as of March 31, 2024** | **—** | **452,161** | **(3,963)** | **448,198** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2023** | **1,303** | **416,106** | **(3,963)** | **412,143** |
| Issued: | | | | |
| Employee stock purchase plan | — | 48 | — | 48 |
| Long-term incentive plan | — | 695 | — | 695 |
| 401(k) and profit sharing | — | 97 | — | 97 |
| **Balance as of March 31, 2023** | **1,303** | **416,946** | **(3,963)** | **412,983** |

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

## 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, 2023. 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.

## 2. Recent Accounting Pronouncements

**Recently Issued Accounting Pronouncements**

In August 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-05, Business Combinations- Joint Venture Formations. This pronouncement codifies ASU 805-60 to provide guidance for the recognition and initial measurement of joint venture formations. This guidance requires that the initial assets contributed and liabilities assumed be recognized and measured at fair value, with additional disclosure requirements during the period a joint venture is formed. The pronouncement is effective for joint ventures formed on or after January 1, 2025. We will adopt and apply to any future joint ventures if entered.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This pronouncement enhances annual and interim disclosure requirements over reportable segments, primarily through enhanced disclosures about significant segment expenses that are regularly provided to or easily computed from information regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. The pronouncement also allows for more than one measure of segment profit if the CODM uses more than one measure in assessing segment performance. The pronouncement is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impacts this ASU will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This pronouncement enhances required income tax disclosures. The pronouncement will require disclosure of specific categories and reconciling items included in the rate reconciliation, disaggregation between federal, state and local income taxes paid, and disclosure of income taxes paid by jurisdictions over a certain threshold. Additionally, the pronouncement eliminates certain required disclosures related to unrecognized tax benefits. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted, and is to be applied on a prospective basis with retrospective application permitted. We are currently evaluating the impacts this amendment will have on our income tax disclosures, but do not expect to early adopt.

## 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 of January 1, 2024, we have changed our reportable segments from Gas Distributions Operations and Electric Operations to Columbia Operations and NIPSCO Operations. Our historical segment disclosures have been recast to be consistent with the current presentation. For additional information see Note 17, "Business Segment Information."

The Columbia Operations segment provides regulated natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, and Maryland. The NIPSCO Operations segment provides regulated gas and electric service in the northern part of Indiana.

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):

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

| Three months ended March 31, 2024 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 628.0 | $ 212.1 | $ — | $ 840.1 |
| Commercial | 220.4 | 74.7 | — | 295.1 |
| Industrial | 40.1 | 23.8 | — | 63.9 |
| Off-system | 12.8 | — | — | 12.8 |
| Wholesale | 0.8 | — | — | 0.8 |
| Miscellaneous[(1)] | 8.2 | 7.9 | — | 16.1 |
| **Subtotal** | $ 910.3 | $ 318.5 | $ — | $ 1,228.8 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 143.8 | $ — | $ 143.8 |
| Commercial | — | 142.9 | — | 142.9 |
| Industrial | — | 115.9 | — | 115.9 |
| Wholesale | — | 6.3 | — | 6.3 |
| Public Authority | — | 2.1 | — | 2.1 |
| Miscellaneous[(1)] | — | 3.2 | — | 3.2 |
| **Subtotal** | $ — | $ 414.2 | $ — | $ 414.2 |
| **Total Customer Revenues[(2)]** | 910.3 | 732.7 | — | 1,643.0 |
| **Other Revenues[(3)]** | 43.4 | 19.7 | 0.2 | 63.3 |
| **Total Operating Revenues** | $ 953.7 | $ 752.4 | $ 0.2 | $ 1,706.3 |

[(1)]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations are primarily related to revenue refunds, public repairs and property rentals. [(2)]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[(3)]Amounts included in Columbia Operations primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

| Three months ended March 31, 2023 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| ***Gas Distribution*** | | | | |
| Residential | $ 684.6 | $ 302.4 | $ — | $ 987.0 |
| Commercial | 248.0 | 112.6 | — | 360.6 |
| Industrial | 40.4 | 31.5 | — | 71.9 |
| Off-system | 17.2 | — | — | 17.2 |
| Wholesale | 1.0 | — | — | 1.0 |
| Miscellaneous[(1)] | 11.8 | 5.6 | — | 17.4 |
| **Subtotal** | $ 1,003.0 | $ 452.1 | $ — | $ 1,455.1 |
| ***Electric Generation and Power Delivery*** | | | | |
| Residential | $ — | $ 150.4 | $ — | $ 150.4 |
| Commercial | — | 150.9 | — | 150.9 |
| Industrial | — | 134.2 | — | 134.2 |
| Wholesale | — | 2.6 | — | 2.6 |
| Public Authority | — | 2.1 | — | 2.1 |
| Miscellaneous[(1)] | — | 0.8 | — | 0.8 |
| **Subtotal** | $ — | $ 441.0 | $ — | $ 441.0 |
| **Total Customer Revenues[(2)]** | 1,003.0 | 893.1 | — | 1,896.1 |
| **Other Revenues[(3)]** | 45.9 | 23.8 | 0.2 | 69.9 |
| **Total Operating Revenues** | $ 1,048.9 | $ 916.9 | $ 0.2 | $ 1,966.0 |

[(1)]Amounts included in Columbia Operations are primarily related to earnings share mechanisms and late fees. Amounts included in NIPSCO Operations, are primarily related to revenue refunds, public repairs and property rentals. [(2)]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[(3)]Amounts included in Columbia Operations are primarily relate to weather normalization adjustment mechanisms. Amounts included in NIPSCO Operations primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

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

***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 three months ended March 31, 2024 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, 2023 | $ 479.4 | $ 337.6 |
| Balance as of March 31, 2024 | 552.1 | 263.6 |

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.

***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. Internal and external inputs are used in our credit model including, but not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-offs, customer delinquencies, final bill data, and inflation. We continuously evaluate available information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or following 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 including, but 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 to 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 March 31, 2024 and December 31, 2023 are presented in the table below:

| (*in millions*) | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2024** | $ 10.2 | $ 11.9 | $ 0.8 | $ 22.9 |
| Current period provisions | 11.0 | 3.6 | — | 14.6 |
| Write-offs charged against allowance | (7.3) | (2.1) | (0.8) | (10.2) |
| Recoveries of amounts previously written off | 4.1 | 0.2 | — | 4.3 |
| **Balance as of March 31, 2024** | $ 18.0 | $ 13.6 | $ — | $ 31.6 |

| (*in millions*) | Columbia Operations | NIPSCO Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2023** | $ 11.1 | $ 12.0 | $ 0.8 | $ 23.9 |
| Current period provisions | 28.3 | 11.5 | — | 39.8 |
| Write-offs charged against allowance | (49.2) | (12.4) | — | (61.6) |
| Recoveries of amounts previously written off | 20.0 | 0.8 | — | 20.8 |
| **Balance as of December 31, 2023** | $ 10.2 | $ 11.9 | $ 0.8 | $ 22.9 |

## 4. Noncontrolling Interests

***Variable Interest Entities.*** A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO is a member of joint ventures that own and operate two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO is also a member of joint ventures that own two solar facilities, Indiana Crossroads Solar and Dunns Bridge I, which have a combined 465 MW of nameplate capacity. We have determined that these joint ventures are VIEs. We control decisions that are significant to these entities' ongoing operations and economic results. Therefore, we have concluded that NIPSCO is the primary beneficiary and have consolidated all four entities.

Members of each respective JV include 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. NIPSCO and each tax equity partner contributed cash to each JV. Once the tax equity partner has earned their negotiated rate of return and have reached a stated contractual date, NIPSCO has the option to purchase the remaining interest in the respective JV, at fair market value from the tax equity partner. NIPSCO has an obligation to purchase 100% of the electricity generated by our commercially operational JVs.

We did not provide any financial or other support during the quarter that was not previously contractually required, nor do we expect to provide such support in the future.

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

| *(in millions)* | **March 31, 2024** | December 31, 2023 |
|---|---|---|
| Net Property, Plant and Equipment | **$ 1,358.2** | $ 1,369.8 |
| Current assets | **60.8** | 63.6 |
| Total assets[(1)] | **1,419.0** | 1,433.4 |
| Current liabilities | **60.9** | 68.3 |
| Asset retirement obligations | **56.3** | 55.7 |
| Total liabilities[(1)(2)] | **$ 117.2** | $ 124.0 |

[(1)]The assets of each VIE represent assets of a consolidated VIE that can be used only to settle obligations of the respective consolidated VIE. The creditors of the liabilities of the VIEs do not have recourse to the general credit of the primary beneficiary.
[(2)] In addition to the amounts disclosed above there is a de minimis amount of other noncurrent liabilities at Rosewater as of March 31, 2024.

***Voting Interest Entities.*** In December 31, 2023, we consummated the NIPSCO Minority Interest Transaction for a capital contribution of $2.16 billion in cash. The difference between the $2.16 billion consideration received and the $1.36 billion carrying value of the noncontrolling interest claim on net assets was recorded to additional paid-in capital, net of $54.7 million in transaction costs and a $63.5 million income tax benefit. We retain a controlling financial interest in NIPSCO Holdings II and its subsidiaries and consolidate their financial results. During Q1 2024, we paid the remaining transaction costs that were accrued as of December 31, 2023.

## 5. Earnings Per Share

The calculations of basic and diluted EPS are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. For the three months ended March 31, 2024, 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 6, "Equity,"). For the purposes of determining diluted EPS, for the three months ended March 31, 2023, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding using the if-converted method under US GAAP and we assumed share settlement of the remaining purchase contract payment balance from our Equity Units based on the average share price during the period. A numerator adjustment was reflected in the calculation of diluted EPS for interest expense incurred in the three months ended March 31, 2023, net of tax, related to the purchase contracts. The purchase contracts were settled on December 1, 2023.

We began using the two-class method of computing earnings per share in 2023 because we have participating securities in the form of non-vested restricted stock units with a non-forfeitable right to dividend equivalents, for which vesting is predicated solely on the passage of time. The calculation of earnings per share using the two-class method excludes income attributable to these participating securities from the numerator and excludes the dilutive impact of those shares from the denominator.

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

The following table presents the calculation of our basic and diluted EPS:

| | Three Months Ended March 31, | |
|---|---|---|
| *(in millions, except per share amounts)* | **2024** | 2023 |
| **Numerator:** | | |
| Net Income Available to Common Shareholders | $ 344.3 | $ 319.2 |
| Less: Income allocated to participating securities | 0.3 | 0.2 |
| Net Income Available to Common Shareholders - Basic | 344.0 | 319.0 |
| Add: Dilutive effect of Equity Units | — | 0.4 |
| Net Income Available to Common Shareholders - Diluted | $ 344.0 | $ 319.4 |
| **Denominator:** | | |
| Average common shares outstanding - Basic | 447.9 | 412.8 |
| Dilutive potential common shares: | | |
| Equity Units purchase contracts | — | 31.2 |
| Equity Units purchase contract payment balance | — | 1.8 |
| Shares contingently issuable under employee stock plans | 0.9 | 0.8 |
| Shares restricted under employee stock plans | 0.4 | 0.5 |
| ATM forward agreement | 0.2 | — |
| Average Common Shares - Diluted | 449.4 | 447.1 |
| **Earnings per common share:** | | |
| Basic | 0.77 | 0.77 |
| Diluted | 0.77 | 0.71 |

## 6. Equity

***ATM Program.*** On February 22, 2024, we entered into eight separate equity distribution agreements pursuant to which we are able to sell up to an aggregate of $900.0 million of our common stock. On February 23, 2024, under the ATM program, we executed a forward sale agreement, which allows us to issue a fixed number of shares at a price to be settled in the future. On February 23, 2024, the forward purchaser under our forward sale agreement borrowed 7,757,951 shares from third parties, which the forward purchaser sold, through its affiliated agent, at a weighted average price of $25.78 per share. We may settle the forward sale agreement in shares, cash or net shares by December 20, 2024. Had we settled all the shares under the forward sale agreement at March 31, 2024, we would have received approximately $199.8 million, based on a net price of $25.76 per share. As of March 31, 2024, the ATM program (inclusive of the forward sale agreement) had approximately $700.0 million of equity available for issuance. The program expires on December 31, 2025.

***Preferred Stock***. Dividends declared per share for the Series A Preferred Stock were zero and $28.25 during the three months ended March 31, 2024 and 2023, respectively. Dividends declared per share for the Series B Preferred Stock were $406.25 and $812.50 during the three months ended March 31, 2024 and 2023, respectively.

On June 15, 2023, we redeemed all 400,000 outstanding shares of Series A Preferred Stock for a redemption price of $1,000 per share or $400.0 million in total.

***Series B and B-1 Preferred Stock.*** On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of $25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of $0.01 per share or $500.0 million in total. Following the redemption, dividends ceased to accrue on the shares of Series B Preferred Stock, shares of the Series B Preferred Stock and Series B-1 Preferred Stock were no longer deemed outstanding and all rights of the holders of such shares of Series B Preferred Stock and Series B-1 Preferred Stock terminated. In conjunction with the redemption, we recorded a $14.0 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series B Preferred Stock and Series B-1 Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings during the first quarter of 2024. We did not recognize an excise tax liability under the IRA in connection with this redemption as we expect to issue common stock under the ATM program in 2024 in excess of the fair value of the Series B Preferred Stock and Series B-1 Preferred Stock redeemed.

In March 2024, we filed a Certificate of Elimination to our Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware to eliminate from the Amended and Restated Certificate of Incorporation all matters set forth in the Certificate of Designations with respect to the Series B Preferred Stock and the Certificate of Designations with respect to the Series B-1 Preferred Stock. As a result, the 20,000 shares that were previously designated as Series B Preferred Stock and the 20,000 shares that were previously designated as Series B-1 Preferred Stock were returned to the status of authorized but unissued shares of preferred stock, par value $0.01 per share, without designation as to series. The Certificate of Elimination does not change the total number of authorized shares of capital stock of NiSource or the total number of authorized shares of preferred stock. We voluntarily delisted the preferred stock from the New York Stock Exchange.

***Equity Units.*** On December 1, 2023, we issued 33,898,837 shares of our common stock under the purchase contract component of the Corporate Units. As of December 1, 2023, each holder of Corporate Units was deemed to have automatically delivered to us the related Series C Mandatory Convertible Preferred Stock that were components of the Corporate Units in full satisfaction of such holder’s obligations under the related purchase contract, and all shares of Series C Mandatory Convertible Preferred Stock were returned to the status of authorized but unissued preferred stock, par value of $0.01 per share, without designation as to series. We voluntarily delisted the Corporate Units from the New York Stock Exchange.

Refer to Note 5, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS during 2023.

## 7. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreements. Each of these borrowing sources is described further 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. We had no outstanding borrowings under this facility as of March 31, 2024 and December 31, 2023.

***Commercial Paper Program.*** On February 9, 2024 we increased our commercial paper program limit from $1.50 billion to $1.85 billion. We had $1,222.3 million and $1,061.0 million of commercial paper outstanding with weighted-average interest rates of 5.58% and 5.65% as of March 31, 2024 and December 31, 2023, respectively.

***Accounts Receivable Transfer Programs.*** 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 consolidated special purpose entities. The three agreements expire between June 2024 and October 2024 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, 2024, the maximum amount of debt that could be borrowed related to our accounts receivable programs was $419.8 million.

We had zero and $337.6 million of short-term borrowings related to the securitization transactions as of March 31, 2024 and December 31, 2023, respectively.

For the three months ended March 31, 2024 and 2023, $337.6 million and $65.4 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 $0.5 million and $0.9 million for the three months ended March 31, 2024 and 2023, 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.

***Term Credit Agreements.*** At December 31, 2023, we had $1.0 billion, and $650.0 million outstanding under term credit agreements with interest rates of 6.41% and 6.50%, respectively. On January 3, 2024, we terminated and repaid in full our $1.0 billion term credit agreement and our $650.0 million term credit agreement with proceeds from the NIPSCO Minority Interest Transaction.

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

**8. Long-Term Debt**

On March 14, 2024 we completed the issuance and sale of $650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately $642.6 million of net proceeds after discount and debt issuance costs.

**9. Gas in Storage**

We use both the LIFO inventory methodology and the weighted-average cost methodology to value natural gas in storage. Natural gas storage injections are priced at the average of the costs of natural gas supply purchased during the year. For interim periods, the difference in the cost of replacing the current portion of stored gas inventory compared to the amount stated on a LIFO basis is recorded within the Condensed Consolidated Balance Sheets (unaudited). Due to seasonality requirements, we expect interim variances in LIFO layers to be replenished by year end. The LIFO basis exceeded the cost of replacing the current portion of stored gas by $27.5 million and zero respectively, for the periods ended March 31, 2024 and December 31, 2023, for certain gas distribution companies recorded within "Prepayments and other" on the Condensed Consolidated Balance Sheets (unaudited).

**10. Regulatory Matters**

Renewable generation filings
In March 2024, NIPSCO filed a petition with the IURC to, after notice and hearing, issue an order modifying its November 22, 2023 order to approve direct ownership of the Gibson Project. The hearing is scheduled for June 2024 with a final order expected August 2024. In March 2024, NIPSCO also filed a petition with the IURC to, after notice and hearing, issue an order modifying its June 29, 2021 order to approve direct ownership of the Fairbanks Project. The hearing is scheduled for July 2024 with a final order expected September of 2024.

WAM system filing
In March 2024, NIPSCO filed a petition with the IURC for authority to defer, as a regulatory asset, certain costs, including depreciation and amortization incurred in connection with improvements to its information technology systems through the design, development, and implementation of a new WAM program for the scheduling, dispatch, and execution of work and the management of underlying assets. These improvements are part of our enterprise-wide transformation roadmap which seeks to optimize our field work. The petition also included the confirmation that the WAM program assets, including the requested regulatory assets, will be included in NIPSCO's rate base for ratemaking purposes in rate cases after the WAM assets have been placed in service. The hearing is scheduled for July 2024 with a final order expected in August 2024.

Regulatory deferral related to renewable energy investments
In accordance with the accounting principles of ASC 980, we recognize a regulatory liability or asset for amounts representing the timing difference between the profit earned from the JVs and the amount included in regulated rates to recover our approved investments in consolidated JVs. The amounts recorded in income will ultimately reflect the amount allowed in regulated rates to recover our investments over the useful life of the projects. The offset to the regulatory liability or asset associated with our renewable investments included in regulated rates is recorded in "Depreciation and amortization" on the Condensed Statements

of Consolidated Income (unaudited). NiSource recorded an increase to depreciation expense of $3.5 million and a decrease to depreciation expense of $4.4 million for the three months ended March 31, 2024 and 2023, respectively. Following the implementation of the electric base rate case, we began recognizing amounts to recover our investments of projects that have been placed in service. Refer to Note 4, "Noncontrolling Interests," for additional information.

## 11. 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:

| | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| *(in millions)* | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Current[(1)] | | | | |
| Derivatives not designated as hedging instruments | **$ 3.0** | **$ 11.6** | $ 1.1 | $ 7.5 |
| Total | **$ 3.0** | **$ 11.6** | $ 1.1 | $ 7.5 |
| Noncurrent[(2)] | | | | |
| Derivatives not designated as hedging instruments | **$ 20.2** | **$ 1.9** | $ 22.2 | $ 1.9 |
| Total | **$ 20.2** | **$ 1.9** | $ 22.2 | $ 1.9 |

[(1)]Current assets and liabilities are presented in "Prepayments and other" and "Other accruals", respectively, on the Condensed Consolidated Balance Sheets (unaudited).
[(2)]Noncurrent assets and liabilities are presented in "Deferred charges and other" and "Other noncurrent liabilities and deferred credits", respectively, on the Condensed Consolidated Balance Sheets (unaudited).

Our derivative instruments are subject to enforceable master netting arrangements or similar agreements. No collateral was either received or posted related to our outstanding derivative positions at March 31, 2024. If the above gross asset and liability positions were presented net of amounts owed or receivable from counterparties, we would report a net asset position of $9.7 million and $13.9 million at March 31, 2024 and December 31, 2023, respectively.

All gains and losses on derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's and Columbia of Pennsylvania's quarterly GCA mechanisms.

Derivatives Not Designated as Hedging Instruments

***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 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 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. At March 31, 2024 and December 31, 2023, we had 86.0 MMDth and 76.1 MMDth, respectively, of net energy derivative volumes outstanding related to our natural gas hedges.

NIPSCO has received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments and is limited to 20% of NIPSCO's average annual GCA purchase volume. As of March 31, 2024, the remaining terms of these instruments range from one to three years. Likewise, Columbia of Pennsylvania has received approval for a 24-month rolling hedge program. The hedging program was executed in December 2023, with an effective date of April 1, 2024 and will continue in perpetuity. The program is designed to financially hedge approximately 20% of the customer’s annual demand. All gains and losses on these derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through the relevant cost recovery mechanism.

The following table summarizes the gains and losses associated with the commodity price risk programs deferred as regulatory assets and liabilities:

| *(in millions)* | March 31, 2024 | December 31, 2023 |
|---|---|---|
| **Regulatory Assets** | | |
| Losses on commodity price risk programs | **$ 20.1** | $ 24.4 |
| **Regulatory Liabilities** | | |
| Gains on commodity price risk programs | **23.3** | 23.3 |

Our derivative instruments measured at fair value as of March 31, 2024 and December 31, 2023 do not contain any credit-risk-related contingent features.

Derivatives Designated as Hedging Instruments

***Interest rate risk management.*** As of March 31, 2024 and December 31, 2023 we had no active interest rate swap positions. The overall net gain related to our multiple settled interest rate swaps is recorded in AOCI. We amortize the net gain over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three months ended March 31, 2024 and 2023 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited). Amounts expected to be reclassified to earnings during the next twelve months are immaterial. See Note 16, "Accumulated Other Comprehensive Loss," for additional information.

## 12. 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, 2024 and December 31, 2023:

| Recurring Fair Value Measurements March 31, 2024 *(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, 2024 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 23.2 | $ — | $ 23.2 |
| Available-for-sale debt securities | — | 150.1 | — | 150.1 |
| **Total** | **$ —** | **$ 173.3** | **$ —** | **$ 173.3** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 13.5 | $ — | $ 13.5 |
| **Total** | **$ —** | **$ 13.5** | **$ —** | **$ 13.5** |

| Recurring Fair Value Measurements December 31, 2023 *(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, 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 23.3 | $ — | $ 23.3 |
| Available-for-sale debt securities | — | 159.1 | — | 159.1 |
| **Total** | **$ —** | **$ 182.4** | **$ —** | **$ 182.4** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 9.4 | $ — | $ 9.4 |
| **Total** | **$ —** | **$ 9.4** | **$ —** | **$ 9.4** |

***Risk Management Assets and Liabilities.*** Risk management assets and liabilities include 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 that reduce exposures. As of March 31, 2024 and December 31, 2023, 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.

NIPSCO and Columbia of Pennsylvania have entered into long-term forward natural gas purchase instruments to lock in a fixed price for 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 11, "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.

Our available-for-sale debt securities impairments are recognized periodically using an allowance approach. 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 the security's fair value is less than its amortized cost basis. If certain amounts recorded 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. As of March 31, 2024 and December 31, 2023, we have $0.4 million and $0.6 million, respectively, recorded 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, 2024 and December 31, 2023 were:

| March 31, 2024 *(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 | $ 62.1 | $ — | $ (3.3) | $ — | $ 58.8 |
| Corporate/Other debt securities | 98.1 | 0.6 | (7.0) | (0.4) | 91.3 |
| **Total** | **$ 160.2** | **$ 0.6** | **$ (10.3)** | **$ (0.4)** | **$ 150.1** |

| December 31, 2023 *(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 | $ 63.8 | $ — | $ (3.2) | $ — | $ 60.6 |
| Corporate/Other debt securities | 105.2 | 0.8 | (6.9) | (0.6) | 98.5 |
| **Total** | **$ 169.0** | **$ 0.8** | **$ (10.1)** | **$ (0.6)** | **$ 159.1** |

[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 $58.8 million and $72.7 million, respectively, at March 31, 2024.
[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 $58.7 million and $74.8 million, respectively, at December 31, 2023.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were $0.4 million and immaterial for the three months ended March 31, 2024 and 2023, respectively.

Non-recurring Fair Value Measurements

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

**B. Other Fair Value Disclosures for Financial Instruments.** The carrying amount of cash and cash equivalents, restricted cash, notes receivable, 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, 2024, 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, 2024 | Estimated Fair Value as of March 31, 2024 | Carrying Amount as of Dec. 31, 2023 | Estimated Fair Value as of Dec. 31, 2023 |
|---|---|---|---|---|
| Long-term debt (including current portion) | **$ 11,748.6** | **$ 10,852.3** | $ 11,079.3 | $ 10,370.9 |

## 13. Income Taxes

Our interim effective tax rates reflect the estimated annual effective tax rates for 2024 and 2023 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. The effective tax rates for the three months ended March 31, 2024 and 2023 were 16.0% and 20.3%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to renewable partnership income, amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state flow through, and other permanent book-to-tax differences.

The decrease in the three month effective tax rate of 4.3% in 2024 compared to 2023 is primarily attributed to the lower renewable partnership income, jurisdictional mix of pre-tax book income, offset by lower amortization of excess deferred federal income tax liabilities.

As of March 31, 2024, there have been no material changes to our unrecognized tax benefits or possible changes that could reasonably be expected to occur during the next twelve months. See Note 15 to the Company's Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of these unrecognized tax benefits.

## 14. Pension and Other Postemployment 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, 2024 and 2023, we contributed $0.7 million and $1.2 million, respectively to our pension plans and $5.4 million and $5.6 million, respectively to our OPEB plans.

The following table provides the components of the plans' actuarially determined net periodic benefit cost for the three months ended March 31, 2024 and 2023:

| | Pension Benefits | | OPEB | |
|---|---|---|---|---|
| Three Months Ended March 31, *(in millions)* | **2024** | 2023 | **2024** | 2023 |
| **Components of Net Periodic Benefit Cost**[1] | | | | |
| Service cost | **$ 5.4** | $ 5.1 | **$ 1.3** | $ 1.3 |
| Interest cost | **16.3** | 17.1 | **5.4** | 5.4 |
| Expected return on assets | **(23.8)** | (23.6) | **(4.0)** | (3.8) |
| Amortization of prior service credit | **—** | — | **(0.4)** | (0.5) |
| Recognized actuarial loss | **7.2** | 8.4 | **0.8** | 0.8 |
| **Total Net Periodic Benefit Cost** | **$ 5.1** | $ 7.0 | **$ 3.1** | $ 3.2 |

[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).

## 15. 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, 2024 and December 31, 2023, we had issued stand-by letters of credit of $9.9 million for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At March 31, 2024 and December 31, 2023, our guarantees for multiple BTAs totaled $672.3 million and $646.1 million, respectively. The amount of each guaranty will decrease upon the substantial completion of the construction of the facilities. See "- D. Other Matters - Generation Transition," below for more information.

**B. Legal Proceedings.** From time to time, various legal and regulatory claims and proceedings are pending or threatened against the Company and its subsidiaries. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company establishes reserves whenever it believes it to be appropriate for pending litigation matters. However, the actual results of resolving the pending litigation matters may be substantially higher than the amounts reserved. If one or more 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. Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim, proceeding or investigation would not have a material adverse effect on our results of operations, financial position or liquidity.

***Other Claims and Proceedings.*** We are also party to other claims, regulatory and legal proceedings arising in the ordinary course of business in each state in which we have operations, and based upon an investigation of these matters and discussion with legal counsel, we believe the ultimate outcome of such other legal proceedings to be individually, or in aggregate, not material at this time.

**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 and asset retirement costs, further described below, to be recoverable through rates.

As of March 31, 2024 and December 31, 2023, we had recorded a liability of $77.8 million and $80.0 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities and deferred credits" in the Condensed Consolidated Balance Sheets (unaudited). 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 CERCLA 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. At this time, we cannot estimate the full cost of remediating properties that have not yet been investigated, but it is possible that the future costs could be material to the Condensed Consolidated Financial Statements (unaudited).

***MGP.*** We maintain a program to identify and investigate former MGP sites where our subsidiaries or predecessors may have liability. The program has identified 53 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. Our total estimated liability related to the facilities subject to remediation was $72.8 million and $73.7 million at March 31, 2024 and December 31, 2023, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. Our model indicates that it is reasonably possible that remediation costs could vary by as much as $15.1 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.*** NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The CCR rule requirements currently in effect required 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. On April 25, 2024 new EPA rules have been issued and we are evaluating the potential impact on our business.

**D. Other Matters.**

***Generation Transition.*** NIPSCO has also executed several BTAs with developers to construct renewable generation facilities. NIPSCO has received IURC approval for all of its BTAs and PPAs. In addition to IURC approval, NIPSCO's purchase obligation under the BTAs is dependent on timely completion of construction and for certain BTAs successful execution by NIPSCO of an agreement with a tax equity partner. Certain agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones. With respect to BTAs for which tax equity partnerships are utilized, NIPSCO and the tax equity partner are obligated to make cash contributions to the JV that acquires 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 the remaining interest in the JV from the tax equity partner. On January 17, 2024, the IURC approved the full ownership of Cavalry and Dunns Bridge II which will allow those BTAs to be executed through direct ownership. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions. On March 18, 2024, Cavalry achieved mechanical completion, resulting in NIPSCO making a $110.6 million payment to the developer.

## 16. Accumulated Other Comprehensive Loss

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

| *(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, 2024 | $ (7.3) | $ (12.8) | $ (13.5) | $ (33.6) |
| Other comprehensive loss before reclassifications | (0.6) | (0.2) | (0.1) | (0.9) |
| Amounts reclassified from accumulated other comprehensive loss | 0.3 | 0.1 | 0.3 | 0.7 |
| Net current-period other comprehensive income (loss) | (0.3) | (0.1) | 0.2 | (0.2) |
| **Balance as of March 31, 2024** | **$ (7.6)** | **$ (12.9)** | **$ (13.3)** | **$ (33.8)** |

[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, 2023 | $ (11.2) | $ (12.6) | $ (13.3) | $ (37.1) |
| Other comprehensive income (loss) before reclassifications | 1.7 | — | — | 1.7 |
| Amounts reclassified from accumulated other comprehensive loss | 0.3 | 0.1 | 0.3 | 0.7 |
| Net current-period other comprehensive income (loss) | 2.0 | 0.1 | 0.3 | 2.4 |
| Balance as of March 31, 2023 | $ (9.2) | $ (12.5) | $ (13.0) | $ (34.7) |

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

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

## 17. Business Segment Information

Our reportable segments reflect the manner in which our business is managed, and our resources are allocated. Following the consummation of the NIPSCO Minority Interest Transaction, the funding and strategic management was revised to evaluate operating performance at the state level. Refer to Note 4, "Noncontrolling Interests," for additional information on the NIPSCO Minority Interest Transaction. Our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations includes the results of NIPSCO Holdings I and its majority-owned subsidiaries, including NIPSCO, which has fully regulated gas and electric operations in Northwest Indiana.

The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable segment, are presented as "Corporate and Other" and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues. The following table provides information about our reportable segments. Our CODM uses operating income as the primary measurement for each of the reported segments and makes 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.

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

| *(in millions)* | Three Months Ended March 31, **2024** | 2023 |
|---|---|---|
| **Operating Revenues** | | |
| **Columbia Operations** | | |
| Unaffiliated | **$ 953.7** | $ 1,048.9 |
| Intersegment | **3.2** | 3.0 |
| Total | **956.9** | 1,051.9 |
| **NIPSCO Operations** | | |
| Unaffiliated | **752.4** | 916.9 |
| Intersegment | **0.3** | 0.3 |
| Total | **752.7** | 917.2 |
| **Corporate and Other** | | |
| Unaffiliated | **0.2** | 0.2 |
| Intersegment | **139.9** | 116.7 |
| Total | **140.1** | 116.9 |
| Eliminations | **(143.4)** | (120.0) |
| **Consolidated Operating Revenues** | **$ 1,706.3** | $ 1,966.0 |
| **Operating Income** | | |
| Columbia Operations | **$ 362.0** | $ 351.8 |
| NIPSCO Operations | **216.4** | 177.0 |
| Corporate and Other | **5.0** | 2.2 |
| **Consolidated Operating Income** | **$ 583.4** | $ 531.0 |

The following table provides information about the assets of our reportable segments included in the Condensed Consolidated Balance Sheet (unaudited):

| (in millions) | **March 31, 2024** | December 31, 2023 |
|---|---|---|
| **Assets** | | |
| Columbia Operations | **$ 13,789.8** | $ 13,664.5 |
| NIPSCO Operations | **14,221.0** | 13,962.6 |
| Corporate and Other | **1,327.3** | 3,450.1 |
| **Consolidated Assets** | **$ 29,338.1** | $ 31,077.2 |

Information about our reportable segments for the three months ended March 31, 2023, as well as for the period ended December 31, 2023 has been recast to align with the current year's presentation.

## 18. Other, Net

The following table displays the components of Other, Net included on the Condensed Statements of Consolidated Income (unaudited):

| | Three Months Ended March 31, | |
|---|---|---|
| *(in millions)* | **2024** | 2023 |
| Interest income | **$ 2.5** | $ 1.8 |
| AFUDC equity | **11.3** | 4.8 |
| Pension and other postretirement non-service benefit (cost) | **(2.2)** | (3.5) |
| Miscellaneous | **(2.4)** | (1.6) |
| Total Other, net | **$ 9.2** | $ 1.5 |

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

**NiSource Inc.**

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## 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, 2023.

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: Columbia Operations and NIPSCO Operations. Refer to "Note 17, "Business Segment Information," for further discussion of our business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) focus on long-term infrastructure investment and safety programs to better serve our customers, (ii) align our tariff structures with our cost structure, and (iii) address changing customer energy demand. These strategies focus on improving safety and reliability, enhancing customer experience, pursuing regulatory and legislative initiatives to increase accessibility for customers currently not on our gas and electric service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our focus. Serving as a guiding practice for our SMS, NiSource is certified in conformance to the American Petroleum Institute Recommended Practice 1173, which is the foundation to our journey towards operational excellence. We also made advancements in key strategic initiatives, described in further detail below.

**Energy Transition:** We continue to advance our energy transition strategy, primarily through the continuation and enhancement of existing programs, such as retiring and replacing remaining coal-fired electric generation by 2028 with a balanced mix of low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak detection and repair. Our electric generation transition, initiated through the NIPSCO 2018 Integrated Resource Plan ("2018 Plan") is well underway, and we are continually adjusting to the dynamic energy landscape. As of March 31, 2024, we have executed and received IURC approval for BTAs and PPAs for wind, solar and solar plus storage projects,with a combined nameplate capacity of 1,950 MW and 1,400 MW, respectively, under the 2018 Plan. We have also taken contractual actions on a number of our other renewable projects to address the timing of these projects as well as consider the broad market issues facing the industry. We remain on track to retire R.M Schahfer's remaining two coal units by the end of 2025. On January 17, 2024, the IURC approved full ownership of the Cavalry and Dunns Bridge II projects, allowing NIPSCO to leverage provisions of the Inflation Reduction Act passed in 2022, to monetize renewable tax credits more effectively. Full ownership of these projects provide enhanced benefits to customers as compared to the previous tax equity partnership structure approved by the IURC. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project as contemplated in the contractual actions referenced above. We are continuing to evaluate the impact of this legislation on our remaining projects, with potential to drive increased value to customers. For additional information, see "Results and Discussion of Segment Operations - NIPSCO Operations," in this Management's Discussion.

In 2021, we announced and filed with the IURC the Preferred Energy Resource Plan associated with our 2021 Integrated Resource Plan ("2021 Plan"). The 2021 Plan affirms plans to retire the coal unit at the Michigan City Generating Station by the end of 2028. The 2021 Plan calls for the replacement of the retiring units with a diverse portfolio of resources including demand side management resources, incremental solar, stand-alone energy storage and upgrades to existing facilities at the Sugar Creek Generating Station, among other steps. Additionally, the 2021 Plan calls for a new natural gas peaking facility to replace existing vintage gas peaking facilities at the R.M. Schahfer Generating Station to support system reliability and resiliency, and upgrades to the electric transmission system. In September of 2023, we filed a request for issuance of a certificate of public convenience and necessity for an approximately 400 MW natural gas peaking generation facility with the IURC. The planned retirement of the two vintage gas peaking facilities at the R.M. Schahfer Generating Station is also expected to occur by the end of 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval.

We continue to enhance safety and reduce methane emissions on our gas systems through modernization programs and utilization of advanced leak detection and repair. In addition, we plan to advance other low- or zero-emission energy resources and technologies, such as hydrogen and renewable natural gas.

**NIPSCO Minority Interest Transaction:** On December 31, 2023, contemporaneously with the closing of the NIPSCO Minority Interest Transaction, Blackstone, NIPSCO Holdings I, NIPSCO Holdings II, and NiSource entered into an Amended and Restated Limited Liability Company Agreement (the "LLC Agreement") of NIPSCO Holdings II. On January 31, 2024, BIP transferred a 4.5% equity interest in NIPSCO Holdings II to BIP Blue Buyer VCOC L.L.C., a Delaware limited liability company and also an affiliate of Blackstone. Effective upon the closing of this transfer, the members of NIPSCO Holdings II entered into a Second Amended and Restated Limited Liability Company Operating Agreement of NIPSCO Holdings II (the "Amended LLC Agreement"). The two affiliates of Blackstone must vote their equity holdings under the Amended LLC Agreement as one investor. Refer to Note 4, "Noncontrolling Interests," for more information on this transaction.

**Transformation:** Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We are committed to identifying and implementing initiatives that will enable us to streamline work and improve logistics company-wide. These efforts include investments in proven technologies backed with standardized processes that will change the way we plan, schedule, and execute work in the field and how we engage and provide service to our customers. Taken together, all of our optimization initiatives will prioritize safety and continue to optimize our long-term growth profile. We are making progress towards our transformation goals with the anticipated third quarter 2024 launch of the first phase of our WAM program, an information technology system that optimizes the scheduling, dispatch, and execution of our field operations.

**Economic Environment:** We continue to monitor risks related to increasing order and delivery lead times for construction and other materials, potential unavailability of materials due to global shortages in raw materials, and decreased construction labor productivity in the event of disruptions in the availability of materials. We continue to see increasing prices associated with certain materials and supplies. To the extent that work delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected.

We are faced with increased competition for employee and contractor talent in the current labor market which has resulted in increased costs to attract and retain talent. We are ensuring that we use all internal human capital programs (development, leadership enablement programs, succession, performance management) to promote retention of our current employees along with having a competitive and attractive employee value proposition for potential recruits. With a focus on workforce planning, we are evaluating our future talent footprint by creating flexible work arrangements where possible to ensure we have the right people, in the right role, and at the right time.

We continue to evaluate our financing plan to manage interest expense and exposure to rates. For more information on interest rate risk, see "Market Risk Disclosures".

**Summary of Consolidated Financial Results**

A summary of our consolidated financial results for the three months ended March 31, 2024 and 2023 are presented below:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| *(in millions, except per share amounts)* | **2024** | 2023 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 1,706.3** | $ 1,966.0 | $ (259.7) |
| **Operating Expenses** | | | |
| Cost of energy | **425.0** | 765.1 | 340.1 |
| Other Operating Expenses | **697.9** | 669.9 | (28.0) |
| **Total Operating Expenses** | **1,122.9** | 1,435.0 | 312.1 |
| **Operating Income** | **583.4** | 531.0 | 52.4 |
| Total Other Deductions, Net | **(107.1)** | (107.4) | 0.3 |
| Income Taxes | **76.0** | 85.8 | 9.8 |
| **Net Income** | **400.3** | 337.8 | 62.5 |
| Net income (loss) attributable to noncontrolling interest | **35.3** | 4.8 | (30.5) |
| **Net Income Attributable to NiSource** | **365.0** | 333.0 | 32.0 |
| Preferred dividends and redemption premium | **(20.7)** | (13.8) | (6.9) |
| **Net Income Available to Common Shareholders** | **344.3** | 319.2 | 25.1 |
| **Earnings Per Share** | | | |
| Basic Earnings Per Share | **$ 0.77** | $ 0.77 | $ — |
| Diluted Earnings Per Share | **$ 0.77** | $ 0.71 | $ 0.06 |

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

The increase in net income available to common shareholders for the three months ended March 31, 2024 was primarily due to higher revenues, net of cost of energy, driven by rate increases from regulatory outcomes. Higher net income is offset by increased net income attributable to noncontrolling interest following the consummation of the NIPSCO Minority Interest Transaction.

The increase in preferred dividends and redemption premium for the three months ended March 31, 2024 was primarily due to the inclusion of $14 million Series B preferred redemption premium, offset by a shortened dividend accrual period due to the early redemption of Series A Preferred Stock in 2023 and the reduction of accrual for Series B Preferred Stock in 2024. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

For additional information on operating income variance drivers see "Results and Discussion of Segment Operations" for Columbia Operations and NIPSCO Operations in this Management's Discussion.

Income Taxes

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

We continue to monitor and evaluate the impacts of final or proposed income tax regulations issued on provisions of the IRA including but not limited to renewable energy tax credits and the excise tax on stock buybacks guidance issued on April 9, 2024. While our analysis is not complete, we do not believe these proposed regulations will materially impact the excise tax liability recorded in 2023. See Note 6 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of the excise tax on stock buybacks.

## RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

In response to the NIPSCO Minority Interest Transaction, our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations. Columbia Operations aggregates the results of the fully regulated and wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. (a holding company that owns Columbia of Kentucky, Columbia of Maryland, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Virginia). Each Columbia distribution company is an operating segment which we aggregate to form the Columbia Operations reportable segment. NIPSCO Operations aggregates the results of NIPSCO Holdings I,and its majority-owned subsidiaries, including NIPSCO, which has both fully regulated gas and electric operations in Northwest Indiana. . The remainder of our operations, which are not significant enough on a stand-alone basis to warrant treatment as a reportable 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.**
**Columbia Operations**

Financial and operational data for the Columbia Operations segment for the three months ended March 31, 2024 and 2023 are presented below.

| *(in millions)* | Three Months Ended March 31, 2024 | 2023 | Favorable (Unfavorable) |
|---|---|---|---|
| **Operating Revenues** | **$ 956.9** | $ 1,051.9 | $ (95.0) |
| **Operating Expenses** | | | |
| Cost of energy | **228.8** | 338.3 | 109.5 |
| Operation and maintenance | **210.7** | 220.5 | 9.8 |
| Depreciation and amortization | **98.2** | 87.7 | (10.5) |
| Other taxes | **57.2** | 53.6 | (3.6) |
| Total Operating Expenses | **594.9** | 700.1 | 105.2 |
| Operating Income | **$ 362.0** | $ 351.8 | $ 10.2 |
| **Revenues** | | | |
| Residential | **$ 665.8** | $ 722.9 | $ (57.1) |
| Commercial | **225.3** | 253.2 | (27.9) |
| Industrial | **40.4** | 40.5 | (0.1) |
| Off-System | **12.7** | 17.2 | (4.5) |
| Other | **12.7** | 18.1 | (5.4) |
| Total | **$ 956.9** | $ 1,051.9 | $ (95.0) |
| **Sales and Transportation (MMDth)** | | | |
| Residential | **77.0** | 74.4 | 2.6 |
| Commercial | **54.3** | 50.7 | 3.6 |
| Industrial | **68.5** | 61.6 | 6.9 |
| Off-System | **7.3** | 7.4 | (0.1) |
| Other | **0.2** | 0.2 | — |
| Total | **207.3** | 194.3 | 13.0 |
| **Heating Degree Days[1]** | **2,284** | 2,229 | 55 |
| **Normal Heating Degree Days[1]** | **2,739** | 2,729 | 10 |
| **% (Warmer) than Normal** | **(17)%** | (18)% | |
| **% Colder than prior year** | **2 %** | | |
| **Columbia Operations Customers** | | | |
| Residential | **2,222,345** | 2,212,247 | 10,098 |
| Commercial | **189,394** | 189,222 | 172 |
| Industrial | **1,980** | 2,074 | (94) |
| Other | **5** | 3 | 2 |
| Total | **2,413,724** | 2,403,546 | 10,178 |

[1] Heating degree figures represent averages of the five jurisdictions served by Columbia Operations.

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.

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

| **Changes in Operating Revenues** *(in millions)* | **Favorable (Unfavorable) Three Months Ended March 31, 2024 vs 2023** |
|---|---|
| New rates from base rate proceedings and regulatory capital programs | $ 34.9 |
| Increased customer usage | 8.1 |
| The effects of customer growth | 2.2 |
| The effects of weather in 2024 compared to 2023 | 1.6 |
| Other | (2.9) |
| Change in operating revenues (before cost of energy and other tracked items) | $ 43.9 |
| **Operating revenues offset in operating expense** | |
| Lower cost of energy billed to customers | (109.4) |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | (29.5) |
| **Total change in operating revenues** | **$ (95.0)** |

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 Columbia 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.

Throughput

The increase in total volumes for the three months ended March 31, 2024, compared to the same period in 2023, is primarily attributable to increased industrial usage.

Commodity Price Impact

Cost of energy for the Columbia Operations segment is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. All Columbia 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 of the Columbia 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.

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

| **Changes in Operating Expenses** *(in millions)* | **Favorable (Unfavorable) Three Months Ended March 31, 2024 vs 2023** |
|---|---|
| Higher employee and administrative related expenses | $ (13.7) |
| Higher depreciation and amortization expense | (10.6) |
| Higher property tax | (2.6) |
| Higher outside services expenses | (2.4) |
| Other | (4.4) |
| Change in operating expenses (before cost of energy and other tracked items) | $ (33.7) |
| **Operating expenses offset in operating revenue** | |
| Lower cost of energy billed to customers | 109.4 |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | 29.5 |
| **Total change in operating expense** | **$ 105.2** |

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**NiSource Inc.**
**NIPSCO Operations**

Financial and operational data for the NIPSCO Operations segment, which services both gas and electric customers, for the three months ended March 31, 2024 and 2023 are presented below.

| | Three Months Ended March 31, | | |
|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Operations** | | | |
| **Operating Revenues** | **$ 752.7** | $ 917.2 | $ (164.5) |
| **Operating Expenses** | | | |
| Cost of energy | **196.2** | 426.8 | 230.6 |
| Operation and maintenance | **191.3** | 190.5 | (0.8) |
| Depreciation and amortization | **132.7** | 108.3 | (24.4) |
| Other taxes | **16.1** | 14.6 | (1.5) |
| Total Operating Expenses | **536.3** | 740.2 | 203.9 |
| Operating Income | **$ 216.4** | $ 177.0 | $ 39.4 |

| | Three Months Ended March 31, | | |
|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Electric** | | | |
| **Revenues** | | | |
| Residential | **$ 143.8** | $ 150.4 | $ (6.6) |
| Commercial | **142.9** | 150.9 | (8.0) |
| Industrial | **116.1** | 134.4 | (18.3) |
| Wholesale | **6.4** | 2.6 | 3.8 |
| Other | **24.8** | 26.4 | (1.6) |
| Total | **$ 434.0** | $ 464.7 | $ (30.7) |
| **Sales (GWh)** | | | |
| Residential | **764.9** | 766.1 | (1.2) |
| Commercial | **878.7** | 856.2 | 22.5 |
| Industrial | **1,832.7** | 1,937.7 | (105.0) |
| Wholesale | **149.2** | — | 149.2 |
| Other | **23.4** | 22.8 | 0.6 |
| Total | **3,648.9** | 3,582.8 | 66.1 |
| **NIPSCO Electric Customers** | | | |
| Residential | **428,035** | 425,090 | 2,945 |
| Commercial | **58,883** | 58,499 | 384 |
| Industrial | **2,120** | 2,133 | (13) |
| Wholesale | **708** | 708 | — |
| Other | **3** | 3 | — |
| Total | **489,749** | 486,433 | 3,316 |

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

**NiSource Inc.**
**NIPSCO Operations**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| *(in millions)* | **2024** | 2023 | Favorable (Unfavorable) |
| **NIPSCO Gas** | | | |
| **Revenues** | | | |
| Residential | **$ 212.1** | $ 302.4 | $ (90.3) |
| Commercial | **74.7** | 112.7 | (38.0) |
| Industrial | **23.8** | 31.5 | (7.7) |
| Other | **8.1** | 5.9 | 2.2 |
| Total | **$ 318.7** | $ 452.5 | $ (133.8) |
| **Sales and Transportation Volumes (MMDth)** | | | |
| Residential | **28.6** | 29.2 | (0.6) |
| Commercial | **17.7** | 17.7 | — |
| Industrial | **70.2** | 71.0 | (0.8) |
| Total | **116.5** | 117.9 | (1.4) |
| **Heating Degree Days** | **2,643** | 2,659 | (16) |
| **Normal Heating Degree Days** | **3,141** | 3,100 | 41 |
| **% (Warmer) than Normal** | **(16)%** | (14)% | |
| **% (Warmer) than prior year** | **(1)%** | | |
| **NIPSCO Gas Customers** | | | |
| Residential | **797,326** | 791,030 | 6,296 |
| Commercial | **66,485** | 66,162 | 323 |
| Industrial | **2,784** | 2,860 | (76) |
| Total | **866,595** | 860,052 | 6,543 |

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.

The underlying reasons for changes in our operating revenues for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

| | | Favorable (Unfavorable) |
|---|---|---|
| **Changes in Operating Revenues** *(in millions)* | | **Three Months Ended March 31, 2024 vs 2023** |
| New rates from base rate proceedings, regulatory capital and DSM programs | | 65.6 |
| Renewable Joint Venture revenue, fully offset by Joint Venture operating expense and noncontrolling interest net income (loss) | | 4.0 |
| Increased customer usage | | 3.9 |
| Increased customer count | | 2.7 |
| The effects of weather in 2024 compared to 2023 | | (5.7) |
| Other | | (2.3) |
| Change in operating revenues (before cost of energy and other tracked items) | $ | 68.2 |
| **Operating revenues offset in operating expense** | | |
| Lower cost of energy billed to customers | | (230.7) |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | | (2.0) |
| **Total change in operating revenues** | **$** | **(164.5)** |

Weather

The results of operations for the NIPSCO Operations segment include income from both electric and gas service lines. In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal cooling degree days and normal heating degree days, net of weather normalization mechanisms. Our composite cooling and heating degree days reported do not directly correlate to the weather-related dollar impact on the results of NIPSCO Operations. Cooling and 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 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 cooling and heating degree day comparison.

Sales

The increase in total volumes sold to electric customers for the three months ended March 31, 2024 compared to the same period in 2023 was primarily attributable to increased usage by commercial and wholesale customers partially offset by industrial and residential customers usage.

The decrease in total volumes sold to gas customers for the three months ended March 31, 2024 compared to the same period in 2023 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the NIPSCO Operations segment's electric activities is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity, and the cost of power purchased from generators of electricity for its generation and transmission activities. For its gas distribution activities, NIPSCO Operations' cost of energy is principally comprised of the cost of natural gas used while providing transportation and distribution services to customers. NIPSCO Operations has state-approved recovery mechanisms that provide a means for full recovery of prudently incurred costs of energy. The majority of these costs of energy are passed through directly to the customer, and the costs of energy included in operating revenues are matched with the cost of energy expense recorded in the period. The difference is recorded on the Condensed Consolidated Balance Sheets (unaudited) as under-recovered or over-recovered fuel and gas costs 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.

The underlying reasons for changes in our operating expenses for the three months ended March 31, 2024 compared to the same period in 2023 are presented below.

| | | Favorable (Unfavorable) |
|---|---|---|
| **Changes in Operating Expenses** *(in millions)* | | **Three Months Ended March 31, 2024 vs 2023** |
| Higher depreciation and amortization expense driven by new base rates | | (20.0) |
| Higher employee and administrative expenses | | (9.5) |
| Renewable Joint Venture operating expenses, partially offset by Joint Venture operating revenues | | (9.3) |
| Lower materials and supplies costs | | 4.4 |
| Lower outside services expenses primarily related to lower generation-related maintenance | | 2.0 |
| Other | | 3.6 |
| Change in operating expenses (before cost of energy and other tracked items) | $ | (28.8) |
| **Operating expenses offset in operating revenue** | | |
| Lower cost of energy billed to customers | | 230.7 |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | | 2.0 |
| **Total change in operating expense** | **$** | **203.9** |

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan and 2021 Plan, which outlines the path to retire the remaining two coal units at R.M. Schahfer by the end of 2025 and the remaining coal-fired generation at Michigan City by the end of 2028, to be replaced by lower-cost, reliable and cleaner options. See "Project Status" discussion, below, and "Liquidity and Capital Resources" in this Management's Discussion for information on anticipated in-service dates related to our electric generation transition and additional information on our capital investment spend.

NIPSCO continues to work with the EPA to obtain an administrative approval associated with the operation of R.M. Schahfer's remaining two coal units until 2025. In the event that the approval is not obtained, future operations could be impacted. We cannot estimate the financial impact on us if this approval is not obtained. Refer to Item 1A. Risk Factors, "Operational Risks," of the 2023 Annual Report on Form 10-K for further detail.

The current replacement plan is aligned with the Preferred Energy Resource Plan outlined in the 2021 Plan and primarily includes renewable sources of energy, including wind, solar, battery storage, and flexible natural gas resources to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from its renewable generation to third parties to offset customer costs. 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.

Since 2020, two wind PPA projects, two wind BTA projects and two solar BTA projects have been placed into service, totaling 1,465 MW of nameplate capacity. NIPSCO has executed commercial agreements for each of the eight remaining identified projects. Dunns Bridge II, Cavalry, Fairbanks, Gibson, GreenRiver, Appleseed, Carpenter and Templeton have received IURC approval. NIPSCO has filed for a new gas peaking facility to be located at R.M. Schahfer Generating Station. On November 22, 2023 the IURC approved NIPSCO's request to convert the Gibson project from a PPA to a BTA. On January 17, 2024 the IURC approved increases to the project costs as well as the full ownership of Cavalry and Dunns Bridge II, allowing NIPSCO to leverage provisions of the IRA to monetize tax credits for the benefit of customers in lieu of utilizing tax equity partnerships. In March 2024, we filed with the IURC to modify the ownership structure for Gibson and Fairbanks solar projects to become fully owned projects and to modify the cost of the Fairbanks project. See "Executive Summary - Energy Transition" in this Management's Discussion for additional information. We expect the majority of our remaining BTA and PPA projects to be placed in service in 2024 and 2025.

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**NiSource Inc.**
**NIPSCO Operations**

| Remaining Renewables Projects | Transaction Type | Technology | Nameplate Capacity (MW) | Storage Capacity (MW) |
|---|---|---|---|---|
| Cavalry | BTA | Solar & Storage | 200 | 60 |
| Dunns Bridge II | BTA | Solar & Storage | 435 | 75 |
| Fairbanks | BTA | Solar | 250 | — |
| Gibson | BTA | Solar | 200 | — |
| Green River | 20 year PPA | Solar | 200 | — |
| Templeton | 20 year PPA | Wind | 200 | — |
| Carpenter | 20 year PPA | Wind | 200 | — |
| Appleseed | 20 year PPA | Solar | 200 | — |

**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 $1.85 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.

- On December 31, 2023, we consummated the NIPSCO Minority Interest Transaction in exchange for a capital contribution of $2.16 billion in cash. See Note 4, "Noncontrolling Interests,"in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On January 3, 2024, we applied the proceeds from the NIPSCO Minority Interest Transaction and repaid in full our $1.0 billion term credit agreement and our $650.0 million term credit agreement. On March 14, 2024 we completed the issuance and sale of $650.0 million of 5.35% senior unsecured notes maturing in 2034, which resulted in approximately $642.6 million of net proceeds after discount and debt issuance costs. See Note 7, "Short-Term Borrowings," and Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On February 22, 2024, we entered into an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of $900.0 million through December 31, 2025. As of March 31, 2024, the ATM program (including the impact of the forward sale agreement) had approximately $700.0 million of equity available for issuance. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.
- On March 15, 2024, we redeemed all 20,000 outstanding shares of Series B Preferred Stock for a redemption price of $25,000 per share and all 20,000 outstanding shares of Series B-1 Preferred Stock for a redemption price of $0.01 per share or $500.0 million in total. See Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2024 and beyond.

The following table summarizes our cash flow activities:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| *(in millions)* | **2024** | **2023** | **Change in 2024 vs 2023** |
| **Cash from (used for):** | | | |
| Operating Activities | **$ 456.2** | $ 683.4 | $ (227.2) |
| Investing Activities | **(723.0)** | (727.8) | 4.8 |
| Financing Activities | **(1,873.8)** | 117.3 | (1,991.1) |

Operating Activities

The decrease in cash from operating activities was primarily driven by year over year change in accounts receivable collections, inventory and exchange gas receivables due to the impact of lower gas prices, partially offset by higher accounts payables and net income.

Investing Activities

Investing activities have been consistent year over year, and is primarily comprised of capital expenditures related to system growth and reliability and milestone payments to renewable generation asset developers for certain of our BTA projects.

As we evaluate progress on the renewable generation projects, we remain on track to make capital investments totaling $3.3 billion to $3.5 billion during the 2024 period. We also expect to invest approximately $16.4 billion during the 2024-2028 period, including capital investments to support our generation transition strategy. These forecasted capital investments are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates.

***Regulatory Capital Programs.*** We are in the process of upgrading and modernizing our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2024, 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:

*(in millions)*

| Company | Program | Capital Investment | Investment Period | Filing Date | Costs Covered[1] |
|---|---|---|---|---|---|
| **Approved** | | | | | |
| Columbia of Ohio | IRP - 2024 | $ 753.5 | 4/21-12/23 | 2/26/2024 | Replacement of hazardous service lines, cast iron, wrought iron, uncoated steel, and bare steel pipe. |
| Columbia of Ohio[2] | PHMSA IRP - 2024 | $ 14.6 | 1/23-12/23 | 2/28/2024 | Investments necessary to comply with the PHMSA Mega Rule. |
| Columbia of Ohio | CEP - 2023 | $ 482.1 | 4/21-12/22 | 2/24/2023 | Assets not included in the IRP. |
| NIPSCO - Gas | TDSIC - 7 | $ 444.9 | 1/23-8/23 | 10/31/2023 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| NIPSCO - Gas | FMCA - 2 | $ 49.0 | 1/23-9/23 | 11/29/2023 | Project costs to comply with federal mandates. |
| Columbia of Virginia | SAVE - 2024 | $ 166.5 | 10/22-12/24 | 8/15/2023 | Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions. Includes costs associated with Advanced Leak Detection and Repair. |
| Columbia of Kentucky | SMRP - 2023 | $ 41.6 | 1/23-12/23 | 10/14/2022 | Replacement of mains and inclusion of system safety investments. |
| NIPSCO - Electric[3] | TDSIC - 3 | $ 144.8 | 7/22-1/23 | 3/28/2023 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| **Pending Commission Approval** | | | | | |
| NIPSCO - Gas | TDSIC - 8 | $ 514.1 | 1/23-2/24 | 4/30/2024 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. |
| Columbia of Ohio | CEP - 2024 | $ 767.0 | 4/21-12/23 | 2/26/2024 | Assets not included in the IRP or PHMSA IRP. |
| Columbia of Kentucky[4] | SMRP - 2024 | $ 81.9 | 1/23-12/24 | 10/13/2023 | Replacement of mains and inclusion of system safety investments. |

[1]Programs do not include any costs already included in base rates.
[2] Columbia of Ohio received a final order with rates effective May 2024.
[3]Coincident with the implementation of Step 1 and Step 2 base rates in Cause No. 45772, TDSIC-3 cumulative capital investment of $554.7 million at Step 1 and $74.2 million at Step 2 moved out of this tracker and into base rates.
[4]Columbia of Kentucky placed these rates into effect, as of January 3, 2024, subject to refund, depending on a Commission order ruling on the Application.

Financing Activities

***Common Stock and Preferred Stock.*** Refer to Note 6, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on common and preferred stock.

***Long-Term Debt.*** Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on long-term debt activity.

***Short-Term Debt.*** Refer to Note 7, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

***Noncontrolling Interest.*** We received $2.16 billion upon closing the NIPSCO Minority Interest Transaction. Proceeds from the closing of the NIPSCO Minority Interest Transaction were used to repay short-term debt, including our credit agreements. Under the terms of the LLC Agreement, BIP is obligated to provide up to $250 million in additional capital contributions over a three-year period after the Closing, which obligation is backed by an Equity Commitment Letter from Blackstone. BIP may contribute additional capital above $250 million as necessary to maintain its percentage ownership interest. Refer to Note 4,

"Noncontrolling Interests," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions from noncontrolling interest activity.

Sources of Liquidity

The following table displays our liquidity position as of March 31, 2024 and December 31, 2023:

| *(in millions)* | **March 31, 2024** | December 31, 2023 |
|---|---|---|
| **Current Liquidity** | | |
| Revolving Credit Facility | $ 1,850.0 | $ 1,850.0 |
| Accounts Receivable Programs[(1)] | 419.8 | 383.9 |
| *Less:* | | |
| Commercial Paper | 1,222.3 | 1,061.0 |
| Accounts Receivable Programs Utilized | — | 337.6 |
| Letters of Credit Outstanding Under Credit Facility | 9.9 | 9.9 |
| *Add:* | | |
| Cash and Cash Equivalents | 102.2 | 2,245.4 |
| **Net Available Liquidity** | $ 1,139.8 | $ 3,070.8 |

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

***Debt Covenants.*** We are subject to a financial covenant under our revolving credit facility, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of March 31, 2024, the ratio was 57.0%.

***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 March 31, 2024. There were no changes to the below credit ratings or outlooks since February 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 |
| 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, 2024, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $108.6 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 770,000,000 shares, $0.01 par value, of which 750,000,000 are common stock and 20,000,000 are preferred stock. As of March 31, 2024, 448,197,604 shares of common 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, 2023. Except for our March 2024 debt issuance, there were no additional material changes from year-end during the three months ended March 31, 2024. Refer to Note 8, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuances.

***Guarantees, Indemnities and Other Off Balance Sheet Arrangements.*** 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. Refer to Note 15, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

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 Columbia Operations and NIPSCO Operations 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.

We recognize that energy efficiency reduces emissions, conserves natural resources and saves our customers money. Our gas distribution companies offer programs such as energy efficiency upgrades, home checkups and weatherization services. The increased efficiency of natural gas appliances and improvements in home building codes and standards contributes to a long-term trend of declining average use per customer. While we are looking to expand offerings so the energy efficiency programs can benefit as many customers as possible, our Columbia Operations and NIPSCO 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 for residential customers 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.

A portion of the NIPSCO 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 Operations expects future growth in per customer usage as a result of 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 Operations will continue efforts to design rates that increase the certainty of recovery of fixed costs.

**NiSource Inc.**
**Regulatory, Environmental and Safety 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 | Approved ROE | Requested Incremental Revenue | Approved Incremental Revenue | Filing Date | Rates Effective |
|---|---|---|---|---|---|
| **Approved Rate Cases** | | | | | |
| Columbia of Pennsylvania[1] | None specified | $ 82.2 | $ 44.5 | March 18, 2022 | December 2022 |
| Columbia of Maryland[1] | None specified | $ 6.5 | $ 3.9 | May 12, 2023 | December 2023 |
| Columbia of Kentucky[2] | 9.35 % | $ 26.7 | $ 18.3 | May 28, 2021 | January 2022 |
| Columbia of Virginia[3] | None specified | $ 40.5 | $ 25.8 | April 29, 2022 | October 2022 |
| Columbia of Ohio | 9.60 % | $ 221.4 | $ 68.3 | June 30, 2021 | March 2023 |
| NIPSCO - Gas[4] | 9.85 % | $ 109.7 | $ 71.8 | September 29, 2021 | September 2022 |
| NIPSCO - Electric[5] | 9.80 % | $ 291.8 | $ 261.9 | September 19, 2022 | August 2023 |
| **Pending Rate Cases** | | | | | |
| NIPSCO - Gas[6] | In process | $ 161.9 | In process | October 25, 2023 | September 2024 |
| Columbia of Pennsylvania | In process | $ 124.1 | In process | March 15, 2024 | December 2024 |
| Columbia of Virginia[7] | In process | $ 37.2 | In process | April 29, 2024 | October 2024 |

[1]No approved ROE is identified for this matter since the approved revenue increase is the result of a black box settlement under which parties agree upon the amount of increase.
[2]The approved ROE for natural gas capital riders (e.g., SMRP) is 9.275%.
[3]Columbia of Virginia's rate case resulted in a black box settlement, representing a settlement to a specific revenue increase but not a specified ROE. The settlement provides use of a 9.70% ROE for future SAVE and filings.
[4]New rates were implemented in 2 steps, with implementation of Step 1 rates in September 2022. The Step 2 rates were filed on February 21, 2023, with rates effective March 2023.
[5] New rates will be implemented in 2 steps, with implementation of Step 1 rates in August 2023 and Step 2 rates effective in March 2024, with service provided in February 2024.
[6]On March 20, 2024, NIPSCO filed a unanimous settlement agreement that, if approved, will result in increased incremental revenue of $120.9 million. Pending the approval of the settlement agreement, new rates expected to be implemented in 2 steps, with implementation of Step 1 rates to be effective in September 2024 and Step 2 Rates in March 2025.
[7] Rates expected to be effective on an interim basis and subject to refund.

PHMSA Regulations

We are committed to reducing the environmental impact of our business and promoting sustained environmental stewardship. We seek proactive opportunities for improved environmental performance and are committed to complying with environmental laws and regulations. To fulfill our vision of being a trusted energy provider, we follow safety practices recommended by leading industry organizations. These practices help us identify and address potential risks, resulting in improvements to our operational and environmental safety.

PHMSA Legislation and Regulations

Under the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020, PHMSA has revised, and continues to revise, the pipeline safety regulations to require operators to update, as needed, their existing distribution integrity management plans, emergency response plans, and operation and maintenance plans. PHMSA has also adopted new requirements for managing records and updating, as necessary, existing district regulator stations to eliminate common modes of failure that can lead to over-pressurization.

In May 2023, PHMSA proposed numerous regulatory revisions under the PIPES Act of 2020 to minimize methane emissions and improve public safety. Under these proposed revisions, our subsidiaries would be required to detect and repair an increased number of gas leaks, reduce the time to repair leaks, increase leak survey frequency, and expand our existing advanced leak detection program. We continue to evaluate the proposed rule for additional impacts on our business.

In September 2023, PHMSA proposed additional regulatory revisions under the PIPES Act of 2020 to enhance distribution system safety through equipment and procedural expectations. Operators will be required to incorporate additional protections for low pressure distribution systems that prevent over-pressurization, amend construction procedures designed to minimize the risk of incidents caused by system over-pressurization, and update distribution integrity management programs to cover and prepare for over-pressurization incidents.

**NiSource Inc.**
**Regulatory, Environmental and Safety Matters**

On November 30, 2023, the House Transportation & Infrastructure Committee introduced new pipeline safety reauthorization legislation known as the PIPES Act of 2023 to reauthorize PHMSA's safety programs for the next four years. The proposed legislation includes several priorities for our company, including excavation damage prevention grants to improve states' damage prevention programs, a PHMSA study on blending hydrogen in distribution pipelines, new criminal penalties for intentionally damaging pipeline facilities, and creation of a Voluntary Information Sharing System to allow for industry participants to share learnings and best practices in a protected manner across the pipeline industry.

CCR Regulation

In May 2023, the EPA proposed changes to the CCR regulations for inactive surface impoundments at inactive facilities, referred to as "legacy CCR surface impoundments." The EPA is also proposing to extend a subset of requirements in the CCR regulations to areas not previously subject to the CCR regulations, referred to as CCR management units ("CCRMUs"). In November 2023, the EPA issued a Notice of Data Availability seeking comment on updated lists of legacy impoundments and CCRMUs, as well as a risk assessment for legacy impoundments and CCRMUs. On April 25, 2024 new EPA rules have been issued and we are evaluating the potential impact on our business.

Climate Change Issues

***Physical Climate Risks.*** Increased frequency of severe and extreme weather events associated with climate change could materially impact our facilities, energy sales, and results of operations. We are unable to predict these events. However, we perform ongoing assessments of physical risk, including physical climate risk, to our business. More extreme and volatile temperatures, increased storm intensity and flooding, and more volatile precipitation leading to changes in lake and river levels are among the weather events that are most likely to impact our business. Efforts to mitigate these physical risks continue to be implemented on an ongoing basis.

***Transition Climate Risks***. We actively engage with and monitor the impact that proposed legislative and regulatory programs related to GHG emissions, at both the federal and state levels, would have on our business.

Regarding federal policies, we continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act ("IIJA"), IRA, EPA's final methane regulations for the oil and natural gas industry, and EPA's proposed Waste Emissions Charge for Petroleum and Natural Gas Systems. We have identified potential opportunities associated with the IIJA and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the IIJA include new federal funding for power grid infrastructure and resiliency investments, new and existing energy efficiency and weatherization programs, electric vehicle infrastructure for public chargers and additional LIHEAP funding. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

The United States is a party to 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. The Biden Administration has set 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 potential pathways to reach these goals.

In December 2023, the U.S. Department of Energy ("DOE") amended the congressionally-mandated efficiency standards for residential home furnaces manufactured after December 2028. We are assessing the potential impacts associated with these new standards.

The DOE has selected two hydrogen hubs in our territories as recipients of funding designated in the IIJA to support the development of regional clean hydrogen hubs. The two hubs are the Midwest Alliance for Clean Hydrogen Hub (MachH2), with potential projects across Illinois, Indiana, Kentucky, Michigan, Missouri, and Wisconsin; and the Appalachian Regional Clean Hydrogen Hub (ARCH2), with potential investments across West Virginia, Ohio, Kentucky, and Pennsylvania. Work is underway to determine what roles our companies may have with these hydrogen hubs.

In May 2023, the EPA released a package of proposed regulatory actions to reduce carbon dioxide emissions from new natural gas-fired electric generating units (EGUs), existing natural gas-fired EGUs, and existing coal-fired EGUs. The EPA finalized the rules on April 25, 2024. We are reviewing the potential impacts of these rules on our business.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Energy Innovation Act, enacted into law in April 2022, and effective July 1, 2022, allows natural gas utilities to supply alternative forms of gas that meet certain standards and reduce emissions intensity. The Act also provides that the costs of enhanced leak detection and repair may be added to a utility's plan to identify proposed eligible infrastructure replacement projects and related cost recovery mechanisms, known as the SAVE Plan. Furthermore, under the Act, utilities can recover eligible biogas supply infrastructure costs on an ongoing basis. The provisions of these laws may provide opportunities for Columbia of Virginia as it participates in the transition to a lower carbon future.

The Climate Solutions Now Act of 2022 requires Maryland to reduce GHG emissions by 60% by 2031 (from 2006 levels), and it requires the state to reach net zero emissions by 2045. The Maryland Department of the Environment adopted a plan to achieve its 2031 goal and is required to adopt a plan for their 2045 net zero goal by 2030. The Act also enacts a state policy to move to broader electrification of both existing buildings and new construction, and requires the Public Service Commission ("PSC") to complete a study assessing the capacity of gas and electric distribution systems to successfully serve customers under a transition to a highly electrified building sector. The PSC released their report on December 29, 2023, and concluded that high levels of electrification can be handled by Maryland's electric systems through 2031. The Maryland Department of the Environment issued proposed Building Energy Performance Standards (BEPS), which would require net zero direct greenhouse gas emissions from large buildings by 2040 with interim targets. Columbia of Maryland is advocating for compliance pathways that use RNG, hydrogen, and emissions offsets. Separately, the PSC has also initiated a proceeding related to Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland's Gas Companies. Columbia of Maryland will continue to monitor these matters, but we cannot predict their final impact on our business at this time.

NIPSCO Gas, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which is a voluntary rider allowing customers to opt in and offset either 50% or 100% of their natural gas related emissions. To reduce the emissions, the utilities will purchase RNG attributes and carbon offsets to match the usage for customers opting into the program. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and began enrolling customers in September 2023. The petitions filed by Columbia of Maryland, Columbia of Pennsylvania, and Columbia of Kentucky were rejected and have not been implemented as of March 31, 2024. Additionally, NIPSCO Electric has a voluntary Green Power Rider program in place that allows customers to designate a portion or all their monthly electric usage to come from power generated by renewable energy sources.

***Net Zero Goal.*** In November 2022, we announced a goal of net zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 GHG emissions ("Net Zero Goal"). Our Net Zero Goal builds on greenhouse gas emission reductions achieved to-date and demonstrates that continued execution of our long-term business plan will drive further greenhouse gas emission reductions. We remain on track to achieve previously announced interim greenhouse gas emission reduction targets by reducing fugitive methane emissions from main and service lines by 50% from 2005 levels by 2025 and reducing Scope 1 GHG emissions from company-wide operations by 90% from 2005 levels by 2030. We plan to achieve our Net Zero Goal primarily through continuation and enhancement of existing programs, such as retiring and replacing coal-fired electric generation with low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak-detection technologies. In addition, we plan to advance other low- and zero-emission energy resources and technologies, which may include hydrogen, renewable natural gas, long-duration storage, and/or deployment of carbon capture and utilization technologies, if and when these become technologically and economically feasible. Carbon offsets and renewable energy credits may also be used to support achievement of our Net Zero Goal. As of the end of 2023, we had reduced Scope 1 GHG emissions by approximately 72% from 2005 levels.

Our greenhouse gas emissions projections, including achieving a Net Zero Goal, are subject to various assumptions that involve risks and uncertainties. Achievement of our Net Zero Goal by 2040 will require supportive regulatory and legislative policies, favorable stakeholder environments and advancement of technologies that are not currently economical to deploy. Should such regulatory and legislative policies, stakeholder environments or technologies fail to materialize, our actual results or ability to achieve our Net Zero Goal, including by 2040, may differ materially.

**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

Our gas and electric subsidiaries have commodity price risk primarily related to the purchases of 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 and does not bear signification exposure to earnings risk, since our current regulatory mechanisms allow recovery of prudently incurred purchased power, fuel and gas costs through the rate-making process, including gains or losses on these derivative instruments. These changes are included in the GCA and FAC regulatory rate-recovery mechanisms. If these mechanisms were to be adjusted or eliminated, these subsidiaries may begin providing services without the benefit of the traditional rate-making process and may be more exposed to commodity price risk. For additional information, see "Results and Discussion of Segment Operations" in this Management's Discussion.

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 11, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of March 31, 2024 and December 31, 2023.

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, and accounts receivable programs, 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 $2.6 million and $4.5 million for the three months ended March 31, 2024 and 2023, 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 long-term debt issuances. From time to time we may enter into forward interest rate instruments to lock in long term interest costs and/ or rates.

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 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.

**Other Information**

Critical Accounting Estimates

A summary of our critical accounting estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. There were no material changes made as of March 31, 2024.

Recently Issued Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are reported in Item 2, "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 15, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

Please refer to the risk factors set forth in Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to such risk factors.

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

Director and Officer Trading Arrangements

During the three months ended March 31, 2024, no director or Section 16 officer of the Company adopted, terminated or modified a ‘Rule 10b5-1 trading arrangement’ or ‘non-Rule 10b5-1 trading arrangement,’ as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

**NiSource Inc.**

| | |
|---|---|
| (3.1) | Certificate of Elimination of the Company with respect to the Series B Preferred Stock and the Series B-1 Preferred Stock, dated March 18, 2024 (incorporated by reference to Exhibit 3.1 to the NiSource Inc. Form 8-K filed on March 18, 2024). |
| (4.1) | Form of 5.350% Notes due 2034 (incorporated by reference to Exhibit 4.1 to the NiSource Inc. Form 8-K filed on March 14, 2024). |
| (10.1) | Separation Agreement dated March 15, 2024, between NiSource Inc. and Donald Brown (incorporated by reference to Exhibit 10.1 to the NiSource Inc. Form 8-K filed on March 15, 2024). |
| (10.2) | Second Amended and Restated Limited Liability Company Agreement of NIPSCO Holdings II LLC, dated January 30, 2024 (incorporated by reference to Exhibit 10.44 to NiSource Inc. Form 10-K filed on February 21, 2024). |
| (10.3) | Form of 2024 CEO RSU Award Agreement (incorporated by reference to Exhibit 10.1 of the NiSource Inc. Form 10-K filed on February 21, 2024). |
| (10.4) | Form of 2024 CEO PSU Award Agreement (incorporated by reference to Exhibit 10.2 of the NiSource Inc. Form 10-K filed on February 21, 2024). |
| (10.5) | Form of RSU Award Agreement (for awards on or after 2024) (incorporated by reference to Exhibit 10.3 of the NiSource Inc. Form 10-K filed on February 21, 2024). |
| (10.6) | Form of PSU Award Agreement (for awards on or after 2024) (incorporated by reference to Exhibit 10.48 of the NiSource Inc. Form 10-K filed on February 21, 2024). |
| (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 similar attachments to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission (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: May 8, 2024

By: /s/ Gunnar J. Gode
Gunnar J. Gode
Vice President, Chief Accounting Officer
(Principal Accounting Officer)

**Exhibit 31.1**

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

I, Lloyd M. Yates, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q of NiSource Inc.;

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 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 8, 2024

By: /s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

**Exhibit 31.2**

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

I, Shawn Anderson, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended March 31, 2024;

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 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 8, 2024

By: /s/ Shawn Anderson
Shawn Anderson
Executive Vice President and Chief Financial Officer

**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 year ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lloyd M. Yates, 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 result of operations of the Company.

/s/ Lloyd M. Yates
Lloyd M. Yates
President and Chief Executive Officer

Date: May 8, 2024

**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, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shawn Anderson, 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 result of operations of the Company.

/s/ Shawn Anderson
Shawn Anderson
Executive Vice President and Chief Financial Officer

Date: May 8, 2024

**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, 2023**

**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<br>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: 413,415,441 shares outstanding at October 24, 2023.

**NISOURCE INC.**
**FORM 10-Q QUARTERLY REPORT**
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

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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 (not exhaustive)**

| | |
|---|---|
| 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 |
| NIPSCO Holdings I | NIPSCO Holdings I LLC |
| NIPSCO Holdings II | NIPSCO Holdings II LLC |
| NiSource ("we," "us" or "our") | NiSource Inc. |
| Rosewater | Rosewater Wind Generation LLC and its wholly owned subsidiary, Rosewater Wind Farm LLC |
| Indiana Crossroads Wind | Indiana Crossroads Wind Generation LLC and its wholly owned subsidiary, Indiana Crossroads Wind Farm LLC |
| Indiana Crossroads Solar | Indiana Crossroads Solar Generation LLC and its wholly owned subsidiary, Meadow Lake Solar Park LLC |
| Dunns Bridge I | Dunns Bridge I Solar Generation LLC and its wholly owned subsidiary, Dunns Bridge Solar Center, LLC |
| Dunns Bridge II | Dunns Bridge II Solar Generation LLC |
| Fairbanks | Fairbanks Solar Generation LLC |
| Cavalry | Cavalry Solar Generation LLC |

**Abbreviations and Other**

| | |
|---|---|
| AFUDC | Allowance for funds used during construction |
| AOCI | Accumulated Other Comprehensive Income (Loss) |
| ASC | Accounting Standards Codification |
| ASU | Accounting Standards Update |
| ATM | At-the-market |
| BIP | Blackstone Infrastructure Partners L.P |
| 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 and its variants, including the Delta and Omicron variants, and any other variant that may emerge |
| DPU | Department of Public Utilities |
| EGUs | Electric Utility Generating Units |
| EPA | United States Environmental Protection Agency |
| EPS | Earnings per share |
| Equity Units | Series A Equity Units |
| FAC | Fuel adjustment clause |
| FASB | Financial Accounting Standards Board |

**DEFINED TERMS**

| | |
|---|---|
| FERC | Federal Energy Regulatory Commission |
| FMCA | Federally Mandated Cost Adjustment |
| GAAP | Generally Accepted Accounting Principles |
| GCA | Gas cost adjustment |
| GHG | Greenhouse gases |
| GWh | Gigawatt hours |
| IRA | Inflation Reduction Act of 2022 |
| IRP | Infrastructure Replacement Program |
| IURC | Indiana Utility Regulatory Commission |
| JV | Joint Venture |
| LIFO | Last In, First Out |
| LIHEAP | Low Income Heating Energy Assistance Programs |
| 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 |
| NYMEX | New York Mercantile Exchange |
| OPEB | Other Postemployment Benefits |
| PHMSA | Pipeline and Hazardous Materials Safety Administration |
| PPA | Power Purchase Agreement |
| PUCO | Public Utilities Commission of Ohio |
| RNG | Renewable Natural Gas |
| ROU | Right of use |
| SAVE | Steps to Advance Virginia's Energy Plan |
| Scope 1 GHG Emissions | Direct emissions from sources owned or controlled by us (e.g., emissions from our combustion of fuel, vehicles, and process emissions and fugitive emissions) |
| Scope 2 GHG Emissions | Indirect emissions from sources owned or controlled by us |
| SEC | Securities and Exchange Commission |
| Section 201 Tariffs | Tariffs imposed by Executive Order from the President of the U.S. on certain imported solar cells and modules at a rate of 15%, which were recently extended to 2026 |
| SMRP | Safety Modification and Replacement Program |
| SMS | Safety Management System |
| SOFR | Secured Overnight Financing Rate |
| 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"). Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to,

statements regarding the ability to complete the NIPSCO Minority Equity Interest Sale (as defined below) on the anticipated timeline or at all; statements regarding the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed; statements regarding the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. 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. 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, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale; the ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues; 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, or failures of, 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, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; 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 physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net-Zero Goal (as defined below); 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; inflation; recessions; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related 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, 2022 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, 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)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2023** | 2022 | **2023** | 2022 |
| **Operating Revenues** | | | | |
| Customer revenues | **$ 1,002.6** | $ 1,058.2 | **$ 3,965.9** | $ 4,055.0 |
| Other revenues | **24.8** | 31.3 | **117.5** | 91.0 |
| Total Operating Revenues | **1,027.4** | 1,089.5 | **4,083.4** | 4,146.0 |
| **Operating Expenses** | | | | |
| Cost of energy | **181.3** | 330.8 | **1,198.3** | 1,421.2 |
| Operation and maintenance | **341.2** | 347.9 | **1,101.9** | 1,124.1 |
| Depreciation and amortization | **210.9** | 203.2 | **650.9** | 604.6 |
| Gain on sale of assets, net | **(0.2)** | (0.3) | **(0.5)** | (105.3) |
| Other taxes | **61.2** | 51.2 | **199.9** | 201.1 |
| Total Operating Expenses | **794.4** | 932.8 | **3,150.5** | 3,245.7 |
| **Operating Income** | **233.0** | 156.7 | **932.9** | 900.3 |
| **Other Income (Deductions)** | | | | |
| Interest expense, net | **(129.2)** | (91.6) | **(348.6)** | (259.8) |
| Other, net | **(1.6)** | 10.1 | **1.9** | 30.0 |
| Total Other Deductions, Net | **(130.8)** | (81.5) | **(346.7)** | (229.8) |
| **Income before Income Taxes** | **102.2** | 75.2 | **586.2** | 670.5 |
| **Income Taxes** | **3.8** | 11.7 | **103.7** | 119.9 |
| **Net Income** | **98.4** | 63.5 | **482.5** | 550.6 |
| Net income (loss) attributable to noncontrolling interest | **13.3** | (2.3) | **5.6** | (9.0) |
| **Net Income Attributable to NiSource** | **85.1** | 65.8 | **476.9** | 559.6 |
| Preferred dividends | **(8.1)** | (13.8) | **(34.6)** | (41.4) |
| Preferred redemption premium | **—** | — | **(6.2)** | — |
| **Net Income Available to Common Shareholders** | **77.0** | 52.0 | **436.1** | 518.2 |
| **Earnings Per Share** | | | | |
| Basic Earnings Per Share [(1)] | **$ 0.19** | $ 0.13 | 1.05 | $ 1.28 |
| Diluted Earnings Per Share | **$ 0.17** | $ 0.12 | **$ 0.98** | $ 1.18 |
| **Basic Average Common Shares Outstanding** | **413.5** | 406.5 | **413.2** | 406.3 |
| **Diluted Average Common Shares** | **448.3** | 443.4 | **447.4** | 441.7 |

[(1)] Basic Earnings Per Share includes the incremental impact of participating securities under the Two-Class Method. See Note 4, "Earnings Per Share," for additional information.

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

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(in millions, net of taxes)* | **2023** | 2022 | **2023** | 2022 |
| Net Income | **$ 98.4** | $ 63.5 | **$ 482.5** | $ 550.6 |
| Other comprehensive income: | | | | |
| Net unrealized loss on available-for-sale debt securities[(1)] | **(1.7)** | (4.5) | **(0.9)** | (14.1) |
| Reclassification adjustment for cash flow hedges[(2)] | **(0.1)** | 16.2 | **(0.2)** | 119.2 |
| Unrecognized pension and OPEB benefit (costs)[(3)] | **0.7** | 0.6 | **1.3** | (1.8) |
| Total other comprehensive income (loss) | **(1.1)** | 12.3 | **0.2** | 103.3 |
| **Comprehensive Income** | **$ 97.3** | $ 75.8 | **$ 482.7** | $ 653.9 |

[(1)]Net unrealized loss on available-for-sale debt securities, net of $0.4 million tax benefit and $1.1 million tax benefit in the third quarter of 2023 and 2022, respectively, and $0.2 million of tax benefit and $3.7 million tax benefit for the nine months ended 2023 and 2022, respectively.
[(2)]Reclassification adjustment for cash flow hedges, net of $0.0 million tax expense and $5.3 million tax expense in the third quarter of 2023 and 2022, respectively , and $0.1 million of tax benefit and $39.4 million tax expense for the nine months ended 2023 and 2022, respectively.
[(3)]Unrecognized pension and OPEB benefit (costs), net of $0.3 million of tax expense and $0.2 million tax expense in the third quarter of 2023 and 2022, respectively, and $0.5 million of tax expense and $0.6 million tax benefit for the nine months ended 2023 and 2022, 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)* | **September 30, 2023** | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| **Property, Plant and Equipment** | | |
| Plant | **$ 29,816.1** | $ 27,551.3 |
| Accumulated depreciation and amortization | **(8,104.1)** | (7,708.7) |
| Net Property, Plant and Equipment[(1)] | **21,712.0** | 19,842.6 |
| **Investments and Other Assets** | | |
| Unconsolidated affiliates | **5.2** | 1.6 |
| Available-for-sale debt securities (amortized cost of $178.2 and $166.7, allowance for credit losses of $0.9 and $0.9, respectively) | **161.9** | 151.6 |
| Other investments | **76.4** | 71.0 |
| Total Investments and Other Assets | **243.5** | 224.2 |
| **Current Assets** | | |
| Cash and cash equivalents | **56.0** | 40.8 |
| Restricted cash | **50.6** | 34.6 |
| Accounts receivable | **585.1** | 1,065.8 |
| Allowance for credit losses | **(15.5)** | (23.9) |
| Accounts receivable, net | **569.6** | 1,041.9 |
| Gas inventory | **297.8** | 531.7 |
| Materials and supplies, at average cost | **183.7** | 151.4 |
| Electric production fuel, at average cost | **60.0** | 68.8 |
| Exchange gas receivable | **37.8** | 128.1 |
| Regulatory assets | **217.8** | 233.2 |
| Deposits to renewable generation asset developer | **179.5** | 143.8 |
| Prepayments and other | **162.6** | 210.0 |
| Total Current Assets[(1)] | **1,815.4** | 2,584.3 |
| **Other Assets** | | |
| Regulatory assets | **2,277.5** | 2,347.6 |
| Goodwill | **1,485.9** | 1,485.9 |
| Deferred charges and other | **293.9** | 252.0 |
| Total Other Assets | **4,057.3** | 4,085.5 |
| **Total Assets** | **$ 27,828.2** | $ 26,736.6 |

[(1)]Includes $1,338.6 million and $978.5 million at September 30, 2023 and December 31, 2022, respectively, of net property, plant and equipment assets and $65.5 million and $25.7 million at September 30, 2023 and December 31, 2022, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs. Refer to Note 11, "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)* | **September 30, 2023** | December 31, 2022 |
|---|---|---|
| **CAPITALIZATION AND LIABILITIES** | | |
| **Capitalization** | | |
| Stockholders' Equity | | |
| Common stock - $0.01 par value, 600,000,000 shares authorized; 413,324,607 and 412,142,602 shares outstanding, respectively | **$ 4.2** | $ 4.2 |
| Preferred stock - $0.01 par value, 20,000,000 shares authorized; 902,500 and 1,302,500 shares outstanding, respectively | **1,152.6** | 1,546.5 |
| Treasury stock | **(99.9)** | (99.9) |
| Additional paid-in capital | **7,393.0** | 7,375.3 |
| Retained deficit | **(1,200.6)** | (1,213.6) |
| Accumulated other comprehensive loss | **(36.9)** | (37.1) |
| Total NiSource Stockholders' Equity | **7,212.4** | 7,575.4 |
| Noncontrolling interest in consolidated subsidiaries | **556.9** | 326.4 |
| Total Equity | **7,769.3** | 7,901.8 |
| Long-term debt, excluding amounts due within one year | **11,011.3** | 9,523.6 |
| Total Capitalization | **18,780.6** | 17,425.4 |
| **Current Liabilities** | | |
| Current portion of long-term debt | **26.8** | 30.0 |
| Short-term borrowings | **2,219.9** | 1,761.9 |
| Accounts payable | **648.2** | 899.5 |
| Dividends payable - common stock | **103.8** | — |
| Dividends payable - preferred stock | **8.1** | — |
| Customer deposits and credits | **286.6** | 324.7 |
| Taxes accrued | **176.1** | 246.2 |
| Interest accrued | **150.4** | 138.4 |
| Exchange gas payable | **44.1** | 147.6 |
| Regulatory liabilities | **320.2** | 236.8 |
| Asset retirement obligations | **57.1** | 35.5 |
| Accrued compensation and employee benefits | **183.3** | 167.5 |
| Obligations to renewable generation asset developer | **—** | 347.2 |
| Other accruals | **170.8** | 325.2 |
| Total Current Liabilities[(1)] | **4,395.4** | 4,660.5 |
| **Other Liabilities** | | |
| Deferred income taxes | **2,011.4** | 1,854.5 |
| Accrued liability for postretirement and postemployment benefits | **236.0** | 245.5 |
| Regulatory liabilities | **1,643.5** | 1,775.8 |
| Asset retirement obligations | **469.8** | 478.1 |
| Other noncurrent liabilities and deferred credits | **291.5** | 296.8 |
| Total Other Liabilities[(1)] | **4,652.2** | 4,650.7 |
| **Commitments and Contingencies (Refer to Note 14, "Other Commitments and Contingencies")** | | |
| **Total Capitalization and Liabilities** | **$ 27,828.2** | $ 26,736.6 |

[(1)]Includes $41.0 million and $128.2 million at September 30, 2023 and December 31, 2022, respectively, of current liabilities and $55.0 million and $30.6 million at September 30, 2023 and December 31, 2022, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit. Refer to Note 11, "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 Statements of Consolidated Cash Flows (unaudited)**

| Nine Months Ended September 30, *(in millions)* | 2023 | 2022 |
|---|---|---|
| **Operating Activities** | | |
| Net Income | **$ 482.5** | $ 550.6 |
| Adjustments to Reconcile Net Income to Net Cash from Operating Activities: | | |
| Depreciation and amortization | **650.9** | 604.6 |
| Deferred income taxes and investment tax credits | **102.1** | 118.3 |
| Gain on sale of assets | **(0.5)** | (105.3) |
| Other adjustments | **12.0** | 27.7 |
| Changes in Assets and Liabilities: | | |
| Components of working capital | **323.6** | (115.2) |
| Regulatory assets/liabilities | **15.1** | (17.4) |
| Deferred charges and other noncurrent assets | **(11.8)** | (16.8) |
| Other noncurrent liabilities and deferred credits | **(38.0)** | (10.3) |
| **Net Cash Flows from Operating Activities** | **1,535.9** | 1,036.2 |
| **Investing Activities** | | |
| Capital expenditures | **(1,885.6)** | (1,523.0) |
| Insurance recoveries | **—** | 105.0 |
| Cost of removal | **(118.7)** | (108.6) |
| Payment to renewable generation asset developer | **(486.7)** | (150.9) |
| Other investing activities | **(12.3)** | (5.2) |
| **Net Cash Flows used for Investing Activities** | **(2,503.3)** | (1,682.7) |
| **Financing Activities** | | |
| Proceeds from Issuance of long-term debt | **1,488.7** | 345.6 |
| Repayments of long-term debt and finance lease obligations | **(24.1)** | (52.5) |
| Change in short-term borrowings, net (maturity ≤ 90 days) | **457.8** | 714.2 |
| Issuance of common stock, net of issuance costs | **9.6** | 9.1 |
| Redemption of preferred stock | **(393.9)** | — |
| Preferred stock redemption premium | **(6.2)** | — |
| Equity costs, grant withholdings, and debt related costs | **(19.3)** | (10.1) |
| Contributions from noncontrolling interest | **240.9** | — |
| Distributions to noncontrolling interest | **(12.0)** | (4.8) |
| Dividends paid - common stock | **(310.1)** | (286.0) |
| Dividends paid - preferred stock | **(35.7)** | (35.7) |
| Contract liability payment | **(49.9)** | (49.6) |
| Payment of financing obligation to renewable generation asset developer | **(347.2)** | — |
| **Net Cash Flows from Financing Activities** | **998.6** | 630.2 |
| Change in cash, cash equivalents and restricted cash | **31.2** | (16.3) |
| Cash, cash equivalents and restricted cash at beginning of period | **75.4** | 94.9 |
| **Cash, Cash Equivalents and Restricted Cash at End of Period** | **$ 106.6** | $ 78.6 |

**Reconciliation to Balance Sheet**

| Nine Months Ended September 30, *(in millions)* | 2023 |
|---|---|
| Cash and cash equivalents | **56.0** |
| Restricted Cash | **50.6** |
| **Total Cash, Cash Equivalents and Restricted Cash** | **106.6** |

**Supplemental Disclosures of Cash Flow Information**

| Nine Months Ended September 30, *(in millions)* | **2023** | 2022 |
|---|---|---|
| Non-cash transactions: | | |
| Capital expenditures included in current liabilities | **$ 389.0** | $ 280.4 |
| Dividends declared but not paid | **111.9** | 115.0 |
| Purchase contract liability[1] | **16.4** | 81.1 |

[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.

**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 July 1, 2023** | **$ 4.2** | **$ 1,152.6** | **$ (99.9)** | **$ 7,383.1** | **$(1,173.8)** | **$ (35.8)** | **$ 341.0** | **$ 7,571.4** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 85.1 | — | 13.3 | 98.4 |
| Other comprehensive loss, net of tax | — | — | — | — | — | (1.1) | — | (1.1) |
| Dividends: | | | | | | | | |
| Common stock ($0.25 per share) | — | — | — | — | (103.8) | — | — | (103.8) |
| Preferred stock (See Note 5) | — | — | — | — | (8.1) | — | — | (8.1) |
| Contributions from noncontrolling interest[2] | — | — | — | — | — | — | 204.6 | 204.6 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | (2.0) | (2.0) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 1.5 | — | — | — | 1.5 |
| Long-term incentive plan | — | — | — | 6.0 | — | — | — | 6.0 |
| 401(k) and profit sharing | — | — | — | 2.4 | — | — | — | 2.4 |
| **Balance as of September 30, 2023** | **$ 4.2** | **$ 1,152.6** | **$ (99.9)** | **$ 7,393.0** | **$(1,200.6)** | **$ (36.9)** | **$ 556.9** | **$ 7,769.3** |

[1] See Note 5, "Equity," for additional information.
[2] Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the substantial completion closing of Dunns Bridge I of $0.2 million and Indiana Crossroads Solar of $1.1 million.

| *(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, 2023** | **$ 4.2** | **$ 1,546.5** | **$ (99.9)** | **$ 7,375.3** | **$(1,213.6)** | **$ (37.1)** | **$ 326.4** | **$ 7,901.8** |
| Comprehensive Income: | | | | | | | | |
| Net income | — | — | — | — | 476.9 | — | 5.6 | 482.5 |
| Other comprehensive income, net of tax | — | — | — | — | — | 0.2 | — | 0.2 |
| Dividends: | | | | | | | | |
| Common stock ($1.00 per share) | — | — | — | — | (413.9) | — | — | (413.9) |
| Preferred stock (See Note 5) | — | — | — | — | (43.8) | — | — | (43.8) |
| Preferred stock redemption | — | (393.9) | — | — | — | — | — | (393.9) |
| Preferred stock redemption premium | — | — | — | — | (6.2) | — | — | (6.2) |
| Contributions from noncontrolling interest[2] | — | — | — | — | — | — | 236.9 | 236.9 |
| Distributions to noncontrolling interests | — | — | — | — | — | — | (12.0) | (12.0) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 4.3 | — | — | — | 4.3 |
| Long-term incentive plan | — | — | — | 5.9 | — | — | — | 5.9 |
| 401(k) and profit sharing | — | — | — | 7.5 | — | — | — | 7.5 |
| **Balance as of September 30, 2023** | **$ 4.2** | **$ 1,152.6** | **$ (99.9)** | **$ 7,393.0** | **$(1,200.6)** | **$ (36.9)** | **$ 556.9** | **$ 7,769.3** |

[1] See Note 5, "Equity," for additional information.
[2] Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the mechanical completion closing of Dunns Bridge I of $2.7 million. Contributions from noncontrolling interest is net of commitment and consulting fees and other legal costs related to the substantial completion closing of Dunns Bridge I of $0.2 million and Indiana Crossroads Solar of $1.1 million.

| *(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 July 1, 2022** | **$ 4.1** | **$ 1,546.5** | **$ (99.9)** | **$ 7,218.6** | **$ (1,408.9)** | **$ (35.8)** | **$ 315.8** | **$ 7,540.4** |
| Comprehensive Income: | | | | | | | | |
| Net income (loss) | — | — | — | — | 65.8 | — | (2.3) | 63.5 |
| Other comprehensive income, net of tax | — | — | — | — | — | 12.3 | — | 12.3 |
| Dividends: | | | | | | | | |
| Common stock ($0.24 per share) | — | — | — | — | (95.6) | — | — | (95.6) |
| Preferred stock (See Note 5) | — | — | — | — | (19.4) | — | — | (19.4) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (1.7) | (1.7) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 1.3 | — | — | — | 1.3 |
| Long-term incentive plan | — | — | — | 2.6 | — | — | — | 2.6 |
| 401(k) and profit sharing | — | — | — | 2.4 | — | — | — | 2.4 |
| ATM program | — | — | — | (0.1) | — | — | — | (0.1) |
| **Balance as of September 30, 2022** | **$ 4.1** | **$ 1,546.5** | **$ (99.9)** | **$ 7,224.8** | **$ (1,458.1)** | **$ (23.5)** | **$ 311.8** | **$ 7,505.7** |

[1] 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, 2022** | **$ 4.1** | **$ 1,546.5** | **$ (99.9)** | **$ 7,204.3** | **$ (1,580.9)** | **$ (126.8)** | **$ 325.6** | **$ 7,272.9** |
| Comprehensive Income: | | | | | | | | |
| Net income (loss) | — | — | — | — | 559.6 | — | (9.0) | 550.6 |
| Other comprehensive income, net of tax | — | — | — | — | — | 103.3 | — | 103.3 |
| Dividends: | | | | | | | | |
| Common stock ($0.94 per share) | — | — | — | — | (381.7) | — | — | (381.7) |
| Preferred stock (See Note 5) | — | — | — | — | (55.1) | — | — | (55.1) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (4.8) | (4.8) |
| Stock issuances: | | | | | | | | |
| Employee stock purchase plan | — | — | — | 3.8 | — | — | — | 3.8 |
| Long-term incentive plan | — | — | — | 9.5 | — | — | — | 9.5 |
| 401(k) and profit sharing | — | — | — | 7.3 | — | — | — | 7.3 |
| ATM program | — | — | — | (0.1) | — | — | | (0.1) |
| **Balance as of September 30, 2022** | **$ 4.1** | **$ 1,546.5** | **$ (99.9)** | **$ 7,224.8** | **$ (1,458.1)** | **$ (23.5)** | **$ 311.8** | **$ 7,505.7** |

[1] 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, 2023** | **903** | **417,112** | **(3,963)** | **413,149** |
| Issued: | | | | |
| Employee stock purchase plan | — | 54 | — | 54 |
| Long-term incentive plan | — | 33 | — | 33 |
| 401(k) and profit sharing | — | 89 | — | 89 |
| Redeemed: | | | | |
| Preferred Stock | — | — | — | — |
| **Balance as of September 30, 2023** | **903** | **417,288** | **(3,963)** | **413,325** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2023** | **1,303** | **416,106** | **(3,963)** | **412,143** |
| Issued: | | | | |
| Employee stock purchase plan | — | 155 | — | 155 |
| Long-term incentive plan | — | 754 | — | 754 |
| 401(k) and profit sharing | — | 273 | — | 273 |
| Redeemed: | | | | |
| Preferred Stock | **(400)** | — | — | — |
| **Balance as of September 30, 2023** | **903** | **417,288** | **(3,963)** | **413,325** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of July 1, 2022** | **1,303** | **409,841** | **(3,963)** | **405,878** |
| Issued: | | | | |
| Employee stock purchase plan | — | 46 | — | 46 |
| Long-term incentive plan | — | 45 | — | 45 |
| 401(k) and profit sharing | — | 81 | — | 81 |
| **Balance as of September 30, 2022** | **1,303** | **410,013** | **(3,963)** | **406,050** |

| | Preferred | Common | | |
|---|---|---|---|---|
| **Shares** *(in thousands)* | **Shares** | **Shares** | **Treasury** | **Outstanding** |
| **Balance as of January 1, 2022** | **1,303** | **409,266** | **(3,963)** | **405,303** |
| Issued: | | | | |
| Employee stock purchase plan | — | 129 | — | 129 |
| Long-term incentive plan | — | 373 | — | 373 |
| 401(k) and profit sharing | — | 245 | — | 245 |
| **Balance as of September 30, 2022** | **1,303** | **410,013** | **(3,963)** | **406,050** |

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

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

## 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, 2022. 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.

## 2. Recent Accounting Pronouncements

### Recently Adopted Accounting Pronouncements

In August 2023, the FASB issued ASU 2023-05*, Business Combinations- Joint Venture Formations.* This pronouncement codifies ASU 805-60 to provide guidance for the recognition and initial measurement of joint venture formations. This guidance requires that the initial assets contributed and liabilities assumed be recognized and measured at fair value, with additional disclosure requirements during the period a joint venture is formed. The pronouncement is effective for joint ventures formed on or after January 1, 2025. We are currently evaluating the impact of this pronouncement on the formation of future joint ventures.

## 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.

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):

| Three Months Ended September 30, 2023 *(in millions)* | Gas Distribution Operations[2] | Electric Operations[3] | Corporate and Other | Total |
|---|---|---|---|---|
| **Customer Revenues[1]** | | | | |
| Residential | $ 351.7 | $ 176.0 | $ — | $ 527.7 |
| Commercial | 108.5 | 156.6 | — | 265.1 |
| Industrial | 46.3 | 115.9 | — | 162.2 |
| Off-system | 9.8 | — | — | 9.8 |
| Miscellaneous | 8.6 | 29.2 | — | 37.8 |
| **Total Customer Revenues** | $ 524.9 | $ 477.7 | $ — | $ 1,002.6 |
| **Other Revenues** | 3.6 | 21.0 | 0.2 | 24.8 |
| **Total Operating Revenues** | $ 528.5 | $ 498.7 | $ 0.2 | $ 1,027.4 |

[1]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[2]Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.
[3]Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

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

| Three Months Ended September 30, 2022 *(in millions)* | Gas Distribution Operations[2] | Electric Operations[3] | Corporate and Other[4] | Total |
|---|---|---|---|---|
| **Customer Revenues[1]** | | | | |
| Residential | $ 330.1 | $ 178.8 | $ — | $ 508.9 |
| Commercial | 114.6 | 158.9 | — | 273.5 |
| Industrial | 42.6 | 151.9 | — | 194.5 |
| Off-system | 72.7 | — | — | 72.7 |
| Miscellaneous | 7.3 | 1.3 | — | 8.6 |
| **Total Customer Revenues** | $ 567.3 | $ 490.9 | $ — | $ 1,058.2 |
| **Other Revenues** | 5.1 | 25.4 | 0.8 | 31.3 |
| **Total Operating Revenues** | $ 572.4 | $ 516.3 | $ 0.8 | $ 1,089.5 |

[1]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[2]Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.
[3]Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.
[4]Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

| Nine months ended September 30, 2023 *(in millions)* | Gas Distribution Operations[2] | Electric Operations[3] | Corporate and Other | Total |
|---|---|---|---|---|
| **Customer Revenues[1]** | | | | |
| Residential | $ 1,789.3 | $ 449.2 | $ — | $ 2,238.5 |
| Commercial | 621.2 | 437.6 | — | 1,058.8 |
| Industrial | 169.3 | 362.7 | — | 532.0 |
| Off-system | 49.9 | — | — | 49.9 |
| Miscellaneous | 38.7 | 48.0 | — | 86.7 |
| **Total Customer Revenues** | $ 2,668.4 | $ 1,297.5 | $ — | $ 3,965.9 |
| **Other Revenues** | 54.2 | 62.7 | 0.6 | 117.5 |
| **Total Operating Revenues** | $ 2,722.6 | $ 1,360.2 | $ 0.6 | $ 4,083.4 |

[1]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[2]Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.
[3]Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.

| Nine months ended September 30, 2022 *(in millions)* | Gas Distribution Operations[2] | Electric Operations[3] | Corporate and Other[4] | Total |
|---|---|---|---|---|
| **Customer Revenues[1]** | | | | |
| Residential | $ 1,772.0 | $ 454.3 | $ — | $ 2,226.3 |
| Commercial | 631.7 | 428.1 | — | 1,059.8 |
| Industrial | 158.5 | 420.4 | — | 578.9 |
| Off-system | 150.5 | — | — | 150.5 |
| Miscellaneous | 29.9 | 9.6 | — | 39.5 |
| **Total Customer Revenues** | $ 2,742.6 | $ 1,312.4 | $ — | $ 4,055 |
| **Other Revenues** | 7.6 | 71.1 | 12.3 | 91.0 |
| **Total Operating Revenues** | $ 2,750.2 | $ 1,383.5 | $ 12.3 | $ 4,146.0 |

[1]Customer revenue amounts exclude intersegment revenues. See Note 17, "Business Segment Information," for discussion of intersegment revenues.
[2]Amounts included in Gas Distributions Operations Other revenues primarily relate to weather normalization adjustment mechanisms.
[3]Amounts included in Electric Operations Other revenues primarily relate to MISO multi-value projects and revenue from non-jurisdictional transmission assets.
[4]Amounts associated with Corporate and Other revenues primarily relate to the Transition Services Agreement entered into in connection with the sale of the Massachusetts Business.

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

***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 nine months ended September 30, 2023 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, 2022 | $ 560.5 | $ 453.0 |
| Balance as of September 30, 2023 | 336.6 | 198.3 |

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.

***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. Internal and external inputs are used in our credit model including, but not limited to, energy consumption trends, revenue projections, actual charge-offs data, recoveries data, shut-offs, customer delinquencies, final bill data, and inflation. We continuously evaluate available information relevant to assessing collectability of current and future receivables. We evaluate creditworthiness of specific customers periodically or following 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 including, but not limited to, creditworthiness of overall population in service territories, adverse conditions impacting an industry sector, and current economic conditions.

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

At each reporting period, we record expected credit losses to 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 September 30, 2023 and December 31, 2022 are presented in the table below:

| (*in millions*) | Gas Distribution Operations | Electric Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2023** | $ 17.2 | $ 5.9 | $ 0.8 | $ 23.9 |
| Current period provisions | 22.4 | 4.7 | — | 27.1 |
| Write-offs charged against allowance | (43.9) | (4.3) | — | (48.2) |
| Recoveries of amounts previously written off | 12.5 | 0.3 | — | 12.8 |
| **Balance as of September 30, 2023** | $ 8.2 | $ 6.6 | $ 0.8 | $ 15.6 |

| (*in millions*) | Gas Distribution Operations | Electric Operations | Corporate and Other | Total |
|---|---|---|---|---|
| **Balance as of January 1, 2022** | $ 18.9 | $ 3.8 | $ 0.8 | $ 23.5 |
| Current period provisions | 29.1 | 6.9 | — | 36.0 |
| Write-offs charged against allowance | (52.1) | (5.3) | — | (57.4) |
| Recoveries of amounts previously written off | 21.3 | 0.5 | — | 21.8 |
| **Balance as of December 31, 2022** | $ 17.2 | $ 5.9 | $ 0.8 | $ 23.9 |

## 4. Earnings Per Share

The calculations of basic and diluted EPS 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 EPS, the shares underlying the purchase contracts included within the Equity Units were included in the calculation of potential common stock outstanding for the three and nine months ended September 30, 2023 and 2022 using the if-converted method under US GAAP. 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, subject to anti-dilution adjustments, 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, subject to anti-dilution adjustments, a variable number of shares of our common stock will be used in calculating diluted EPS. A numerator adjustment is reflected in the calculation of diluted EPS for interest expense incurred for the three and nine months ended September 30, 2023 and 2022 net of tax, related to the purchase contracts.

We adopted ASU 2020-06 on January 1, 2022, which requires us to assume share settlement of the remaining purchase contract payment balance from our Equity Units based on the average share price during the period.

The shares underlying the Series C Mandatory Convertible Preferred Stock included within the Equity Units are contingently convertible 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 September 30, 2023 and 2022, the contingency was not resolved and thus no shares were reflected in the denominator in the calculation of diluted EPS for the three and nine months ended September 30, 2023 and 2022.

Diluted EPS also includes the incremental effects of the various long-term incentive compensation plans and the open ATM forward agreements during the period under the treasury stock method when the impact would be dilutive.

We began using the two-class method of computing earnings per share in 2023 because we have participating securities in the form of non-vested restricted stock units with a non-forfeitable right to dividend equivalents, for which vesting is predicated solely on the passage of time. The calculation of earnings per share using the two-class method excludes income attributable to these participating securities from the numerator and excludes the dilutive impact of those shares from the denominator.

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

During 2022, we had no outstanding securities other than common and preferred stock, which required holders' participation in dividends and earnings; therefore, we were not required to calculate EPS under the two-class method. Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by giving effect to all potential shares of common stock, to the extent they are dilutive.

The following table presents the calculation of our basic and diluted EPS:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2023** | 2022 | **2023** | 2022 |
| **Numerator:** | | | | |
| Net Income Available to Common Shareholders | **$ 77.0** | $ 52.0 | **$ 436.1** | $ 518.2 |
| Less: Income allocated to participating securities | 0.1 | — | **0.3** | — |
| Net Income Available to Common Shareholders - Basic | 76.9 | 52.0 | **435.8** | 518.2 |
| Add: Dilutive effect of Equity Units | 0.4 | 0.5 | **1.2** | 1.5 |
| Net Income Available to Common Shareholders - Diluted | **$ 77.3** | $ 52.5 | **$ 437.0** | $ 519.7 |
| **Denominator:** | | | | |
| Average common shares outstanding - Basic | **413.5** | 406.5 | **413.2** | 406.3 |
| Dilutive potential common shares: | | | | |
| Equity Units purchase contracts | **33.1** | 31.3 | **31.9** | 29.4 |
| Equity Units purchase contract payment balance | **0.6** | 3.0 | **1.2** | 3.4 |
| Shares contingently issuable under employee stock plans | **0.7** | 0.9 | **0.7** | 1.0 |
| Shares restricted under employee stock plans | **0.4** | 0.6 | **0.4** | 0.5 |
| ATM forward agreements | — | 1.1 | — | 1.1 |
| Average Common Shares - Diluted | **448.3** | 443.4 | **447.4** | 441.7 |
| **Earnings per common share:** | | | | |
| Basic | **$ 0.19** | $ 0.13 | **$ 1.05** | $ 1.28 |
| Diluted | **$ 0.17** | $ 0.12 | **$ 0.98** | $ 1.18 |

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

## 5. Equity

***ATM Program.*** 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. As of September 30, 2023, the ATM program had approximately $300.0 million of equity available for issuance. The program expires on December 31, 2023. There are no outstanding forward agreements as of September 30, 2023.

***Preferred Stock***. As of September 30, 2023, we had 20,000,000 shares of preferred stock authorized for issuance, of which 902,500 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 September 30, | | Nine Months Ended September 30, | | September 30, | December 31, |
|---|---|---|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| *(in millions except shares and per share amounts)* | Liquidation Preference Per Share | Shares | Dividends Declared Per Share[2] | | | | Outstanding | |
| 5.650% Series A | $ 1,000.00 | — | — | 28.25 | 28.25 | 56.50 | $ — | $ 393.9 |
| 6.500% Series B | $ 25,000.00 | 20,000 | 406.25 | 406.25 | 1,625.00 | 1,625.00 | $ 486.1 | $ 486.1 |
| Series C[1] | $ 1,000.00 | 862,500 | — | — | — | — | $ 666.5 | $ 666.5 |

[1]The Series C Mandatory Convertible Preferred Stock initially will not bear any dividends. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock.
[2]Dividend declared per share for the nine months ended September 30, 2023 reflects the dividend declared on the Series A Preferred Stock on March 14, 2023. The dividend was paid on June 15, 2023.

In addition, 20,000 shares of Series B–1 Preferred Stock, par value $0.01 per share, were outstanding as of September 30, 2023. 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, 2023 and 2022, Series B Preferred Stock had $1.4 million of cumulative preferred dividends in arrears, or $72.23 per share.

As of September 30, 2022, Series A Preferred Stock had $6.7 million of cumulative preferred dividends in arrears, or $16.63 per share. On June 15, 2023, we redeemed all 400,000 outstanding shares of Series A Preferred Stock for a redemption price of $1,000 per share or $400.0 million in total. Following the redemption, dividends ceased to accrue on such shares of Series A Preferred Stock, the shares of Series A Preferred Stock are no longer deemed outstanding and all rights of the holders of the shares of Series A Preferred Stock were terminated. In conjunction with the redemption, we recorded a $6.2 million preferred stock redemption premium, calculated as the difference between the carrying value on the redemption date of the Series A Preferred Stock and the total amount of consideration paid to redeem, which was recorded as a reduction to retained earnings during the second quarter of 2023. Since we are obligated to issue common stock under the Equity Units purchase contracts upon successful remarketing by the end of 2023, we did not recognize an excise tax liability, under the IRA, in connection with this redemption.

In June 2023, we filed a certificate of elimination to our Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware to eliminate from the Amended and Restated Certificate of Incorporation all matters set forth in the Certificate of Designations with respect to the Series A Preferred Stock. As a result, the 400,000 shares that were previously designated as Series A Preferred Stock were returned to the status of authorized but unissued shares of preferred stock, par value $0.01 per share, without designation as to series. The certificate of elimination does not change the total number of authorized shares of capital stock of NiSource or the total number of authorized shares of preferred stock.

***Equity Units.*** On April 19, 2021, we completed the sale of 8.625 million Equity Units, initially consisting of 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.

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

Selected information about the Equity Units at the issuance date is presented below:

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

[(1)]Issuance costs of $27.0 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.

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 were pledged upon issuance as collateral to secure the purchase of common stock under the related purchase contracts.

The Series C Mandatory Convertible Preferred Stock is required to be remarketed prior to December 1, 2023, and each share, unless previously converted, will automatically convert to common stock 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. Prior to December 1, 2023, the Series C Mandatory Convertible Preferred Stock will not bear any dividends and the liquidation preference will not accrete. 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. 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 pay quarterly contract adjustment payments at the rate of 7.75% per year on the stated amount of $100 per Equity Unit. The contract adjustment payments are payable in cash, shares of our common stock or a combination thereof, at our election. The payment of contract adjustment payments may also be deferred until the purchase contract settlement date, December 1, 2023, at our election. 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. As of September 30, 2023, no contract adjustment payments have been deferred with quarterly cash payments being remitted to the holders. As of September 30, 2023 and December 31, 2022 the purchase contract liability, net of issuance costs, was $16.4 million and $65.0 million, respectively. Purchase contract payments are recorded against this liability. Accretion of the purchase contract liability is recorded as interest expense. Cash payments of $50.1 million were made during both nine month periods ended September 30, 2023 and 2022.

The Series C Mandatory Convertible Preferred Stock and forward purchase contracts are legally detachable and separately exercisable, however, due to the economic linkage between the forward purchase contract and the Series C Mandatory Convertible Preferred Stock, we have concluded that the ability to separate the Corporate Units is non-substantive. Accordingly, we are accounting for the Corporate Units as a single unit of account. We recorded the initial present value of the purchase contract payments as a liability with a corresponding reduction to preferred stock. This liability is included in "Other accruals" on the Condensed Consolidated Balance Sheets (unaudited).

Refer to Note 4, "Earnings Per Share," for additional information regarding our treatment of the Equity Units for diluted EPS. Under the terms of the Equity Units, assuming no anti-dilution or other adjustments such as a fundamental change, 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. Had we settled the remaining purchase contract payment balance in shares at September 30, 2023, we would have issued approximately 0.6 million shares.

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

## 6. Regulatory Matters

NIPSCO change in accounting estimate

As part of the NIPSCO Gas Settlement and Stipulation Agreement filed on March 2, 2022, NIPSCO Gas agreed to change the depreciation methodology for its calculation of depreciation rates, which reduces depreciation expense and subsequent revenues and cash flows. An order was received on July 27, 2022 approving the settlement and rates were effective as of September 1, 2022. As part of the NIPSCO Electric base rate case and the Stipulation and Settlement Agreement filed on March 10, 2023, NIPSCO Electric agreed to change the depreciation methodology for its calculation of depreciation rates, which will reduce depreciation expense and subsequent revenues and cash flows. An order was received on August 2, 2023 approving the settlement, and rates were effective as of August 4, 2023. On October 11, 2023, the IURC issued an order clarifying how the rate increase should have been implemented, holding that the new rates should have only applied to electric usage on or after August 4, 2023, and not for electric usage prior to that date for bills yet to be rendered. NIPSCO was ordered to make a filing reflecting the calculation of the refund to customers by November 10, 2023. The refund amount was reserved for an estimated $12.4 million plus accrued interest.

Columbia of Ohio regulatory filing update

Columbia of Ohio's base rate case was filed on June 30, 2021, requesting a net rate increase of approximately 21.3% or $221.4 million increase in revenue per year. The case was filed in conjunction with applications for an alternative rate plan, approval of certain deferral authority, and updates to certain riders. On October 31, 2022, Columbia of Ohio filed a joint stipulation and recommendation with certain parties to settle the base rate case. On January 26, 2023, the PUCO modified and approved the joint stipulation and recommendation, and Columbia of Ohio placed rates into effect on March 1, 2023. Applications for Rehearing were filed by the three parties who opposed certain rate design and energy efficiency assistance components of the joint stipulation and recommendation, which was granted for further consideration by the PUCO on March 22, 2023.

Regulatory deferral related to renewable energy investments

In accordance with the accounting principles of ASC 980, we recognize a regulatory liability or asset for amounts representing the timing difference between the profit earned from the JVs and the amount included in regulated rates to recover our approved investments in consolidated JVs. The amounts recorded in income will ultimately reflect the amount allowed in regulated rates to recover our investments over the useful life of the projects. The offset to the regulatory liability or asset associated with our renewable investments included in regulated rates is recorded in "Depreciation and amortization" on the Condensed Statements of Consolidated Income (unaudited). NiSource recorded a decrease to depreciation expense of $19.0 million and $9.7 million for the three and nine months ended September 30, 2023. We recorded a decrease to depreciation expense of $2.2 million and an increase to depreciation expense of $4.5 million respectively, for the three and nine months ended September 30, 2022. Following the implementation of the electric base rate case, we began recognizing amounts to recover our investments of projects that have been placed in service. Refer to Note 11, "Variable Interest Entities," for additional information.

## 7. 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:

| | September 30, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| *(in millions)* | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Current[(1)] | | | | |
| Derivatives not designated as hedging instruments | **$ 3.7** | **$ 1.8** | $ 18.8 | $ 1.1 |
| Total | **$ 3.7** | **$ 1.8** | $ 18.8 | $ 1.1 |
| Noncurrent[(2)] | | | | |
| Derivatives not designated as hedging instruments | **$ 34.7** | **$ 1.4** | $ 66.0 | $ 1.9 |
| Total | **$ 34.7** | **$ 1.4** | $ 66.0 | $ 1.9 |

[(1)]Current assets and liabilities are presented in "Prepayments and other" and "Other accruals", respectively, on the Condensed Consolidated Balance Sheets (unaudited).
[(2)]Noncurrent assets and liabilities are presented in "Deferred charges and other" and "Other noncurrent liabilities and deferred credits", respectively, on the Condensed Consolidated Balance Sheets (unaudited).

Our derivative instruments are subject to enforceable master netting arrangements or similar agreements. No collateral was either received or posted related to our outstanding derivative positions at September 30, 2023. If the above gross asset and liability positions were presented net of amounts owed or receivable from counterparties, we would report a net asset position of $35.2 million and $81.8 million at September 30, 2023 and December 31, 2022, respectively.

All gains and losses on derivative contracts are deferred as regulatory liabilities or assets and are remitted to or collected from customers through NIPSCO's quarterly GCA mechanism.

Derivatives Not Designated as Hedging Instruments

***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 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 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. At September 30, 2023 and December 31, 2022, we had 85.2 MMDth and 99.0 MMDth, respectively, of net energy derivative volumes outstanding related to our natural gas hedges.

NIPSCO has received IURC approval to lock in a fixed price for its natural gas customers using long-term forward purchase instruments and is limited to 20% of NIPSCO's average annual GCA purchase volume. As of September 30, 2023, the remaining terms of these instruments range from one to four years.

The following table summarizes the gains and losses associated with the commodity price risk programs deferred as regulatory assets and liabilities:

| *(in millions)* | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| **Regulatory Assets** | | |
| Losses on commodity price risk programs | **$ 15.6** | $ 10.0 |
| **Regulatory Liabilities** | | |
| Gains on commodity price risk programs | **39.0** | 90.0 |

Our derivative instruments measured at fair value as of September 30, 2023 and December 31, 2022 do not contain any credit-risk-related contingent features.

The net gain related to multiple of our settled interest rate swaps is recorded in AOCI. We amortize the net gain over the life of the debt associated with these swaps as we recognize interest expense. These amounts are immaterial for the three and nine months ended September 30, 2023 and 2022 and are recorded in "Interest expense, net" on the Condensed Statements of Consolidated Income (unaudited). Amounts expected to be reclassified to earnings during the next twelve months are

immaterial. Amortization will continue for 344 months. See Note 15, "Accumulated Other Comprehensive Loss," for additional information.

## 8. 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, 2023 and December 31, 2022:

| Recurring Fair Value Measurements September 30, 2023 *(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, 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 38.4 | $ — | $ 38.4 |
| Available-for-sale debt securities | — | 161.9 | — | 161.9 |
| **Total** | **$ —** | **$ 200.3** | **$ —** | **$ 200.3** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 3.2 | $ — | $ 3.2 |
| **Total** | **$ —** | **$ 3.2** | **$ —** | **$ 3.2** |

| Recurring Fair Value Measurements December 31, 2022 *(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, 2022 |
|---|---|---|---|---|
| **Assets** | | | | |
| Risk management assets | $ — | $ 84.8 | $ — | $ 84.8 |
| Available-for-sale debt securities | — | 151.6 | — | 151.6 |
| **Total** | **$ —** | **$ 236.4** | **$ —** | **$ 236.4** |
| **Liabilities** | | | | |
| Risk management liabilities | $ — | $ 3.0 | $ — | $ 3.0 |
| **Total** | **$ —** | **$ 3.0** | **$ —** | **$ 3.0** |

***Risk Management Assets and Liabilities.*** Risk management assets and liabilities include 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 that reduce exposures. As of September 30, 2023 and December 31, 2022, 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.

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 7, "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.

Our available-for-sale debt securities impairments are recognized periodically using an allowance approach. 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 the security's fair value is less than its amortized cost basis. If certain amounts recorded 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. As of September 30, 2023 and December 31, 2022, we have $0.9 million and $0.9 million, respectively, recorded 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, 2023 and December 31, 2022 were:

| September 30, 2023 *(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 | $ 69.0 | $ — | $ (5.0) | $ — | $ 64.0 |
| Corporate/Other debt securities | 109.2 | — | (10.4) | (0.9) | 97.9 |
| **Total** | **$ 178.2** | **$ —** | **$ (15.4)** | **$ (0.9)** | **$ 161.9** |

| December 31, 2022 *(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 | $ 67.7 | $ — | $ (4.5) | $ — | $ 63.2 |
| Corporate/Other debt securities | 99.0 | — | (9.7) | (0.9) | 88.4 |
| **Total** | **$ 166.7** | **$ —** | **$ (14.2)** | **$ (0.9)** | **$ 151.6** |

[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 $59.2 million and $92.3 million, respectively, at September 30, 2023.
[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 $61.0 million and $85.5 million, respectively, at December 31, 2022.

The cost of maturities sold is based upon specific identification. Realized gains and losses on available-for-sale securities were $0.6 million at September 30, 2023. Realized gains and losses on available-for-sale securities were immaterial at December 31, 2022.

At September 30, 2023, approximately $11.9 million of U.S. Treasury debt securities and approximately $3.1 million of Corporate/Other debt securities have maturities of less than a year.

Non-recurring Fair Value Measurements

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

***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 estimate was made at April 19, 2021, and will not be remeasured at each subsequent balance sheet date. It has been categorized within Level 2 of the fair value hierarchy. Refer to Note 5, "Equity," for additional information.

**B. Other Fair Value Disclosures for Financial Instruments.** The carrying amount of cash and cash equivalents, restricted cash, notes receivable, 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, 2023, 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 September 30, 2023** | **Estimated Fair Value as of September 30, 2023** | Carrying Amount as of Dec. 31, 2022 | Estimated Fair Value as of Dec. 31, 2022 |
|---|---|---|---|---|
| Long-term debt (including current portion) | **$ 11,038.1** | **$ 9,589.2** | $ 9,553.6 | $ 8,479.4 |

**9. Income Taxes**

Our interim effective tax rates reflect the estimated annual effective tax rates for 2023 and 2022 applied to year-to-date pretax income, adjusted for tax expense associated with certain discrete items. These adjustments have a relative impact on the effective tax rate proportionally to pretax income or loss. The effective tax rates for the three months ended September 30, 2023 and 2022 were 3.7% and 15.6%, respectively. The effective tax rates for the nine months ended September 30, 2023 and 2022 were 17.7% and 17.9%, respectively. These effective tax rates differ from the federal statutory tax rate of 21% primarily due to renewable partnership income, amortization of excess deferred federal income tax liabilities, as specified in the TCJA, tax credits, state flow through, and other permanent book-to-tax differences.

The decrease in the three month effective tax rate of 11.9% in 2023 compared to 2022 is primarily attributed to decreases in renewable partnership income, partially offset by lower amortization of excess deferred federal income tax liabilities.

The decrease in the nine month effective tax rate of 0.2% in 2023 compared to 2022 is primarily attributed to the jurisdictional mix of pre-tax book income.

As of September 30, 2023, there have been no material changes to our unrecognized tax benefits or possible changes that could reasonably be expected to occur during the next twelve months. See Note 11 to the Company’s Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2022, for a discussion of these unrecognized tax benefits.

**10. Pension and Other Postemployment 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, 2023, we contributed $2.6 million to our pension plans and $16.7 million to our OPEB 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 and nine months ended September 30, 2023 and 2022:

| | Pension Benefits | | OPEB | |
|---|---|---|---|---|
| Three Months Ended September 30, *(in millions)* | **2023** | 2022 | **2023** | 2022 |
| **Components of Net Periodic Benefit Cost**[1] | | | | |
| Service cost | **$ 5.1** | $ 6.8 | **$ 1.3** | $ 1.6 |
| Interest cost | **17.1** | 10.7 | **5.4** | 3.0 |
| Expected return on assets | **(23.6)** | (22.6) | **(3.8)** | (4.0) |
| Amortization of prior service credit | **—** | — | **(0.5)** | (0.6) |
| Recognized actuarial loss | **8.4** | 5.6 | **0.8** | 0.7 |
| Settlement loss | **7.4** | 3.0 | **—** | — |
| **Total Net Periodic Benefit Cost** | **$ 14.4** | $ 3.5 | **$ 3.2** | $ 0.7 |

[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).

| | Pension Benefits | | OPEB | |
|---|---|---|---|---|
| Nine Months Ended September 30, *(in millions)* | **2023** | 2022 | **2023** | 2022 |
| **Components of Net Periodic Benefit Cost**[1] | | | | |
| Service cost | **$ 15.3** | $ 20.9 | **$ 3.9** | $ 4.8 |
| Interest cost | **51.3** | 29.9 | **16.3** | 9.0 |
| Expected return on assets | **(70.8)** | (68.3) | **(11.4)** | (12.0) |
| Amortization of prior service credit | **—** | — | **(1.5)** | (1.8) |
| Recognized actuarial loss | **25.2** | 14.9 | **2.4** | 2.1 |
| Settlement loss | **7.5** | 9.3 | **—** | — |
| **Total Net Periodic Benefit Cost** | **$ 28.5** | $ 6.7 | **$ 9.7** | $ 2.1 |

[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 third quarter of 2023, the requirements for settlement accounting were met for two of our pension plans, resulting in a settlement charge of $7.4 million for the three months ended September 30, 2023, and $7.5 million for the nine months ended September 30, 2023.

## 11. Variable Interest Entities

A VIE is an entity in which the controlling interest is determined through means other than a majority voting interest. NIPSCO owns and operates two wind facilities, Rosewater and Indiana Crossroads Wind, which have 102 MW and 302 MW of nameplate capacity, respectively. NIPSCO also owns two solar facilities, Indiana Crossroads Solar and Dunns Bridge I, which went into service in June 2023, with a combined 465 MW of nameplate capacity. During August 2023, NIPSCO and the tax equity partner made final cash contributions in accordance with the equity capital contribution agreement. In August 2023, Indiana Crossroads Solar and Dunns Bridge I reached substantial completion, resulting in NIPSCO making a combined $307.2 million in developer payments. We control decisions that are significant to these entities' ongoing operations and economic results. Therefore, we have concluded that NIPSCO is the primary beneficiary and have consolidated all four entities.

Members of each respective JV include 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. NIPSCO and each tax equity partner contributed cash to each JV. For the two wind facilities, NIPSCO assumed an obligation to the developers of each facility, representing the remaining economic interest. NIPSCO resolved this obligation by acquiring the developers' economic interests in June 2023 for $389.2 million. Once the tax equity partner has earned their negotiated rate of return and have reached a stated contractual date, NIPSCO has the option to purchase

the remaining interest in the respective JV, at fair market value from the tax equity partner. NIPSCO has an obligation to purchase 100% of the electricity generated by our in service JVs.

We did not provide any financial or other support during the quarter that was not previously contractually required, nor do we expect to provide such support in the future.

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

| *(in millions)* | **September 30, 2023** | December 31, 2022 |
|---|---|---|
| Net Property, Plant and Equipment | **$ 1,338.6** | $ 978.5 |
| Current assets | **65.5** | 25.7 |
| Total assets[(1)] | **1,404.1** | 1,004.2 |
| Current liabilities | **41.0** | 128.2 |
| Asset retirement obligations | **55.0** | 30.6 |
| Total liabilities | **$ 96.0** | $ 158.8 |

[(1)]The assets of each VIE represent assets of a consolidated VIE that can be used only to settle obligations of the respective consolidated VIE. The creditors of the liabilities of the VIEs do not have recourse to the general credit of the primary beneficiary.

## 12. Long-Term Debt

On March 24, 2023, we completed the issuance and sale of $750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately $742.2 million of net proceeds after discount and debt issuance costs.

On June 8, 2023, we completed the issuance and sale of an additional $300.0 million of 5.25% senior unsecured notes maturing in 2028 (the "2028 Notes"). The terms of the 2028 Notes, other than the issue date and the price to the public, are identical to the terms of, and constitute as a reopening of, our 5.25% senior unsecured notes due 2028 issued on March 24, 2023. With the incremental issuance, we now have $1.05 billion of 5.25% senior unsecured notes maturing in 2028. On June 8, 2023, we also completed the issuance and sale of $450.0 million of 5.40% senior unsecured notes maturing in 2033. These issuances resulted in approximately $742.5 million of total net proceeds after discount and debt issuance costs.

## 13. Short-Term Borrowings

We generate short-term borrowings from our revolving credit facility, commercial paper program, accounts receivable transfer programs, and term credit agreement. Each of these borrowing sources is described further 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. We had no outstanding borrowings under this facility as of September 30, 2023 and December 31, 2022.

***Commercial Paper Program.*** Our commercial paper program has a program limit of up to $1.5 billion. We had $935.0 million and $415.0 million of commercial paper outstanding with weighted-average interest rates of 5.58% and 4.60% as of September 30, 2023 and December 31, 2022, respectively.

***Accounts Receivable Transfer Programs.*** 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 2024 and October 2024 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, 2023, the maximum amount of debt that could be borrowed related to our accounts receivable programs was $295.6 million.

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

We had $285.0 million and $347.2 million of short-term borrowings related to the securitization transactions as of September 30, 2023 and December 31, 2022, respectively.

For the nine months ended September 30, 2023, $62.2 million was recorded as cash flows used for financing activities related to the change in short-term borrowings due to securitization transactions. For the nine months ended September 30, 2022, $318.2 million 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 $0.5 million and $0.7 million for the three months ended September 30, 2023 and 2022, respectively and $2.1 million and $1.7 million for the nine months ended September 30, 2023 and 2022, 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.

***Term Credit Agreement.*** On December 20, 2022, we entered into a $1.0 billion term credit agreement with a syndicate of banks. On October 5, 2023, we entered into an amendment with the syndicate of banks to, among other things, extend the maturity date of the agreement from December 19, 2023 to March 15, 2024. With the amendment, we triggered extinguishment accounting and will record an immaterial loss on extinguishment of debt in the fourth quarter of 2023. Interest charged on the borrowings depends on the variable rate structure elected at the time of each borrowing. The available variable rate structures from which we can choose are defined in the agreement. Under the agreement, we borrowed $1.0 billion on December 20, 2022 with an interest rate of SOFR plus 105 basis points. We had $1.0 billion outstanding under this agreement with interest rates of 6.37% and 5.37% as of September 30, 2023 and December 31, 2022, respectively.

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

## 14. 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, 2023 and December 31, 2022, we had issued stand-by letters of credit of $9.9 million and $10.2 million, respectively, for the benefit of third parties.

We provide guarantees related to our future performance under BTAs for our renewable generation projects. At September 30, 2023 and December 31, 2022, our guarantees for multiple BTAs totaled $642.4 million and $841.6 million, respectively. 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.** Due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim, proceeding or investigation would not have a material adverse effect on our results of operations, financial position or liquidity. If one or more 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.

***Private Actions.*** 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"). There continue to be asserted wrongful death and bodily injury claims as it relates to the Greater Lawrence Incident. We continue to discuss potential settlements with remaining claimants. The outcomes and impacts of such private actions are uncertain at this time.

***FERC Investigation.*** In April 2022, NIPSCO was notified that the FERC Office of Enforcement (“OE”) is conducting an investigation of an industrial customer for allegedly manipulating the MISO Demand Response (“DR”) market. The customer and NIPSCO are cooperating with the investigation. It is probable that the OE will require the customer to repay certain DR revenues received from MISO, and will require NIPSCO to disgorge administrative fees and foregone margin charges that NIPSCO collected pursuant to its own IURC-approved tariff. The investigation remains ongoing. NIPSCO currently estimates the maximum amount of its disgorgement exposure to be $7.7 million which will be returned to customers. As of September 30, 2023, NIPSCO expects to recover more than 50% of that amount.

***Other Legal Proceedings.*** We are also party to 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. 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 and asset retirement costs, further described below, to be recoverable through rates.

As of September 30, 2023 and December 31, 2022, we had recorded a liability of $82.7 million and $86.5 million, respectively, to cover environmental remediation at various sites. This liability is included in "Other accruals" and "Other noncurrent liabilities and deferred credits" in the Condensed Consolidated Balance Sheets (unaudited). 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 CERCLA 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. At this time, we cannot estimate the full cost of remediating properties that have not yet been investigated, but it is possible that the future costs could be 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 53 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 completed an annual refresh of the model in the second quarter. No material changes to the estimated future remediation costs were noted as a result of an internal quarterly review of environmental reserves completed as of September 30, 2023. Our total estimated liability related to the facilities subject to remediation was $77.7 million and $81.0 million at September 30, 2023 and December 31, 2022, respectively. The liability represents our best estimate of the probable cost to remediate the MGP sites. Our model indicates that it is reasonably possible that remediation costs could vary by as much as $15.1 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.*** NIPSCO continues to meet the compliance requirements established by the EPA for the regulation of CCRs. The current CCR rule required 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.

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

**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 obligation under each respective BTA is dependent on satisfactory approval of the BTA by the IURC and timely completion of construction. NIPSCO and the tax equity partner, where applicable, for each respective BTA, are obligated to make cash contributions to acquire the project at the date construction is substantially complete. Certain BTA agreements require NIPSCO to make partial payments upon the developer's completion of significant construction milestones.

***Proposed Sale of 19.9% Equity Interest in Northern Indiana Public Service Company LLC.*** On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II LLC, a Delaware limited liability company ("NIPSCO Holdings II"), entered into a purchase and sale agreement (the "BIP Purchase Agreement") with BIP BLUE BUYER L.L.C., an affiliate of BIP. NIPSCO Holdings II is the 100% owner of all issued and outstanding membership interests of NIPSCO. NIPSCO Holdings II is a wholly-owned subsidiary of NIPSCO Holdings I LLC ("NIPSCO Holdings I"), which is a wholly-owned subsidiary of NiSource. Under the terms of the BIP Purchase Agreement, BIP will acquire newly issued membership interests of NIPSCO Holdings II which will represent a 19.9% ownership in NIPSCO Holdings II at closing, for a purchase price of $2.150 billion in cash, subject to adjustment based on the timing of closing and the amount of NiSource capital contributions made prior to closing (the "NIPSCO Minority Equity Interest Sale"). At the closing of the NIPSCO Minority Equity Interest Sale, through their respective percentage ownership of NIPSCO Holdings II, NiSource will own an 80.1% controlling interest in NIPSCO, while BIP will own the remaining 19.9% non-controlling interest. The parties currently expect for the NIPSCO Minority Equity Interest Sale to close by the end of 2023. The closing of the NIPSCO Minority Equity Interest Sale is subject to the satisfaction of certain customary closing conditions described in the BIP Purchase Agreement, including receipt of authorization by FERC. FERC approval was received on October 19, 2023.

The BIP Purchase Agreement may be terminated: (i) by mutual written consent of the parties; (ii) by either party if the closing has not occurred on or before one year after the effective date of the BIP Purchase Agreement; (iii) by BIP or NiSource, as the case may be, prior to the closing upon certain material breaches or failures to perform any of the representations, warranties, covenants or agreements by the other party; or (iv) by either party prior to the closing in the event of a final and non-appealable law or order restraining, enjoining or otherwise prohibiting the closing in any competent jurisdiction.

The BIP Purchase Agreement prohibits NIPSCO and NIPSCO Holdings II from paying any dividends or similar distributions to NiSource prior to the closing of the NIPSCO Minority Equity Interest Sale.

Pursuant to the terms of the BIP Purchase Agreement, at closing of the NIPSCO Minority Equity Interest Sale, BIP, NIPSCO Holdings I, NIPSCO Holdings II and NiSource will enter into an Amended and Restated Limited Liability Company Operating Agreement (the "Holdings II LLC Agreement"). The Holdings II LLC Agreement, among other things, provides for ongoing governance, exit rights, additional capital contributions, distributions, and other arrangements for NIPSCO Holdings II from and after the closing of the NIPSCO Minority Equity Interest Sale. As part of the NIPSCO Minority Equity Interest Sale, BIP is committed to funding its pro rata share of ongoing capital requirements, which is supported by a $250 million equity commitment letter. Upon the closing of the NIPSCO Minority Equity Interest Sale, the board of directors of NIPSCO Holdings II (the "Holdings II Board") will consist of seven directors. The Holdings II LLC Agreement will allow BIP to appoint at least two directors to the Holdings II Board so long as BIP holds at least a 17.5% Percentage Interest (as defined in the Holdings II LLC Agreement). The Holdings II LLC Agreement also contains certain investor protections, including, among other things, requiring BIP approval for NIPSCO Holdings II to take certain major actions. In addition, the Holdings II LLC Agreement will contain certain transfer restrictions and other transfer rights and obligations applicable to both BIP and NiSource.

NiSource intends to use the proceeds from the purchase price and future capital contributions by BIP to support NIPSCO's capital expenditure plans for serving customers, reduce NiSource's debt and fund ongoing capital needs associated with the renewable generation transition.

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

## 15. Accumulated Other Comprehensive Loss

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

| *(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, 2023 | $ (10.4) | $ (12.7) | $ (12.7) | $ (35.8) |
| Other comprehensive loss before reclassifications | (1.7) | (0.4) | (0.1) | (2.2) |
| Amounts reclassified from accumulated other comprehensive loss | — | 0.3 | 0.8 | 1.1 |
| Net current-period other comprehensive income (loss) | (1.7) | (0.1) | 0.7 | (1.1) |
| **Balance as of September 30, 2023** | **$ (12.1)** | **$ (12.8)** | **$ (12.0)** | **$ (36.9)** |

[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, 2023 | $ (11.2) | $ (12.6) | $ (13.3) | $ (37.1) |
| Other comprehensive income (loss) before reclassifications | (1.4) | (0.4) | 0.2 | (1.6) |
| Amounts reclassified from accumulated other comprehensive loss | 0.5 | 0.2 | 1.1 | 1.8 |
| Net current-period other comprehensive income (loss) | (0.9) | (0.2) | 1.3 | 0.2 |
| **Balance as of September 30, 2023** | **$ (12.1)** | **$ (12.8)** | **$ (12.0)** | **$ (36.9)** |

[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 July 1, 2022 | $ (7.5) | $ (19.5) | $ (8.8) | $ (35.8) |
| Other comprehensive income (loss) before reclassifications | (4.6) | 16.2 | — | 11.6 |
| Amounts reclassified from accumulated other comprehensive loss | 0.1 | — | 0.6 | 0.7 |
| Net current-period other comprehensive income (loss) | (4.5) | 16.2 | 0.6 | 12.3 |
| Balance as of September 30, 2022 | $ (12.0) | $ (3.3) | $ (8.2) | $ (23.5) |

[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, 2022 | $ 2.1 | $ (122.5) | $ (6.4) | $ (126.8) |
| Other comprehensive income (loss) before reclassifications | (14.4) | 119.1 | (3.3) | 101.4 |
| Amounts reclassified from accumulated other comprehensive loss | 0.3 | 0.1 | 1.5 | 1.9 |
| Net current-period other comprehensive income (loss) | (14.1) | 119.2 | (1.8) | 103.3 |
| Balance as of September 30, 2022 | $ (12.0) | $ (3.3) | $ (8.2) | $ (23.5) |

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

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

## 16. Other, Net

The following table displays the components of Other, Net included on the Condensed Statements of Consolidated Income (unaudited):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(in millions)* | **2023** | 2022 | **2023** | 2022 |
| Interest income | **$ 2.7** | $ 2.1 | **$ 6.3** | $ 3.6 |
| AFUDC equity | **6.0** | 4.0 | **15.2** | 11.0 |
| Pension and other postretirement non-service benefit (cost) | **(9.8)** | 5.3 | **(18.2)** | 17.6 |
| Miscellaneous | **(0.5)** | (1.3) | **(1.4)** | (2.2) |
| Total Other, net | **$ (1.6)** | $ 10.1 | **$ 1.9** | $ 30.0 |

## 17. Business Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. 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" and primarily are comprised of interest expense on holding company debt, and unallocated corporate costs and activities. Refer to Note 3, "Revenue Recognition," for additional information on our segments and their sources of revenues. The following table provides information about our reportable 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)* | **2023** | 2022 | **2023** | 2022 |
| **Operating Revenues** | | | | |
| **Gas Distribution Operations** | | | | |
| Unaffiliated | **$ 528.5** | $ 572.4 | **$ 2,722.6** | $ 2,750.2 |
| Intersegment | **3.0** | 3.1 | **9.2** | 9.4 |
| Total | **531.5** | 575.5 | **2,731.8** | 2,759.6 |
| **Electric Operations** | | | | |
| Unaffiliated | **498.7** | 516.3 | **1,360.2** | 1,383.5 |
| Intersegment | **0.4** | 0.2 | **0.7** | 0.6 |
| Total | **499.1** | 516.5 | **1,360.9** | 1,384.1 |
| **Corporate and Other** | | | | |
| Unaffiliated | **0.2** | 0.8 | **0.6** | 12.3 |
| Intersegment | **121.7** | 115.3 | **361.2** | 349.5 |
| Total | **121.9** | 116.1 | **361.8** | 361.8 |
| Eliminations | **(125.1)** | (118.6) | **(371.1)** | (359.5) |
| **Consolidated Operating Revenues** | **$ 1,027.4** | $ 1,089.5 | **$ 4,083.4** | $ 4,146.0 |
| **Operating Income (Loss)** | | | | |
| Gas Distribution Operations | **$ 52.2** | $ 33.4 | **$ 614.5** | $ 624.8 |
| Electric Operations | **175.8** | 123.3 | **307.3** | 295.1 |
| Corporate and Other | **5.0** | — | **11.1** | (19.6) |
| **Consolidated Operating Income** | **$ 233.0** | $ 156.7 | **$ 932.9** | $ 900.3 |

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

**NiSource Inc.**

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**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, 2022.

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, 2022 for further discussion of our regulated utility business segments.

Our goal is to develop strategies that benefit all stakeholders as we (i) focus on long-term infrastructure investment and safety programs to better serve our customers, (ii) align our tariff structures with our cost structure, and (iii) address changing customer conservation patterns. These strategies focus on improving safety and reliability, enhancing customer service, ensuring customer affordability and reducing emissions while generating sustainable returns. The safety of our customers, communities and employees remains our top priority. Serving as a guiding practice for our SMS, NiSource is certified in conformance to the American Petroleum Institute Recommended Practice 1173, which is the foundation to our journey towards operational excellence. 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 our coal generation capacity by the end of 2028 with primarily renewable resources, initiated through our 2018 Integrated Resource Plan ("2018 Plan"), is well underway, and we are continually adjusting to the dynamic renewable energy landscape. We achieved in service status in June 2023 and substantial completion in August 2023 for our first two solar BTA's. We have also taken contractual actions on a number of our other renewable projects to address the timing of these projects as well as consider the broad market issues facing the industry. We remain on track to retire R.M Schahfer's remaining two coal units by the end of 2025. On January 1, 2023, the provisions of the IRA became effective. As a result of the IRA, we have made a filing with the IURC to fully-own two BTA projects in lieu of utilizing tax equity partnerships, and we are evaluating the impact of this legislation on our remaining projects, with potential to drive increased value to customers as part of our expansion of renewable projects and generation transition strategy. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

In 2021, we announced and filed with the IURC the Preferred Energy Resource Plan associated with our 2021 Integrated Resource Plan ("2021 Plan"). The 2021 Plan lays out a timeline to retire the Michigan City Generating Station by the end of 2028. The 2021 Plan calls for the replacement of the retiring units with a diverse portfolio of resources including demand side management resources, incremental solar, stand-alone energy storage and upgrades to existing facilities at the Sugar Creek Generating Station, among other steps. Additionally, the 2021 Plan calls for a new natural gas peaking unit to replace existing vintage gas peaking units at the R.M. Schahfer Generating Station to support system reliability and resiliency, as well as upgrades to the transmission system to enhance our electric generation transition. In September of 2023, we filed a request for issuance of a certificate of public convenience and necessity for an approximately 400 MW natural gas peaking generation unit with the IURC. The planned retirement of the two vintage gas peaking units at the R.M. Schahfer Generating Station is also expected to occur by the end of 2028. Final retirement dates for these units, as well as Michigan City, will be subject to MISO approval.

**NIPSCO Minority Equity Interest Sale:** On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO. Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

**Transformation:** Our enterprise-wide transformation roadmap focuses on operational excellence, safety, operation and maintenance management, and unlocking efficiencies. We are currently executing on several initiatives that will enable us to streamline work and improve logistics company-wide. These efforts will include investments in proven technologies backed with standardized processes that will change the way we plan, schedule, and execute work in the field and how we engage and provide service to our customers. Taken together, all the initiatives under the Enterprise-wide Transformation Roadmap will prioritize safety and continue to optimize our long-term growth profile.

**Economic Environment:** We continue to monitor risks related to increasing order and delivery lead times for construction and other materials, increasing risk of unavailability of materials due to global shortages in raw materials, and risk of decreased construction labor productivity in the event of disruptions in the availability of materials. We continue to see increasing prices associated with certain materials and supplies. To the extent that delays occur or our costs increase, our business operations, results of operations, cash flows, and financial condition could be materially adversely affected. For more information on supply chain impacts to our electric generation strategy, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion. Additionally, for more information on global availability of materials for our renewable projects, see "Results and Discussion of Segment Operations - Electric Operations - Electric Supply and Generation Transition."

We are faced with increased competition for employee and contractor talent in the current labor market which has resulted in increased costs to attract and retain talent. We are ensuring that we use all internal human capital programs (development, leadership enablement programs, succession, performance management) to promote retention of our current employees along with having a competitive and attractive appeal for potential recruits. With a focus on workforce planning, we are evaluating our future talent footprint by creating flexible work arrangements where possible to ensure we have the right people, in the right role, and at the right time.

After decreasing for the first three months of 2023, the market price of natural gas has stabilized at low levels, compared to 2022 prices, with little volatility. Changes in gas prices do not have a material impact on our results of operations, however higher natural gas prices can impact our cash flows and liquidity. For more information on our commodity price impacts, see "Results and Discussion of Segment Operations - Gas Distribution Operations," and "Market Risk Disclosures."

Due to rising interest rates, we experienced higher interest expense for the three and nine months periods ended September 30, 2023 compared to the same periods in 2022 associated with short-term borrowings. We continue to evaluate our financing plan to manage interest expense and exposure to rates. For more information on interest rate risk, see "Market Risk Disclosures".

**NiSource Inc.**

**Summary of Consolidated Financial Results**

A summary of our consolidated financial results for the three and nine months ended September 30, 2023 and 2022 are presented below:

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2023** | 2022 | Favorable (Unfavorable) | **2023** | 2022 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 1,027.4** | $ 1,089.5 | $ (62.1) | **$ 4,083.4** | $ 4,146.0 | $ (62.6) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **181.3** | 330.8 | 149.5 | **1,198.3** | 1,421.2 | 222.9 |
| Other Operating Expenses | **613.1** | 602.0 | (11.1) | **1,952.2** | 1,824.5 | (127.7) |
| **Total Operating Expenses** | **794.4** | 932.8 | 138.4 | **3,150.5** | 3,245.7 | 95.2 |
| **Operating Income** | **233.0** | 156.7 | 76.3 | **932.9** | 900.3 | 32.6 |
| Total Other Deductions, Net | **(130.8)** | (81.5) | (49.3) | **(346.7)** | (229.8) | (116.9) |
| Income Taxes | **3.8** | 11.7 | 7.9 | **103.7** | 119.9 | 16.2 |
| **Net Income** | **98.4** | 63.5 | 34.9 | **482.5** | 550.6 | (68.1) |
| Net income (loss) attributable to noncontrolling interest | **13.3** | (2.3) | (15.6) | **5.6** | (9.0) | (14.6) |
| **Net Income Attributable to NiSource** | **85.1** | 65.8 | 19.3 | **476.9** | 559.6 | (82.7) |
| Preferred dividends | **(8.1)** | (13.8) | 5.7 | **(40.8)** | (41.4) | 0.6 |
| **Net Income Available to Common Shareholders** | **77.0** | 52.0 | 25.0 | **436.1** | 518.2 | (82.1) |
| **Earnings Per Share** | | | | | | |
| Basic Earnings Per Share | **$ 0.19** | $ 0.13 | $ 0.06 | 1.05 | $ 1.28 | $ (0.23) |
| Diluted Earnings Per Share | **$ 0.17** | $ 0.12 | $ 0.05 | **$ 0.98** | $ 1.18 | $ (0.20) |

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.

The increase in net income available to common shareholders for the three months ended September 30, 2023 was primarily due to higher revenues, net of cost of energy, driven by rate increases from regulatory initiatives.

The decrease in net income available to common shareholders for the nine months ended September 30, 2023 is driven by the receipt of the insurance settlement related to the Greater Lawrence Incident received in 2022, as well as increased other deductions, partially offset by higher net revenues driven by rate increases from regulatory initiatives.

The decrease in preferred dividends for the three and nine months ended September 30, 2023 was due primarily to the redemption of Series A Preferred Stock in the second quarter 2023. See Note 5, "Equity," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

For additional information on operating income variance drivers see "Results and Discussion of Segment Operations" for Gas and Electric Operations in this Management's Discussion.

Other Deductions, net

The change in Other deductions, net for the three and nine months ended September 30, 2023 compared to the same period in 2022 is primarily driven by higher long-term and short-term debt interest in 2023 and higher non-service pension costs. See Note 12, "Long-Term Debt," Note 13, "Short-Term Borrowings," and Note 10, "Pension and Other Postemployment Benefits," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information.

Income Taxes

Refer to Note 9, "Income Taxes," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on income taxes and the change in the effective tax rates for the periods presented.

We continue to monitor risks related to the implementation of any final or proposed tax regulations related to the IRA.

On April 14, 2023, the IRS issued Revenue Procedure 2023-15 which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve linear property and non-linear natural

gas transmission and distribution property must be capitalized as improvements or are allowable as deductions. We continue to analyze the provisions of the safe harbor method of accounting which we expect to adopt.

## RESULTS AND DISCUSSION OF SEGMENT OPERATIONS

Presentation of Segment Information

Our operations are divided into two primary reportable segments, the Gas Distribution Operations and the Electric Operations segments. 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.

**NiSource Inc.**
**Gas Distribution Operations**

Financial and operational data for the Gas Distribution Operations segment for the three and nine months ended September 30, 2023 and 2022 are presented below.

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2023** | 2022 | Favorable (Unfavorable) | **2023** | 2022 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 531.5** | $ 575.5 | $ (44.0) | **$ 2,731.8** | $ 2,759.6 | $ (27.8) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **72.1** | 158.0 | 85.9 | **823.1** | 1,000.5 | 177.4 |
| Operation and maintenance | **241.0** | 237.0 | (4.0) | **789.5** | 774.1 | (15.4) |
| Depreciation and amortization | **118.1** | 104.3 | (13.8) | **343.8** | 307.2 | (36.6) |
| Gain on sale of fixed assets and impairments, net | **—** | — | — | **—** | (105.0) | (105.0) |
| Other taxes | **48.1** | 42.8 | (5.3) | **160.9** | 158.0 | (2.9) |
| Total Operating Expenses | **479.3** | 542.1 | 62.8 | **2,117.3** | 2,134.8 | 17.5 |
| Operating Income | **$ 52.2** | $ 33.4 | $ 18.8 | **$ 614.5** | $ 624.8 | $ (10.3) |
| **Revenues** | | | | | | |
| Residential | **$ 352.7** | $ 332.3 | $ 20.4 | **$ 1,828.7** | $ 1,772.7 | $ 56.0 |
| Commercial | **108.9** | 115.5 | (6.6) | **627.4** | 634.3 | (6.9) |
| Industrial | **46.4** | 42.9 | 3.5 | **169.6** | 159.3 | 10.3 |
| Off-System | **9.8** | 72.7 | (62.9) | **49.9** | 150.5 | (100.6) |
| Other | **13.7** | 12.1 | 1.6 | **56.2** | 42.8 | 13.4 |
| Total | **$ 531.5** | $ 575.5 | $ (44.0) | **$ 2,731.8** | $ 2,759.6 | $ (27.8) |
| **Sales and Transportation (MMDth)** | | | | | | |
| Residential | **12.4** | 13.6 | (1.2) | **145.6** | 169.8 | (24.2) |
| Commercial | **17.9** | 17.7 | 0.2 | **114.2** | 126.1 | (11.9) |
| Industrial | **126.2** | 115.6 | 10.6 | **384.2** | 365.6 | 18.6 |
| Off-System | **7.0** | 10.6 | (3.6) | **25.6** | 23.2 | 2.4 |
| Other | **—** | — | — | **0.2** | 0.2 | — |
| Total | **163.5** | 157.5 | 6.0 | **669.8** | 684.9 | (15.1) |
| **Heating Degree Days** | **41** | 87 | (46) | **2,898** | 3,493 | (595) |
| **Normal Heating Degree Days** | **60** | 60 | — | **3,428** | 3,428 | — |
| **% Colder (Warmer) than Normal** | **(32)%** | 45 % | | **(15)%** | 2 % | |
| **% Warmer than prior year** | **(53)%** | | | **(17)%** | | |
| **Gas Distribution Customers** | | | | | | |
| Residential | | | | **2,980,246** | 2,952,458 | 27,788 |
| Commercial | | | | **251,642** | 250,919 | 723 |
| Industrial | | | | **4,794** | 4,860 | (66) |
| Other | | | | **3** | 3 | — |
| Total | | | | **3,236,685** | 3,208,240 | 28,445 |

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**

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Revenues** *(in millions)* | **Three Months Ended September 30, 2023 vs 2022** | **Nine Months Ended September 30, 2023 vs 2022** |
| New rates from base rate proceedings and regulatory capital programs | $ 42.3 | $ 185.4 |
| Increased customer usage | 1.0 | 1.5 |
| The effects of customer growth | 1.8 | 4.3 |
| The effects of weather in 2023 compared to 2022 | (2.6) | (41.3) |
| Other | 1.3 | 10.0 |
| Change in operating revenues (before cost of energy and other tracked items) | $ 43.8 | $ 159.9 |
| **Operating revenues offset in operating expense** | | |
| Lower cost of energy billed to customers | (85.9) | (177.4) |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | (3.1) | (1.9) |
| Increase (Reduction) in gross receipts tax, offset in operating expenses | 1.2 | (8.4) |
| **Total change in operating revenues** | **$ (44.0)** | **$ (27.8)** |

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.

Throughput

The increase in total volumes for the three months ended September 30, 2023, compared to the same period in 2022, is primarily attributable to increased industrial usage.

The decrease in total volumes for the nine months ended September 30, 2023 compared to the same period in 2022, is primarily attributable to the effects of warmer weather.

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.

**NiSource Inc.**
**Gas Distribution Operations**

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Expenses** *(in millions)* | **Three Months Ended September 30, 2023 vs 2022** | **Nine Months Ended September 30, 2023 vs 2022** |
| Higher employee and administrative related expenses | $ (8.2) | $ (11.5) |
| (Higher) lower materials and supplies expense | (3.1) | 1.6 |
| Property insurance settlement related to the Greater Lawrence Incident received in 2022 | — | (105.0) |
| Higher depreciation and amortization expense | (14.1) | (38.5) |
| Higher property tax | (2.0) | (11.8) |
| Lower environmental expenses | — | 5.4 |
| Impacts from Columbia of Ohio's rate case | (4.2) | (9.3) |
| Lower outside services expenses | 7.7 | 10.7 |
| Other | (1.1) | (11.8) |
| Change in operating expenses (before cost of energy and other tracked items) | $ (25.0) | $ (170.2) |
| **Operating expenses offset in operating revenue** | | |
| Lower cost of energy billed to customers | 85.9 | 177.4 |
| (Reduction) Increase in gross receipts tax, offset in operating revenues | (1.2) | 8.4 |
| Lower tracker deferrals within operation and maintenance, depreciation, and tax | 3.1 | 1.9 |
| **Total change in operating expense** | **$ 62.8** | **$ 17.5** |

**NiSource Inc.**
**Electric Operations**

Financial and operational data for the Electric Operations segment for the three and nine months ended September 30, 2023 and 2022 are presented below.

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2023** | 2022 | Favorable (Unfavorable) | **2023** | 2022 | Favorable (Unfavorable) |
| **Operating Revenues** | **$ 499.1** | $ 516.5 | $ (17.4) | **$ 1,360.9** | $ 1,384.1 | $ (23.2) |
| **Operating Expenses** | | | | | | |
| Cost of energy | **109.2** | 172.8 | 63.6 | **375.3** | 420.8 | 45.5 |
| Operation and maintenance | **122.2** | 126.5 | 4.3 | **374.7** | 367.3 | (7.4) |
| Depreciation and amortization | **82.3** | 88.1 | 5.8 | **275.0** | 267.0 | (8.0) |
| Gain on sale of assets | **—** | — | — | **(0.1)** | — | 0.1 |
| Other taxes | **9.6** | 5.8 | (3.8) | **28.7** | 33.9 | 5.2 |
| Total Operating Expenses | **323.3** | 393.2 | 69.9 | **1,053.6** | 1,089.0 | 35.4 |
| Operating Income | **$ 175.8** | $ 123.3 | $ 52.5 | **$ 307.3** | $ 295.1 | $ 12.2 |
| **Revenues** | | | | | | |
| Residential | **$ 176.0** | $ 178.7 | $ (2.7) | **$ 449.2** | $ 454.3 | $ (5.1) |
| Commercial | **156.6** | 158.9 | (2.3) | **437.6** | 428.1 | 9.5 |
| Industrial | **116.0** | 152.1 | (36.1) | **363.3** | 421.0 | (57.7) |
| Wholesale | **15.4** | 4.1 | 11.3 | **25.5** | 10.6 | 14.9 |
| Other | **35.1** | 22.7 | 12.4 | **85.3** | 70.1 | 15.2 |
| Total | **$ 499.1** | $ 516.5 | $ (17.4) | **$ 1,360.9** | $ 1,384.1 | $ (23.2) |
| **Sales (GWh)** | | | | | | |
| Residential | **1,034.6** | 1,080.6 | (46.0) | **2,540.5** | 2,745.2 | (204.7) |
| Commercial | **1,011.0** | 1,044.7 | (33.7) | **2,743.7** | 2,845.3 | (101.6) |
| Industrial | **2,023.7** | 2,076.3 | (52.6) | **5,955.3** | 6,078.8 | (123.5) |
| Wholesale | **0.2** | 4.9 | (4.7) | **0.9** | 37.0 | (36.1) |
| Other | **17.6** | 17.9 | (0.3) | **58.2** | 67.5 | (9.3) |
| Total | **4,087.1** | 4,224.4 | (137.3) | **11,298.6** | 11,773.8 | (475.2) |
| **Cooling Degree Days** | **475** | 592 | (117) | **681** | 934 | (253) |
| **Normal Cooling Degree Days** | **573** | 573 | — | **820** | 820 | — |
| **% (Colder) Warmer than Normal** | **(17)%** | 3 % | | **(17)%** | 14 % | |
| **% (Colder) than prior year** | **(20)%** | | | **(27)%** | | |
| **Electric Customers** | | | | | | |
| Residential | | | | **426,054** | 423,764 | 2,290 |
| Commercial | | | | **58,556** | 58,196 | 360 |
| Industrial | | | | **2,126** | 2,133 | (7) |
| Wholesale | | | | **708** | 711 | (3) |
| Other | | | | **3** | 3 | — |
| Total | | | | **487,447** | 484,807 | 2,640 |

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.

The underlying reasons for changes in our operating revenues for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

**NiSource Inc.**
**Electric Operations**

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Revenues** *(in millions)* | **Three Months Ended September 30, 2023 vs 2022** | **Nine Months Ended September 30, 2023 vs 2022** |
| New rates from regulatory capital and DSM programs | 45.5 | 51.0 |
| Increased (Decreased) customer usage | 6.4 | (9.7) |
| FAC over earnings reserve | 5.2 | 5.2 |
| Renewable Joint Venture revenue, fully offset by Joint Venture operating expense and noncontrolling interest net income (loss) | 4.4 | 7.8 |
| The effects of weather in 2023 compared to 2022 | (16.8) | (27.6) |
| 2022 FAC refund | — | 8.0 |
| Other | 3.0 | (3.3) |
| Change in operating revenues (before cost of energy and other tracked items) | $ 47.7 | $ 31.4 |
| **Operating revenues offset in operating expense** | | |
| Lower cost of energy billed to customers | (63.6) | (45.5) |
| Reduction in gross receipts tax, offset in operating expenses | — | (11.5) |
| Higher (lower) tracker deferrals within operation and maintenance, depreciation and tax | (1.5) | 2.4 |
| **Total change in operating revenues** | **$ (17.4)** | **$ (23.2)** |

Weather

In general, we calculate the weather-related revenue variance based on changing customer demand driven by weather variance from normal cooling degree days. Our composite cooling degree days reported do not directly correlate to the weather-related dollar impact on the results of Electric Operations. 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 cooling degree day comparison.

Sales

The decrease in total volumes sold for the three and nine months ended September 30, 2023 compared to the same period in 2022 was primarily attributable to decreased usage by industrial and residential customers.

Commodity Price Impact

Cost of energy for the Electric Operations segment is principally comprised of the cost of coal, natural gas purchased for internal generation of electricity at NIPSCO, and the cost of power purchased from generators of electricity. NIPSCO has a state-approved recovery mechanism that provides a means for full recovery of prudently incurred costs of energy. The majority of these costs of energy are passed through directly to the customer, and the costs of energy included in operating revenues are matched with the cost of energy 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.

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

**NiSource Inc.**
**Electric Operations**

The underlying reasons for changes in our operating expenses for the three and nine months ended September 30, 2023 compared to the same periods in 2022 are presented below.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in Operating Expenses** *(in millions)* | **Three Months Ended September 30, 2023 vs 2022** | **Nine Months Ended September 30, 2023 vs 2022** |
| Lower depreciation and amortization expense excluding the regulatory deferral adjustment associated with the Joint Ventures | 9.6 | 1.3 |
| Lower (higher) outside services expenses primarily related to higher generation-related maintenance | $ 3.8 | $ (8.6) |
| Lower employee and administrative expenses | 2.0 | 4.9 |
| Renewable Joint Venture operating expenses, offset by Joint Venture operating revenues | (11.2) | (14.4) |
| Other | 0.6 | (2.4) |
| Change in operating expenses (before cost of energy and other tracked items) | $ 4.8 | $ (19.2) |
| **Operating expenses offset in operating revenue** | | |
| Lower cost of energy billed to customers | 63.6 | 45.5 |
| Reduction in gross receipts tax, offset in operating revenues | — | 11.5 |
| Lower (higher) tracker deferrals within operation and maintenance, depreciation and tax | 1.5 | (2.4) |
| **Total change in operating expense** | **$ 69.9** | **$ 35.4** |

Electric Supply and Generation Transition

NIPSCO continues to execute on an electric generation transition consistent with the 2018 Plan and 2021 Plan, which outlines the path to retire the remaining two coal units at R.M. Schahfer by the end of 2025 and the remaining coal-fired generation at Michigan City by the end of 2028, to be replaced by lower-cost, reliable and cleaner options. See "Project Status" discussion, below, and "Liquidity and Capital Resources" in this Management's Discussion for anticipated barriers to the success of our electric generation transition and additional information on our capital investment spend.

NIPSCO continues to work with the EPA to obtain an administrative approval associated with the operation of R.M. Schahfer's remaining two coal units until 2025. In the event that the approval is not obtained, future operations could be impacted. We cannot estimate the financial impact on us if this approval is not obtained.

The current replacement plan primarily includes renewable sources of energy, including wind, solar, battery storage, and flexible natural gas resources to be obtained through a combination of NIPSCO ownership and PPAs. NIPSCO has sold, and may in the future sell, renewable energy credits from its renewable generation to third parties to offset customer costs. 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.

Three wind projects and two solar projects have been placed into service, totaling approximately 1,269 MW of nameplate capacity. NIPSCO has executed commercial agreements for each of the nine remaining identified projects. Dunns Bridge II, Cavalry, Fairbanks, Indiana Crossroads II, GreenRiver, Appleseed, Carpenter and Templeton have received IURC approval. Additional approvals by the IURC may be required to obtain recovery for increases in projects costs. NIPSCO has recently filed with the IURC seeking approval for the Gibson project, and has filed for a new gas peaking resource to be located at Schahfer generating station. NIPSCO also filed with the IURC for a project cost update and full ownership of the Cavalry and Dunns Bridge II projects as a result of the option to use tax credit transferability under the IRA. Our current replacement program includes a diverse portfolio of resources detailed in the Preferred Energy Resource Plan outlined in our 2021 Integrated Resource Plan. See "Executive Summary - Your Energy, Your Future" in this Management's Discussion for additional information.

**NiSource Inc.**
**Electric Operations**

***Project Status***. Our contract amendments to certain solar agreements will result in the majority of our remaining projects and investments being placed in service in 2024 and 2025. These amendments also formally address inflationary cost pressures communicated from the developers of our solar and storage projects that are primarily due to (i) limited supply of solar panels and other uncertainties related to the U.S. Department of Commerce investigation on Antidumping and Countervailing Duties petition filed by a domestic solar manufacturer (the "DOC Investigation"), (ii) the U.S. Department of Homeland Security's June 2021 Withhold Release Order on silica-based products made by Hoshine Silicon Industry Co., Ltd./Uyghur Forced Labor Prevention Act, (iii) Section 201 Tariffs and (iv) persistent general global supply chain and labor availability issues. We are also monitoring our other renewable projects as upcoming project milestones related to permitting and obtaining interconnection rights are expected to occur. Final findings from the DOC Investigation were released on August 18, 2023 affirming the preliminary determination made in December 2022. At this time, we do not believe any significant panel tariffs will impact our projects.

| Project Name | Transaction Type | Technology | Nameplate Capacity (MW) | Storage Capacity (MW) |
|---|---|---|---|---|
| Cavalry[(1)] | BTA | Solar & Storage | 200 | 60 |
| Dunns Bridge II[(1)] | BTA | Solar & Storage | 435 | 75 |
| Fairbanks[(1)] | BTA | Solar | 250 | — |
| Gibson[(1)] | BTA | Solar | 200 | — |
| Indiana Crossroads II | 15 year PPA | Wind | 204 | — |
| Green River | 20 year PPA | Solar | 200 | — |
| Templeton | 20 year PPA | Wind | 200 | — |
| Carpenter | 20 year PPA | Wind | 200 | — |
| Appleseed | 20 year PPA | Solar | 200 | — |

[(1)]Ownership of the facility will be transferred to JVs whose members are expected to include NIPSCO and an unrelated tax equity partner. Alternatively, NIPSCO is evaluating the optionality related to the transferability of credits afforded by the passage of the IRA. NIPSCO has filed with the IURC for direct ownership of Dunns Bridge II and Cavalry and may seek direct ownership of the Fairbanks and Gibson projects.

**NiSource Inc.**

## 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. On December 20, 2022 we entered into a $1.0 billion term credit agreement with a maturity date of December 19, 2023. On October 5, 2023, we entered into an amendment to, among other things, extend the maturity date of the agreement to March 15, 2024. On March 24, 2023, we completed the issuance and sale of $750.0 million of 5.25% senior unsecured notes maturing in 2028, which resulted in approximately $742.2 million of net proceeds after discount and debt issuance costs. On June 8, 2023, we completed the issuance and sale of a reopening of $300.0 million of 5.25% senior unsecured notes maturing in 2028 and $450.0 million of 5.40% senior unsecured notes maturing in 2033, which resulted in approximately $742.5 million of net proceeds after discount and debt issuance costs. On June 15, 2023, we redeemed all 400,000 shares of Series A Preferred Stock for a redemption price of $1,000 per share, or $400.0 million in total. We maintain an ATM equity program that provides an opportunity to issue and sell shares of our common stock up to an aggregate issuance of $750.0 million through December 31, 2023. As of September 30, 2023, the ATM program had approximately $300.0 million of equity available for issuance. We also expect to remarket the Series C Mandatory Convertible Preferred Stock prior to December 1, 2023, which could result in additional cash proceeds. See Note 5, "Equity," Note 12, "Long-Term Debt," and Note 13, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information.

On June 17, 2023, NiSource and our wholly-owned subsidiary, NIPSCO Holdings II, entered into the BIP Purchase Agreement with an affiliate of BIP, pursuant to which BIP will acquire an indirect 19.9 percent equity interest in NIPSCO for a purchase price of $2.150 billion in cash, subject to adjustments based on the timing of closing and the amount of capital contributions made by NiSource prior to closing. NiSource intends to use the proceeds from the purchase price and BIP's capital contribution to support NIPSCO's capital expenditure plans for serving customers, reduce NiSource's debt and fund ongoing capital needs associated with the renewable generation transition. Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for more information on this transaction.

We believe these sources provide adequate capital to fund our operating activities and capital expenditures in 2023 and beyond.

The following table summarizes our cash flow activities:

| | Nine Months Ended September 30, | | |
|---|---|---|---|
| *(in millions)* | **2023** | **2022** | **Change in 2023 vs 2022** |
| **Cash from (used for):** | | | |
| Operating Activities | **$ 1,535.9** | $ 1,036.2 | $ 499.7 |
| Investing Activities | **(2,503.3)** | (1,682.7) | (820.6) |
| Financing Activities | **998.6** | 630.2 | 368.4 |

Operating Activities

The increase in cash from operating activities was primarily driven by year over year change in accounts receivable collections and inventory driven by the implementation of new rates and the impact of lower gas prices, partially offset by higher accounts payables.

Investing Activities

The increase in cash used for investing activities was due to increased capital expenditures related to system growth and reliability and payments to renewable generation asset developers related to milestone payments for certain of our BTA projects in 2023, as well as the property insurance settlement related to the Greater Lawrence Incident received in the prior year.

As we evaluate adjustments to renewable generation project timing, we remain on track to make capital investments totaling $3.3 billion to $3.6 billion during the 2023 period. We also expect to invest approximately $16.0 billion during the 2024-2028 period, including capital investments to support our generation transition strategy. These forecasted capital investments and

those included in our Annual Report on Form 10-K for the year ended December 31, 2022, are subject to continuing review and adjustment. Actual capital expenditures may vary from these estimates. For additional information, see "Results and Discussion of Segment Operations - Electric Operations," in this Management's Discussion.

***Regulatory Capital Programs.*** We are in the process of upgrading and modernizing our gas infrastructure to enhance safety and reliability by reducing leaks. An ancillary benefit of these programs is the reduction of GHG emissions. In 2023, 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 as well as other federally mandated compliance investments currently in rates or pending commission approval:

*(in millions)*

| Company | Program | Incremental Revenue | Incremental Capital Investment | Investment Period | Costs Covered[1] | Rates Effective |
|---|---|---|---|---|---|---|
| Columbia of Ohio | IRP - 2023 | $ 38.4 | $ 316.3 | 1/22-12/22 | Replacement of (1) hazardous service lines, (2) cast iron, wrought iron, uncoated steel, and bare steel pipe. | May 2023 |
| Columbia of Ohio | CEP - 2023 | $ 31.0 | $ 265.6 | 1/22-12/22 | Assets not included in the IRP. | September 2023 |
| NIPSCO - Gas | TDSIC - 7 | $ 10.1 | $ 207.1 | 3/23-8/23 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. | March 2024 |
| NIPSCO - Gas | TDSIC 6 | $ (2.5) | $ 149.8 | 1/22-2/23 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. | September 2023 |
| NIPSCO - Gas[2][3] | FMCA 2 | $ 4.2 | $ 38.2 | 4/22-9/22 | Project costs to comply with federal mandates. | April 2023 |
| NIPSCO - Gas[3] | FMCA 1 | $ (4.0) | $ 13.4 | 10/22-3/23 | Project costs to comply with federal mandates. | October 2023 |
| Columbia of Virginia | SAVE - 2024 | $ 7.9 | $ 69.0 | 1/24-12/24 | Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions. | January 2024 |
| Columbia of Virginia[4] | SAVE - 2023 | $ 4.5 | $ 45.9 | 1/23-12/23 | Replacement projects that (1) enhance system safety or reliability, or (2) reduce, or potentially reduce, greenhouse gas emissions. | January 2023 |
| Columbia of Kentucky | SMRP - 2024 | $ 5.2 | $ 40.2 | 1/24-12/24 | Replacement of mains and inclusion of system safety investments. | January 2024 |
| Columbia of Kentucky | SMRP - 2023 | $ 1.6 | $ 41.6 | 1/23-12/23 | Replacement of mains and inclusion of system safety investments. | January 2023 |
| Columbia of Maryland[5] | STRIDE - 2023 | $ 1.3 | $ 18.0 | 1/23-12/23 | Pipeline upgrades designed to improve public safety or infrastructure reliability. | January 2023 |
| Columbia of Maryland[5] | STRIDE - 2024 | $ 1.3 | $ 15.4 | 1/24 -12/24 | Pipeline upgrades designed to improve public safety or infrastructure reliability. | January 2024 |
| NIPSCO - Electric | TDSIC - 2 | $ 6.6 | $ 143.5 | 2/22-7/22 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. | February 2023 |
| NIPSCO - Electric[6] | TDSIC - 3 | $ 21.2 | $ 144.8 | 8/23-9/24 | New or replacement projects undertaken for the purpose of safety, reliability, system modernization or economic development. | August 2023 |

[1]Programs do not include any costs already included in base rates.
[2]On March 1, 2023, incremental tracker revenue was updated as certain investments are now being recovered through base rates.
[3]NIPSCO received approval for a new certificate of public convenience and necessity on December 28, 2022 for an additional Pipeline Safety III Compliance Plan, including $235.3M in capital and $34.1M in operation and maintenance expense project investments.
[4]Columbia of Virginia received a final order on November 1, 2022 modifying the SAVE filing incremental revenue and investments.
[5]Columbia of Maryland's current STRIDE expires December 31, 2023. On June 23, 2023, CMD filed an application for approval of a new five-year STRIDE. A final order is anticipated Q4 2023.
[6]NIPSCO Electric TDSIC-3 is for a 14-month billing period due to the rate case order received in August 2023 and a subsequent 9 month hold-out period. Coincident with the implementation of Step-1 base rates and in August 2023 in Cause No. 45772, TDSIC-3 incremental revenue decreased from that originally filed for and approved as a result of $554.7 million of in service capital moving out of this tracker into base rates.

On March 30, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of Michigan City Generating Station's CCR ash ponds. The project includes a total estimated $40.0 million of federally mandated retirement costs. On November 2, 2022, NIPSCO Electric filed a petition with the IURC seeking approval of NIPSCO's federally mandated costs for closure of R.M. Schahfer Generation Station's multi-cell unit. The project includes a

total estimated $53.0 million of federally mandated retirement costs. Due to the NIPSCO electric settlement agreement filed on March 10, 2023, both FMCA cases were stayed pending the outcome of NIPSCO's electric base rate case, which proposed these pond closure costs be recovered through base rates, rather than the FMCA Tracker. NIPSCO received an order approving its electric base rate case settlement on August 2, 2023. Upon the expiration of the time for appeals of this order, NIPSCO will file to dismiss the independent requests for CCR ash pond recovery, as that recovery has been approved within electric base rates under the terms of the settlement. Refer to Note 14, "Other Commitments and Contingencies - C. Environmental Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further discussion of the CCRs.

Columbia of Ohio filed an application on February 28, 2023, to establish a new PHMSA IRP Rider in order to recover costs incurred to comply with the PHMSA Mega rule. An unopposed settlement was filed on September 8, 2023. The record of the case is submitted for a decision by the PUCO. It is anticipated that the PUCO will rule on this Application and settlement by the end of 2023.

Financing Activities

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

***Long-Term Debt.*** Refer to Note 12, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on long-term debt activity.

***Short-Term Debt.*** Refer to Note 13, "Short-Term Borrowings," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on short-term debt activity.

***Noncontrolling Interest.*** Refer to Note 11, "Variable Interest Entities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on contributions from noncontrolling interest activity.

***NIPSCO Minority Equity Interest Sale.*** Refer to Note 14, "Other Commitments and Contingencies - D. Other Matters," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for information on the BIP Purchase Agreement and use of proceeds from this transaction.

Sources of Liquidity

The following table displays our liquidity position as of September 30, 2023 and December 31, 2022:

| *(in millions)* | **September 30, 2023** | December 31, 2022 |
|---|---|---|
| **Current Liquidity** | | |
| Revolving Credit Facility | **$ 1,850.0** | $ 1,850.0 |
| Accounts Receivable Programs[(1)] | **295.6** | 447.2 |
| *Less:* | | |
| Commercial Paper | **935.0** | 415.0 |
| Accounts Receivable Programs Utilized | **285.0** | 347.2 |
| Letters of Credit Outstanding Under Credit Facility | **9.9** | 10.2 |
| *Add:* | | |
| Cash and Cash Equivalents | **56.0** | 40.8 |
| **Net Available Liquidity** | **$ 971.7** | $ 1,565.6 |

[(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 and term credit agreement, which require us to maintain a debt to capitalization ratio that does not exceed 70.0%. As of September 30, 2023, the ratio was 63.1%.

***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 September 30, 2023. There were no changes to the below credit ratings or outlooks since February 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.

**NiSource Inc.**

| | 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 September 30, 2023, the collateral requirement that would be required in the event of a downgrade below the ratings trigger levels would amount to approximately $89.5 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, 2023, 413,324,607 shares of common stock and 902,500 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, 2022. Except for our March and June 2023 debt issuances, there were no additional material changes from year-end during the nine months ended September 30, 2023. Refer to Note 12, "Long-Term Debt," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information regarding the debt issuances.

***Guarantees, Indemnities and Other Off Balance Sheet Arrangements.*** 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. Refer to Note 14, "Other Commitments and Contingencies," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for additional information about such arrangements.

**NiSource Inc.**
**Regulatory, Environmental and Safety 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 Operations 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.

We recognize that energy efficiency reduces emissions, conserves natural resources and saves our customers money. Our gas distribution companies offer programs such as energy efficiency upgrades, home checkups and weatherization services. The increased efficiency of natural gas appliances and improvements in home building codes and standards contributes to a long-term trend of declining average use per customer. While we are looking to expand offerings so the energy efficiency programs can benefit as many customers as possible, our 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 future growth in per customer usage as a result of 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.

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

**NiSource Inc.**
**Regulatory, Environmental and Safety 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 |
|---|---|---|---|---|---|---|---|
| **Currently Approved in Current or Future Rates** | | | | | | | |
| Columbia of Pennsylvania[1] | 11.20 % | None specified | $ 82.2 | $ 44.5 | March 18, 2022 | Approved December 8, 2022 | December 2022 |
| Columbia of Maryland | 10.85 % | 9.65 % | $ 5.8 | $ 3.5 | May 13, 2022 | Approved November 17, 2022 | December 2022 |
| Columbia of Maryland | 10.95 % | None specified | $ 6.5 | $ 3.9 | May 12, 2023 | Approved October 26, 2023 | December 2023 |
| Columbia of Kentucky[2] | 10.30 % | 9.35 % | $ 26.7 | $ 18.3 | May 28, 2021 | Approved December 28, 2021 | January 2022 |
| Columbia of Virginia[3] | 10.75 % | None specified | $ 40.5 | $ 25.8 | April 29, 2022 | Approved May 15, 2023 | October 2022 |
| Columbia of Ohio | 10.95 % | 9.60 % | $ 221.4 | $ 68.3 | June 30, 2021 | Approved January 26, 2023 | March 2023 |
| NIPSCO - Gas[4] | 10.50 % | 9.85 % | $ 109.7 | $ 71.8 | September 29, 2021 | Approved July 27, 2022 | September 2022 |
| NIPSCO - Electric[5] | 10.40 % | 9.80 % | $ 291.8 | $ 261.9 | September 19, 2022 | Approved August 2, 2023 | August 2023 |
| **Active Rate Cases** | | | | | | | |
| NIPSCO - Gas[6] | 10.70 % | In process | $ 161.9 | In process | October 25, 2023 | Order Expected Q3 2024 | September 2024 |

[1]No approved ROE is identified for this matter since the approved revenue increase is the result of a black box settlement under which parties agree upon the amount of increase.
[2]The approved ROE for natural gas capital riders (e.g., SMRP) is 9.275%.
[3]Columbia of Virginia's rate case resulted in a black box settlement, representing a settlement to a specific revenue increase but not a specified ROE. The settlement provides use of a 9.70% ROE for future SAVE and filings other than base rates.
[4]New rates are implemented in 2 steps, with implementation of Step 1 rates in September 2022. The Step 2 rates were filed on February 21, 2023, with rates effective March 2023.
[5] New rates will be implemented in 2 steps, with implementation of Step 1 rates to be effective in August 2023 and Step 2 rates to be effective in March 2024. The order reflects incremental revenue of $261.9 million plus an estimated additional $29.9 million for recovery of costs associated with a new Environmental Cost Tracker (replacing the VCT).
[6] New rates expected to be implemented in 2 steps, with implementation of Step 1 rates to be effective in September 2024 and Step 2 Rates in March 2025.

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 operation and maintenance 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 and utilize advanced leak detection and repair technologies that enable the location and categorization of all leaks that are hazardous, or potentially hazardous, to human safety or the environment.

In May 2023, PHMSA proposed numerous regulatory revisions under the PIPES Act of 2020 to minimize methane emissions and improve public safety. Under these proposed revisions, NiSource's subsidiaries would be required to detect and repair an increased number of gas leaks, reduce the time to repair leaks, increase leak survey frequency, and expand its existing advanced leak detection program. We continue to evaluate the proposed rule for impacts on our business.

CCR Regulation

In May 2023, EPA proposed changes to the CCR regulations for inactive surface impoundments at inactive facilities, referred to as "legacy CCR surface impoundments." EPA is also proposing to extend a subset of requirements in the CCR regulations to areas not previously subject to the CCR regulations, referred to as "CCR management units." NIPSCO potentially has areas that could become subject to the proposed changes. We continue to evaluate the proposed rule for impacts on our business.

**NiSource Inc.**
**Regulatory, Environmental and Safety Matters**

Climate Change Issues

***Physical Climate Risks.*** Increased frequency of severe and extreme weather events associated with climate change could materially impact our facilities, energy sales, and results of operations. We are unable to predict these events. However, we perform ongoing assessments of physical risk, including physical climate risk, to our business. More extreme and volatile temperatures, increased storm intensity and flooding, and more volatile precipitation leading to changes in lake and river levels are among the weather events that are most likely to impact our business. Efforts to mitigate these physical risks continue to be implemented on an ongoing basis.

***Transition Climate Risks.*** Future legislative and regulatory programs, at both the federal and state levels, could significantly limit allowed GHG emissions or impose a cost or tax on GHG emissions. Revised or additional future GHG legislation and/or regulation related to the generation of electricity or the extraction, production, distribution, transmission, storage and end use of natural gas could materially impact our gas supply, financial position, financial results and cash flows.

Regarding federal policies, we continue to monitor the implementation of any final and proposed climate change-related legislation and regulations, including the Infrastructure Investment and Jobs Act, signed into law in November 2021; the IRA, signed into law in August 2022; and the EPA's proposed methane regulations for the oil and natural gas industry, but we cannot predict their impact on our business at this time. We have identified potential opportunities associated with the Infrastructure Investment and Jobs Act and the IRA and are evaluating how they may align with our strategy going forward. The energy-related provisions of the Infrastructure Investment and Jobs Act include new federal funding for power grid infrastructure and resiliency investments, new and existing energy efficiency and weatherization programs, electric vehicle infrastructure for public chargers and additional LIHEAP funding over the next five years. The IRA contains climate and energy provisions, including funding to decarbonize the electric sector.

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.

In May 2023, EPA released a package of proposed regulatory actions to reduce carbon dioxide emissions from new natural gas-fired electric generating units (EGUs), existing natural gas-fired EGUs, and existing coal-fired EGUs. We are reviewing the potential impacts of the proposed rules but we are unable to estimate impacts on our business at this time.

We also continue to monitor the implementation of any final and proposed state policy. The Virginia Clean Economy Act was signed into law in 2020. While the Act does not establish any new mandates on Columbia of Virginia, certain natural gas customers may, over the long-term, reduce their use of natural gas to meet the 100% renewable electricity requirement. Columbia of Virginia will continue to monitor this matter, but we cannot predict its final impact on our business at this time. Separately, the Virginia Energy Innovation Act, enacted into law in April 2022, and effective July 1, 2022, allows natural gas utilities to supply alternative forms of gas that meet certain standards and reduce emissions intensity. The Act also provides that the costs of enhanced leak detection and repair may be added to a utility's plan to identify proposed eligible infrastructure replacement projects and related cost recovery mechanisms, known as the SAVE Plan. Furthermore, under the Act, utilities can recover eligible biogas supply infrastructure costs on an ongoing basis. The provisions of these laws may provide opportunities for Columbia of Virginia as it participates in the transition to a lower carbon future.

The Climate Solutions Now Act of 2022 requires Maryland to reduce GHG emissions by 60% by 2031 (from 2006 levels), and it requires the state to reach net zero emissions by 2045. The Maryland Department of the Environment is required to adopt a plan to achieve the 2031 goal by December 2023, and it is required to adopt a plan for the net zero goal by 2030. The Act also enacts a state policy to move to broader electrification of both existing buildings and new construction, and requires the Public Service Commission (PSC) to complete a study assessing the capacity of gas and electric distribution systems to successfully serve customers under a transition to a highly electrified building sector. In May 2023, the Maryland Department of the Environment issued draft Building Energy Performance Standards (BEPS), which would require net-zero direct greenhouse gas emissions from large buildings by 2040. On September 11, 2023, updated draft BEPS were presented to, and adopted, with amendments, by the Maryland Air Quality Control Advisory Council (AQCAC). The draft regulations will now undergo formal public notice and comment rulemaking. Columbia of Maryland is advocating for compliance pathways that use RNG, hydrogen, and emissions offsets. Separately, the PSC has also initiated a proceeding related to Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland's Gas Companies. Columbia of Maryland will continue to monitor these matters, but we cannot predict their final impact on our business at this time.

**NiSource Inc.**
**Regulatory, Environmental and Safety Matters**

NIPSCO, Columbia of Maryland, Columbia of Pennsylvania, Columbia of Virginia and Columbia of Kentucky each filed petitions to implement the Green Path Rider, which will be a voluntary rider that allows customers to opt in and offset either 50% or 100% of their natural gas related emissions. To reduce the emissions, the utilities will purchase RNG attributes and carbon offsets to match the usage for customers opting into the program. The program was approved by the IURC at NIPSCO in November 2022 with a January 2023 start date. After reaching settlement with other parties in September 2022, NIPSCO agreed to add a third tier to offset 25% of customer usage. Columbia of Maryland's filing was denied by the PSC in January 2023. Columbia of Virginia received a final order in May 2023, approving the Green Path Rider and began enrolling customers in September 2023. Columbia of Pennsylvania filed a Joint Petition for Nonunanimous Settlement with the Bureau of Investigation and Enforcement (I&E) and the Office of Small Business Advocate (OSBA) in March 2023, in support of the Commission's adoption of the Green Path Rider. Columbia of Pennsylvania received an order in June 2023 that rejected the settlement agreement and denied implementation of the Green Path Rider. On September 19, 2023, Columbia of Kentucky filed a motion for a decision with the PSC on its Green Path filing. The motion is still pending with the commission. Additionally, NIPSCO has a voluntary Green Power Rider program in place that allows customers to designate a portion or all their monthly electric usage to come from power generated by renewable energy sources.

***Net-Zero Goal.*** In response to these transition risks and opportunities, on November 7, 2022, we announced a goal of net-zero greenhouse gas emissions by 2040 covering both Scope 1 and Scope 2 GHG emissions ("Net-Zero Goal"). Our Net-Zero Goal builds on greenhouse gas emission reductions achieved to-date and demonstrates that continued execution of our long-term business plan will drive further greenhouse gas emission reductions. We remain on track to achieve previously announced interim greenhouse gas emission reduction targets by reducing fugitive methane emissions from main and service lines by 50 percent from 2005 levels by 2025 and reducing Scope 1 GHG emissions from company-wide operations by 90 percent from 2005 levels by 2030. We plan to achieve our Net-Zero Goal primarily through continuation and enhancement of existing programs, such as retiring and replacing coal-fired electric generation with low- or zero-emission electric generation, ongoing pipe replacement and modernization programs, and deployment of advanced leak-detection technologies. In addition, we plan to advance other low- or zero-emission energy resources and technologies, such as hydrogen, renewable natural gas, and/or deployment of carbon capture and utilization technologies, if and when these become technologically and economically feasible. Carbon offsets and renewable energy credits may also be used to support achievement of our Net-Zero Goal. As of the end of 2022, we had reduced Scope 1 GHG emissions by approximately 67% from 2005 levels.

Our greenhouse gas emissions projections, including achieving a Net-Zero Goal, are subject to various assumptions that involve risks and uncertainties. Achievement of our Net-Zero Goal by 2040 will require supportive regulatory and legislative policies, favorable stakeholder environments and advancement of technologies that are not currently economical to deploy. Should such regulatory and legislative policies, stakeholder environments or technologies fail to materialize, our actual results or ability to achieve our Net-Zero Goal, including by 2040, may differ materially.

As discussed above in this Management's Discussion within "Results and Discussion of Segment Operations - Electric Operations," NIPSCO continues to execute on an electric generation transition consistent with the preferred pathways identified in its 2018 and 2021 Integrated Resource Plans. Additionally, as discussed above in this Management's Discussion within "Liquidity and Capital Resources - Regulatory Capital Programs," our natural gas distribution companies are lowering methane emissions by replacing aging infrastructure, which also increases safety and reliability for customers and communities.

**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
Our Gas and Electric Operations have commodity price risk primarily related to the purchases of 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.

**NiSource Inc.**

Commodity price risk resulting from derivative activities at our rate-regulated subsidiaries is limited and does not bear signification exposure to earnings risk, since our current regulatory mechanisms allow recovery of prudently incurred purchased power, fuel and gas costs through the rate-making process, including gains or losses on these derivative instruments. These changes are included in the GCA and FAC regulatory rate-recovery mechanisms. If these mechanisms were to be adjusted or eliminated, these subsidiaries may begin providing services without the benefit of the traditional rate-making process and may be more exposed to commodity price risk. For additional information, see "Results and Discussion of Segment Operations" in this Management's Discussion.

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 7, "Risk Management Activities," in the Notes to the Condensed Consolidated Financial Statements (unaudited) for further information on our commodity price risk assets and liabilities as of September 30, 2023 and December 31, 2022.

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, term credit agreement and accounts receivable programs, 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 $4.8 million and $12.4 million for the three and nine months ended September 30, 2023 and $2.3 million and $5.0 million for the three and nine months ended September 30, 2022, 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 long-term debt issuances. From time to time we may enter into forward interest rate instruments to lock in long term interest costs and/ or rates.

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 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.

**Other Information**

Critical Accounting Estimates

A summary of our critical accounting estimates is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. There were no material changes made as of September 30, 2023.

Recently Issued Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are reported in Item 2, "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 14, "Other Commitments and Contingencies - B. Legal Proceedings," in the Notes to the Condensed Consolidated Financial Statements (unaudited).

ITEM 1A. RISK FACTORS

Please refer to the risk factors set forth in Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2022, as supplemented by the risk factor set forth below. There have been no material changes to such risk factors, other than the risks described below.

***The NIPSCO Minority Equity Interest Sale is Subject to Risk and Uncertainties that Could Have a Material Adverse Effect on Our Cash Flows, Liquidity, Financial Condition, or Stock Price.***

The NIPSCO Minority Equity Interest Sale is subject to various risks and uncertainties. The timing and certainty of the closing of the NIPSCO Minority Equity Interest Sale is subject to our ability to satisfy the conditions to closing the NIPSCO Minority Equity Interest Sale. Furthermore, our efforts to close the NIPSCO Minority Equity Interest Sale may cause disruption to NiSource's business including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues. In addition, we have incurred, and will continue to incur, significant costs, expenses, and fees for professional services and other costs in connection with the NIPSCO Minority Equity Interest Sale, and many of these fees and costs are payable by us regardless of whether or not the NIPSCO Minority Equity Interest Sale is consummated.

Additionally, even if we close the NIPSCO Minority Equity Interest Sale, we may not be able to achieve the anticipated benefits from the NIPSCO Minority Equity Interest Sale fully, or at all, or the benefits may take longer to realize than anticipated, whether as a result of our execution or as a result of various factors, including prevailing market conditions, that could negatively impact the benefits we are able to achieve.

Our failure to consummate the NIPSCO Minority Equity Interest Sale at all, or in a timely manner, potential business disruptions, related costs and expenses, or our failure to achieve anticipated benefits of the NIPSCO Minority Equity Interest Sale could have a material adverse effect on our cash flows, liquidity, financial condition and stock price.

Finally, we cannot fully anticipate the effects of the NIPSCO Minority Equity Interest Sale on the industry, market, economic, political or regulatory conditions outside of our control. Any such consequential effects could have a potential adverse impact on our business.

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

Director and Officer Trading Arrangements

During the three months ended September 30, 2023, no director or Section 16 officer of the Company adopted, terminated or modified a 'Rule 10b5-1 trading arrangement' or 'non-Rule 10b5-1 trading arrangement,' as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

**NiSource Inc.**

| | |
|---|---|
| (10.1) | Amendment No. 1 to the Purchase and Sale Agreement, dated as of July 6, 2023, among NiSource Inc., as the Parent, NIPSCO Holdings II LLC, as the Company, and BIP BLUE BUYER L.L.C., as the Investor (incorporated by reference to Exhibit 10.2 to the NiSource Inc. Form 10-Q filed on August 2, 2023).** |
| (10.2) | Amendment No. 1 to the Sixth Amended and Restated Revolving Credit Agreement dated February 18, 2022, made as of August 23, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and Barclays Bank PLC, as administrative agent (incorporated by reference to Exhibit 10.1 to the NiSource Inc. Form 8-K filed on August 23, 2023). |
| (10.3) | Amendment No. 1 to the Credit Agreement dated December 20, 2022, made as of October 5, 2023 by and among NiSource Inc., the financial institutions listed on the signature pages and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the NiSource Inc. Form 8-K filed on October 5, 2023). |
| (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 similar attachments to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission (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 1, 2023

By: /s/ Gunnar J. Gode
Gunnar J. Gode
Vice President, Chief Accounting Officer
(Principal Accounting Officer)

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 2022 through November 2024.

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2022**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2022* | Previous Month | Variance | Month: *Dec - 2022* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,687,716,429.29 | $3,644,559,459.70 | $43,156,969.59 | $3,687,716,429.29 | $3,353,076,081.58 | $334,640,347.71 |
| Construction Work In Progress | $68,692,477.92 | $80,661,759.93 | ($11,969,282.01) | $68,692,477.92 | $67,521,690.69 | $1,170,787.23 |
| **Total Utility Plant** | **$3,756,408,907.21** | **$3,725,221,219.63** | **$31,187,687.58** | **$3,756,408,907.21** | **$3,420,597,772.27** | **$335,811,134.94** |
| Accum Prov - Amort and Depr | ($634,179,530.32) | ($636,235,836.07) | $2,056,305.75 | ($634,179,530.32) | ($584,697,322.58) | ($49,482,207.74) |
| **Net Utility Plant** | **$3,122,229,376.89** | **$3,088,985,383.56** | **$33,243,993.33** | **$3,122,229,376.89** | **$2,835,900,449.69** | **$286,328,927.20** |
| 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** | **$3,122,961,249.14** | **$3,089,717,255.81** | **$33,243,993.33** | **$3,122,961,249.14** | **$2,836,632,321.94** | **$286,328,927.20** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,735,704.98 | $21,703,226.79 | $32,478.19 | $21,735,704.98 | $21,102,042.66 | $633,662.32 |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $8,893,645.96 | $16,330,548.38 | ($7,436,902.42) | $8,893,645.96 | $21,854,004.87 | ($12,960,358.91) |
| **Other Property and Investments** | **$30,637,697.43** | **$38,042,121.66** | **($7,404,424.23)** | **$30,637,697.43** | **$42,964,394.02** | **($12,326,696.59)** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $3,125,388.83 | $2,034,642.93 | $1,090,745.90 | $3,125,388.83 | $1,061,400.68 | $2,063,988.15 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $1,712.61 | $2,550.00 | ($837.39) | $1,712.61 | $2,550.00 | ($837.39) |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $83,393,818.43 | $68,029,155.16 | $15,364,663.27 | $83,393,818.43 | $114,560,736.98 | ($31,166,918.55) |
| AR from Associated Cos | $121,590.64 | $74,950.71 | $46,639.93 | $121,590.64 | $157,917.11 | ($36,326.47) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,238,920.56 | $1,332,620.87 | ($93,700.31) | $1,238,920.56 | $1,341,498.20 | ($102,577.64) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $123,110,374.53 | $141,191,857.45 | ($18,081,482.92) | $123,110,374.53 | $62,974,531.58 | $60,135,842.95 |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $5,266,603.14 | $7,149,366.57 | ($1,882,763.43) | $5,266,603.14 | $4,753,424.17 | $513,178.97 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $16,721,120.99 | $12,844,257.87 | $3,876,863.12 | $16,721,120.99 | $6,753,837.37 | $9,967,283.62 |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$233,232,529.73** | **$232,912,401.56** | **$320,128.17** | **$233,232,529.73** | **$191,858,896.09** | **$41,373,633.64** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $192,817,434.61 | $158,673,273.51 | $34,144,161.10 | $192,817,434.61 | $220,175,054.56 | ($27,357,619.95) |
| Preliminary Surveys | $6,261,478.37 | $9,534,831.25 | ($3,273,352.88) | $6,261,478.37 | $10,127,747.64 | ($3,866,269.27) |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2022**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2022* | Previous Month | Variance | Month: *Dec - 2022* | December of Previous Year | Variance |
| Clearing Accounts | $0.00 | ($14,131.50) | $14,131.50 | $0.00 | $0.00 | $0.00 |
| Miscellaneous Deferred Debits | $2,947,796.34 | $3,034,343.68 | ($86,547.34) | $2,947,796.34 | $3,563,393.00 | ($615,596.66) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $103,088,926.00 | $98,718,384.00 | $4,370,542.00 | $103,088,926.00 | $111,254,418.00 | ($8,165,492.00) |
| Unrecovered Purchase Gas Costs | $8,548,919.44 | $11,074,066.90 | ($2,525,147.46) | $8,548,919.44 | $21,160,695.67 | ($12,611,776.23) |
| **Deferred Debits** | **$313,664,554.76** | **$281,020,767.84** | **$32,643,786.92** | **$313,664,554.76** | **$366,281,308.87** | **($52,616,754.11)** |
| **Assets and Other Debits** | **$3,700,496,031.06** | **$3,641,692,546.87** | **$58,803,484.19** | **$3,700,496,031.06** | **$3,437,736,920.92** | **$262,759,110.14** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,245,197,553.26 | $1,206,647,218.54 | $38,550,334.72 | $1,245,197,553.26 | $1,082,462,182.27 | $162,735,370.99 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,483,215,180.26** | **$1,444,664,845.54** | **$38,550,334.72** | **$1,483,215,180.26** | **$1,320,479,809.27** | **$162,735,370.99** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,075,515,000.00 | $60,000,000.00 | $1,135,515,000.00 | $1,035,515,000.00 | $100,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,075,515,000.00** | **$60,000,000.00** | **$1,135,515,000.00** | **$1,035,515,000.00** | **$100,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,896,507.66 | $13,047,760.57 | ($151,252.91) | $12,896,507.66 | $14,586,213.79 | ($1,689,706.13) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $131,412.33 | $120,836.33 | $10,576.00 | $131,412.33 | $174,025.87 | ($42,613.54) |
| Accum Prov - Pension & Benefit | $2,500,184.42 | $2,423,083.28 | $77,101.14 | $2,500,184.42 | $2,346,339.61 | $153,844.81 |
| 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** | **$15,528,104.41** | **$15,591,680.18** | **($63,575.77)** | **$15,528,104.41** | **$17,106,579.27** | **($1,578,474.86)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $72,666,289.26 | $51,606,752.90 | $21,059,536.36 | $72,666,289.26 | $54,364,542.28 | $18,301,746.98 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $166,443,842.89 | $252,848,429.52 | ($86,404,586.63) | $166,443,842.89 | $181,303,742.29 | ($14,859,899.40) |
| Customer Deposits | $4,456,251.11 | $4,401,054.11 | $55,197.00 | $4,456,251.11 | $3,924,505.11 | $531,746.00 |
| Taxes Accrued | $20,041,598.23 | $17,156,693.45 | $2,884,904.78 | $20,041,598.23 | $17,490,344.27 | $2,551,253.96 |
| Interest Accrued | $330,829.76 | $328,983.87 | $1,845.89 | $330,829.76 | $335,065.01 | ($4,235.25) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $960,313.64 | $484,222.33 | $476,091.31 | $960,313.64 | $718,250.16 | $242,063.48 |
| Misc Current & Accrued Liab | $97,871,706.01 | $112,672,835.38 | ($14,801,129.37) | $97,871,706.01 | $74,581,714.03 | $23,289,991.98 |
| Obligation Cap Lease - Current | $1,997,304.49 | $2,011,878.81 | ($14,574.32) | $1,997,304.49 | $2,323,376.79 | ($326,072.30) |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$364,768,135.39** | **$441,510,850.37** | **($76,742,714.98)** | **$364,768,135.39** | **$335,041,539.94** | **$29,726,595.45** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2022**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2022* | Previous Month | Variance | Month: *Dec - 2022* | December of Previous Year | Variance |
| Customer Adv. for Construction | $2,240,978.01 | $2,300,177.71 | ($59,199.70) | $2,240,978.01 | $2,847,671.72 | ($606,693.71) |
| Acc Defd Investment Tax Credit | $744,630.00 | $764,881.00 | ($20,251.00) | $744,630.00 | $987,643.00 | ($243,013.00) |
| Other Deferred Credits | $7,025,506.47 | $7,405,669.59 | ($380,163.12) | $7,025,506.47 | $6,584,367.34 | $441,139.13 |
| Other Regulatory Liabilities | $217,169,504.91 | $192,356,622.87 | $24,812,882.04 | $217,169,504.91 | $208,487,138.69 | $8,682,366.22 |
| Accum Defer Inc Tax - Oth Prop | $472,603,016.70 | $458,577,642.70 | $14,025,374.00 | $472,603,016.70 | $505,455,621.70 | ($32,852,605.00) |
| Accum Defer Inc Tax - Other | $1,686,644.99 | $3,005,846.99 | ($1,319,202.00) | $1,686,644.99 | $5,231,549.99 | ($3,544,905.00) |
| **Deferred Credits** | **$701,470,281.08** | **$664,410,840.86** | **$37,059,440.22** | **$701,470,281.08** | **$729,593,992.44** | **($28,123,711.36)** |
| **Total Liabilities and Equity** | **$3,700,496,701.14** | **$3,641,693,216.95** | **$58,803,484.19** | **$3,700,496,701.14** | **$3,437,736,920.92** | **$262,759,780.22** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2023* | Previous Month | Variance | Month: *Jan - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,699,243,813.56 | $3,687,716,429.29 | $11,527,384.27 | $3,699,243,813.56 | $3,687,716,429.29 | $11,527,384.27 |
| Construction Work In Progress | $81,449,098.83 | $68,692,477.92 | $12,756,620.91 | $81,449,098.83 | $68,692,477.92 | $12,756,620.91 |
| **Total Utility Plant** | **$3,780,692,912.39** | **$3,756,408,907.21** | **$24,284,005.18** | **$3,780,692,912.39** | **$3,756,408,907.21** | **$24,284,005.18** |
| Accum Prov - Amort and Depr | ($640,040,444.49) | ($634,179,530.32) | ($5,860,914.17) | ($640,040,444.49) | ($634,179,530.32) | ($5,860,914.17) |
| **Net Utility Plant** | **$3,140,652,467.90** | **$3,122,229,376.89** | **$18,423,091.01** | **$3,140,652,467.90** | **$3,122,229,376.89** | **$18,423,091.01** |
| 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** | **$3,141,384,340.15** | **$3,122,961,249.14** | **$18,423,091.01** | **$3,141,384,340.15** | **$3,122,961,249.14** | **$18,423,091.01** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,694,236.92 | $21,735,704.98 | ($41,468.06) | $21,694,236.92 | $21,735,704.98 | ($41,468.06) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $8,969,883.37 | $8,893,645.96 | $76,237.41 | $8,969,883.37 | $8,893,645.96 | $76,237.41 |
| **Other Property and Investments** | **$30,672,466.78** | **$30,637,697.43** | **$34,769.35** | **$30,672,466.78** | **$30,637,697.43** | **$34,769.35** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,267,450.83 | $3,125,388.83 | ($857,938.00) | $2,267,450.83 | $3,125,388.83 | ($857,938.00) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $1,712.61 | $837.39 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $70,140,563.06 | $83,393,818.43 | ($13,253,255.37) | $70,140,563.06 | $83,393,818.43 | ($13,253,255.37) |
| AR from Associated Cos | $187,747.44 | $121,590.64 | $66,156.80 | $187,747.44 | $121,590.64 | $66,156.80 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,188,222.91 | $1,238,920.56 | ($50,697.65) | $1,188,222.91 | $1,238,920.56 | ($50,697.65) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $97,246,651.38 | $123,110,374.53 | ($25,863,723.15) | $97,246,651.38 | $123,110,374.53 | ($25,863,723.15) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $4,324,939.41 | $5,266,603.14 | ($941,663.73) | $4,324,939.41 | $5,266,603.14 | ($941,663.73) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $17,368,784.29 | $16,721,120.99 | $647,663.30 | $17,368,784.29 | $16,721,120.99 | $647,663.30 |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$192,979,909.32** | **$233,232,529.73** | **($40,252,620.41)** | **$192,979,909.32** | **$233,232,529.73** | **($40,252,620.41)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $192,081,739.57 | $192,817,434.61 | ($735,695.04) | $192,081,739.57 | $192,817,434.61 | ($735,695.04) |
| Preliminary Surveys | $6,743,192.16 | $6,261,478.37 | $481,713.79 | $6,743,192.16 | $6,261,478.37 | $481,713.79 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2023* | Previous Month | Variance | Month: *Jan - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($4,919.76) | $0.00 | ($4,919.76) | ($4,919.76) | $0.00 | ($4,919.76) |
| Miscellaneous Deferred Debits | $2,770,077.24 | $2,947,796.34 | ($177,719.10) | $2,770,077.24 | $2,947,796.34 | ($177,719.10) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $100,947,320.00 | $103,088,926.00 | ($2,141,606.00) | $100,947,320.00 | $103,088,926.00 | ($2,141,606.00) |
| Unrecovered Purchase Gas Costs | ($8,574,001.03) | $8,548,919.44 | ($17,122,920.47) | ($8,574,001.03) | $8,548,919.44 | ($17,122,920.47) |
| **Deferred Debits** | **$293,963,408.18** | **$313,664,554.76** | **($19,701,146.58)** | **$293,963,408.18** | **$313,664,554.76** | **($19,701,146.58)** |
| **Assets and Other Debits** | **$3,659,000,124.43** | **$3,700,496,031.06** | **($41,495,906.63)** | **$3,659,000,124.43** | **$3,700,496,031.06** | **($41,495,906.63)** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,290,738,493.20 | $1,245,197,553.26 | $45,540,939.94 | $1,290,738,493.20 | $1,245,197,553.26 | $45,540,939.94 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,528,756,120.20** | **$1,483,215,180.26** | **$45,540,939.94** | **$1,528,756,120.20** | **$1,483,215,180.26** | **$45,540,939.94** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,755,292.98 | $12,896,507.66 | ($141,214.68) | $12,755,292.98 | $12,896,507.66 | ($141,214.68) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $137,983.32 | $131,412.33 | $6,570.99 | $137,983.32 | $131,412.33 | $6,570.99 |
| Accum Prov - Pension & Benefit | $2,347,930.08 | $2,500,184.42 | ($152,254.34) | $2,347,930.08 | $2,500,184.42 | ($152,254.34) |
| 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** | **$15,241,206.38** | **$15,528,104.41** | **($286,898.03)** | **$15,241,206.38** | **$15,528,104.41** | **($286,898.03)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,469,896.51 | $72,666,289.26 | ($23,196,392.75) | $49,469,896.51 | $72,666,289.26 | ($23,196,392.75) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $111,563,493.59 | $166,443,842.89 | ($54,880,349.30) | $111,563,493.59 | $166,443,842.89 | ($54,880,349.30) |
| Customer Deposits | $4,444,294.11 | $4,456,251.11 | ($11,957.00) | $4,444,294.11 | $4,456,251.11 | ($11,957.00) |
| Taxes Accrued | $33,456,718.06 | $20,041,598.23 | $13,415,119.83 | $33,456,718.06 | $20,041,598.23 | $13,415,119.83 |
| Interest Accrued | $231,203.12 | $330,829.76 | ($99,626.64) | $231,203.12 | $330,829.76 | ($99,626.64) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $1,334,522.29 | $960,313.64 | $374,208.65 | $1,334,522.29 | $960,313.64 | $374,208.65 |
| Misc Current & Accrued Liab | $72,621,097.93 | $97,871,706.01 | ($25,250,608.08) | $72,621,097.93 | $97,871,706.01 | ($25,250,608.08) |
| Obligation Cap Lease - Current | $2,019,526.85 | $1,997,304.49 | $22,222.36 | $2,019,526.85 | $1,997,304.49 | $22,222.36 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$275,140,752.46** | **$364,768,135.39** | **($89,627,382.93)** | **$275,140,752.46** | **$364,768,135.39** | **($89,627,382.93)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2023* | Previous Month | Variance | Month: *Jan - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $2,152,603.73 | $2,240,978.01 | ($88,374.28) | $2,152,603.73 | $2,240,978.01 | ($88,374.28) |
| Acc Defd Investment Tax Credit | $726,184.00 | $744,630.00 | ($18,446.00) | $726,184.00 | $744,630.00 | ($18,446.00) |
| Other Deferred Credits | $6,972,498.63 | $7,025,506.47 | ($53,007.84) | $6,972,498.63 | $7,025,506.47 | ($53,007.84) |
| Other Regulatory Liabilities | $218,637,083.34 | $217,169,504.91 | $1,467,578.43 | $218,637,083.34 | $217,169,504.91 | $1,467,578.43 |
| Accum Defer Inc Tax - Oth Prop | $474,711,417.70 | $472,603,016.70 | $2,108,401.00 | $474,711,417.70 | $472,603,016.70 | $2,108,401.00 |
| Accum Defer Inc Tax - Other | $1,147,257.99 | $1,686,644.99 | ($539,387.00) | $1,147,257.99 | $1,686,644.99 | ($539,387.00) |
| **Deferred Credits** | **$704,347,045.39** | **$701,470,281.08** | **$2,876,764.31** | **$704,347,045.39** | **$701,470,281.08** | **$2,876,764.31** |
| **Total Liabilities and Equity** | **$3,659,000,124.43** | **$3,700,496,701.14** | **($41,496,576.71)** | **$3,659,000,124.43** | **$3,700,496,701.14** | **($41,496,576.71)** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2023* | Previous Month | Variance | Month: *Feb - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,718,845,652.05 | $3,699,243,813.56 | $19,601,838.49 | $3,718,845,652.05 | $3,687,716,429.29 | $31,129,222.76 |
| Construction Work In Progress | $84,541,615.40 | $81,449,098.83 | $3,092,516.57 | $84,541,615.40 | $68,692,477.92 | $15,849,137.48 |
| **Total Utility Plant** | **$3,803,387,267.45** | **$3,780,692,912.39** | **$22,694,355.06** | **$3,803,387,267.45** | **$3,756,408,907.21** | **$46,978,360.24** |
| Accum Prov - Amort and Depr | ($644,938,542.84) | ($640,040,444.49) | ($4,898,098.35) | ($644,938,542.84) | ($634,179,530.32) | ($10,759,012.52) |
| **Net Utility Plant** | **$3,158,448,724.61** | **$3,140,652,467.90** | **$17,796,256.71** | **$3,158,448,724.61** | **$3,122,229,376.89** | **$36,219,347.72** |
| 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** | **$3,159,180,596.86** | **$3,141,384,340.15** | **$17,796,256.71** | **$3,159,180,596.86** | **$3,122,961,249.14** | **$36,219,347.72** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,623,458.07 | $21,694,236.92 | ($70,778.85) | $21,623,458.07 | $21,735,704.98 | ($112,246.91) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,046,120.78 | $8,969,883.37 | $76,237.41 | $9,046,120.78 | $8,893,645.96 | $152,474.82 |
| **Other Property and Investments** | **$30,677,925.34** | **$30,672,466.78** | **$5,458.56** | **$30,677,925.34** | **$30,637,697.43** | **$40,227.91** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,038,971.15 | $2,267,450.83 | ($228,479.68) | $2,038,971.15 | $3,125,388.83 | ($1,086,417.68) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $21,685,283.57 | $70,140,563.06 | ($48,455,279.49) | $21,685,283.57 | $83,393,818.43 | ($61,708,534.86) |
| AR from Associated Cos | $41,686.31 | $187,747.44 | ($146,061.13) | $41,686.31 | $121,590.64 | ($79,904.33) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,190,660.88 | $1,188,222.91 | $2,437.97 | $1,190,660.88 | $1,238,920.56 | ($48,259.68) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $69,405,977.66 | $97,246,651.38 | ($27,840,673.72) | $69,405,977.66 | $123,110,374.53 | ($53,704,396.87) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $3,729,451.99 | $4,324,939.41 | ($595,487.42) | $3,729,451.99 | $5,266,603.14 | ($1,537,151.15) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $15,873,129.04 | $17,368,784.29 | ($1,495,655.25) | $15,873,129.04 | $16,721,120.99 | ($847,991.95) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$114,220,710.60** | **$192,979,909.32** | **($78,759,198.72)** | **$114,220,710.60** | **$233,232,529.73** | **($119,011,819.13)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $191,234,155.81 | $192,081,739.57 | ($847,583.76) | $191,234,155.81 | $192,817,434.61 | ($1,583,278.80) |
| Preliminary Surveys | $6,939,400.39 | $6,743,192.16 | $196,208.23 | $6,939,400.39 | $6,261,478.37 | $677,922.02 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2023* | Previous Month | Variance | Month: *Feb - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($9,555.15) | ($4,919.76) | ($4,635.39) | ($9,555.15) | $0.00 | ($9,555.15) |
| Miscellaneous Deferred Debits | $2,759,812.66 | $2,770,077.24 | ($10,264.58) | $2,759,812.66 | $2,947,796.34 | ($187,983.68) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,783,398.00 | $100,947,320.00 | ($2,163,922.00) | $98,783,398.00 | $103,088,926.00 | ($4,305,528.00) |
| Unrecovered Purchase Gas Costs | ($11,218,878.44) | ($8,574,001.03) | ($2,644,877.41) | ($11,218,878.44) | $8,548,919.44 | ($19,767,797.88) |
| **Deferred Debits** | **$288,488,333.27** | **$293,963,408.18** | **($5,475,074.91)** | **$288,488,333.27** | **$313,664,554.76** | **($25,176,221.49)** |
| **Assets and Other Debits** | **$3,592,567,566.07** | **$3,659,000,124.43** | **($66,432,558.36)** | **$3,592,567,566.07** | **$3,700,496,031.06** | **($107,928,464.99)** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,329,935,082.02 | $1,290,738,493.20 | $39,196,588.82 | $1,329,935,082.02 | $1,245,197,553.26 | $84,737,528.76 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,567,952,709.02** | **$1,528,756,120.20** | **$39,196,588.82** | **$1,567,952,709.02** | **$1,483,215,180.26** | **$84,737,528.76** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,604,734.26 | $12,755,292.98 | ($150,558.72) | $12,604,734.26 | $12,896,507.66 | ($291,773.40) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $139,864.02 | $137,983.32 | $1,880.70 | $139,864.02 | $131,412.33 | $8,451.69 |
| Accum Prov - Pension & Benefit | $2,271,705.26 | $2,347,930.08 | ($76,224.82) | $2,271,705.26 | $2,500,184.42 | ($228,479.16) |
| 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** | **$15,016,303.54** | **$15,241,206.38** | **($224,902.84)** | **$15,016,303.54** | **$15,528,104.41** | **($511,800.87)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $45,016,923.06 | $49,469,896.51 | ($4,452,973.45) | $45,016,923.06 | $72,666,289.26 | ($27,649,366.20) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $23,879,128.41 | $111,563,493.59 | ($87,684,365.18) | $23,879,128.41 | $166,443,842.89 | ($142,564,714.48) |
| Customer Deposits | $4,447,178.11 | $4,444,294.11 | $2,884.00 | $4,447,178.11 | $4,456,251.11 | ($9,073.00) |
| Taxes Accrued | $42,604,928.35 | $33,456,718.06 | $9,148,210.29 | $42,604,928.35 | $20,041,598.23 | $22,563,330.12 |
| Interest Accrued | $252,456.79 | $231,203.12 | $21,253.67 | $252,456.79 | $330,829.76 | ($78,372.97) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $928,129.01 | $1,334,522.29 | ($406,393.28) | $928,129.01 | $960,313.64 | ($32,184.63) |
| Misc Current & Accrued Liab | $52,027,997.06 | $72,621,097.93 | ($20,593,100.87) | $52,027,997.06 | $97,871,706.01 | ($45,843,708.95) |
| Obligation Cap Lease - Current | $2,059,877.13 | $2,019,526.85 | $40,350.28 | $2,059,877.13 | $1,997,304.49 | $62,572.64 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$171,216,617.92** | **$275,140,752.46** | **($103,924,134.54)** | **$171,216,617.92** | **$364,768,135.39** | **($193,551,517.47)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2023* | Previous Month | Variance | Month: *Feb - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $2,069,133.82 | $2,152,603.73 | ($83,469.91) | $2,069,133.82 | $2,240,978.01 | ($171,844.19) |
| Acc Defd Investment Tax Credit | $707,738.00 | $726,184.00 | ($18,446.00) | $707,738.00 | $744,630.00 | ($36,892.00) |
| Other Deferred Credits | $6,965,783.68 | $6,972,498.63 | ($6,714.95) | $6,965,783.68 | $7,025,506.47 | ($59,722.79) |
| Other Regulatory Liabilities | $214,732,042.40 | $218,637,083.34 | ($3,905,040.94) | $214,732,042.40 | $217,169,504.91 | ($2,437,462.51) |
| Accum Defer Inc Tax - Oth Prop | $476,819,817.70 | $474,711,417.70 | $2,108,400.00 | $476,819,817.70 | $472,603,016.70 | $4,216,801.00 |
| Accum Defer Inc Tax - Other | $1,572,419.99 | $1,147,257.99 | $425,162.00 | $1,572,419.99 | $1,686,644.99 | ($114,225.00) |
| **Deferred Credits** | **$702,866,935.59** | **$704,347,045.39** | **($1,480,109.80)** | **$702,866,935.59** | **$701,470,281.08** | **$1,396,654.51** |
| **Total Liabilities and Equity** | **$3,592,567,566.07** | **$3,659,000,124.43** | **($66,432,558.36)** | **$3,592,567,566.07** | **$3,700,496,701.14** | **($107,929,135.07)** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2023* | Previous Month | Variance | Month: *Mar - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,739,930,990.80 | $3,718,845,652.05 | $21,085,338.75 | $3,739,930,990.80 | $3,687,716,429.29 | $52,214,561.51 |
| Construction Work In Progress | $91,452,430.15 | $84,541,615.40 | $6,910,814.75 | $91,452,430.15 | $68,692,477.92 | $22,759,952.23 |
| **Total Utility Plant** | **$3,831,383,420.95** | **$3,803,387,267.45** | **$27,996,153.50** | **$3,831,383,420.95** | **$3,756,408,907.21** | **$74,974,513.74** |
| Accum Prov - Amort and Depr | ($651,261,051.07) | ($644,938,542.84) | ($6,322,508.23) | ($651,261,051.07) | ($634,179,530.32) | ($17,081,520.75) |
| **Net Utility Plant** | **$3,180,122,369.88** | **$3,158,448,724.61** | **$21,673,645.27** | **$3,180,122,369.88** | **$3,122,229,376.89** | **$57,892,992.99** |
| 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** | **$3,180,854,242.13** | **$3,159,180,596.86** | **$21,673,645.27** | **$3,180,854,242.13** | **$3,122,961,249.14** | **$57,892,992.99** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,369,301.19 | $21,623,458.07 | ($254,156.88) | $21,369,301.19 | $21,735,704.98 | ($366,403.79) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,334,975.73 | $9,046,120.78 | $288,854.95 | $9,334,975.73 | $8,893,645.96 | $441,329.77 |
| **Other Property and Investments** | **$30,712,623.41** | **$30,677,925.34** | **$34,698.07** | **$30,712,623.41** | **$30,637,697.43** | **$74,925.98** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $3,553,363.52 | $2,038,971.15 | $1,514,392.37 | $3,553,363.52 | $3,125,388.83 | $427,974.69 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $139,553,703.05 | $21,685,283.57 | $117,868,419.48 | $139,553,703.05 | $83,393,818.43 | $56,159,884.62 |
| AR from Associated Cos | $394,658.82 | $41,686.31 | $352,972.51 | $394,658.82 | $121,590.64 | $273,068.18 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,197,191.03 | $1,190,660.88 | $6,530.15 | $1,197,191.03 | $1,238,920.56 | ($41,729.53) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $36,087,700.36 | $69,405,977.66 | ($33,318,277.30) | $36,087,700.36 | $123,110,374.53 | ($87,022,674.17) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $3,760,803.38 | $3,729,451.99 | $31,351.39 | $3,760,803.38 | $5,266,603.14 | ($1,505,799.76) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $15,388,767.82 | $15,873,129.04 | ($484,361.22) | $15,388,767.82 | $16,721,120.99 | ($1,332,353.17) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$200,191,737.98** | **$114,220,710.60** | **$85,971,027.38** | **$200,191,737.98** | **$233,232,529.73** | **($33,040,791.75)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $190,809,605.85 | $191,234,155.81 | ($424,549.96) | $190,809,605.85 | $192,817,434.61 | ($2,007,828.76) |
| Preliminary Surveys | $7,542,672.58 | $6,939,400.39 | $603,272.19 | $7,542,672.58 | $6,261,478.37 | $1,281,194.21 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2023* | Previous Month | Variance | Month: *Mar - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($8,493.08) | ($9,555.15) | $1,062.07 | ($8,493.08) | $0.00 | ($8,493.08) |
| Miscellaneous Deferred Debits | $2,621,378.04 | $2,759,812.66 | ($138,434.62) | $2,621,378.04 | $2,947,796.34 | ($326,418.30) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,391,214.00 | $98,783,398.00 | ($392,184.00) | $98,391,214.00 | $103,088,926.00 | ($4,697,712.00) |
| Unrecovered Purchase Gas Costs | ($6,312,398.12) | ($11,218,878.44) | $4,906,480.32 | ($6,312,398.12) | $8,548,919.44 | ($14,861,317.56) |
| **Deferred Debits** | **$293,043,979.27** | **$288,488,333.27** | **$4,555,646.00** | **$293,043,979.27** | **$313,664,554.76** | **($20,620,575.49)** |
| **Assets and Other Debits** | **$3,704,802,582.79** | **$3,592,567,566.07** | **$112,235,016.72** | **$3,704,802,582.79** | **$3,700,496,031.06** | **$4,306,551.73** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,356,808,156.50 | $1,329,935,082.02 | $26,873,074.48 | $1,356,808,156.50 | $1,245,197,553.26 | $111,610,603.24 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,594,825,783.50** | **$1,567,952,709.02** | **$26,873,074.48** | **$1,594,825,783.50** | **$1,483,215,180.26** | **$111,610,603.24** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,456,175.54 | $12,604,734.26 | ($148,558.72) | $12,456,175.54 | $12,896,507.66 | ($440,332.12) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $104,295.02 | $139,864.02 | ($35,569.00) | $104,295.02 | $131,412.33 | ($27,117.31) |
| Accum Prov - Pension & Benefit | $2,675,646.74 | $2,271,705.26 | $403,941.48 | $2,675,646.74 | $2,500,184.42 | $175,462.32 |
| 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** | **$15,236,117.30** | **$15,016,303.54** | **$219,813.76** | **$15,236,117.30** | **$15,528,104.41** | **($291,987.11)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $42,570,261.31 | $45,016,923.06 | ($2,446,661.75) | $42,570,261.31 | $72,666,289.26 | ($30,096,027.95) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $112,458,194.57 | $23,879,128.41 | $88,579,066.16 | $112,458,194.57 | $166,443,842.89 | ($53,985,648.32) |
| Customer Deposits | $4,476,330.11 | $4,447,178.11 | $29,152.00 | $4,476,330.11 | $4,456,251.11 | $20,079.00 |
| Taxes Accrued | $49,134,694.83 | $42,604,928.35 | $6,529,766.48 | $49,134,694.83 | $20,041,598.23 | $29,093,096.60 |
| Interest Accrued | $275,288.22 | $252,456.79 | $22,831.43 | $275,288.22 | $330,829.76 | ($55,541.54) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $614,548.81 | $928,129.01 | ($313,580.20) | $614,548.81 | $960,313.64 | ($345,764.83) |
| Misc Current & Accrued Liab | $44,052,455.51 | $52,027,997.06 | ($7,975,541.55) | $44,052,455.51 | $97,871,706.01 | ($53,819,250.50) |
| Obligation Cap Lease - Current | $2,091,710.86 | $2,059,877.13 | $31,833.73 | $2,091,710.86 | $1,997,304.49 | $94,406.37 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$255,673,484.22** | **$171,216,617.92** | **$84,456,866.30** | **$255,673,484.22** | **$364,768,135.39** | **($109,094,651.17)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2023* | Previous Month | Variance | Month: *Mar - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,999,800.97 | $2,069,133.82 | ($69,332.85) | $1,999,800.97 | $2,240,978.01 | ($241,177.04) |
| Acc Defd Investment Tax Credit | $689,291.00 | $707,738.00 | ($18,447.00) | $689,291.00 | $744,630.00 | ($55,339.00) |
| Other Deferred Credits | $6,687,573.58 | $6,965,783.68 | ($278,210.10) | $6,687,573.58 | $7,025,506.47 | ($337,932.89) |
| Other Regulatory Liabilities | $213,606,269.53 | $214,732,042.40 | ($1,125,772.87) | $213,606,269.53 | $217,169,504.91 | ($3,563,235.38) |
| Accum Defer Inc Tax - Oth Prop | $478,928,218.70 | $476,819,817.70 | $2,108,401.00 | $478,928,218.70 | $472,603,016.70 | $6,325,202.00 |
| Accum Defer Inc Tax - Other | $1,641,043.99 | $1,572,419.99 | $68,624.00 | $1,641,043.99 | $1,686,644.99 | ($45,601.00) |
| **Deferred Credits** | **$703,552,197.77** | **$702,866,935.59** | **$685,262.18** | **$703,552,197.77** | **$701,470,281.08** | **$2,081,916.69** |
| **Total Liabilities and Equity** | **$3,704,802,582.79** | **$3,592,567,566.07** | **$112,235,016.72** | **$3,704,802,582.79** | **$3,700,496,701.14** | **$4,305,881.65** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2023* | Previous Month | Variance | Month: *Apr - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,754,049,834.88 | $3,739,930,990.80 | $14,118,844.08 | $3,754,049,834.88 | $3,687,716,429.29 | $66,333,405.59 |
| Construction Work In Progress | $105,969,234.12 | $91,452,430.15 | $14,516,803.97 | $105,969,234.12 | $68,692,477.92 | $37,276,756.20 |
| **Total Utility Plant** | **$3,860,019,069.00** | **$3,831,383,420.95** | **$28,635,648.05** | **$3,860,019,069.00** | **$3,756,408,907.21** | **$103,610,161.79** |
| Accum Prov - Amort and Depr | ($657,181,063.45) | ($651,261,051.07) | ($5,920,012.38) | ($657,181,063.45) | ($634,179,530.32) | ($23,001,533.13) |
| **Net Utility Plant** | **$3,202,838,005.55** | **$3,180,122,369.88** | **$22,715,635.67** | **$3,202,838,005.55** | **$3,122,229,376.89** | **$80,608,628.66** |
| 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** | **$3,203,569,877.80** | **$3,180,854,242.13** | **$22,715,635.67** | **$3,203,569,877.80** | **$3,122,961,249.14** | **$80,608,628.66** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,424,668.02 | $21,369,301.19 | $55,366.83 | $21,424,668.02 | $21,735,704.98 | ($311,036.96) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,414,203.96 | $9,334,975.73 | $79,228.23 | $9,414,203.96 | $8,893,645.96 | $520,558.00 |
| **Other Property and Investments** | **$30,847,218.47** | **$30,712,623.41** | **$134,595.06** | **$30,847,218.47** | **$30,637,697.43** | **$209,521.04** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,553,469.00 | $3,553,363.52 | ($999,894.52) | $2,553,469.00 | $3,125,388.83 | ($571,919.83) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $112,362,329.55 | $139,553,703.05 | ($27,191,373.50) | $112,362,329.55 | $83,393,818.43 | $28,968,511.12 |
| AR from Associated Cos | $172,365.89 | $394,658.82 | ($222,292.93) | $172,365.89 | $121,590.64 | $50,775.25 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,189,378.47 | $1,197,191.03 | ($7,812.56) | $1,189,378.47 | $1,238,920.56 | ($49,542.09) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $41,165,706.42 | $36,087,700.36 | $5,078,006.06 | $41,165,706.42 | $123,110,374.53 | ($81,944,668.11) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $2,962,504.71 | $3,760,803.38 | ($798,298.67) | $2,962,504.71 | $5,266,603.14 | ($2,304,098.43) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $13,601,068.80 | $15,388,767.82 | ($1,787,699.02) | $13,601,068.80 | $16,721,120.99 | ($3,120,052.19) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$174,262,372.84** | **$200,191,737.98** | **($25,929,365.14)** | **$174,262,372.84** | **$233,232,529.73** | **($58,970,156.89)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,790,380.69 | $190,809,605.85 | ($1,019,225.16) | $189,790,380.69 | $192,817,434.61 | ($3,027,053.92) |
| Preliminary Surveys | $8,196,250.73 | $7,542,672.58 | $653,578.15 | $8,196,250.73 | $6,261,478.37 | $1,934,772.36 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2023* | Previous Month | Variance | Month: *Apr - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($8,253.98) | ($8,493.08) | $239.10 | ($8,253.98) | $0.00 | ($8,253.98) |
| Miscellaneous Deferred Debits | $2,649,533.76 | $2,621,378.04 | $28,155.72 | $2,649,533.76 | $2,947,796.34 | ($298,262.58) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,438,404.00 | $98,391,214.00 | $47,190.00 | $98,438,404.00 | $103,088,926.00 | ($4,650,522.00) |
| Unrecovered Purchase Gas Costs | ($12,881,751.44) | ($6,312,398.12) | ($6,569,353.32) | ($12,881,751.44) | $8,548,919.44 | ($21,430,670.88) |
| **Deferred Debits** | **$286,184,563.76** | **$293,043,979.27** | **($6,859,415.51)** | **$286,184,563.76** | **$313,664,554.76** | **($27,479,991.00)** |
| **Assets and Other Debits** | **$3,694,864,032.87** | **$3,704,802,582.79** | **($9,938,549.92)** | **$3,694,864,032.87** | **$3,700,496,031.06** | **($5,631,998.19)** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,366,097,523.04 | $1,356,808,156.50 | $9,289,366.54 | $1,366,097,523.04 | $1,245,197,553.26 | $120,899,969.78 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,604,115,150.04** | **$1,594,825,783.50** | **$9,289,366.54** | **$1,604,115,150.04** | **$1,483,215,180.26** | **$120,899,969.78** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,150,927.61 | $12,456,175.54 | ($305,247.93) | $12,150,927.61 | $12,896,507.66 | ($745,580.05) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $114,779.22 | $104,295.02 | $10,484.20 | $114,779.22 | $131,412.33 | ($16,633.11) |
| Accum Prov - Pension & Benefit | $2,531,076.13 | $2,675,646.74 | ($144,570.61) | $2,531,076.13 | $2,500,184.42 | $30,891.71 |
| 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** | **$14,796,782.96** | **$15,236,117.30** | **($439,334.34)** | **$14,796,782.96** | **$15,528,104.41** | **($731,321.45)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $50,836,833.55 | $42,570,261.31 | $8,266,572.24 | $50,836,833.55 | $72,666,289.26 | ($21,829,455.71) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $93,747,035.31 | $112,458,194.57 | ($18,711,159.26) | $93,747,035.31 | $166,443,842.89 | ($72,696,807.58) |
| Customer Deposits | $4,426,535.11 | $4,476,330.11 | ($49,795.00) | $4,426,535.11 | $4,456,251.11 | ($29,716.00) |
| Taxes Accrued | $48,519,650.04 | $49,134,694.83 | ($615,044.79) | $48,519,650.04 | $20,041,598.23 | $28,478,051.81 |
| Interest Accrued | $296,066.49 | $275,288.22 | $20,778.27 | $296,066.49 | $330,829.76 | ($34,763.27) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $395,835.80 | $614,548.81 | ($218,713.01) | $395,835.80 | $960,313.64 | ($564,477.84) |
| Misc Current & Accrued Liab | $36,093,046.75 | $44,052,455.51 | ($7,959,408.76) | $36,093,046.75 | $97,871,706.01 | ($61,778,659.26) |
| Obligation Cap Lease - Current | $2,070,150.46 | $2,091,710.86 | ($21,560.40) | $2,070,150.46 | $1,997,304.49 | $72,845.97 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$236,385,153.51** | **$255,673,484.22** | **($19,288,330.71)** | **$236,385,153.51** | **$364,768,135.39** | **($128,382,981.88)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2023* | Previous Month | Variance | Month: *Apr - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,980,315.17 | $1,999,800.97 | ($19,485.80) | $1,980,315.17 | $2,240,978.01 | ($260,662.84) |
| Acc Defd Investment Tax Credit | $670,845.00 | $689,291.00 | ($18,446.00) | $670,845.00 | $744,630.00 | ($73,785.00) |
| Other Deferred Credits | $6,662,138.11 | $6,687,573.58 | ($25,435.47) | $6,662,138.11 | $7,025,506.47 | ($363,368.36) |
| Other Regulatory Liabilities | $212,107,830.39 | $213,606,269.53 | ($1,498,439.14) | $212,107,830.39 | $217,169,504.91 | ($5,061,674.52) |
| Accum Defer Inc Tax - Oth Prop | $481,036,619.70 | $478,928,218.70 | $2,108,401.00 | $481,036,619.70 | $472,603,016.70 | $8,433,603.00 |
| Accum Defer Inc Tax - Other | $1,594,197.99 | $1,641,043.99 | ($46,846.00) | $1,594,197.99 | $1,686,644.99 | ($92,447.00) |
| **Deferred Credits** | **$704,051,946.36** | **$703,552,197.77** | **$499,748.59** | **$704,051,946.36** | **$701,470,281.08** | **$2,581,665.28** |
| **Total Liabilities and Equity** | **$3,694,864,032.87** | **$3,704,802,582.79** | **($9,938,549.92)** | **$3,694,864,032.87** | **$3,700,496,701.14** | **($5,632,668.27)** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2023* | Previous Month | Variance | Month: *May - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,776,998,918.73 | $3,754,049,834.88 | $22,949,083.85 | $3,776,998,918.73 | $3,687,716,429.29 | $89,282,489.44 |
| Construction Work In Progress | $117,461,438.28 | $105,969,234.12 | $11,492,204.16 | $117,461,438.28 | $68,692,477.92 | $48,768,960.36 |
| **Total Utility Plant** | **$3,894,460,357.01** | **$3,860,019,069.00** | **$34,441,288.01** | **$3,894,460,357.01** | **$3,756,408,907.21** | **$138,051,449.80** |
| Accum Prov - Amort and Depr | ($663,537,235.71) | ($657,181,063.45) | ($6,356,172.26) | ($663,537,235.71) | ($634,179,530.32) | ($29,357,705.39) |
| **Net Utility Plant** | **$3,230,923,121.30** | **$3,202,838,005.55** | **$28,085,115.75** | **$3,230,923,121.30** | **$3,122,229,376.89** | **$108,693,744.41** |
| 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** | **$3,231,654,993.55** | **$3,203,569,877.80** | **$28,085,115.75** | **$3,231,654,993.55** | **$3,122,961,249.14** | **$108,693,744.41** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,419,343.18 | $21,424,668.02 | ($5,324.84) | $21,419,343.18 | $21,735,704.98 | ($316,361.80) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,491,961.18 | $9,414,203.96 | $77,757.22 | $9,491,961.18 | $8,893,645.96 | $598,315.22 |
| **Other Property and Investments** | **$30,919,650.85** | **$30,847,218.47** | **$72,432.38** | **$30,919,650.85** | **$30,637,697.43** | **$281,953.42** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,838,124.60 | $2,553,469.00 | ($715,344.40) | $1,838,124.60 | $3,125,388.83 | ($1,287,264.23) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $74,531,470.62 | $112,362,329.55 | ($37,830,858.93) | $74,531,470.62 | $83,393,818.43 | ($8,862,347.81) |
| AR from Associated Cos | $226,884.13 | $172,365.89 | $54,518.24 | $226,884.13 | $121,590.64 | $105,293.49 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,193,251.08 | $1,189,378.47 | $3,872.61 | $1,193,251.08 | $1,238,920.56 | ($45,669.48) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $47,075,155.44 | $41,165,706.42 | $5,909,449.02 | $47,075,155.44 | $123,110,374.53 | ($76,035,219.09) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $2,125,372.63 | $2,962,504.71 | ($837,132.08) | $2,125,372.63 | $5,266,603.14 | ($3,141,230.51) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $12,203,774.01 | $13,601,068.80 | ($1,397,294.79) | $12,203,774.01 | $16,721,120.99 | ($4,517,346.98) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$139,449,582.51** | **$174,262,372.84** | **($34,812,790.33)** | **$139,449,582.51** | **$233,232,529.73** | **($93,782,947.22)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,314,168.88 | $189,790,380.69 | ($476,211.81) | $189,314,168.88 | $192,817,434.61 | ($3,503,265.73) |
| Preliminary Surveys | $9,065,736.49 | $8,196,250.73 | $869,485.76 | $9,065,736.49 | $6,261,478.37 | $2,804,258.12 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2023* | Previous Month | Variance | Month: *May - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($39,449.57) | ($8,253.98) | ($31,195.59) | ($39,449.57) | $0.00 | ($39,449.57) |
| Miscellaneous Deferred Debits | $2,725,699.76 | $2,649,533.76 | $76,166.00 | $2,725,699.76 | $2,947,796.34 | ($222,096.58) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,547,536.00 | $98,438,404.00 | $109,132.00 | $98,547,536.00 | $103,088,926.00 | ($4,541,390.00) |
| Unrecovered Purchase Gas Costs | ($11,472,005.31) | ($12,881,751.44) | $1,409,746.13 | ($11,472,005.31) | $8,548,919.44 | ($20,020,924.75) |
| **Deferred Debits** | **$288,141,686.25** | **$286,184,563.76** | **$1,957,122.49** | **$288,141,686.25** | **$313,664,554.76** | **($25,522,868.51)** |
| **Assets and Other Debits** | **$3,690,165,913.16** | **$3,694,864,032.87** | **($4,698,119.71)** | **$3,690,165,913.16** | **$3,700,496,031.06** | **($10,330,117.90)** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,364,612,800.31 | $1,366,097,523.04 | ($1,484,722.73) | $1,364,612,800.31 | $1,245,197,553.26 | $119,415,247.05 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,602,630,427.31** | **$1,604,115,150.04** | **($1,484,722.73)** | **$1,602,630,427.31** | **$1,483,215,180.26** | **$119,415,247.05** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 | $1,135,515,000.00 | $1,135,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** | **$1,135,515,000.00** | **$1,135,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,002,081.13 | $12,150,927.61 | ($148,846.48) | $12,002,081.13 | $12,896,507.66 | ($894,426.53) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $122,553.02 | $114,779.22 | $7,773.80 | $122,553.02 | $131,412.33 | ($8,859.31) |
| Accum Prov - Pension & Benefit | $2,377,133.39 | $2,531,076.13 | ($153,942.74) | $2,377,133.39 | $2,500,184.42 | ($123,051.03) |
| 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** | **$14,501,767.54** | **$14,796,782.96** | **($295,015.42)** | **$14,501,767.54** | **$15,528,104.41** | **($1,026,336.87)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,567,526.00 | $50,836,833.55 | ($1,269,307.55) | $49,567,526.00 | $72,666,289.26 | ($23,098,763.26) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $92,016,150.61 | $93,747,035.31 | ($1,730,884.70) | $92,016,150.61 | $166,443,842.89 | ($74,427,692.28) |
| Customer Deposits | $4,389,619.11 | $4,426,535.11 | ($36,916.00) | $4,389,619.11 | $4,456,251.11 | ($66,632.00) |
| Taxes Accrued | $45,630,644.29 | $48,519,650.04 | ($2,889,005.75) | $45,630,644.29 | $20,041,598.23 | $25,589,046.06 |
| Interest Accrued | $315,859.81 | $296,066.49 | $19,793.32 | $315,859.81 | $330,829.76 | ($14,969.95) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $277,827.79 | $395,835.80 | ($118,008.01) | $277,827.79 | $960,313.64 | ($682,485.85) |
| Misc Current & Accrued Liab | $38,107,623.18 | $36,093,046.75 | $2,014,576.43 | $38,107,623.18 | $97,871,706.01 | ($59,764,082.83) |
| Obligation Cap Lease - Current | $2,030,890.48 | $2,070,150.46 | ($39,259.98) | $2,030,890.48 | $1,997,304.49 | $33,585.99 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$232,336,141.27** | **$236,385,153.51** | **($4,049,012.24)** | **$232,336,141.27** | **$364,768,135.39** | **($132,431,994.12)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2023* | Previous Month | Variance | Month: *May - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,975,379.92 | $1,980,315.17 | ($4,935.25) | $1,975,379.92 | $2,240,978.01 | ($265,598.09) |
| Acc Defd Investment Tax Credit | $651,699.00 | $670,845.00 | ($19,146.00) | $651,699.00 | $744,630.00 | ($92,931.00) |
| Other Deferred Credits | $6,665,976.38 | $6,662,138.11 | $3,838.27 | $6,665,976.38 | $7,025,506.47 | ($359,530.09) |
| Other Regulatory Liabilities | $211,099,721.05 | $212,107,830.39 | ($1,008,109.34) | $211,099,721.05 | $217,169,504.91 | ($6,069,783.86) |
| Accum Defer Inc Tax - Oth Prop | $483,145,020.70 | $481,036,619.70 | $2,108,401.00 | $483,145,020.70 | $472,603,016.70 | $10,542,004.00 |
| Accum Defer Inc Tax - Other | $1,644,779.99 | $1,594,197.99 | $50,582.00 | $1,644,779.99 | $1,686,644.99 | ($41,865.00) |
| **Deferred Credits** | **$705,182,577.04** | **$704,051,946.36** | **$1,130,630.68** | **$705,182,577.04** | **$701,470,281.08** | **$3,712,295.96** |
| **Total Liabilities and Equity** | **$3,690,165,913.16** | **$3,694,864,032.87** | **($4,698,119.71)** | **$3,690,165,913.16** | **$3,700,496,701.14** | **($10,330,787.98)** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2023* | Previous Month | Variance | Month: *Jun - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,810,370,068.71 | $3,776,998,918.73 | $33,371,149.98 | $3,810,370,068.71 | $3,687,716,429.29 | $122,653,639.42 |
| Construction Work In Progress | $127,142,345.80 | $117,461,438.28 | $9,680,907.52 | $127,142,345.80 | $68,692,477.92 | $58,449,867.88 |
| **Total Utility Plant** | **$3,937,512,414.51** | **$3,894,460,357.01** | **$43,052,057.50** | **$3,937,512,414.51** | **$3,756,408,907.21** | **$181,103,507.30** |
| Accum Prov - Amort and Depr | ($669,154,874.58) | ($663,537,235.71) | ($5,617,638.87) | ($669,154,874.58) | ($634,179,530.32) | ($34,975,344.26) |
| **Net Utility Plant** | **$3,268,357,539.93** | **$3,230,923,121.30** | **$37,434,418.63** | **$3,268,357,539.93** | **$3,122,229,376.89** | **$146,128,163.04** |
| 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** | **$3,269,089,412.18** | **$3,231,654,993.55** | **$37,434,418.63** | **$3,269,089,412.18** | **$3,122,961,249.14** | **$146,128,163.04** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,476,985.52 | $21,419,343.18 | $57,642.34 | $21,476,985.52 | $21,735,704.98 | ($258,719.46) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,549,629.64 | $9,491,961.18 | $57,668.46 | $9,549,629.64 | $8,893,645.96 | $655,983.68 |
| **Other Property and Investments** | **$31,034,961.65** | **$30,919,650.85** | **$115,310.80** | **$31,034,961.65** | **$30,637,697.43** | **$397,264.22** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,607,924.78 | $1,838,124.60 | ($230,199.82) | $1,607,924.78 | $3,125,388.83 | ($1,517,464.05) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Customer Accounts Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Other Accounts Receivable | $244,742.14 | $253,000.00 | ($8,257.86) | $244,742.14 | $253,000.00 | ($8,257.86) |
| Accum Prov Uncollectible - Cr | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| NR from Associated Cos | $57,547,401.94 | $74,531,470.62 | ($16,984,068.68) | $57,547,401.94 | $83,393,818.43 | ($25,846,416.49) |
| AR from Associated Cos | ($38,266.61) | $226,884.13 | ($265,150.74) | ($38,266.61) | $121,590.64 | ($159,857.25) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,048,332.92 | $1,193,251.08 | ($144,918.16) | $1,048,332.92 | $1,238,920.56 | ($190,587.64) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $51,565,376.73 | $47,075,155.44 | $4,490,221.29 | $51,565,376.73 | $123,110,374.53 | ($71,544,997.80) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $3,507,625.08 | $2,125,372.63 | $1,382,252.45 | $3,507,625.08 | $5,266,603.14 | ($1,758,978.06) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $9,485,457.23 | $12,203,774.01 | ($2,718,316.78) | $9,485,457.23 | $16,721,120.99 | ($7,235,663.76) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$124,971,144.21** | **$139,449,582.51** | **($14,478,438.30)** | **$124,971,144.21** | **$233,232,529.73** | **($108,261,385.52)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $99.00 | $0.00 | $99.00 | $99.00 | $0.00 | $99.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,466,686.12 | $189,314,168.88 | $152,517.24 | $189,466,686.12 | $192,817,434.61 | ($3,350,748.49) |
| Preliminary Surveys | $9,372,753.97 | $9,065,736.49 | $307,017.48 | $9,372,753.97 | $6,261,478.37 | $3,111,275.60 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2023* | Previous Month | Variance | Month: *Jun - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($42,142.78) | ($39,449.57) | ($2,693.21) | ($42,142.78) | $0.00 | ($42,142.78) |
| Miscellaneous Deferred Debits | $2,660,257.56 | $2,725,699.76 | ($65,442.20) | $2,660,257.56 | $2,947,796.34 | ($287,538.78) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,622,316.00 | $98,547,536.00 | $74,780.00 | $98,622,316.00 | $103,088,926.00 | ($4,466,610.00) |
| Unrecovered Purchase Gas Costs | ($6,366,968.95) | ($11,472,005.31) | $5,105,036.36 | ($6,366,968.95) | $8,548,919.44 | ($14,915,888.39) |
| **Deferred Debits** | **$293,713,000.92** | **$288,141,686.25** | **$5,571,314.67** | **$293,713,000.92** | **$313,664,554.76** | **($19,951,553.84)** |
| **Assets and Other Debits** | **$3,718,808,518.96** | **$3,690,165,913.16** | **$28,642,605.80** | **$3,718,808,518.96** | **$3,700,496,031.06** | **$18,312,487.90** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,358,091,039.49 | $1,364,612,800.31 | ($6,521,760.82) | $1,358,091,039.49 | $1,245,197,553.26 | $112,893,486.23 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,596,108,666.49** | **$1,602,630,427.31** | **($6,521,760.82)** | **$1,596,108,666.49** | **$1,483,215,180.26** | **$112,893,486.23** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,175,515,000.00 | $1,135,515,000.00 | $40,000,000.00 | $1,175,515,000.00 | $1,135,515,000.00 | $40,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,175,515,000.00** | **$1,135,515,000.00** | **$40,000,000.00** | **$1,175,515,000.00** | **$1,135,515,000.00** | **$40,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $12,044,602.70 | $12,002,081.13 | $42,521.57 | $12,044,602.70 | $12,896,507.66 | ($851,904.96) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $111,371.06 | $122,553.02 | ($11,181.96) | $111,371.06 | $131,412.33 | ($20,041.27) |
| Accum Prov - Pension & Benefit | $2,561,274.56 | $2,377,133.39 | $184,141.17 | $2,561,274.56 | $2,500,184.42 | $61,090.14 |
| 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** | **$14,717,248.32** | **$14,501,767.54** | **$215,480.78** | **$14,717,248.32** | **$15,528,104.41** | **($810,856.09)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $52,829,637.49 | $49,567,526.00 | $3,262,111.49 | $52,829,637.49 | $72,666,289.26 | ($19,836,651.77) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $81,898,363.14 | $92,016,150.61 | ($10,117,787.47) | $81,898,363.14 | $166,443,842.89 | ($84,545,479.75) |
| Customer Deposits | $4,395,959.11 | $4,389,619.11 | $6,340.00 | $4,395,959.11 | $4,456,251.11 | ($60,292.00) |
| Taxes Accrued | $39,483,722.11 | $45,630,644.29 | ($6,146,922.18) | $39,483,722.11 | $20,041,598.23 | $19,442,123.88 |
| Interest Accrued | $333,256.21 | $315,859.81 | $17,396.40 | $333,256.21 | $330,829.76 | $2,426.45 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $182,840.01 | $277,827.79 | ($94,987.78) | $182,840.01 | $960,313.64 | ($777,473.63) |
| Misc Current & Accrued Liab | $43,935,429.98 | $38,107,623.18 | $5,827,806.80 | $43,935,429.98 | $97,871,706.01 | ($53,936,276.03) |
| Obligation Cap Lease - Current | $2,010,144.14 | $2,030,890.48 | ($20,746.34) | $2,010,144.14 | $1,997,304.49 | $12,839.65 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$225,069,352.19** | **$232,336,141.27** | **($7,266,789.08)** | **$225,069,352.19** | **$364,768,135.39** | **($139,698,783.20)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2023* | Previous Month | Variance | Month: *Jun - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,943,370.08 | $1,975,379.92 | ($32,009.84) | $1,943,370.08 | $2,240,978.01 | ($297,607.93) |
| Acc Defd Investment Tax Credit | $633,953.00 | $651,699.00 | ($17,746.00) | $633,953.00 | $744,630.00 | ($110,677.00) |
| Other Deferred Credits | $6,818,425.47 | $6,665,976.38 | $152,449.09 | $6,818,425.47 | $7,025,506.47 | ($207,081.00) |
| Other Regulatory Liabilities | $211,218,331.72 | $211,099,721.05 | $118,610.67 | $211,218,331.72 | $217,169,504.91 | ($5,951,173.19) |
| Accum Defer Inc Tax - Oth Prop | $485,253,420.70 | $483,145,020.70 | $2,108,400.00 | $485,253,420.70 | $472,603,016.70 | $12,650,404.00 |
| Accum Defer Inc Tax - Other | $1,530,750.99 | $1,644,779.99 | ($114,029.00) | $1,530,750.99 | $1,686,644.99 | ($155,894.00) |
| **Deferred Credits** | **$707,398,251.96** | **$705,182,577.04** | **$2,215,674.92** | **$707,398,251.96** | **$701,470,281.08** | **$5,927,970.88** |
| **Total Liabilities and Equity** | **$3,718,808,518.96** | **$3,690,165,913.16** | **$28,642,605.80** | **$3,718,808,518.96** | **$3,700,496,701.14** | **$18,311,817.82** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2023* | Previous Month | Variance | Month: *Jul - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,846,278,286.70 | $3,810,370,068.71 | $35,908,217.99 | $3,846,278,286.70 | $3,687,716,429.29 | $158,561,857.41 |
| Construction Work In Progress | $118,626,217.11 | $127,142,345.80 | ($8,516,128.69) | $118,626,217.11 | $68,692,477.92 | $49,933,739.19 |
| **Total Utility Plant** | **$3,964,904,503.81** | **$3,937,512,414.51** | **$27,392,089.30** | **$3,964,904,503.81** | **$3,756,408,907.21** | **$208,495,596.60** |
| Accum Prov - Amort and Depr | ($675,103,341.73) | ($669,154,874.58) | ($5,948,467.15) | ($675,103,341.73) | ($634,179,530.32) | ($40,923,811.41) |
| **Net Utility Plant** | **$3,289,801,162.08** | **$3,268,357,539.93** | **$21,443,622.15** | **$3,289,801,162.08** | **$3,122,229,376.89** | **$167,571,785.19** |
| 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** | **$3,290,533,034.33** | **$3,269,089,412.18** | **$21,443,622.15** | **$3,290,533,034.33** | **$3,122,961,249.14** | **$167,571,785.19** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,534,109.93 | $21,476,985.52 | $57,124.41 | $21,534,109.93 | $21,735,704.98 | ($201,595.05) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,625,867.05 | $9,549,629.64 | $76,237.41 | $9,625,867.05 | $8,893,645.96 | $732,221.09 |
| **Other Property and Investments** | **$31,168,323.47** | **$31,034,961.65** | **$133,361.82** | **$31,168,323.47** | **$30,637,697.43** | **$530,626.04** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,445,143.93 | $1,607,924.78 | ($162,780.85) | $1,445,143.93 | $3,125,388.83 | ($1,680,244.90) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Customer Accounts Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Other Accounts Receivable | $253,000.00 | $244,742.14 | $8,257.86 | $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 | $48,932,319.28 | $57,547,401.94 | ($8,615,082.66) | $48,932,319.28 | $83,393,818.43 | ($34,461,499.15) |
| AR from Associated Cos | ($54,379.89) | ($38,266.61) | ($16,113.28) | ($54,379.89) | $121,590.64 | ($175,970.53) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $1,006,611.83 | $1,048,332.92 | ($41,721.09) | $1,006,611.83 | $1,238,920.56 | ($232,308.73) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $56,576,344.12 | $51,565,376.73 | $5,010,967.39 | $56,576,344.12 | $123,110,374.53 | ($66,534,030.41) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $4,261,581.59 | $3,507,625.08 | $753,956.51 | $4,261,581.59 | $5,266,603.14 | ($1,005,021.55) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $8,813,754.19 | $9,485,457.23 | ($671,703.04) | $8,813,754.19 | $16,721,120.99 | ($7,907,366.80) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$121,236,925.05** | **$124,971,144.21** | **($3,734,219.16)** | **$121,236,925.05** | **$233,232,529.73** | **($111,995,604.68)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $99.00 | $99.00 | $0.00 | $99.00 | $0.00 | $99.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,408,851.83 | $189,466,686.12 | ($57,834.29) | $189,408,851.83 | $192,817,434.61 | ($3,408,582.78) |
| Preliminary Surveys | $9,817,505.81 | $9,372,753.97 | $444,751.84 | $9,817,505.81 | $6,261,478.37 | $3,556,027.44 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2023* | Previous Month | Variance | Month: *Jul - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($40,576.79) | ($42,142.78) | $1,565.99 | ($40,576.79) | $0.00 | ($40,576.79) |
| Miscellaneous Deferred Debits | $2,048,221.85 | $2,660,257.56 | ($612,035.71) | $2,048,221.85 | $2,947,796.34 | ($899,574.49) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,604,708.00 | $98,622,316.00 | ($17,608.00) | $98,604,708.00 | $103,088,926.00 | ($4,484,218.00) |
| Unrecovered Purchase Gas Costs | ($2,753,613.67) | ($6,366,968.95) | $3,613,355.28 | ($2,753,613.67) | $8,548,919.44 | ($11,302,533.11) |
| **Deferred Debits** | **$297,085,196.03** | **$293,713,000.92** | **$3,372,195.11** | **$297,085,196.03** | **$313,664,554.76** | **($16,579,358.73)** |
| **Assets and Other Debits** | **$3,740,023,478.88** | **$3,718,808,518.96** | **$21,214,959.92** | **$3,740,023,478.88** | **$3,700,496,031.06** | **$39,527,447.82** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,353,161,089.95 | $1,358,091,039.49 | ($4,929,949.54) | $1,353,161,089.95 | $1,245,197,553.26 | $107,963,536.69 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,591,178,716.95** | **$1,596,108,666.49** | **($4,929,949.54)** | **$1,591,178,716.95** | **$1,483,215,180.26** | **$107,963,536.69** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,175,515,000.00 | $1,175,515,000.00 | $0.00 | $1,175,515,000.00 | $1,135,515,000.00 | $40,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,175,515,000.00** | **$1,175,515,000.00** | **$0.00** | **$1,175,515,000.00** | **$1,135,515,000.00** | **$40,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $11,896,081.73 | $12,044,602.70 | ($148,520.97) | $11,896,081.73 | $12,896,507.66 | ($1,000,425.93) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $116,106.46 | $111,371.06 | $4,735.40 | $116,106.46 | $131,412.33 | ($15,305.87) |
| Accum Prov - Pension & Benefit | $2,393,295.19 | $2,561,274.56 | ($167,979.37) | $2,393,295.19 | $2,500,184.42 | ($106,889.23) |
| 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** | **$14,405,483.38** | **$14,717,248.32** | **($311,764.94)** | **$14,405,483.38** | **$15,528,104.41** | **($1,122,621.03)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $42,791,963.14 | $52,829,637.49 | ($10,037,674.35) | $42,791,963.14 | $72,666,289.26 | ($29,874,326.12) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $109,794,778.61 | $81,898,363.14 | $27,896,415.47 | $109,794,778.61 | $166,443,842.89 | ($56,649,064.28) |
| Customer Deposits | $4,412,639.11 | $4,395,959.11 | $16,680.00 | $4,412,639.11 | $4,456,251.11 | ($43,612.00) |
| Taxes Accrued | $35,476,079.86 | $39,483,722.11 | ($4,007,642.25) | $35,476,079.86 | $20,041,598.23 | $15,434,481.63 |
| Interest Accrued | $353,238.42 | $333,256.21 | $19,982.21 | $353,238.42 | $330,829.76 | $22,408.66 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $131,539.93 | $182,840.01 | ($51,300.08) | $131,539.93 | $960,313.64 | ($828,773.71) |
| Misc Current & Accrued Liab | $54,222,003.03 | $43,935,429.98 | $10,286,573.05 | $54,222,003.03 | $97,871,706.01 | ($43,649,702.98) |
| Obligation Cap Lease - Current | $1,985,582.39 | $2,010,144.14 | ($24,561.75) | $1,985,582.39 | $1,997,304.49 | ($11,722.10) |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$249,167,824.49** | **$225,069,352.19** | **$24,098,472.30** | **$249,167,824.49** | **$364,768,135.39** | **($115,600,310.90)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2023* | Previous Month | Variance | Month: *Jul - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,930,757.37 | $1,943,370.08 | ($12,612.71) | $1,930,757.37 | $2,240,978.01 | ($310,220.64) |
| Acc Defd Investment Tax Credit | $615,507.00 | $633,953.00 | ($18,446.00) | $615,507.00 | $744,630.00 | ($129,123.00) |
| Other Deferred Credits | $6,747,974.45 | $6,818,425.47 | ($70,451.02) | $6,747,974.45 | $7,025,506.47 | ($277,532.02) |
| Other Regulatory Liabilities | $211,747,593.55 | $211,218,331.72 | $529,261.83 | $211,747,593.55 | $217,169,504.91 | ($5,421,911.36) |
| Accum Defer Inc Tax - Oth Prop | $487,361,821.70 | $485,253,420.70 | $2,108,401.00 | $487,361,821.70 | $472,603,016.70 | $14,758,805.00 |
| Accum Defer Inc Tax - Other | $1,352,799.99 | $1,530,750.99 | ($177,951.00) | $1,352,799.99 | $1,686,644.99 | ($333,845.00) |
| **Deferred Credits** | **$709,756,454.06** | **$707,398,251.96** | **$2,358,202.10** | **$709,756,454.06** | **$701,470,281.08** | **$8,286,172.98** |
| **Total Liabilities and Equity** | **$3,740,023,478.88** | **$3,718,808,518.96** | **$21,214,959.92** | **$3,740,023,478.88** | **$3,700,496,701.14** | **$39,526,777.74** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2023* | Previous Month | Variance | Month: *Aug - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,888,626,463.03 | $3,846,278,286.70 | $42,348,176.33 | $3,888,626,463.03 | $3,687,716,429.29 | $200,910,033.74 |
| Construction Work In Progress | $125,683,917.05 | $118,626,217.11 | $7,057,699.94 | $125,683,917.05 | $68,692,477.92 | $56,991,439.13 |
| **Total Utility Plant** | **$4,014,310,380.08** | **$3,964,904,503.81** | **$49,405,876.27** | **$4,014,310,380.08** | **$3,756,408,907.21** | **$257,901,472.87** |
| Accum Prov - Amort and Depr | ($680,962,797.32) | ($675,103,341.73) | ($5,859,455.59) | ($680,962,797.32) | ($634,179,530.32) | ($46,783,267.00) |
| **Net Utility Plant** | **$3,333,347,582.76** | **$3,289,801,162.08** | **$43,546,420.68** | **$3,333,347,582.76** | **$3,122,229,376.89** | **$211,118,205.87** |
| 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** | **$3,334,079,455.01** | **$3,290,533,034.33** | **$43,546,420.68** | **$3,334,079,455.01** | **$3,122,961,249.14** | **$211,118,205.87** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,593,697.89 | $21,534,109.93 | $59,587.96 | $21,593,697.89 | $21,735,704.98 | ($142,007.09) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,704,180.06 | $9,625,867.05 | $78,313.01 | $9,704,180.06 | $8,893,645.96 | $810,534.10 |
| **Other Property and Investments** | **$31,306,224.44** | **$31,168,323.47** | **$137,900.97** | **$31,306,224.44** | **$30,637,697.43** | **$668,527.01** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,204,394.22 | $1,445,143.93 | ($240,749.71) | $1,204,394.22 | $3,125,388.83 | ($1,920,994.61) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $41,507,905.71 | $48,932,319.28 | ($7,424,413.57) | $41,507,905.71 | $83,393,818.43 | ($41,885,912.72) |
| AR from Associated Cos | ($63,590.04) | ($54,379.89) | ($9,210.15) | ($63,590.04) | $121,590.64 | ($185,180.68) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $902,994.33 | $1,006,611.83 | ($103,617.50) | $902,994.33 | $1,238,920.56 | ($335,926.23) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $60,919,006.92 | $56,576,344.12 | $4,342,662.80 | $60,919,006.92 | $123,110,374.53 | ($62,191,367.61) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $5,596,540.04 | $4,261,581.59 | $1,334,958.45 | $5,596,540.04 | $5,266,603.14 | $329,936.90 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $7,626,467.93 | $8,813,754.19 | ($1,187,286.26) | $7,626,467.93 | $16,721,120.99 | ($9,094,653.06) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$117,949,269.11** | **$121,236,925.05** | **($3,287,655.94)** | **$117,949,269.11** | **$233,232,529.73** | **($115,283,260.62)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $99.00 | $99.00 | $0.00 | $99.00 | $0.00 | $99.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,507,187.94 | $189,408,851.83 | $98,336.11 | $189,507,187.94 | $192,817,434.61 | ($3,310,246.67) |
| Preliminary Surveys | $10,044,433.96 | $9,817,505.81 | $226,928.15 | $10,044,433.96 | $6,261,478.37 | $3,782,955.59 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2023* | Previous Month | Variance | Month: *Aug - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($42,430.70) | ($40,576.79) | ($1,853.91) | ($42,430.70) | $0.00 | ($42,430.70) |
| Miscellaneous Deferred Debits | $2,108,494.63 | $2,048,221.85 | $60,272.78 | $2,108,494.63 | $2,947,796.34 | ($839,301.71) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $99,176,471.00 | $98,604,708.00 | $571,763.00 | $99,176,471.00 | $103,088,926.00 | ($3,912,455.00) |
| Unrecovered Purchase Gas Costs | $405,250.39 | ($2,753,613.67) | $3,158,864.06 | $405,250.39 | $8,548,919.44 | ($8,143,669.05) |
| **Deferred Debits** | **$301,199,506.22** | **$297,085,196.03** | **$4,114,310.19** | **$301,199,506.22** | **$313,664,554.76** | **($12,465,048.54)** |
| **Assets and Other Debits** | **$3,784,534,454.78** | **$3,740,023,478.88** | **$44,510,975.90** | **$3,784,534,454.78** | **$3,700,496,031.06** | **$84,038,423.72** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,346,271,261.69 | $1,353,161,089.95 | ($6,889,828.26) | $1,346,271,261.69 | $1,245,197,553.26 | $101,073,708.43 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,584,288,888.69** | **$1,591,178,716.95** | **($6,889,828.26)** | **$1,584,288,888.69** | **$1,483,215,180.26** | **$101,073,708.43** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,175,515,000.00 | $1,175,515,000.00 | $0.00 | $1,175,515,000.00 | $1,135,515,000.00 | $40,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,175,515,000.00** | **$1,175,515,000.00** | **$0.00** | **$1,175,515,000.00** | **$1,135,515,000.00** | **$40,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $11,746,826.23 | $11,896,081.73 | ($149,255.50) | $11,746,826.23 | $12,896,507.66 | ($1,149,681.43) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $129,900.66 | $116,106.46 | $13,794.20 | $129,900.66 | $131,412.33 | ($1,511.67) |
| Accum Prov - Pension & Benefit | $2,200,780.76 | $2,393,295.19 | ($192,514.43) | $2,200,780.76 | $2,500,184.42 | ($299,403.66) |
| 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** | **$14,077,507.65** | **$14,405,483.38** | **($327,975.73)** | **$14,077,507.65** | **$15,528,104.41** | **($1,450,596.76)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $54,787,631.08 | $42,791,963.14 | $11,995,667.94 | $54,787,631.08 | $72,666,289.26 | ($17,878,658.18) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $143,039,958.24 | $109,794,778.61 | $33,245,179.63 | $143,039,958.24 | $166,443,842.89 | ($23,403,884.65) |
| Customer Deposits | $4,400,775.11 | $4,412,639.11 | ($11,864.00) | $4,400,775.11 | $4,456,251.11 | ($55,476.00) |
| Taxes Accrued | $30,769,752.12 | $35,476,079.86 | ($4,706,327.74) | $30,769,752.12 | $20,041,598.23 | $10,728,153.89 |
| Interest Accrued | $370,877.65 | $353,238.42 | $17,639.23 | $370,877.65 | $330,829.76 | $40,047.89 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $112,810.93 | $131,539.93 | ($18,729.00) | $112,810.93 | $960,313.64 | ($847,502.71) |
| Misc Current & Accrued Liab | $63,216,712.62 | $54,222,003.03 | $8,994,709.59 | $63,216,712.62 | $97,871,706.01 | ($34,654,993.39) |
| Obligation Cap Lease - Current | $2,000,286.29 | $1,985,582.39 | $14,703.90 | $2,000,286.29 | $1,997,304.49 | $2,981.80 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$298,698,804.04** | **$249,167,824.49** | **$49,530,979.55** | **$298,698,804.04** | **$364,768,135.39** | **($66,069,331.35)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2023* | Previous Month | Variance | Month: *Aug - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,924,176.96 | $1,930,757.37 | ($6,580.41) | $1,924,176.96 | $2,240,978.01 | ($316,801.05) |
| Acc Defd Investment Tax Credit | $597,061.00 | $615,507.00 | ($18,446.00) | $597,061.00 | $744,630.00 | ($147,569.00) |
| Other Deferred Credits | $6,762,964.47 | $6,747,974.45 | $14,990.02 | $6,762,964.47 | $7,025,506.47 | ($262,542.00) |
| Other Regulatory Liabilities | $211,690,220.28 | $211,747,593.55 | ($57,373.27) | $211,690,220.28 | $217,169,504.91 | ($5,479,284.63) |
| Accum Defer Inc Tax - Oth Prop | $489,470,222.70 | $487,361,821.70 | $2,108,401.00 | $489,470,222.70 | $472,603,016.70 | $16,867,206.00 |
| Accum Defer Inc Tax - Other | $1,509,608.99 | $1,352,799.99 | $156,809.00 | $1,509,608.99 | $1,686,644.99 | ($177,036.00) |
| **Deferred Credits** | **$711,954,254.40** | **$709,756,454.06** | **$2,197,800.34** | **$711,954,254.40** | **$701,470,281.08** | **$10,483,973.32** |
| **Total Liabilities and Equity** | **$3,784,534,454.78** | **$3,740,023,478.88** | **$44,510,975.90** | **$3,784,534,454.78** | **$3,700,496,701.14** | **$84,037,753.64** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2023* | Previous Month | Variance | Month: *Sep - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,909,360,920.86 | $3,888,626,463.03 | $20,734,457.83 | $3,909,360,920.86 | $3,687,716,429.29 | $221,644,491.57 |
| Construction Work In Progress | $136,467,397.69 | $125,683,917.05 | $10,783,480.64 | $136,467,397.69 | $68,692,477.92 | $67,774,919.77 |
| **Total Utility Plant** | **$4,045,828,318.55** | **$4,014,310,380.08** | **$31,517,938.47** | **$4,045,828,318.55** | **$3,756,408,907.21** | **$289,419,411.34** |
| Accum Prov - Amort and Depr | ($687,075,860.26) | ($680,962,797.32) | ($6,113,062.94) | ($687,075,860.26) | ($634,179,530.32) | ($52,896,329.94) |
| **Net Utility Plant** | **$3,358,752,458.29** | **$3,333,347,582.76** | **$25,404,875.53** | **$3,358,752,458.29** | **$3,122,229,376.89** | **$236,523,081.40** |
| 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** | **$3,359,484,330.54** | **$3,334,079,455.01** | **$25,404,875.53** | **$3,359,484,330.54** | **$3,122,961,249.14** | **$236,523,081.40** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,637,093.10 | $21,593,697.89 | $43,395.21 | $21,637,093.10 | $21,735,704.98 | ($98,611.88) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,561,112.56 | $9,704,180.06 | ($143,067.50) | $9,561,112.56 | $8,893,645.96 | $667,466.60 |
| **Other Property and Investments** | **$31,206,552.15** | **$31,306,224.44** | **($99,672.29)** | **$31,206,552.15** | **$30,637,697.43** | **$568,854.72** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,080,809.92 | $1,204,394.22 | $876,415.70 | $2,080,809.92 | $3,125,388.83 | ($1,044,578.91) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $21,670,345.33 | $41,507,905.71 | ($19,837,560.38) | $21,670,345.33 | $83,393,818.43 | ($61,723,473.10) |
| AR from Associated Cos | ($95,619.85) | ($63,590.04) | ($32,029.81) | ($95,619.85) | $121,590.64 | ($217,210.49) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $939,321.60 | $902,994.33 | $36,327.27 | $939,321.60 | $1,238,920.56 | ($299,598.96) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $64,173,229.60 | $60,919,006.92 | $3,254,222.68 | $64,173,229.60 | $123,110,374.53 | ($58,937,144.93) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $7,057,614.54 | $5,596,540.04 | $1,461,074.50 | $7,057,614.54 | $5,266,603.14 | $1,791,011.40 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $1,085,962.57 | $7,626,467.93 | ($6,540,505.36) | $1,085,962.57 | $16,721,120.99 | ($15,635,158.42) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$97,167,213.71** | **$117,949,269.11** | **($20,782,055.40)** | **$97,167,213.71** | **$233,232,529.73** | **($136,065,316.02)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $99.00 | $99.00 | $0.00 | $99.00 | $0.00 | $99.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $187,300,862.45 | $189,507,187.94 | ($2,206,325.49) | $187,300,862.45 | $192,817,434.61 | ($5,516,572.16) |
| Preliminary Surveys | $10,154,946.10 | $10,044,433.96 | $110,512.14 | $10,154,946.10 | $6,261,478.37 | $3,893,467.73 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2023* | Previous Month | Variance | Month: *Sep - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($38,849.57) | ($42,430.70) | $3,581.13 | ($38,849.57) | $0.00 | ($38,849.57) |
| Miscellaneous Deferred Debits | $2,167,257.74 | $2,108,494.63 | $58,763.11 | $2,167,257.74 | $2,947,796.34 | ($780,538.60) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $99,956,139.00 | $99,176,471.00 | $779,668.00 | $99,956,139.00 | $103,088,926.00 | ($3,132,787.00) |
| Unrecovered Purchase Gas Costs | $8,807,832.25 | $405,250.39 | $8,402,581.86 | $8,807,832.25 | $8,548,919.44 | $258,912.81 |
| **Deferred Debits** | **$308,348,286.97** | **$301,199,506.22** | **$7,148,780.75** | **$308,348,286.97** | **$313,664,554.76** | **($5,316,267.79)** |
| **Assets and Other Debits** | **$3,796,206,383.37** | **$3,784,534,454.78** | **$11,671,928.59** | **$3,796,206,383.37** | **$3,700,496,031.06** | **$95,710,352.31** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,338,961,602.44 | $1,346,271,261.69 | ($7,309,659.25) | $1,338,961,602.44 | $1,245,197,553.26 | $93,764,049.18 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,576,979,229.44** | **$1,584,288,888.69** | **($7,309,659.25)** | **$1,576,979,229.44** | **$1,483,215,180.26** | **$93,764,049.18** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,175,515,000.00 | $110,000,000.00 | $1,285,515,000.00 | $1,135,515,000.00 | $150,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,175,515,000.00** | **$110,000,000.00** | **$1,285,515,000.00** | **$1,135,515,000.00** | **$150,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $11,746,270.50 | $11,746,826.23 | ($555.73) | $11,746,270.50 | $12,896,507.66 | ($1,150,237.16) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $133,445.85 | $129,900.66 | $3,545.19 | $133,445.85 | $131,412.33 | $2,033.52 |
| Accum Prov - Pension & Benefit | $2,548,669.88 | $2,200,780.76 | $347,889.12 | $2,548,669.88 | $2,500,184.42 | $48,485.46 |
| 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** | **$14,428,386.23** | **$14,077,507.65** | **$350,878.58** | **$14,428,386.23** | **$15,528,104.41** | **($1,099,718.18)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $45,723,460.44 | $54,787,631.08 | ($9,064,170.64) | $45,723,460.44 | $72,666,289.26 | ($26,942,828.82) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $54,541,824.75 | $143,039,958.24 | ($88,498,133.49) | $54,541,824.75 | $166,443,842.89 | ($111,902,018.14) |
| Customer Deposits | $4,499,285.11 | $4,400,775.11 | $98,510.00 | $4,499,285.11 | $4,456,251.11 | $43,034.00 |
| Taxes Accrued | $24,913,322.73 | $30,769,752.12 | ($5,856,429.39) | $24,913,322.73 | $20,041,598.23 | $4,871,724.50 |
| Interest Accrued | $390,247.39 | $370,877.65 | $19,369.74 | $390,247.39 | $330,829.76 | $59,417.63 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $172,627.05 | $112,810.93 | $59,816.12 | $172,627.05 | $960,313.64 | ($787,686.59) |
| Misc Current & Accrued Liab | $74,812,329.79 | $63,216,712.62 | $11,595,617.17 | $74,812,329.79 | $97,871,706.01 | ($23,059,376.22) |
| Obligation Cap Lease - Current | $2,039,732.81 | $2,000,286.29 | $39,446.52 | $2,039,732.81 | $1,997,304.49 | $42,428.32 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$207,092,830.07** | **$298,698,804.04** | **($91,605,973.97)** | **$207,092,830.07** | **$364,768,135.39** | **($157,675,305.32)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2023* | Previous Month | Variance | Month: *Sep - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,910,623.42 | $1,924,176.96 | ($13,553.54) | $1,910,623.42 | $2,240,978.01 | ($330,354.59) |
| Acc Defd Investment Tax Credit | $578,614.00 | $597,061.00 | ($18,447.00) | $578,614.00 | $744,630.00 | ($166,016.00) |
| Other Deferred Credits | $6,883,093.60 | $6,762,964.47 | $120,129.13 | $6,883,093.60 | $7,025,506.47 | ($142,412.87) |
| Other Regulatory Liabilities | $209,637,070.92 | $211,690,220.28 | ($2,053,149.36) | $209,637,070.92 | $217,169,504.91 | ($7,532,433.99) |
| Accum Defer Inc Tax - Oth Prop | $491,578,622.70 | $489,470,222.70 | $2,108,400.00 | $491,578,622.70 | $472,603,016.70 | $18,975,606.00 |
| Accum Defer Inc Tax - Other | $1,602,912.99 | $1,509,608.99 | $93,304.00 | $1,602,912.99 | $1,686,644.99 | ($83,732.00) |
| **Deferred Credits** | **$712,190,937.63** | **$711,954,254.40** | **$236,683.23** | **$712,190,937.63** | **$701,470,281.08** | **$10,720,656.55** |
| **Total Liabilities and Equity** | **$3,796,206,383.37** | **$3,784,534,454.78** | **$11,671,928.59** | **$3,796,206,383.37** | **$3,700,496,701.14** | **$95,709,682.23** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2023* | Previous Month | Variance | Month: *Oct - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,959,361,054.63 | $3,909,360,920.86 | $50,000,133.77 | $3,959,361,054.63 | $3,687,716,429.29 | $271,644,625.34 |
| Construction Work In Progress | $130,769,622.18 | $136,467,397.69 | ($5,697,775.51) | $130,769,622.18 | $68,692,477.92 | $62,077,144.26 |
| **Total Utility Plant** | **$4,090,130,676.81** | **$4,045,828,318.55** | **$44,302,358.26** | **$4,090,130,676.81** | **$3,756,408,907.21** | **$333,721,769.60** |
| Accum Prov - Amort and Depr | ($691,366,909.97) | ($687,075,860.26) | ($4,291,049.71) | ($691,366,909.97) | ($634,179,530.32) | ($57,187,379.65) |
| **Net Utility Plant** | **$3,398,763,766.84** | **$3,358,752,458.29** | **$40,011,308.55** | **$3,398,763,766.84** | **$3,122,229,376.89** | **$276,534,389.95** |
| 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** | **$3,399,495,639.09** | **$3,359,484,330.54** | **$40,011,308.55** | **$3,399,495,639.09** | **$3,122,961,249.14** | **$276,534,389.95** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,653,686.44 | $21,637,093.10 | $16,593.34 | $21,653,686.44 | $21,735,704.98 | ($82,018.54) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,637,349.97 | $9,561,112.56 | $76,237.41 | $9,637,349.97 | $8,893,645.96 | $743,704.01 |
| **Other Property and Investments** | **$31,299,382.90** | **$31,206,552.15** | **$92,830.75** | **$31,299,382.90** | **$30,637,697.43** | **$661,685.47** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,688,379.57 | $2,080,809.92 | $607,569.65 | $2,688,379.57 | $3,125,388.83 | ($437,009.26) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $2,550.00 | $2,550.00 | $0.00 | $2,550.00 | $1,712.61 | $837.39 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $34,214,173.41 | $21,670,345.33 | $12,543,828.08 | $34,214,173.41 | $83,393,818.43 | ($49,179,645.02) |
| AR from Associated Cos | ($60,407.27) | ($95,619.85) | $35,212.58 | ($60,407.27) | $121,590.64 | ($181,997.91) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $945,238.66 | $939,321.60 | $5,917.06 | $945,238.66 | $1,238,920.56 | ($293,681.90) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $66,240,894.07 | $64,173,229.60 | $2,067,664.47 | $66,240,894.07 | $123,110,374.53 | ($56,869,480.46) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $7,726,267.49 | $7,057,614.54 | $668,652.95 | $7,726,267.49 | $5,266,603.14 | $2,459,664.35 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $1,059,615.67 | $1,085,962.57 | ($26,346.90) | $1,059,615.67 | $16,721,120.99 | ($15,661,505.32) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$113,069,711.60** | **$97,167,213.71** | **$15,902,497.89** | **$113,069,711.60** | **$233,232,529.73** | **($120,162,818.13)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $99.00 | $99.00 | $0.00 | $99.00 | $0.00 | $99.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $187,327,580.24 | $187,300,862.45 | $26,717.79 | $187,327,580.24 | $192,817,434.61 | ($5,489,854.37) |
| Preliminary Surveys | $10,397,175.11 | $10,154,946.10 | $242,229.01 | $10,397,175.11 | $6,261,478.37 | $4,135,696.74 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2023* | Previous Month | Variance | Month: *Oct - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($42,847.91) | ($38,849.57) | ($3,998.34) | ($42,847.91) | $0.00 | ($42,847.91) |
| Miscellaneous Deferred Debits | $1,982,290.37 | $2,167,257.74 | ($184,967.37) | $1,982,290.37 | $2,947,796.34 | ($965,505.97) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $100,594,406.00 | $99,956,139.00 | $638,267.00 | $100,594,406.00 | $103,088,926.00 | ($2,494,520.00) |
| Unrecovered Purchase Gas Costs | $10,134,787.24 | $8,807,832.25 | $1,326,954.99 | $10,134,787.24 | $8,548,919.44 | $1,585,867.80 |
| **Deferred Debits** | **$310,393,490.05** | **$308,348,286.97** | **$2,045,203.08** | **$310,393,490.05** | **$313,664,554.76** | **($3,271,064.71)** |
| **Assets and Other Debits** | **$3,854,258,223.64** | **$3,796,206,383.37** | **$58,051,840.27** | **$3,854,258,223.64** | **$3,700,496,031.06** | **$153,762,192.58** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,339,676,898.32 | $1,338,961,602.44 | $715,295.88 | $1,339,676,898.32 | $1,245,197,553.26 | $94,479,345.06 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,577,694,525.32** | **$1,576,979,229.44** | **$715,295.88** | **$1,577,694,525.32** | **$1,483,215,180.26** | **$94,479,345.06** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,135,515,000.00 | $150,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,135,515,000.00** | **$150,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,672,996.47 | $11,746,270.50 | ($1,073,274.03) | $10,672,996.47 | $12,896,507.66 | ($2,223,511.19) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $145,812.65 | $133,445.85 | $12,366.80 | $145,812.65 | $131,412.33 | $14,400.32 |
| Accum Prov - Pension & Benefit | $2,388,951.43 | $2,548,669.88 | ($159,718.45) | $2,388,951.43 | $2,500,184.42 | ($111,232.99) |
| 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** | **$13,207,760.55** | **$14,428,386.23** | **($1,220,625.68)** | **$13,207,760.55** | **$15,528,104.41** | **($2,320,343.86)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $55,101,187.31 | $45,723,460.44 | $9,377,726.87 | $55,101,187.31 | $72,666,289.26 | ($17,565,101.95) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $88,087,803.55 | $54,541,824.75 | $33,545,978.80 | $88,087,803.55 | $166,443,842.89 | ($78,356,039.34) |
| Customer Deposits | $4,611,028.11 | $4,499,285.11 | $111,743.00 | $4,611,028.11 | $4,456,251.11 | $154,777.00 |
| Taxes Accrued | $24,185,139.96 | $24,913,322.73 | ($728,182.77) | $24,185,139.96 | $20,041,598.23 | $4,143,541.73 |
| Interest Accrued | $407,757.36 | $390,247.39 | $17,509.97 | $407,757.36 | $330,829.76 | $76,927.60 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $155,603.05 | $172,627.05 | ($17,024.00) | $155,603.05 | $960,313.64 | ($804,710.59) |
| Misc Current & Accrued Liab | $89,571,451.77 | $74,812,329.79 | $14,759,121.98 | $89,571,451.77 | $97,871,706.01 | ($8,300,254.24) |
| Obligation Cap Lease - Current | $1,905,232.87 | $2,039,732.81 | ($134,499.94) | $1,905,232.87 | $1,997,304.49 | ($92,071.62) |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$264,025,203.98** | **$207,092,830.07** | **$56,932,373.91** | **$264,025,203.98** | **$364,768,135.39** | **($100,742,931.41)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2023* | Previous Month | Variance | Month: *Oct - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,811,486.59 | $1,910,623.42 | ($99,136.83) | $1,811,486.59 | $2,240,978.01 | ($429,491.42) |
| Acc Defd Investment Tax Credit | $560,168.00 | $578,614.00 | ($18,446.00) | $560,168.00 | $744,630.00 | ($184,462.00) |
| Other Deferred Credits | $6,858,396.10 | $6,883,093.60 | ($24,697.50) | $6,858,396.10 | $7,025,506.47 | ($167,110.37) |
| Other Regulatory Liabilities | $209,968,608.41 | $209,637,070.92 | $331,537.49 | $209,968,608.41 | $217,169,504.91 | ($7,200,896.50) |
| Accum Defer Inc Tax - Oth Prop | $493,130,990.70 | $491,578,622.70 | $1,552,368.00 | $493,130,990.70 | $472,603,016.70 | $20,527,974.00 |
| Accum Defer Inc Tax - Other | $1,486,083.99 | $1,602,912.99 | ($116,829.00) | $1,486,083.99 | $1,686,644.99 | ($200,561.00) |
| **Deferred Credits** | **$713,815,733.79** | **$712,190,937.63** | **$1,624,796.16** | **$713,815,733.79** | **$701,470,281.08** | **$12,345,452.71** |
| **Total Liabilities and Equity** | **$3,854,258,223.64** | **$3,796,206,383.37** | **$58,051,840.27** | **$3,854,258,223.64** | **$3,700,496,701.14** | **$153,761,522.50** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2023* | Previous Month | Variance | Month: *Nov - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $3,991,573,643.32 | $3,959,361,054.63 | $32,212,588.69 | $3,991,573,643.32 | $3,687,716,429.29 | $303,857,214.03 |
| Construction Work In Progress | $135,257,418.16 | $130,769,622.18 | $4,487,795.98 | $135,257,418.16 | $68,692,477.92 | $66,564,940.24 |
| **Total Utility Plant** | **$4,126,831,061.48** | **$4,090,130,676.81** | **$36,700,384.67** | **$4,126,831,061.48** | **$3,756,408,907.21** | **$370,422,154.27** |
| Accum Prov - Amort and Depr | ($695,984,449.90) | ($691,366,909.97) | ($4,617,539.93) | ($695,984,449.90) | ($634,179,530.32) | ($61,804,919.58) |
| **Net Utility Plant** | **$3,430,846,611.58** | **$3,398,763,766.84** | **$32,082,844.74** | **$3,430,846,611.58** | **$3,122,229,376.89** | **$308,617,234.69** |
| 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** | **$3,431,578,483.83** | **$3,399,495,639.09** | **$32,082,844.74** | **$3,431,578,483.83** | **$3,122,961,249.14** | **$308,617,234.69** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,681,714.10 | $21,653,686.44 | $28,027.66 | $21,681,714.10 | $21,735,704.98 | ($53,990.88) |
| Other Investments | - | - | - | - | - | - |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $9,713,587.42 | $9,637,349.97 | $76,237.45 | $9,713,587.42 | $8,893,645.96 | $819,941.46 |
| **Other Property and Investments** | **$31,403,648.01** | **$31,299,382.90** | **$104,265.11** | **$31,403,648.01** | **$30,637,697.43** | **$765,950.58** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $3,416,158.54 | $2,688,379.57 | $727,778.97 | $3,416,158.54 | $3,125,388.83 | $290,769.71 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $2,550.00 | ($2,550.00) | $0.00 | $1,712.61 | ($1,712.61) |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $69,719,929.85 | $34,214,173.41 | $35,505,756.44 | $69,719,929.85 | $83,393,818.43 | ($13,673,888.58) |
| AR from Associated Cos | $7,397.82 | ($60,407.27) | $67,805.09 | $7,397.82 | $121,590.64 | ($114,192.82) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $988,009.88 | $945,238.66 | $42,771.22 | $988,009.88 | $1,238,920.56 | ($250,910.68) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $56,481,180.91 | $66,240,894.07 | ($9,759,713.16) | $56,481,180.91 | $123,110,374.53 | ($66,629,193.62) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $7,194,730.43 | $7,726,267.49 | ($531,537.06) | $7,194,730.43 | $5,266,603.14 | $1,928,127.29 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $1,621,252.41 | $1,059,615.67 | $561,636.74 | $1,621,252.41 | $16,721,120.99 | ($15,099,868.58) |
| Derivative Instrument Assets | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$139,681,659.84** | **$113,069,711.60** | **$26,611,948.24** | **$139,681,659.84** | **$233,232,529.73** | **($93,550,869.89)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $99.00 | ($99.00) | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $187,593,065.99 | $187,327,580.24 | $265,485.75 | $187,593,065.99 | $192,817,434.61 | ($5,224,368.62) |
| Preliminary Surveys | $11,044,036.29 | $10,397,175.11 | $646,861.18 | $11,044,036.29 | $6,261,478.37 | $4,782,557.92 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2023* | Previous Month | Variance | Month: *Nov - 2023* | December of Previous Year | Variance |
| Clearing Accounts | ($3,417.22) | ($42,847.91) | $39,430.69 | ($3,417.22) | $0.00 | ($3,417.22) |
| Miscellaneous Deferred Debits | $2,087,500.89 | $1,982,290.37 | $105,210.52 | $2,087,500.89 | $2,947,796.34 | ($860,295.45) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $99,777,193.00 | $100,594,406.00 | ($817,213.00) | $99,777,193.00 | $103,088,926.00 | ($3,311,733.00) |
| Unrecovered Purchase Gas Costs | $9,231,680.00 | $10,134,787.24 | ($903,107.24) | $9,231,680.00 | $8,548,919.44 | $682,760.56 |
| **Deferred Debits** | **$309,730,058.95** | **$310,393,490.05** | **($663,431.10)** | **$309,730,058.95** | **$313,664,554.76** | **($3,934,495.81)** |
| **Assets and Other Debits** | **$3,912,393,850.63** | **$3,854,258,223.64** | **$58,135,626.99** | **$3,912,393,850.63** | **$3,700,496,031.06** | **$211,897,819.57** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,361,057,823.43 | $1,339,676,898.32 | $21,380,925.11 | $1,361,057,823.43 | $1,245,197,553.26 | $115,860,270.17 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,599,075,450.43** | **$1,577,694,525.32** | **$21,380,925.11** | **$1,599,075,450.43** | **$1,483,215,180.26** | **$115,860,270.17** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,135,515,000.00 | $150,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,135,515,000.00** | **$150,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,811,342.62 | $10,672,996.47 | $138,346.15 | $10,811,342.62 | $12,896,507.66 | ($2,085,165.04) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $94,853.21 | $145,812.65 | ($50,959.44) | $94,853.21 | $131,412.33 | ($36,559.12) |
| Accum Prov - Pension & Benefit | $2,149,892.03 | $2,388,951.43 | ($239,059.40) | $2,149,892.03 | $2,500,184.42 | ($350,292.39) |
| 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** | **$13,056,087.86** | **$13,207,760.55** | **($151,672.69)** | **$13,056,087.86** | **$15,528,104.41** | **($2,472,016.55)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $47,509,846.04 | $55,101,187.31 | ($7,591,341.27) | $47,509,846.04 | $72,666,289.26 | ($25,156,443.22) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $138,863,605.49 | $88,087,803.55 | $50,775,801.94 | $138,863,605.49 | $166,443,842.89 | ($27,580,237.40) |
| Customer Deposits | $4,663,057.11 | $4,611,028.11 | $52,029.00 | $4,663,057.11 | $4,456,251.11 | $206,806.00 |
| Taxes Accrued | $11,677,132.48 | $24,185,139.96 | ($12,508,007.48) | $11,677,132.48 | $20,041,598.23 | ($8,364,465.75) |
| Interest Accrued | $425,233.17 | $407,757.36 | $17,475.81 | $425,233.17 | $330,829.76 | $94,403.41 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $236,861.49 | $155,603.05 | $81,258.44 | $236,861.49 | $960,313.64 | ($723,452.15) |
| Misc Current & Accrued Liab | $93,474,855.88 | $89,571,451.77 | $3,903,404.11 | $93,474,855.88 | $97,871,706.01 | ($4,396,850.13) |
| Obligation Cap Lease - Current | $1,891,236.40 | $1,905,232.87 | ($13,996.47) | $1,891,236.40 | $1,997,304.49 | ($106,068.09) |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$298,741,828.06** | **$264,025,203.98** | **$34,716,624.08** | **$298,741,828.06** | **$364,768,135.39** | **($66,026,307.33)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2023* | Previous Month | Variance | Month: *Nov - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,806,398.27 | $1,811,486.59 | ($5,088.32) | $1,806,398.27 | $2,240,978.01 | ($434,579.74) |
| Acc Defd Investment Tax Credit | $541,722.00 | $560,168.00 | ($18,446.00) | $541,722.00 | $744,630.00 | ($202,908.00) |
| Other Deferred Credits | $6,812,267.04 | $6,858,396.10 | ($46,129.06) | $6,812,267.04 | $7,025,506.47 | ($213,239.43) |
| Other Regulatory Liabilities | $210,564,763.28 | $209,968,608.41 | $596,154.87 | $210,564,763.28 | $217,169,504.91 | ($6,604,741.63) |
| Accum Defer Inc Tax - Oth Prop | $495,239,392.70 | $493,130,990.70 | $2,108,402.00 | $495,239,392.70 | $472,603,016.70 | $22,636,376.00 |
| Accum Defer Inc Tax - Other | $1,040,940.99 | $1,486,083.99 | ($445,143.00) | $1,040,940.99 | $1,686,644.99 | ($645,704.00) |
| **Deferred Credits** | **$716,005,484.28** | **$713,815,733.79** | **$2,189,750.49** | **$716,005,484.28** | **$701,470,281.08** | **$14,535,203.20** |
| **Total Liabilities and Equity** | **$3,912,393,850.63** | **$3,854,258,223.64** | **$58,135,626.99** | **$3,912,393,850.63** | **$3,700,496,701.14** | **$211,897,149.49** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2023* | Previous Month | Variance | Month: *Dec - 2023* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,072,989,947.67 | $3,991,573,643.32 | $81,416,304.35 | $4,072,989,947.67 | $3,687,716,429.29 | $385,273,518.38 |
| Construction Work In Progress | $79,033,805.43 | $135,257,418.16 | ($56,223,612.73) | $79,033,805.43 | $68,692,477.92 | $10,341,327.51 |
| **Total Utility Plant** | **$4,152,023,753.10** | **$4,126,831,061.48** | **$25,192,691.62** | **$4,152,023,753.10** | **$3,756,408,907.21** | **$395,614,845.89** |
| Accum Prov - Amort and Depr | ($695,203,539.18) | ($695,984,449.90) | $780,910.72 | ($695,203,539.18) | ($634,179,530.32) | ($61,024,008.86) |
| **Net Utility Plant** | **$3,456,820,213.92** | **$3,430,846,611.58** | **$25,973,602.34** | **$3,456,820,213.92** | **$3,122,229,376.89** | **$334,590,837.03** |
| 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** | **$3,457,552,086.17** | **$3,431,578,483.83** | **$25,973,602.34** | **$3,457,552,086.17** | **$3,122,961,249.14** | **$334,590,837.03** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,706,439.86 | $21,681,714.10 | $24,725.76 | $21,706,439.86 | $21,735,704.98 | ($29,265.12) |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,215,914.00 | $9,713,587.42 | $3,502,326.58 | $13,215,914.00 | $8,893,645.96 | $4,322,268.04 |
| **Other Property and Investments** | **$34,930,700.35** | **$31,403,648.01** | **$3,527,052.34** | **$34,930,700.35** | **$30,637,697.43** | **$4,293,002.92** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $4,182,521.82 | $3,416,158.54 | $766,363.28 | $4,182,521.82 | $3,125,388.83 | $1,057,132.99 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $1,712.61 | ($1,712.61) |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $46,623,454.41 | $69,719,929.85 | ($23,096,475.44) | $46,623,454.41 | $83,393,818.43 | ($36,770,364.02) |
| AR from Associated Cos | $7,535.00 | $7,397.82 | $137.18 | $7,535.00 | $121,590.64 | ($114,055.64) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $939,897.40 | $988,009.88 | ($48,112.48) | $939,897.40 | $1,238,920.56 | ($299,023.16) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $49,676,669.31 | $56,481,180.91 | ($6,804,511.60) | $49,676,669.31 | $123,110,374.53 | ($73,433,705.22) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $5,558,398.72 | $7,194,730.43 | ($1,636,331.71) | $5,558,398.72 | $5,266,603.14 | $291,795.58 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $2,360,361.75 | $1,621,252.41 | $739,109.34 | $2,360,361.75 | $16,721,120.99 | ($14,360,759.24) |
| Derivative Instrument Assets | $91,740.00 | $0.00 | $91,740.00 | $91,740.00 | $0.00 | $91,740.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$109,693,578.41** | **$139,681,659.84** | **($29,988,081.43)** | **$109,693,578.41** | **$233,232,529.73** | **($123,538,951.32)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $185,209,544.74 | $187,593,065.99 | ($2,383,521.25) | $185,209,544.74 | $192,817,434.61 | ($7,607,889.87) |
| Preliminary Surveys | $11,627,226.67 | $11,044,036.29 | $583,190.38 | $11,627,226.67 | $6,261,478.37 | $5,365,748.30 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2023* | Previous Month | Variance | Month: *Dec - 2023* | December of Previous Year | Variance |
| Clearing Accounts | $0.00 | ($3,417.22) | $3,417.22 | $0.00 | $0.00 | $0.00 |
| Miscellaneous Deferred Debits | $2,231,506.39 | $2,087,500.89 | $144,005.50 | $2,231,506.39 | $2,947,796.34 | ($716,289.95) |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $99,590,260.00 | $99,777,193.00 | ($186,933.00) | $99,590,260.00 | $103,088,926.00 | ($3,498,666.00) |
| Unrecovered Purchase Gas Costs | $5,612,077.35 | $9,231,680.00 | ($3,619,602.65) | $5,612,077.35 | $8,548,919.44 | ($2,936,842.09) |
| **Deferred Debits** | **$304,270,615.15** | **$309,730,058.95** | **($5,459,443.80)** | **$304,270,615.15** | **$313,664,554.76** | **($9,393,939.61)** |
| **Assets and Other Debits** | **$3,906,446,980.08** | **$3,912,393,850.63** | **($5,946,870.55)** | **$3,906,446,980.08** | **$3,700,496,031.06** | **$205,950,949.02** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,390,118,873.44 | $1,361,057,823.43 | $29,061,050.01 | $1,390,118,873.44 | $1,245,197,553.26 | $144,921,320.18 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,628,136,500.44** | **$1,599,075,450.43** | **$29,061,050.01** | **$1,628,136,500.44** | **$1,483,215,180.26** | **$144,921,320.18** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,135,515,000.00 | $150,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,135,515,000.00** | **$150,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,649,790.28 | $10,811,342.62 | ($161,552.34) | $10,649,790.28 | $12,896,507.66 | ($2,246,717.38) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $73,942.80 | $94,853.21 | ($20,910.41) | $73,942.80 | $131,412.33 | ($57,469.53) |
| Accum Prov - Pension & Benefit | $2,454,197.81 | $2,149,892.03 | $304,305.78 | $2,454,197.81 | $2,500,184.42 | ($45,986.61) |
| 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** | **$13,177,930.89** | **$13,056,087.86** | **$121,843.03** | **$13,177,930.89** | **$15,528,104.41** | **($2,350,173.52)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,163,919.35 | $47,509,846.04 | $1,654,073.31 | $49,163,919.35 | $72,666,289.26 | ($23,502,369.91) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $101,542,901.58 | $138,863,605.49 | ($37,320,703.91) | $101,542,901.58 | $166,443,842.89 | ($64,900,941.31) |
| Customer Deposits | $4,646,396.11 | $4,663,057.11 | ($16,661.00) | $4,646,396.11 | $4,456,251.11 | $190,145.00 |
| Taxes Accrued | $14,403,173.56 | $11,677,132.48 | $2,726,041.08 | $14,403,173.56 | $20,041,598.23 | ($5,638,424.67) |
| Interest Accrued | $441,673.49 | $425,233.17 | $16,440.32 | $441,673.49 | $330,829.76 | $110,843.73 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $434,093.82 | $236,861.49 | $197,232.33 | $434,093.82 | $960,313.64 | ($526,219.82) |
| Misc Current & Accrued Liab | $86,516,429.47 | $93,474,855.88 | ($6,958,426.41) | $86,516,429.47 | $97,871,706.01 | ($11,355,276.54) |
| Obligation Cap Lease - Current | $2,039,031.28 | $1,891,236.40 | $147,794.88 | $2,039,031.28 | $1,997,304.49 | $41,726.79 |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$259,187,618.66** | **$298,741,828.06** | **($39,554,209.40)** | **$259,187,618.66** | **$364,768,135.39** | **($105,580,516.73)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Dec - 2023**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Dec - 2023* | Previous Month | Variance | Month: *Dec - 2023* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,806,363.33 | $1,806,398.27 | ($34.94) | $1,806,363.33 | $2,240,978.01 | ($434,614.68) |
| Acc Defd Investment Tax Credit | $523,276.00 | $541,722.00 | ($18,446.00) | $523,276.00 | $744,630.00 | ($221,354.00) |
| Other Deferred Credits | $5,031,663.59 | $6,812,267.04 | ($1,780,603.45) | $5,031,663.59 | $7,025,506.47 | ($1,993,842.88) |
| Other Regulatory Liabilities | $210,111,003.48 | $210,564,763.28 | ($453,759.80) | $210,111,003.48 | $217,169,504.91 | ($7,058,501.43) |
| Accum Defer Inc Tax - Oth Prop | $502,026,202.70 | $495,239,392.70 | $6,786,810.00 | $502,026,202.70 | $472,603,016.70 | $29,423,186.00 |
| Accum Defer Inc Tax - Other | $931,420.99 | $1,040,940.99 | ($109,520.00) | $931,420.99 | $1,686,644.99 | ($755,224.00) |
| **Deferred Credits** | **$720,429,930.09** | **$716,005,484.28** | **$4,424,445.81** | **$720,429,930.09** | **$701,470,281.08** | **$18,959,649.01** |
| **Total Liabilities and Equity** | **$3,906,446,980.08** | **$3,912,393,850.63** | **($5,946,870.55)** | **$3,906,446,980.08** | **$3,700,496,701.14** | **$205,950,278.94** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2024* | Previous Month | Variance | Month: *Jan - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,081,342,260.30 | $4,072,989,947.67 | $8,352,312.63 | $4,081,342,260.30 | $4,072,989,947.67 | $8,352,312.63 |
| Construction Work In Progress | $87,147,813.79 | $79,033,805.43 | $8,114,008.36 | $87,147,813.79 | $79,033,805.43 | $8,114,008.36 |
| **Total Utility Plant** | **$4,168,490,074.09** | **$4,152,023,753.10** | **$16,466,320.99** | **$4,168,490,074.09** | **$4,152,023,753.10** | **$16,466,320.99** |
| Accum Prov - Amort and Depr | ($700,838,721.22) | ($695,203,539.18) | ($5,635,182.04) | ($700,838,721.22) | ($695,203,539.18) | ($5,635,182.04) |
| **Net Utility Plant** | **$3,467,651,352.87** | **$3,456,820,213.92** | **$10,831,138.95** | **$3,467,651,352.87** | **$3,456,820,213.92** | **$10,831,138.95** |
| 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** | **$3,468,383,225.12** | **$3,457,552,086.17** | **$10,831,138.95** | **$3,468,383,225.12** | **$3,457,552,086.17** | **$10,831,138.95** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,748,704.79 | $21,706,439.86 | $42,264.93 | $21,748,704.79 | $21,706,439.86 | $42,264.93 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,315,312.65 | $13,215,914.00 | $99,398.65 | $13,315,312.65 | $13,215,914.00 | $99,398.65 |
| **Other Property and Investments** | **$35,072,363.93** | **$34,930,700.35** | **$141,663.58** | **$35,072,363.93** | **$34,930,700.35** | **$141,663.58** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $4,466,401.52 | $4,182,521.82 | $283,879.70 | $4,466,401.52 | $4,182,521.82 | $283,879.70 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $140,616,875.41 | $46,623,454.41 | $93,993,421.00 | $140,616,875.41 | $46,623,454.41 | $93,993,421.00 |
| AR from Associated Cos | $251,017.45 | $7,535.00 | $243,482.45 | $251,017.45 | $7,535.00 | $243,482.45 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $948,090.11 | $939,897.40 | $8,192.71 | $948,090.11 | $939,897.40 | $8,192.71 |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $35,324,816.33 | $49,676,669.31 | ($14,351,852.98) | $35,324,816.33 | $49,676,669.31 | ($14,351,852.98) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $4,904,669.64 | $5,558,398.72 | ($653,729.08) | $4,904,669.64 | $5,558,398.72 | ($653,729.08) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $3,343,798.60 | $2,360,361.75 | $983,436.85 | $3,343,798.60 | $2,360,361.75 | $983,436.85 |
| Derivative Instrument Assets | $1,042,470.00 | $91,740.00 | $950,730.00 | $1,042,470.00 | $91,740.00 | $950,730.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$191,151,139.06** | **$109,693,578.41** | **$81,457,560.65** | **$191,151,139.06** | **$109,693,578.41** | **$81,457,560.65** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $185,706,378.31 | $185,209,544.74 | $496,833.57 | $185,706,378.31 | $185,209,544.74 | $496,833.57 |
| Preliminary Surveys | $12,137,644.82 | $11,627,226.67 | $510,418.15 | $12,137,644.82 | $11,627,226.67 | $510,418.15 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2024* | Previous Month | Variance | Month: *Jan - 2024* | December of Previous Year | Variance |
| Clearing Accounts | ($1,008.47) | $0.00 | ($1,008.47) | ($1,008.47) | $0.00 | ($1,008.47) |
| Miscellaneous Deferred Debits | $2,280,661.97 | $2,231,506.39 | $49,155.58 | $2,280,661.97 | $2,231,506.39 | $49,155.58 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $98,010,801.00 | $99,590,260.00 | ($1,579,459.00) | $98,010,801.00 | $99,590,260.00 | ($1,579,459.00) |
| Unrecovered Purchase Gas Costs | $2,916,035.95 | $5,612,077.35 | ($2,696,041.40) | $2,916,035.95 | $5,612,077.35 | ($2,696,041.40) |
| **Deferred Debits** | **$301,050,513.58** | **$304,270,615.15** | **($3,220,101.57)** | **$301,050,513.58** | **$304,270,615.15** | **($3,220,101.57)** |
| **Assets and Other Debits** | **$3,995,657,241.69** | **$3,906,446,980.08** | **$89,210,261.61** | **$3,995,657,241.69** | **$3,906,446,980.08** | **$89,210,261.61** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,438,661,731.43 | $1,390,118,873.44 | $48,542,857.99 | $1,438,661,731.43 | $1,390,118,873.44 | $48,542,857.99 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,676,679,358.43** | **$1,628,136,500.44** | **$48,542,857.99** | **$1,676,679,358.43** | **$1,628,136,500.44** | **$48,542,857.99** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,504,119.11 | $10,649,790.28 | ($145,671.17) | $10,504,119.11 | $10,649,790.28 | ($145,671.17) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $65,010.89 | $73,942.80 | ($8,931.91) | $65,010.89 | $73,942.80 | ($8,931.91) |
| Accum Prov - Pension & Benefit | $2,353,113.45 | $2,454,197.81 | ($101,084.36) | $2,353,113.45 | $2,454,197.81 | ($101,084.36) |
| 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** | **$12,922,243.45** | **$13,177,930.89** | **($255,687.44)** | **$12,922,243.45** | **$13,177,930.89** | **($255,687.44)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $40,754,946.67 | $49,163,919.35 | ($8,408,972.68) | $40,754,946.67 | $49,163,919.35 | ($8,408,972.68) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $149,105,556.71 | $101,542,901.58 | $47,562,655.13 | $149,105,556.71 | $101,542,901.58 | $47,562,655.13 |
| Customer Deposits | $4,607,832.11 | $4,646,396.11 | ($38,564.00) | $4,607,832.11 | $4,646,396.11 | ($38,564.00) |
| Taxes Accrued | $27,981,301.67 | $14,403,173.56 | $13,578,128.11 | $27,981,301.67 | $14,403,173.56 | $13,578,128.11 |
| Interest Accrued | $300,879.53 | $441,673.49 | ($140,793.96) | $300,879.53 | $441,673.49 | ($140,793.96) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $614,545.80 | $434,093.82 | $180,451.98 | $614,545.80 | $434,093.82 | $180,451.98 |
| Misc Current & Accrued Liab | $72,150,450.14 | $86,516,429.47 | ($14,365,979.33) | $72,150,450.14 | $86,516,429.47 | ($14,365,979.33) |
| Obligation Cap Lease - Current | $1,918,187.47 | $2,039,031.28 | ($120,843.81) | $1,918,187.47 | $2,039,031.28 | ($120,843.81) |
| Derivative Liability | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$297,433,700.10** | **$259,187,618.66** | **$38,246,081.44** | **$297,433,700.10** | **$259,187,618.66** | **$38,246,081.44** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jan - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jan - 2024* | Previous Month | Variance | Month: *Jan - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,796,465.88 | $1,806,363.33 | ($9,897.45) | $1,796,465.88 | $1,806,363.33 | ($9,897.45) |
| Acc Defd Investment Tax Credit | $509,650.00 | $523,276.00 | ($13,626.00) | $509,650.00 | $523,276.00 | ($13,626.00) |
| Other Deferred Credits | $5,120,137.96 | $5,031,663.59 | $88,474.37 | $5,120,137.96 | $5,031,663.59 | $88,474.37 |
| Other Regulatory Liabilities | $210,025,911.18 | $210,111,003.48 | ($85,092.30) | $210,025,911.18 | $210,111,003.48 | ($85,092.30) |
| Accum Defer Inc Tax - Oth Prop | $504,904,538.70 | $502,026,202.70 | $2,878,336.00 | $504,904,538.70 | $502,026,202.70 | $2,878,336.00 |
| Accum Defer Inc Tax - Other | $750,235.99 | $931,420.99 | ($181,185.00) | $750,235.99 | $931,420.99 | ($181,185.00) |
| **Deferred Credits** | **$723,106,939.71** | **$720,429,930.09** | **$2,677,009.62** | **$723,106,939.71** | **$720,429,930.09** | **$2,677,009.62** |
| **Total Liabilities and Equity** | **$3,995,657,241.69** | **$3,906,446,980.08** | **$89,210,261.61** | **$3,995,657,241.69** | **$3,906,446,980.08** | **$89,210,261.61** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2024* | Previous Month | Variance | Month: *Feb - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,091,007,908.08 | $4,081,342,260.30 | $9,665,647.78 | $4,091,007,908.08 | $4,072,989,947.67 | $18,017,960.41 |
| Construction Work In Progress | $105,611,410.89 | $87,147,813.79 | $18,463,597.10 | $105,611,410.89 | $79,033,805.43 | $26,577,605.46 |
| **Total Utility Plant** | **$4,196,619,318.97** | **$4,168,490,074.09** | **$28,129,244.88** | **$4,196,619,318.97** | **$4,152,023,753.10** | **$44,595,565.87** |
| Accum Prov - Amort and Depr | ($708,765,598.40) | ($700,838,721.22) | ($7,926,877.18) | ($708,765,598.40) | ($695,203,539.18) | ($13,562,059.22) |
| **Net Utility Plant** | **$3,487,853,720.57** | **$3,467,651,352.87** | **$20,202,367.70** | **$3,487,853,720.57** | **$3,456,820,213.92** | **$31,033,506.65** |
| 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** | **$3,488,585,592.82** | **$3,468,383,225.12** | **$20,202,367.70** | **$3,488,585,592.82** | **$3,457,552,086.17** | **$31,033,506.65** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,814,382.22 | $21,748,704.79 | $65,677.43 | $21,814,382.22 | $21,706,439.86 | $107,942.36 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,414,711.30 | $13,315,312.65 | $99,398.65 | $13,414,711.30 | $13,215,914.00 | $198,797.30 |
| **Other Property and Investments** | **$35,237,440.01** | **$35,072,363.93** | **$165,076.08** | **$35,237,440.01** | **$34,930,700.35** | **$306,739.66** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $5,070,873.87 | $4,466,401.52 | $604,472.35 | $5,070,873.87 | $4,182,521.82 | $888,352.05 |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $137,263,680.58 | $140,616,875.41 | ($3,353,194.83) | $137,263,680.58 | $46,623,454.41 | $90,640,226.17 |
| AR from Associated Cos | $428,061.56 | $251,017.45 | $177,044.11 | $428,061.56 | $7,535.00 | $420,526.56 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $934,280.91 | $948,090.11 | ($13,809.20) | $934,280.91 | $939,897.40 | ($5,616.49) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $25,144,060.97 | $35,324,816.33 | ($10,180,755.36) | $25,144,060.97 | $49,676,669.31 | ($24,532,608.34) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $4,151,749.30 | $4,904,669.64 | ($752,920.34) | $4,151,749.30 | $5,558,398.72 | ($1,406,649.42) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $4,220,392.23 | $3,343,798.60 | $876,593.63 | $4,220,392.23 | $2,360,361.75 | $1,860,030.48 |
| Derivative Instrument Assets | $560,120.00 | $1,042,470.00 | ($482,350.00) | $560,120.00 | $91,740.00 | $468,380.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$178,026,219.42** | **$191,151,139.06** | **($13,124,919.64)** | **$178,026,219.42** | **$109,693,578.41** | **$68,332,641.01** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $187,016,270.00 | $185,706,378.31 | $1,309,891.69 | $187,016,270.00 | $185,209,544.74 | $1,806,725.26 |
| Preliminary Surveys | $13,030,453.21 | $12,137,644.82 | $892,808.39 | $13,030,453.21 | $11,627,226.67 | $1,403,226.54 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2024* | Previous Month | Variance | Month: *Feb - 2024* | December of Previous Year | Variance |
| Clearing Accounts | ($3,806.66) | ($1,008.47) | ($2,798.19) | ($3,806.66) | $0.00 | ($3,806.66) |
| Miscellaneous Deferred Debits | $2,471,224.55 | $2,280,661.97 | $190,562.58 | $2,471,224.55 | $2,231,506.39 | $239,718.16 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $96,638,498.00 | $98,010,801.00 | ($1,372,303.00) | $96,638,498.00 | $99,590,260.00 | ($2,951,762.00) |
| Unrecovered Purchase Gas Costs | ($1,451,708.87) | $2,916,035.95 | ($4,367,744.82) | ($1,451,708.87) | $5,612,077.35 | ($7,063,786.22) |
| **Deferred Debits** | **$297,700,930.23** | **$301,050,513.58** | **($3,349,583.35)** | **$297,700,930.23** | **$304,270,615.15** | **($6,569,684.92)** |
| **Assets and Other Debits** | **$3,999,550,182.48** | **$3,995,657,241.69** | **$3,892,940.79** | **$3,999,550,182.48** | **$3,906,446,980.08** | **$93,103,202.40** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,478,001,062.94 | $1,438,661,731.43 | $39,339,331.51 | $1,478,001,062.94 | $1,390,118,873.44 | $87,882,189.50 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,716,018,689.94** | **$1,676,679,358.43** | **$39,339,331.51** | **$1,716,018,689.94** | **$1,628,136,500.44** | **$87,882,189.50** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,374,060.14 | $10,504,119.11 | ($130,058.97) | $10,374,060.14 | $10,649,790.28 | ($275,730.14) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $90,915.99 | $65,010.89 | $25,905.10 | $90,915.99 | $73,942.80 | $16,973.19 |
| Accum Prov - Pension & Benefit | $2,226,014.29 | $2,353,113.45 | ($127,099.16) | $2,226,014.29 | $2,454,197.81 | ($228,183.52) |
| 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** | **$12,690,990.42** | **$12,922,243.45** | **($231,253.03)** | **$12,690,990.42** | **$13,177,930.89** | **($486,940.47)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $44,989,154.20 | $40,754,946.67 | $4,234,207.53 | $44,989,154.20 | $49,163,919.35 | ($4,174,765.15) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $118,446,109.79 | $149,105,556.71 | ($30,659,446.92) | $118,446,109.79 | $101,542,901.58 | $16,903,208.21 |
| Customer Deposits | $4,628,787.11 | $4,607,832.11 | $20,955.00 | $4,628,787.11 | $4,646,396.11 | ($17,609.00) |
| Taxes Accrued | $37,449,723.46 | $27,981,301.67 | $9,468,421.79 | $37,449,723.46 | $14,403,173.56 | $23,046,549.90 |
| Interest Accrued | $327,119.39 | $300,879.53 | $26,239.86 | $327,119.39 | $441,673.49 | ($114,554.10) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $737,182.10 | $614,545.80 | $122,636.30 | $737,182.10 | $434,093.82 | $303,088.28 |
| Misc Current & Accrued Liab | $52,411,516.56 | $72,150,450.14 | ($19,738,933.58) | $52,411,516.56 | $86,516,429.47 | ($34,104,912.91) |
| Obligation Cap Lease - Current | $1,961,505.64 | $1,918,187.47 | $43,318.17 | $1,961,505.64 | $2,039,031.28 | ($77,525.64) |
| Derivative Liability | $1,211,430.00 | $0.00 | $1,211,430.00 | $1,211,430.00 | $0.00 | $1,211,430.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$262,162,528.25** | **$297,433,700.10** | **($35,271,171.85)** | **$262,162,528.25** | **$259,187,618.66** | **$2,974,909.59** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Feb - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Feb - 2024* | Previous Month | Variance | Month: *Feb - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,793,333.16 | $1,796,465.88 | ($3,132.72) | $1,793,333.16 | $1,806,363.33 | ($13,030.17) |
| Acc Defd Investment Tax Credit | $496,024.00 | $509,650.00 | ($13,626.00) | $496,024.00 | $523,276.00 | ($27,252.00) |
| Other Deferred Credits | $5,078,462.15 | $5,120,137.96 | ($41,675.81) | $5,078,462.15 | $5,031,663.59 | $46,798.56 |
| Other Regulatory Liabilities | $206,874,777.80 | $210,025,911.18 | ($3,151,133.38) | $206,874,777.80 | $210,111,003.48 | ($3,236,225.68) |
| Accum Defer Inc Tax - Oth Prop | $507,782,873.70 | $504,904,538.70 | $2,878,335.00 | $507,782,873.70 | $502,026,202.70 | $5,756,671.00 |
| Accum Defer Inc Tax - Other | $1,137,508.99 | $750,235.99 | $387,273.00 | $1,137,508.99 | $931,420.99 | $206,088.00 |
| **Deferred Credits** | **$723,162,979.80** | **$723,106,939.71** | **$56,040.09** | **$723,162,979.80** | **$720,429,930.09** | **$2,733,049.71** |
| **Total Liabilities and Equity** | **$3,999,550,188.41** | **$3,995,657,241.69** | **$3,892,946.72** | **$3,999,550,188.41** | **$3,906,446,980.08** | **$93,103,208.33** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2024* | Previous Month | Variance | Month: *Mar - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,106,284,833.71 | $4,091,007,908.08 | $15,276,925.63 | $4,106,284,833.71 | $4,072,989,947.67 | $33,294,886.04 |
| Construction Work In Progress | $115,932,173.58 | $105,611,410.89 | $10,320,762.69 | $115,932,173.58 | $79,033,805.43 | $36,898,368.15 |
| **Total Utility Plant** | **$4,222,217,007.29** | **$4,196,619,318.97** | **$25,597,688.32** | **$4,222,217,007.29** | **$4,152,023,753.10** | **$70,193,254.19** |
| Accum Prov - Amort and Depr | ($714,555,419.90) | ($708,765,598.40) | ($5,789,821.50) | ($714,555,419.90) | ($695,203,539.18) | ($19,351,880.72) |
| **Net Utility Plant** | **$3,507,661,587.39** | **$3,487,853,720.57** | **$19,807,866.82** | **$3,507,661,587.39** | **$3,456,820,213.92** | **$50,841,373.47** |
| 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** | **$3,508,393,459.64** | **$3,488,585,592.82** | **$19,807,866.82** | **$3,508,393,459.64** | **$3,457,552,086.17** | **$50,841,373.47** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,855,877.77 | $21,814,382.22 | $41,495.55 | $21,855,877.77 | $21,706,439.86 | $149,437.91 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,735,542.60 | $13,414,711.30 | $320,831.30 | $13,735,542.60 | $13,215,914.00 | $519,628.60 |
| **Other Property and Investments** | **$35,599,766.86** | **$35,237,440.01** | **$362,326.85** | **$35,599,766.86** | **$34,930,700.35** | **$669,066.51** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $51,619.95 | $5,070,873.87 | ($5,019,253.92) | $51,619.95 | $4,182,521.82 | ($4,130,901.87) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $120,574,430.29 | $137,263,680.58 | ($16,689,250.29) | $120,574,430.29 | $46,623,454.41 | $73,950,975.88 |
| AR from Associated Cos | $280,962.61 | $428,061.56 | ($147,098.95) | $280,962.61 | $7,535.00 | $273,427.61 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $968,614.01 | $934,280.91 | $34,333.10 | $968,614.01 | $939,897.40 | $28,716.61 |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $16,485,075.60 | $25,144,060.97 | ($8,658,985.37) | $16,485,075.60 | $49,676,669.31 | ($33,191,593.71) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $4,335,919.02 | $4,151,749.30 | $184,169.72 | $4,335,919.02 | $5,558,398.72 | ($1,222,479.70) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $3,352,156.88 | $4,220,392.23 | ($868,235.35) | $3,352,156.88 | $2,360,361.75 | $991,795.13 |
| Derivative Instrument Assets | $764,800.00 | $560,120.00 | $204,680.00 | $764,800.00 | $91,740.00 | $673,060.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$147,066,578.36** | **$178,026,219.42** | **($30,959,641.06)** | **$147,066,578.36** | **$109,693,578.41** | **$37,372,999.95** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $188,432,379.20 | $187,016,270.00 | $1,416,109.20 | $188,432,379.20 | $185,209,544.74 | $3,222,834.46 |
| Preliminary Surveys | $13,664,980.91 | $13,030,453.21 | $634,527.70 | $13,664,980.91 | $11,627,226.67 | $2,037,754.24 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2024* | Previous Month | Variance | Month: *Mar - 2024* | December of Previous Year | Variance |
| Clearing Accounts | ($5,087.74) | ($3,806.66) | ($1,281.08) | ($5,087.74) | $0.00 | ($5,087.74) |
| Miscellaneous Deferred Debits | $2,480,956.14 | $2,471,224.55 | $9,731.59 | $2,480,956.14 | $2,231,506.39 | $249,449.75 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $86,587,364.00 | $96,638,498.00 | ($10,051,134.00) | $86,587,364.00 | $99,590,260.00 | ($13,002,896.00) |
| Unrecovered Purchase Gas Costs | ($3,385,534.93) | ($1,451,708.87) | ($1,933,826.06) | ($3,385,534.93) | $5,612,077.35 | ($8,997,612.28) |
| **Deferred Debits** | **$287,775,057.58** | **$297,700,930.23** | **($9,925,872.65)** | **$287,775,057.58** | **$304,270,615.15** | **($16,495,557.57)** |
| **Assets and Other Debits** | **$3,978,834,862.44** | **$3,999,550,182.48** | **($20,715,320.04)** | **$3,978,834,862.44** | **$3,906,446,980.08** | **$72,387,882.36** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,502,174,979.29 | $1,478,001,062.94 | $24,173,916.35 | $1,502,174,979.29 | $1,390,118,873.44 | $112,056,105.85 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,740,192,606.29** | **$1,716,018,689.94** | **$24,173,916.35** | **$1,740,192,606.29** | **$1,628,136,500.44** | **$112,056,105.85** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,243,474.92 | $10,374,060.14 | ($130,585.22) | $10,243,474.92 | $10,649,790.28 | ($406,315.36) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $95,149.50 | $90,915.99 | $4,233.51 | $95,149.50 | $73,942.80 | $21,206.70 |
| Accum Prov - Pension & Benefit | $2,386,241.11 | $2,226,014.29 | $160,226.82 | $2,386,241.11 | $2,454,197.81 | ($67,956.70) |
| 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** | **$12,724,865.53** | **$12,690,990.42** | **$33,875.11** | **$12,724,865.53** | **$13,177,930.89** | **($453,065.36)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $39,475,172.19 | $44,989,154.20 | ($5,513,982.01) | $39,475,172.19 | $49,163,919.35 | ($9,688,747.16) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $99,447,746.39 | $118,446,109.79 | ($18,998,363.40) | $99,447,746.39 | $101,542,901.58 | ($2,095,155.19) |
| Customer Deposits | $4,588,362.11 | $4,628,787.11 | ($40,425.00) | $4,588,362.11 | $4,646,396.11 | ($58,034.00) |
| Taxes Accrued | $39,787,663.98 | $37,449,723.46 | $2,337,940.52 | $39,787,663.98 | $14,403,173.56 | $25,384,490.42 |
| Interest Accrued | $354,374.70 | $327,119.39 | $27,255.31 | $354,374.70 | $441,673.49 | ($87,298.79) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $571,806.34 | $737,182.10 | ($165,375.76) | $571,806.34 | $434,093.82 | $137,712.52 |
| Misc Current & Accrued Liab | $36,536,756.48 | $52,411,516.56 | ($15,874,760.08) | $36,536,756.48 | $86,516,429.47 | ($49,979,672.99) |
| Obligation Cap Lease - Current | $1,933,990.32 | $1,961,505.64 | ($27,515.32) | $1,933,990.32 | $2,039,031.28 | ($105,040.96) |
| Derivative Liability | $2,519,360.00 | $1,211,430.00 | $1,307,930.00 | $2,519,360.00 | $0.00 | $2,519,360.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$225,215,232.51** | **$262,162,528.25** | **($36,947,295.74)** | **$225,215,232.51** | **$259,187,618.66** | **($33,972,386.15)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Mar - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Mar - 2024* | Previous Month | Variance | Month: *Mar - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,746,757.40 | $1,793,333.16 | ($46,575.76) | $1,746,757.40 | $1,806,363.33 | ($59,605.93) |
| Acc Defd Investment Tax Credit | $482,398.00 | $496,024.00 | ($13,626.00) | $482,398.00 | $523,276.00 | ($40,878.00) |
| Other Deferred Credits | $4,960,805.90 | $5,078,462.15 | ($117,656.25) | $4,960,805.90 | $5,031,663.59 | ($70,857.69) |
| Other Regulatory Liabilities | $204,333,092.05 | $206,874,777.80 | ($2,541,685.75) | $204,333,092.05 | $210,111,003.48 | ($5,777,911.43) |
| Accum Defer Inc Tax - Oth Prop | $502,081,307.70 | $507,782,873.70 | ($5,701,566.00) | $502,081,307.70 | $502,026,202.70 | $55,105.00 |
| Accum Defer Inc Tax - Other | $1,582,802.99 | $1,137,508.99 | $445,294.00 | $1,582,802.99 | $931,420.99 | $651,382.00 |
| **Deferred Credits** | **$715,187,164.04** | **$723,162,979.80** | **($7,975,815.76)** | **$715,187,164.04** | **$720,429,930.09** | **($5,242,766.05)** |
| **Total Liabilities and Equity** | **$3,978,834,868.37** | **$3,999,550,188.41** | **($20,715,320.04)** | **$3,978,834,868.37** | **$3,906,446,980.08** | **$72,387,888.29** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2024* | Previous Month | Variance | Month: *Apr - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,121,985,240.39 | $4,106,284,833.71 | $15,700,406.68 | $4,121,985,240.39 | $4,072,989,947.67 | $48,995,292.72 |
| Construction Work In Progress | $119,313,754.05 | $115,932,173.58 | $3,381,580.47 | $119,313,754.05 | $79,033,805.43 | $40,279,948.62 |
| **Total Utility Plant** | **$4,241,298,994.44** | **$4,222,217,007.29** | **$19,081,987.15** | **$4,241,298,994.44** | **$4,152,023,753.10** | **$89,275,241.34** |
| Accum Prov - Amort and Depr | ($715,026,784.77) | ($714,555,419.90) | ($471,364.87) | ($715,026,784.77) | ($695,203,539.18) | ($19,823,245.59) |
| **Net Utility Plant** | **$3,526,272,209.67** | **$3,507,661,587.39** | **$18,610,622.28** | **$3,526,272,209.67** | **$3,456,820,213.92** | **$69,451,995.75** |
| 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** | **$3,527,004,081.92** | **$3,508,393,459.64** | **$18,610,622.28** | **$3,527,004,081.92** | **$3,457,552,086.17** | **$69,451,995.75** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,901,909.73 | $21,855,877.77 | $46,031.96 | $21,901,909.73 | $21,706,439.86 | $195,469.87 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,835,605.47 | $13,735,542.60 | $100,062.87 | $13,835,605.47 | $13,215,914.00 | $619,691.47 |
| **Other Property and Investments** | **$35,745,861.69** | **$35,599,766.86** | **$146,094.83** | **$35,745,861.69** | **$34,930,700.35** | **$815,161.34** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $3,463,868.85 | $51,619.95 | $3,412,248.90 | $3,463,868.85 | $4,182,521.82 | ($718,652.97) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $84,277,445.17 | $120,574,430.29 | ($36,296,985.12) | $84,277,445.17 | $46,623,454.41 | $37,653,990.76 |
| AR from Associated Cos | $208,745.18 | $280,962.61 | ($72,217.43) | $208,745.18 | $7,535.00 | $201,210.18 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $968,258.41 | $968,614.01 | ($355.60) | $968,258.41 | $939,897.40 | $28,361.01 |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $18,392,288.15 | $16,485,075.60 | $1,907,212.55 | $18,392,288.15 | $49,676,669.31 | ($31,284,381.16) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $3,586,094.01 | $4,335,919.02 | ($749,825.01) | $3,586,094.01 | $5,558,398.72 | ($1,972,304.71) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $1,975,410.09 | $3,352,156.88 | ($1,376,746.79) | $1,975,410.09 | $2,360,361.75 | ($384,951.66) |
| Derivative Instrument Assets | $2,018,950.00 | $764,800.00 | $1,254,150.00 | $2,018,950.00 | $91,740.00 | $1,927,210.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$115,144,059.86** | **$147,066,578.36** | **($31,922,518.50)** | **$115,144,059.86** | **$109,693,578.41** | **$5,450,481.45** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $188,090,735.22 | $188,432,379.20 | ($341,643.98) | $188,090,735.22 | $185,209,544.74 | $2,881,190.48 |
| Preliminary Surveys | $14,417,186.15 | $13,664,980.91 | $752,205.24 | $14,417,186.15 | $11,627,226.67 | $2,789,959.48 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2024* | Previous Month | Variance | Month: *Apr - 2024* | December of Previous Year | Variance |
| Clearing Accounts | ($3,555.96) | ($5,087.74) | $1,531.78 | ($3,555.96) | $0.00 | ($3,555.96) |
| Miscellaneous Deferred Debits | $2,503,979.34 | $2,480,956.14 | $23,023.20 | $2,503,979.34 | $2,231,506.39 | $272,472.95 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $86,751,766.00 | $86,587,364.00 | $164,402.00 | $86,751,766.00 | $99,590,260.00 | ($12,838,494.00) |
| Unrecovered Purchase Gas Costs | ($2,678,170.90) | ($3,385,534.93) | $707,364.03 | ($2,678,170.90) | $5,612,077.35 | ($8,290,248.25) |
| **Deferred Debits** | **$289,081,939.85** | **$287,775,057.58** | **$1,306,882.27** | **$289,081,939.85** | **$304,270,615.15** | **($15,188,675.30)** |
| **Assets and Other Debits** | **$3,966,975,943.32** | **$3,978,834,862.44** | **($11,858,919.12)** | **$3,966,975,943.32** | **$3,906,446,980.08** | **$60,528,963.24** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,510,392,728.59 | $1,502,174,979.29 | $8,217,749.30 | $1,510,392,728.59 | $1,390,118,873.44 | $120,273,855.15 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,748,410,355.59** | **$1,740,192,606.29** | **$8,217,749.30** | **$1,748,410,355.59** | **$1,628,136,500.44** | **$120,273,855.15** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,182,834.35 | $10,243,474.92 | ($60,640.57) | $10,182,834.35 | $10,649,790.28 | ($466,955.93) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $87,198.80 | $95,149.50 | ($7,950.70) | $87,198.80 | $73,942.80 | $13,256.00 |
| Accum Prov - Pension & Benefit | $2,505,436.22 | $2,386,241.11 | $119,195.11 | $2,505,436.22 | $2,454,197.81 | $51,238.41 |
| 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** | **$12,775,469.37** | **$12,724,865.53** | **$50,603.84** | **$12,775,469.37** | **$13,177,930.89** | **($402,461.52)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $38,381,258.20 | $39,475,172.19 | ($1,093,913.99) | $38,381,258.20 | $49,163,919.35 | ($10,782,661.15) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $81,742,620.25 | $99,447,746.39 | ($17,705,126.14) | $81,742,620.25 | $101,542,901.58 | ($19,800,281.33) |
| Customer Deposits | $4,527,849.11 | $4,588,362.11 | ($60,513.00) | $4,527,849.11 | $4,646,396.11 | ($118,547.00) |
| Taxes Accrued | $39,426,449.62 | $39,787,663.98 | ($361,214.36) | $39,426,449.62 | $14,403,173.56 | $25,023,276.06 |
| Interest Accrued | $377,301.49 | $354,374.70 | $22,926.79 | $377,301.49 | $441,673.49 | ($64,372.00) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $484,259.63 | $571,806.34 | ($87,546.71) | $484,259.63 | $434,093.82 | $50,165.81 |
| Misc Current & Accrued Liab | $33,798,839.34 | $36,536,756.48 | ($2,737,917.14) | $33,798,839.34 | $86,516,429.47 | ($52,717,590.13) |
| Obligation Cap Lease - Current | $1,948,008.18 | $1,933,990.32 | $14,017.86 | $1,948,008.18 | $2,039,031.28 | ($91,023.10) |
| Derivative Liability | $2,478,090.00 | $2,519,360.00 | ($41,270.00) | $2,478,090.00 | $0.00 | $2,478,090.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$203,164,675.82** | **$225,215,232.51** | **($22,050,556.69)** | **$203,164,675.82** | **$259,187,618.66** | **($56,022,942.84)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Apr - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Apr - 2024* | Previous Month | Variance | Month: *Apr - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,742,015.21 | $1,746,757.40 | ($4,742.19) | $1,742,015.21 | $1,806,363.33 | ($64,348.12) |
| Acc Defd Investment Tax Credit | $468,772.00 | $482,398.00 | ($13,626.00) | $468,772.00 | $523,276.00 | ($54,504.00) |
| Other Deferred Credits | $4,764,065.48 | $4,960,805.90 | ($196,740.42) | $4,764,065.48 | $5,031,663.59 | ($267,598.11) |
| Other Regulatory Liabilities | $203,228,719.09 | $204,333,092.05 | ($1,104,372.96) | $203,228,719.09 | $210,111,003.48 | ($6,882,284.39) |
| Accum Defer Inc Tax - Oth Prop | $504,959,642.70 | $502,081,307.70 | $2,878,335.00 | $504,959,642.70 | $502,026,202.70 | $2,933,440.00 |
| Accum Defer Inc Tax - Other | $1,947,233.99 | $1,582,802.99 | $364,431.00 | $1,947,233.99 | $931,420.99 | $1,015,813.00 |
| **Deferred Credits** | **$717,110,448.47** | **$715,187,164.04** | **$1,923,284.43** | **$717,110,448.47** | **$720,429,930.09** | **($3,319,481.62)** |
| **Total Liabilities and Equity** | **$3,966,975,949.25** | **$3,978,834,868.37** | **($11,858,919.12)** | **$3,966,975,949.25** | **$3,906,446,980.08** | **$60,528,969.17** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2024* | Previous Month | Variance | Month: *May - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,147,220,317.61 | $4,121,985,240.39 | $25,235,077.22 | $4,147,220,317.61 | $4,072,989,947.67 | $74,230,369.94 |
| Construction Work In Progress | $131,122,680.83 | $119,313,754.05 | $11,808,926.78 | $131,122,680.83 | $79,033,805.43 | $52,088,875.40 |
| **Total Utility Plant** | **$4,278,342,998.44** | **$4,241,298,994.44** | **$37,044,004.00** | **$4,278,342,998.44** | **$4,152,023,753.10** | **$126,319,245.34** |
| Accum Prov - Amort and Depr | ($722,998,139.72) | ($715,026,784.77) | ($7,971,354.95) | ($722,998,139.72) | ($695,203,539.18) | ($27,794,600.54) |
| **Net Utility Plant** | **$3,555,344,858.72** | **$3,526,272,209.67** | **$29,072,649.05** | **$3,555,344,858.72** | **$3,456,820,213.92** | **$98,524,644.80** |
| 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** | **$3,556,076,730.97** | **$3,527,004,081.92** | **$29,072,649.05** | **$3,556,076,730.97** | **$3,457,552,086.17** | **$98,524,644.80** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $21,948,424.76 | $21,901,909.73 | $46,515.03 | $21,948,424.76 | $21,706,439.86 | $241,984.90 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $13,935,004.12 | $13,835,605.47 | $99,398.65 | $13,935,004.12 | $13,215,914.00 | $719,090.12 |
| **Other Property and Investments** | **$35,891,775.37** | **$35,745,861.69** | **$145,913.68** | **$35,891,775.37** | **$34,930,700.35** | **$961,075.02** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,616,057.09 | $3,463,868.85 | ($847,811.76) | $2,616,057.09 | $4,182,521.82 | ($1,566,464.73) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $58,756,742.17 | $84,277,445.17 | ($25,520,703.00) | $58,756,742.17 | $46,623,454.41 | $12,133,287.76 |
| AR from Associated Cos | $102,872.72 | $208,745.18 | ($105,872.46) | $102,872.72 | $7,535.00 | $95,337.72 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $968,072.42 | $968,258.41 | ($185.99) | $968,072.42 | $939,897.40 | $28,175.02 |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $28,040,169.66 | $18,392,288.15 | $9,647,881.51 | $28,040,169.66 | $49,676,669.31 | ($21,636,499.65) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $2,597,283.14 | $3,586,094.01 | ($988,810.87) | $2,597,283.14 | $5,558,398.72 | ($2,961,115.58) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $1,199,856.45 | $1,975,410.09 | ($775,553.64) | $1,199,856.45 | $2,360,361.75 | ($1,160,505.30) |
| Derivative Instrument Assets | $1,991,960.00 | $2,018,950.00 | ($26,990.00) | $1,991,960.00 | $91,740.00 | $1,900,220.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$96,526,013.65** | **$115,144,059.86** | **($18,618,046.21)** | **$96,526,013.65** | **$109,693,578.41** | **($13,167,564.76)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $187,012,509.73 | $188,090,735.22 | ($1,078,225.49) | $187,012,509.73 | $185,209,544.74 | $1,802,964.99 |
| Preliminary Surveys | $15,352,983.54 | $14,417,186.15 | $935,797.39 | $15,352,983.54 | $11,627,226.67 | $3,725,756.87 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2024* | Previous Month | Variance | Month: *May - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $149,707.32 | ($3,555.96) | $153,263.28 | $149,707.32 | $0.00 | $149,707.32 |
| Miscellaneous Deferred Debits | $2,443,503.45 | $2,503,979.34 | ($60,475.89) | $2,443,503.45 | $2,231,506.39 | $211,997.06 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $87,153,748.00 | $86,751,766.00 | $401,982.00 | $87,153,748.00 | $99,590,260.00 | ($12,436,512.00) |
| Unrecovered Purchase Gas Costs | $787,145.27 | ($2,678,170.90) | $3,465,316.17 | $787,145.27 | $5,612,077.35 | ($4,824,932.08) |
| **Deferred Debits** | **$292,899,597.31** | **$289,081,939.85** | **$3,817,657.46** | **$292,899,597.31** | **$304,270,615.15** | **($11,371,017.84)** |
| **Assets and Other Debits** | **$3,981,394,117.30** | **$3,966,975,943.32** | **$14,418,173.98** | **$3,981,394,117.30** | **$3,906,446,980.08** | **$74,947,137.22** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,506,303,405.33 | $1,510,392,728.59 | ($4,089,323.26) | $1,506,303,405.33 | $1,390,118,873.44 | $116,184,531.89 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,744,321,032.33** | **$1,748,410,355.59** | **($4,089,323.26)** | **$1,744,321,032.33** | **$1,628,136,500.44** | **$116,184,531.89** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 | $1,285,515,000.00 | $1,285,515,000.00 | $0.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** | **$1,285,515,000.00** | **$1,285,515,000.00** | **$0.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $10,043,785.01 | $10,182,834.35 | ($139,049.34) | $10,043,785.01 | $10,649,790.28 | ($606,005.27) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $101,246.80 | $87,198.80 | $14,048.00 | $101,246.80 | $73,942.80 | $27,304.00 |
| Accum Prov - Pension & Benefit | $2,313,780.72 | $2,505,436.22 | ($191,655.50) | $2,313,780.72 | $2,454,197.81 | ($140,417.09) |
| 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** | **$12,458,812.53** | **$12,775,469.37** | **($316,656.84)** | **$12,458,812.53** | **$13,177,930.89** | **($719,118.36)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,110,325.27 | $38,381,258.20 | $10,729,067.07 | $49,110,325.27 | $49,163,919.35 | ($53,594.08) |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $91,186,708.55 | $81,742,620.25 | $9,444,088.30 | $91,186,708.55 | $101,542,901.58 | ($10,356,193.03) |
| Customer Deposits | $4,480,978.11 | $4,527,849.11 | ($46,871.00) | $4,480,978.11 | $4,646,396.11 | ($165,418.00) |
| Taxes Accrued | $33,615,647.16 | $39,426,449.62 | ($5,810,802.46) | $33,615,647.16 | $14,403,173.56 | $19,212,473.60 |
| Interest Accrued | $399,733.42 | $377,301.49 | $22,431.93 | $399,733.42 | $441,673.49 | ($41,940.07) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $920,800.90 | $484,259.63 | $436,541.27 | $920,800.90 | $434,093.82 | $486,707.08 |
| Misc Current & Accrued Liab | $36,973,703.84 | $33,798,839.34 | $3,174,864.50 | $36,973,703.84 | $86,516,429.47 | ($49,542,725.63) |
| Obligation Cap Lease - Current | $2,167,517.21 | $1,948,008.18 | $219,509.03 | $2,167,517.21 | $2,039,031.28 | $128,485.93 |
| Derivative Liability | $1,319,500.00 | $2,478,090.00 | ($1,158,590.00) | $1,319,500.00 | $0.00 | $1,319,500.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$220,174,914.46** | **$203,164,675.82** | **$17,010,238.64** | **$220,174,914.46** | **$259,187,618.66** | **($39,012,704.20)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of May - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *May - 2024* | Previous Month | Variance | Month: *May - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,727,242.77 | $1,742,015.21 | ($14,772.44) | $1,727,242.77 | $1,806,363.33 | ($79,120.56) |
| Acc Defd Investment Tax Credit | $455,146.00 | $468,772.00 | ($13,626.00) | $455,146.00 | $523,276.00 | ($68,130.00) |
| Other Deferred Credits | $4,705,626.88 | $4,764,065.48 | ($58,438.60) | $4,705,626.88 | $5,031,663.59 | ($326,036.71) |
| Other Regulatory Liabilities | $201,980,048.57 | $203,228,719.09 | ($1,248,670.52) | $201,980,048.57 | $210,111,003.48 | ($8,130,954.91) |
| Accum Defer Inc Tax - Oth Prop | $507,837,978.70 | $504,959,642.70 | $2,878,336.00 | $507,837,978.70 | $502,026,202.70 | $5,811,776.00 |
| Accum Defer Inc Tax - Other | $2,218,320.99 | $1,947,233.99 | $271,087.00 | $2,218,320.99 | $931,420.99 | $1,286,900.00 |
| **Deferred Credits** | **$718,924,363.91** | **$717,110,448.47** | **$1,813,915.44** | **$718,924,363.91** | **$720,429,930.09** | **($1,505,566.18)** |
| **Total Liabilities and Equity** | **$3,981,394,123.23** | **$3,966,975,949.25** | **$14,418,173.98** | **$3,981,394,123.23** | **$3,906,446,980.08** | **$74,947,143.15** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2024* | Previous Month | Variance | Month: *Jun - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,172,355,408.79 | $4,147,220,317.61 | $25,135,091.18 | $4,172,355,408.79 | $4,072,989,947.67 | $99,365,461.12 |
| Construction Work In Progress | $147,670,709.37 | $131,122,680.83 | $16,548,028.54 | $147,670,709.37 | $79,033,805.43 | $68,636,903.94 |
| **Total Utility Plant** | **$4,320,026,118.16** | **$4,278,342,998.44** | **$41,683,119.72** | **$4,320,026,118.16** | **$4,152,023,753.10** | **$168,002,365.06** |
| Accum Prov - Amort and Depr | ($729,623,310.01) | ($722,998,139.72) | ($6,625,170.29) | ($729,623,310.01) | ($695,203,539.18) | ($34,419,770.83) |
| **Net Utility Plant** | **$3,590,402,808.15** | **$3,555,344,858.72** | **$35,057,949.43** | **$3,590,402,808.15** | **$3,456,820,213.92** | **$133,582,594.23** |
| 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** | **$3,591,134,680.40** | **$3,556,076,730.97** | **$35,057,949.43** | **$3,591,134,680.40** | **$3,457,552,086.17** | **$133,582,594.23** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,003,970.67 | $21,948,424.76 | $55,545.91 | $22,003,970.67 | $21,706,439.86 | $297,530.81 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,031,784.55 | $13,935,004.12 | $96,780.43 | $14,031,784.55 | $13,215,914.00 | $815,870.55 |
| **Other Property and Investments** | **$36,044,101.71** | **$35,891,775.37** | **$152,326.34** | **$36,044,101.71** | **$34,930,700.35** | **$1,113,401.36** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $2,159,981.93 | $2,616,057.09 | ($456,075.16) | $2,159,981.93 | $4,182,521.82 | ($2,022,539.89) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $46,756,435.26 | $58,756,742.17 | ($12,000,306.91) | $46,756,435.26 | $46,623,454.41 | $132,980.85 |
| AR from Associated Cos | $14,075.07 | $102,872.72 | ($88,797.65) | $14,075.07 | $7,535.00 | $6,540.07 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $876,037.67 | $968,072.42 | ($92,034.75) | $876,037.67 | $939,897.40 | ($63,859.73) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $29,421,192.39 | $28,040,169.66 | $1,381,022.73 | $29,421,192.39 | $49,676,669.31 | ($20,255,476.92) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $1,698,203.79 | $2,597,283.14 | ($899,079.35) | $1,698,203.79 | $5,558,398.72 | ($3,860,194.93) |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $713,481.35 | $1,199,856.45 | ($486,375.10) | $713,481.35 | $2,360,361.75 | ($1,646,880.40) |
| Derivative Instrument Assets | $2,616,470.00 | $1,991,960.00 | $624,510.00 | $2,616,470.00 | $91,740.00 | $2,524,730.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$84,508,877.46** | **$96,526,013.65** | **($12,017,136.19)** | **$84,508,877.46** | **$109,693,578.41** | **($25,184,700.95)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $188,043,980.96 | $187,012,509.73 | $1,031,471.23 | $188,043,980.96 | $185,209,544.74 | $2,834,436.22 |
| Preliminary Surveys | $15,973,422.28 | $15,352,983.54 | $620,438.74 | $15,973,422.28 | $11,627,226.67 | $4,346,195.61 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2024* | Previous Month | Variance | Month: *Jun - 2024* | December of Previous Year | Variance |
| Clearing Accounts | ($3,392.33) | $149,707.32 | ($153,099.65) | ($3,392.33) | $0.00 | ($3,392.33) |
| Miscellaneous Deferred Debits | $2,537,880.14 | $2,443,503.45 | $94,376.69 | $2,537,880.14 | $2,231,506.39 | $306,373.75 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $87,455,088.00 | $87,153,748.00 | $301,340.00 | $87,455,088.00 | $99,590,260.00 | ($12,135,172.00) |
| Unrecovered Purchase Gas Costs | $5,521,738.02 | $787,145.27 | $4,734,592.75 | $5,521,738.02 | $5,612,077.35 | ($90,339.33) |
| **Deferred Debits** | **$299,528,717.07** | **$292,899,597.31** | **$6,629,119.76** | **$299,528,717.07** | **$304,270,615.15** | **($4,741,898.08)** |
| **Assets and Other Debits** | **$4,011,216,376.64** | **$3,981,394,117.30** | **$29,822,259.34** | **$4,011,216,376.64** | **$3,906,446,980.08** | **$104,769,396.56** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,498,978,781.90 | $1,506,303,405.33 | ($7,324,623.43) | $1,498,978,781.90 | $1,390,118,873.44 | $108,859,908.46 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,736,996,408.90** | **$1,744,321,032.33** | **($7,324,623.43)** | **$1,736,996,408.90** | **$1,628,136,500.44** | **$108,859,908.46** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,335,515,000.00 | $1,285,515,000.00 | $50,000,000.00 | $1,335,515,000.00 | $1,285,515,000.00 | $50,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,335,515,000.00** | **$1,285,515,000.00** | **$50,000,000.00** | **$1,335,515,000.00** | **$1,285,515,000.00** | **$50,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,903,223.84 | $10,043,785.01 | ($140,561.17) | $9,903,223.84 | $10,649,790.28 | ($746,566.44) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $108,428.27 | $101,246.80 | $7,181.47 | $108,428.27 | $73,942.80 | $34,485.47 |
| Accum Prov - Pension & Benefit | $2,502,693.60 | $2,313,780.72 | $188,912.88 | $2,502,693.60 | $2,454,197.81 | $48,495.79 |
| 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** | **$12,514,345.71** | **$12,458,812.53** | **$55,533.18** | **$12,514,345.71** | **$13,177,930.89** | **($663,585.18)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $51,827,110.50 | $49,110,325.27 | $2,716,785.23 | $51,827,110.50 | $49,163,919.35 | $2,663,191.15 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $70,094,219.92 | $91,186,708.55 | ($21,092,488.63) | $70,094,219.92 | $101,542,901.58 | ($31,448,681.66) |
| Customer Deposits | $4,456,898.11 | $4,480,978.11 | ($24,080.00) | $4,456,898.11 | $4,646,396.11 | ($189,498.00) |
| Taxes Accrued | $27,017,069.65 | $33,615,647.16 | ($6,598,577.51) | $27,017,069.65 | $14,403,173.56 | $12,613,896.09 |
| Interest Accrued | $421,577.45 | $399,733.42 | $21,844.03 | $421,577.45 | $441,673.49 | ($20,096.04) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $1,206,778.87 | $920,800.90 | $285,977.97 | $1,206,778.87 | $434,093.82 | $772,685.05 |
| Misc Current & Accrued Liab | $43,076,014.70 | $36,973,703.84 | $6,102,310.86 | $43,076,014.70 | $86,516,429.47 | ($43,440,414.77) |
| Obligation Cap Lease - Current | $2,152,678.68 | $2,167,517.21 | ($14,838.53) | $2,152,678.68 | $2,039,031.28 | $113,647.40 |
| Derivative Liability | $1,023,600.00 | $1,319,500.00 | ($295,900.00) | $1,023,600.00 | $0.00 | $1,023,600.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$201,275,947.88** | **$220,174,914.46** | **($18,898,966.58)** | **$201,275,947.88** | **$259,187,618.66** | **($57,911,670.78)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jun - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jun - 2024* | Previous Month | Variance | Month: *Jun - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,695,303.74 | $1,727,242.77 | ($31,939.03) | $1,695,303.74 | $1,806,363.33 | ($111,059.59) |
| Acc Defd Investment Tax Credit | $441,520.00 | $455,146.00 | ($13,626.00) | $441,520.00 | $523,276.00 | ($81,756.00) |
| Other Deferred Credits | $7,736,783.00 | $4,705,626.88 | $3,031,156.12 | $7,736,783.00 | $5,031,663.59 | $2,705,119.41 |
| Other Regulatory Liabilities | $202,121,138.65 | $201,980,048.57 | $141,090.08 | $202,121,138.65 | $210,111,003.48 | ($7,989,864.83) |
| Accum Defer Inc Tax - Oth Prop | $510,716,312.70 | $507,837,978.70 | $2,878,334.00 | $510,716,312.70 | $502,026,202.70 | $8,690,110.00 |
| Accum Defer Inc Tax - Other | $2,203,621.99 | $2,218,320.99 | ($14,699.00) | $2,203,621.99 | $931,420.99 | $1,272,201.00 |
| **Deferred Credits** | **$724,914,680.08** | **$718,924,363.91** | **$5,990,316.17** | **$724,914,680.08** | **$720,429,930.09** | **$4,484,749.99** |
| **Total Liabilities and Equity** | **$4,011,216,382.57** | **$3,981,394,123.23** | **$29,822,259.34** | **$4,011,216,382.57** | **$3,906,446,980.08** | **$104,769,402.49** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2024* | Previous Month | Variance | Month: *Jul - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,230,963,363.14 | $4,172,355,408.79 | $58,607,954.35 | $4,230,963,363.14 | $4,072,989,947.67 | $157,973,415.47 |
| Construction Work In Progress | $124,832,643.06 | $147,670,709.37 | ($22,838,066.31) | $124,832,643.06 | $79,033,805.43 | $45,798,837.63 |
| **Total Utility Plant** | **$4,355,796,006.20** | **$4,320,026,118.16** | **$35,769,888.04** | **$4,355,796,006.20** | **$4,152,023,753.10** | **$203,772,253.10** |
| Accum Prov - Amort and Depr | ($734,857,761.51) | ($729,623,310.01) | ($5,234,451.50) | ($734,857,761.51) | ($695,203,539.18) | ($39,654,222.33) |
| **Net Utility Plant** | **$3,620,938,244.69** | **$3,590,402,808.15** | **$30,535,436.54** | **$3,620,938,244.69** | **$3,456,820,213.92** | **$164,118,030.77** |
| 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** | **$3,621,670,116.94** | **$3,591,134,680.40** | **$30,535,436.54** | **$3,621,670,116.94** | **$3,457,552,086.17** | **$164,118,030.77** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,057,593.16 | $22,003,970.67 | $53,622.49 | $22,057,593.16 | $21,706,439.86 | $351,153.30 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,131,183.20 | $14,031,784.55 | $99,398.65 | $14,131,183.20 | $13,215,914.00 | $915,269.20 |
| **Other Property and Investments** | **$36,197,122.85** | **$36,044,101.71** | **$153,021.14** | **$36,197,122.85** | **$34,930,700.35** | **$1,266,422.50** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,715,240.44 | $2,159,981.93 | ($444,741.49) | $1,715,240.44 | $4,182,521.82 | ($2,467,281.38) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $38,580,793.85 | $46,756,435.26 | ($8,175,641.41) | $38,580,793.85 | $46,623,454.41 | ($8,042,660.56) |
| AR from Associated Cos | ($65,201.82) | $14,075.07 | ($79,276.89) | ($65,201.82) | $7,535.00 | ($72,736.82) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $854,651.50 | $876,037.67 | ($21,386.17) | $854,651.50 | $939,897.40 | ($85,245.90) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $36,067,848.42 | $29,421,192.39 | $6,646,656.03 | $36,067,848.42 | $49,676,669.31 | ($13,608,820.89) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $6,598,591.65 | $1,698,203.79 | $4,900,387.86 | $6,598,591.65 | $5,558,398.72 | $1,040,192.93 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $693,762.00 | $713,481.35 | ($19,719.35) | $693,762.00 | $2,360,361.75 | ($1,666,599.75) |
| Derivative Instrument Assets | $288,090.00 | $2,616,470.00 | ($2,328,380.00) | $288,090.00 | $91,740.00 | $196,350.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$84,986,776.04** | **$84,508,877.46** | **$477,898.58** | **$84,986,776.04** | **$109,693,578.41** | **($24,706,802.37)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $192,462,219.29 | $188,043,980.96 | $4,418,238.33 | $192,462,219.29 | $185,209,544.74 | $7,252,674.55 |
| Preliminary Surveys | $14,724,667.57 | $15,973,422.28 | ($1,248,754.71) | $14,724,667.57 | $11,627,226.67 | $3,097,440.90 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2024* | Previous Month | Variance | Month: *Jul - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $4,336.13 | ($3,392.33) | $7,728.46 | $4,336.13 | $0.00 | $4,336.13 |
| Miscellaneous Deferred Debits | $2,792,612.83 | $2,537,880.14 | $254,732.69 | $2,792,612.83 | $2,231,506.39 | $561,106.44 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $87,404,059.00 | $87,455,088.00 | ($51,029.00) | $87,404,059.00 | $99,590,260.00 | ($12,186,201.00) |
| Unrecovered Purchase Gas Costs | $10,091,720.12 | $5,521,738.02 | $4,569,982.10 | $10,091,720.12 | $5,612,077.35 | $4,479,642.77 |
| **Deferred Debits** | **$307,479,614.94** | **$299,528,717.07** | **$7,950,897.87** | **$307,479,614.94** | **$304,270,615.15** | **$3,208,999.79** |
| **Assets and Other Debits** | **$4,050,333,630.77** | **$4,011,216,376.64** | **$39,117,254.13** | **$4,050,333,630.77** | **$3,906,446,980.08** | **$143,886,650.69** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,492,006,632.01 | $1,498,978,781.90 | ($6,972,149.89) | $1,492,006,632.01 | $1,390,118,873.44 | $101,887,758.57 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,730,024,259.01** | **$1,736,996,408.90** | **($6,972,149.89)** | **$1,730,024,259.01** | **$1,628,136,500.44** | **$101,887,758.57** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,335,515,000.00 | $1,335,515,000.00 | $0.00 | $1,335,515,000.00 | $1,285,515,000.00 | $50,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,335,515,000.00** | **$1,335,515,000.00** | **$0.00** | **$1,335,515,000.00** | **$1,285,515,000.00** | **$50,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,761,386.51 | $9,903,223.84 | ($141,837.33) | $9,761,386.51 | $10,649,790.28 | ($888,403.77) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $65,677.61 | $108,428.27 | ($42,750.66) | $65,677.61 | $73,942.80 | ($8,265.19) |
| Accum Prov - Pension & Benefit | $2,360,358.06 | $2,502,693.60 | ($142,335.54) | $2,360,358.06 | $2,454,197.81 | ($93,839.75) |
| 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** | **$12,187,422.18** | **$12,514,345.71** | **($326,923.53)** | **$12,187,422.18** | **$13,177,930.89** | **($990,508.71)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $52,083,819.73 | $51,827,110.50 | $256,709.23 | $52,083,819.73 | $49,163,919.35 | $2,919,900.38 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $106,858,886.45 | $70,094,219.92 | $36,764,666.53 | $106,858,886.45 | $101,542,901.58 | $5,315,984.87 |
| Customer Deposits | $4,435,419.11 | $4,456,898.11 | ($21,479.00) | $4,435,419.11 | $4,646,396.11 | ($210,977.00) |
| Taxes Accrued | $19,147,875.37 | $27,017,069.65 | ($7,869,194.28) | $19,147,875.37 | $14,403,173.56 | $4,744,701.81 |
| Interest Accrued | $441,375.56 | $421,577.45 | $19,798.11 | $441,375.56 | $441,673.49 | ($297.93) |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $1,291,800.98 | $1,206,778.87 | $85,022.11 | $1,291,800.98 | $434,093.82 | $857,707.16 |
| Misc Current & Accrued Liab | $55,715,986.54 | $43,076,014.70 | $12,639,971.84 | $55,715,986.54 | $86,516,429.47 | ($30,800,442.93) |
| Obligation Cap Lease - Current | $2,159,597.50 | $2,152,678.68 | $6,918.82 | $2,159,597.50 | $2,039,031.28 | $120,566.22 |
| Derivative Liability | $4,909,400.00 | $1,023,600.00 | $3,885,800.00 | $4,909,400.00 | $0.00 | $4,909,400.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$247,044,161.24** | **$201,275,947.88** | **$45,768,213.36** | **$247,044,161.24** | **$259,187,618.66** | **($12,143,457.42)** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Jul - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Jul - 2024* | Previous Month | Variance | Month: *Jul - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,687,180.02 | $1,695,303.74 | ($8,123.72) | $1,687,180.02 | $1,806,363.33 | ($119,183.31) |
| Acc Defd Investment Tax Credit | $427,895.00 | $441,520.00 | ($13,625.00) | $427,895.00 | $523,276.00 | ($95,381.00) |
| Other Deferred Credits | $7,737,934.25 | $7,736,783.00 | $1,151.25 | $7,737,934.25 | $5,031,663.59 | $2,706,270.66 |
| Other Regulatory Liabilities | $199,574,151.31 | $202,121,138.65 | ($2,546,987.34) | $199,574,151.31 | $210,111,003.48 | ($10,536,852.17) |
| Accum Defer Inc Tax - Oth Prop | $513,594,648.70 | $510,716,312.70 | $2,878,336.00 | $513,594,648.70 | $502,026,202.70 | $11,568,446.00 |
| Accum Defer Inc Tax - Other | $2,540,984.99 | $2,203,621.99 | $337,363.00 | $2,540,984.99 | $931,420.99 | $1,609,564.00 |
| **Deferred Credits** | **$725,562,794.27** | **$724,914,680.08** | **$648,114.19** | **$725,562,794.27** | **$720,429,930.09** | **$5,132,864.18** |
| **Total Liabilities and Equity** | **$4,050,333,636.70** | **$4,011,216,382.57** | **$39,117,254.13** | **$4,050,333,636.70** | **$3,906,446,980.08** | **$143,886,656.62** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2024* | Previous Month | Variance | Month: *Aug - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,269,257,698.14 | $4,230,963,363.14 | $38,294,335.00 | $4,269,257,698.14 | $4,072,989,947.67 | $196,267,750.47 |
| Construction Work In Progress | $120,711,205.22 | $124,832,643.06 | ($4,121,437.84) | $120,711,205.22 | $79,033,805.43 | $41,677,399.79 |
| **Total Utility Plant** | **$4,389,968,903.36** | **$4,355,796,006.20** | **$34,172,897.16** | **$4,389,968,903.36** | **$4,152,023,753.10** | **$237,945,150.26** |
| Accum Prov - Amort and Depr | ($741,842,633.88) | ($734,857,761.51) | ($6,984,872.37) | ($741,842,633.88) | ($695,203,539.18) | ($46,639,094.70) |
| **Net Utility Plant** | **$3,648,126,269.48** | **$3,620,938,244.69** | **$27,188,024.79** | **$3,648,126,269.48** | **$3,456,820,213.92** | **$191,306,055.56** |
| 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** | **$3,648,858,141.73** | **$3,621,670,116.94** | **$27,188,024.79** | **$3,648,858,141.73** | **$3,457,552,086.17** | **$191,306,055.56** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,051,747.10 | $22,057,593.16 | ($5,846.06) | $22,051,747.10 | $21,706,439.86 | $345,307.24 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,253,050.43 | $14,131,183.20 | $121,867.23 | $14,253,050.43 | $13,215,914.00 | $1,037,136.43 |
| **Other Property and Investments** | **$36,313,144.02** | **$36,197,122.85** | **$116,021.17** | **$36,313,144.02** | **$34,930,700.35** | **$1,382,443.67** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,999,674.32 | $1,715,240.44 | $284,433.88 | $1,999,674.32 | $4,182,521.82 | ($2,182,847.50) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $33,524,076.20 | $38,580,793.85 | ($5,056,717.65) | $33,524,076.20 | $46,623,454.41 | ($13,099,378.21) |
| AR from Associated Cos | ($85,977.41) | ($65,201.82) | ($20,775.59) | ($85,977.41) | $7,535.00 | ($93,512.41) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $843,926.00 | $854,651.50 | ($10,725.50) | $843,926.00 | $939,897.40 | ($95,971.40) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $40,398,986.13 | $36,067,848.42 | $4,331,137.71 | $40,398,986.13 | $49,676,669.31 | ($9,277,683.18) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $5,755,265.88 | $6,598,591.65 | ($843,325.77) | $5,755,265.88 | $5,558,398.72 | $196,867.16 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $328,103.21 | $693,762.00 | ($365,658.79) | $328,103.21 | $2,360,361.75 | ($2,032,258.54) |
| Derivative Instrument Assets | $251,050.00 | $288,090.00 | ($37,040.00) | $251,050.00 | $91,740.00 | $159,310.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$83,268,104.33** | **$84,986,776.04** | **($1,718,671.71)** | **$83,268,104.33** | **$109,693,578.41** | **($26,425,474.08)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $193,339,274.23 | $192,462,219.29 | $877,054.94 | $193,339,274.23 | $185,209,544.74 | $8,129,729.49 |
| Preliminary Surveys | $15,402,725.94 | $14,724,667.57 | $678,058.37 | $15,402,725.94 | $11,627,226.67 | $3,775,499.27 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2024* | Previous Month | Variance | Month: *Aug - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $2,889.08 | $4,336.13 | ($1,447.05) | $2,889.08 | $0.00 | $2,889.08 |
| Miscellaneous Deferred Debits | $2,971,495.60 | $2,792,612.83 | $178,882.77 | $2,971,495.60 | $2,231,506.39 | $739,989.21 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $88,445,915.00 | $87,404,059.00 | $1,041,856.00 | $88,445,915.00 | $99,590,260.00 | ($11,144,345.00) |
| Unrecovered Purchase Gas Costs | $14,182,270.88 | $10,091,720.12 | $4,090,550.76 | $14,182,270.88 | $5,612,077.35 | $8,570,193.53 |
| **Deferred Debits** | **$314,344,570.73** | **$307,479,614.94** | **$6,864,955.79** | **$314,344,570.73** | **$304,270,615.15** | **$10,073,955.58** |
| **Assets and Other Debits** | **$4,082,783,960.81** | **$4,050,333,630.77** | **$32,450,330.04** | **$4,082,783,960.81** | **$3,906,446,980.08** | **$176,336,980.73** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,482,920,809.34 | $1,492,006,632.01 | ($9,085,822.67) | $1,482,920,809.34 | $1,390,118,873.44 | $92,801,935.90 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,720,938,436.34** | **$1,730,024,259.01** | **($9,085,822.67)** | **$1,720,938,436.34** | **$1,628,136,500.44** | **$92,801,935.90** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,335,515,000.00 | $1,335,515,000.00 | $0.00 | $1,335,515,000.00 | $1,285,515,000.00 | $50,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,335,515,000.00** | **$1,335,515,000.00** | **$0.00** | **$1,335,515,000.00** | **$1,285,515,000.00** | **$50,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,595,428.18 | $9,761,386.51 | ($165,958.33) | $9,595,428.18 | $10,649,790.28 | ($1,054,362.10) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $31,138.30 | $65,677.61 | ($34,539.31) | $31,138.30 | $73,942.80 | ($42,804.50) |
| Accum Prov - Pension & Benefit | $2,457,679.58 | $2,360,358.06 | $97,321.52 | $2,457,679.58 | $2,454,197.81 | $3,481.77 |
| 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** | **$12,084,246.06** | **$12,187,422.18** | **($103,176.12)** | **$12,084,246.06** | **$13,177,930.89** | **($1,093,684.83)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,452,844.21 | $52,083,819.73 | ($2,630,975.52) | $49,452,844.21 | $49,163,919.35 | $288,924.86 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $145,027,165.12 | $106,858,886.45 | $38,168,278.67 | $145,027,165.12 | $101,542,901.58 | $43,484,263.54 |
| Customer Deposits | $5,164,643.11 | $4,435,419.11 | $729,224.00 | $5,164,643.11 | $4,646,396.11 | $518,247.00 |
| Taxes Accrued | $12,650,317.41 | $19,147,875.37 | ($6,497,557.96) | $12,650,317.41 | $14,403,173.56 | ($1,752,856.15) |
| Interest Accrued | $462,948.28 | $441,375.56 | $21,572.72 | $462,948.28 | $441,673.49 | $21,274.79 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | ($111,592.29) | $1,291,800.98 | ($1,403,393.27) | ($111,592.29) | $434,093.82 | ($545,686.11) |
| Misc Current & Accrued Liab | $65,590,454.56 | $55,715,986.54 | $9,874,468.02 | $65,590,454.56 | $86,516,429.47 | ($20,925,974.91) |
| Obligation Cap Lease - Current | $2,193,341.58 | $2,159,597.50 | $33,744.08 | $2,193,341.58 | $2,039,031.28 | $154,310.30 |
| Derivative Liability | $4,989,200.00 | $4,909,400.00 | $79,800.00 | $4,989,200.00 | $0.00 | $4,989,200.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$285,419,321.98** | **$247,044,161.24** | **$38,375,160.74** | **$285,419,321.98** | **$259,187,618.66** | **$26,231,703.32** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Aug - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Aug - 2024* | Previous Month | Variance | Month: *Aug - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,681,521.49 | $1,687,180.02 | ($5,658.53) | $1,681,521.49 | $1,806,363.33 | ($124,841.84) |
| Acc Defd Investment Tax Credit | $414,269.00 | $427,895.00 | ($13,626.00) | $414,269.00 | $523,276.00 | ($109,007.00) |
| Other Deferred Credits | $7,707,048.99 | $7,737,934.25 | ($30,885.26) | $7,707,048.99 | $5,031,663.59 | $2,675,385.40 |
| Other Regulatory Liabilities | $199,713,363.19 | $199,574,151.31 | $139,211.88 | $199,713,363.19 | $210,111,003.48 | ($10,397,640.29) |
| Accum Defer Inc Tax - Oth Prop | $516,472,984.70 | $513,594,648.70 | $2,878,336.00 | $516,472,984.70 | $502,026,202.70 | $14,446,782.00 |
| Accum Defer Inc Tax - Other | $2,837,774.99 | $2,540,984.99 | $296,790.00 | $2,837,774.99 | $931,420.99 | $1,906,354.00 |
| **Deferred Credits** | **$728,826,962.36** | **$725,562,794.27** | **$3,264,168.09** | **$728,826,962.36** | **$720,429,930.09** | **$8,397,032.27** |
| **Total Liabilities and Equity** | **$4,082,783,966.74** | **$4,050,333,636.70** | **$32,450,330.04** | **$4,082,783,966.74** | **$3,906,446,980.08** | **$176,336,986.66** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2024* | Previous Month | Variance | Month: *Sep - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,290,826,162.21 | $4,269,257,698.14 | $21,568,464.07 | $4,290,826,162.21 | $4,072,989,947.67 | $217,836,214.54 |
| Construction Work In Progress | $136,571,628.94 | $120,711,205.22 | $15,860,423.72 | $136,571,628.94 | $79,033,805.43 | $57,537,823.51 |
| **Total Utility Plant** | **$4,427,397,791.15** | **$4,389,968,903.36** | **$37,428,887.79** | **$4,427,397,791.15** | **$4,152,023,753.10** | **$275,374,038.05** |
| Accum Prov - Amort and Depr | ($748,452,770.69) | ($741,842,633.88) | ($6,610,136.81) | ($748,452,770.69) | ($695,203,539.18) | ($53,249,231.51) |
| **Net Utility Plant** | **$3,678,945,020.46** | **$3,648,126,269.48** | **$30,818,750.98** | **$3,678,945,020.46** | **$3,456,820,213.92** | **$222,124,806.54** |
| 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** | **$3,679,676,892.71** | **$3,648,858,141.73** | **$30,818,750.98** | **$3,679,676,892.71** | **$3,457,552,086.17** | **$222,124,806.54** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,087,206.13 | $22,051,747.10 | $35,459.03 | $22,087,206.13 | $21,706,439.86 | $380,766.27 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,132,215.19 | $14,253,050.43 | ($120,835.24) | $14,132,215.19 | $13,215,914.00 | $916,301.19 |
| **Other Property and Investments** | **$36,227,767.81** | **$36,313,144.02** | **($85,376.21)** | **$36,227,767.81** | **$34,930,700.35** | **$1,297,067.46** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,298,917.14 | $1,999,674.32 | ($700,757.18) | $1,298,917.14 | $4,182,521.82 | ($2,883,604.68) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $33,659,583.33 | $33,524,076.20 | $135,507.13 | $33,659,583.33 | $46,623,454.41 | ($12,963,871.08) |
| AR from Associated Cos | ($82,728.64) | ($85,977.41) | $3,248.77 | ($82,728.64) | $7,535.00 | ($90,263.64) |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $845,914.04 | $843,926.00 | $1,988.04 | $845,914.04 | $939,897.40 | ($93,983.36) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $44,185,393.47 | $40,398,986.13 | $3,786,407.34 | $44,185,393.47 | $49,676,669.31 | ($5,491,275.84) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $6,254,706.89 | $5,755,265.88 | $499,441.01 | $6,254,706.89 | $5,558,398.72 | $696,308.17 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $354,686.47 | $328,103.21 | $26,583.26 | $354,686.47 | $2,360,361.75 | ($2,005,675.28) |
| Derivative Instrument Assets | $546,130.00 | $251,050.00 | $295,080.00 | $546,130.00 | $91,740.00 | $454,390.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$87,315,602.70** | **$83,268,104.33** | **$4,047,498.37** | **$87,315,602.70** | **$109,693,578.41** | **($22,377,975.71)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $190,606,019.35 | $193,339,274.23 | ($2,733,254.88) | $190,606,019.35 | $185,209,544.74 | $5,396,474.61 |
| Preliminary Surveys | $16,236,357.51 | $15,402,725.94 | $833,631.57 | $16,236,357.51 | $11,627,226.67 | $4,609,130.84 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2024* | Previous Month | Variance | Month: *Sep - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $7,877.85 | $2,889.08 | $4,988.77 | $7,877.85 | $0.00 | $7,877.85 |
| Miscellaneous Deferred Debits | $3,134,395.12 | $2,971,495.60 | $162,899.52 | $3,134,395.12 | $2,231,506.39 | $902,888.73 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $92,060,156.00 | $88,445,915.00 | $3,614,241.00 | $92,060,156.00 | $99,590,260.00 | ($7,530,104.00) |
| Unrecovered Purchase Gas Costs | $18,955,098.13 | $14,182,270.88 | $4,772,827.25 | $18,955,098.13 | $5,612,077.35 | $13,343,020.78 |
| **Deferred Debits** | **$320,999,903.96** | **$314,344,570.73** | **$6,655,333.23** | **$320,999,903.96** | **$304,270,615.15** | **$16,729,288.81** |
| **Assets and Other Debits** | **$4,124,220,167.18** | **$4,082,783,960.81** | **$41,436,206.37** | **$4,124,220,167.18** | **$3,906,446,980.08** | **$217,773,187.10** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,472,743,059.67 | $1,482,920,809.34 | ($10,177,749.67) | $1,472,743,059.67 | $1,390,118,873.44 | $82,624,186.23 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,710,760,686.67** | **$1,720,938,436.34** | **($10,177,749.67)** | **$1,710,760,686.67** | **$1,628,136,500.44** | **$82,624,186.23** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,385,515,000.00 | $1,335,515,000.00 | $50,000,000.00 | $1,385,515,000.00 | $1,285,515,000.00 | $100,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,385,515,000.00** | **$1,335,515,000.00** | **$50,000,000.00** | **$1,385,515,000.00** | **$1,285,515,000.00** | **$100,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,453,360.16 | $9,595,428.18 | ($142,068.02) | $9,453,360.16 | $10,649,790.28 | ($1,196,430.12) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $26,319.09 | $31,138.30 | ($4,819.21) | $26,319.09 | $73,942.80 | ($47,623.71) |
| Accum Prov - Pension & Benefit | $2,397,674.47 | $2,457,679.58 | ($60,005.11) | $2,397,674.47 | $2,454,197.81 | ($56,523.34) |
| 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** | **$11,877,353.72** | **$12,084,246.06** | **($206,892.34)** | **$11,877,353.72** | **$13,177,930.89** | **($1,300,577.17)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $49,939,707.08 | $49,452,844.21 | $486,862.87 | $49,939,707.08 | $49,163,919.35 | $775,787.73 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $132,994,445.17 | $145,027,165.12 | ($12,032,719.95) | $132,994,445.17 | $101,542,901.58 | $31,451,543.59 |
| Customer Deposits | $5,178,396.11 | $5,164,643.11 | $13,753.00 | $5,178,396.11 | $4,646,396.11 | $532,000.00 |
| Taxes Accrued | $9,653,603.30 | $12,650,317.41 | ($2,996,714.11) | $9,653,603.30 | $14,403,173.56 | ($4,749,570.26) |
| Interest Accrued | $489,064.44 | $462,948.28 | $26,116.16 | $489,064.44 | $441,673.49 | $47,390.95 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | ($37,974.15) | ($111,592.29) | $73,618.14 | ($37,974.15) | $434,093.82 | ($472,067.97) |
| Misc Current & Accrued Liab | $80,858,827.99 | $65,590,454.56 | $15,268,373.43 | $80,858,827.99 | $86,516,429.47 | ($5,657,601.48) |
| Obligation Cap Lease - Current | $2,184,651.23 | $2,193,341.58 | ($8,690.35) | $2,184,651.23 | $2,039,031.28 | $145,619.95 |
| Derivative Liability | $3,178,000.00 | $4,989,200.00 | ($1,811,200.00) | $3,178,000.00 | $0.00 | $3,178,000.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$284,438,721.17** | **$285,419,321.98** | **($980,600.81)** | **$284,438,721.17** | **$259,187,618.66** | **$25,251,102.51** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Sep - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Sep - 2024* | Previous Month | Variance | Month: *Sep - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,660,798.90 | $1,681,521.49 | ($20,722.59) | $1,660,798.90 | $1,806,363.33 | ($145,564.43) |
| Acc Defd Investment Tax Credit | $400,643.00 | $414,269.00 | ($13,626.00) | $400,643.00 | $523,276.00 | ($122,633.00) |
| Other Deferred Credits | $8,078,827.40 | $7,707,048.99 | $371,778.41 | $8,078,827.40 | $5,031,663.59 | $3,047,163.81 |
| Other Regulatory Liabilities | $198,931,103.56 | $199,713,363.19 | ($782,259.63) | $198,931,103.56 | $210,111,003.48 | ($11,179,899.92) |
| Accum Defer Inc Tax - Oth Prop | $519,351,319.70 | $516,472,984.70 | $2,878,335.00 | $519,351,319.70 | $502,026,202.70 | $17,325,117.00 |
| Accum Defer Inc Tax - Other | $3,205,718.99 | $2,837,774.99 | $367,944.00 | $3,205,718.99 | $931,420.99 | $2,274,298.00 |
| **Deferred Credits** | **$731,628,411.55** | **$728,826,962.36** | **$2,801,449.19** | **$731,628,411.55** | **$720,429,930.09** | **$11,198,481.46** |
| **Total Liabilities and Equity** | **$4,124,220,173.11** | **$4,082,783,966.74** | **$41,436,206.37** | **$4,124,220,173.11** | **$3,906,446,980.08** | **$217,773,193.03** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2024* | Previous Month | Variance | Month: *Oct - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,323,626,787.49 | $4,290,826,162.21 | $32,800,625.28 | $4,323,626,787.49 | $4,072,989,947.67 | $250,636,839.82 |
| Construction Work In Progress | $150,490,662.32 | $136,571,628.94 | $13,919,033.38 | $150,490,662.32 | $79,033,805.43 | $71,456,856.89 |
| **Total Utility Plant** | **$4,474,117,449.81** | **$4,427,397,791.15** | **$46,719,658.66** | **$4,474,117,449.81** | **$4,152,023,753.10** | **$322,093,696.71** |
| Accum Prov - Amort and Depr | ($756,423,875.73) | ($748,452,770.69) | ($7,971,105.04) | ($756,423,875.73) | ($695,203,539.18) | ($61,220,336.55) |
| **Net Utility Plant** | **$3,717,693,574.08** | **$3,678,945,020.46** | **$38,748,553.62** | **$3,717,693,574.08** | **$3,456,820,213.92** | **$260,873,360.16** |
| 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** | **$3,718,425,446.33** | **$3,679,676,892.71** | **$38,748,553.62** | **$3,718,425,446.33** | **$3,457,552,086.17** | **$260,873,360.16** |
| **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 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,143,489.38 | $22,087,206.13 | $56,283.25 | $22,143,489.38 | $21,706,439.86 | $437,049.52 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,231,613.84 | $14,132,215.19 | $99,398.65 | $14,231,613.84 | $13,215,914.00 | $1,015,699.84 |
| **Other Property and Investments** | **$36,383,449.71** | **$36,227,767.81** | **$155,681.90** | **$36,383,449.71** | **$34,930,700.35** | **$1,452,749.36** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $1,724,260.57 | $1,298,917.14 | $425,343.43 | $1,724,260.57 | $4,182,521.82 | ($2,458,261.25) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $47,391,528.27 | $33,659,583.33 | $13,731,944.94 | $47,391,528.27 | $46,623,454.41 | $768,073.86 |
| AR from Associated Cos | $59,434.07 | ($82,728.64) | $142,162.71 | $59,434.07 | $7,535.00 | $51,899.07 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $845,800.54 | $845,914.04 | ($113.50) | $845,800.54 | $939,897.40 | ($94,096.86) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $46,733,453.92 | $44,185,393.47 | $2,548,060.45 | $46,733,453.92 | $49,676,669.31 | ($2,943,215.39) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $9,185,491.81 | $6,254,706.89 | $2,930,784.92 | $9,185,491.81 | $5,558,398.72 | $3,627,093.09 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $443,031.44 | $354,686.47 | $88,344.97 | $443,031.44 | $2,360,361.75 | ($1,917,330.31) |
| Derivative Instrument Assets | $72,980.00 | $546,130.00 | ($473,150.00) | $72,980.00 | $91,740.00 | ($18,760.00) |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$106,708,980.62** | **$87,315,602.70** | **$19,393,377.92** | **$106,708,980.62** | **$109,693,578.41** | **($2,984,597.79)** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $193,255,450.80 | $190,606,019.35 | $2,649,431.45 | $193,255,450.80 | $185,209,544.74 | $8,045,906.06 |
| Preliminary Surveys | $18,387,681.63 | $16,236,357.51 | $2,151,324.12 | $18,387,681.63 | $11,627,226.67 | $6,760,454.96 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2024* | Previous Month | Variance | Month: *Oct - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $103,669.90 | $7,877.85 | $95,792.05 | $103,669.90 | $0.00 | $103,669.90 |
| Miscellaneous Deferred Debits | $3,285,747.42 | $3,134,395.12 | $151,352.30 | $3,285,747.42 | $2,231,506.39 | $1,054,241.03 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $94,809,726.00 | $92,060,156.00 | $2,749,570.00 | $94,809,726.00 | $99,590,260.00 | ($4,780,534.00) |
| Unrecovered Purchase Gas Costs | $21,395,451.99 | $18,955,098.13 | $2,440,353.86 | $21,395,451.99 | $5,612,077.35 | $15,783,374.64 |
| **Deferred Debits** | **$331,237,727.74** | **$320,999,903.96** | **$10,237,823.78** | **$331,237,727.74** | **$304,270,615.15** | **$26,967,112.59** |
| **Assets and Other Debits** | **$4,192,755,604.40** | **$4,124,220,167.18** | **$68,535,437.22** | **$4,192,755,604.40** | **$3,906,446,980.08** | **$286,308,624.32** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,473,658,577.56 | $1,472,743,059.67 | $915,517.89 | $1,473,658,577.56 | $1,390,118,873.44 | $83,539,704.12 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,711,676,204.56** | **$1,710,760,686.67** | **$915,517.89** | **$1,711,676,204.56** | **$1,628,136,500.44** | **$83,539,704.12** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,385,515,000.00 | $1,385,515,000.00 | $0.00 | $1,385,515,000.00 | $1,285,515,000.00 | $100,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,385,515,000.00** | **$1,385,515,000.00** | **$0.00** | **$1,385,515,000.00** | **$1,285,515,000.00** | **$100,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,310,769.20 | $9,453,360.16 | ($142,590.96) | $9,310,769.20 | $10,649,790.28 | ($1,339,021.08) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $9,502.34 | $26,319.09 | ($16,816.75) | $9,502.34 | $73,942.80 | ($64,440.46) |
| Accum Prov - Pension & Benefit | $2,295,983.23 | $2,397,674.47 | ($101,691.24) | $2,295,983.23 | $2,454,197.81 | ($158,214.58) |
| 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** | **$11,616,254.77** | **$11,877,353.72** | **($261,098.95)** | **$11,616,254.77** | **$13,177,930.89** | **($1,561,676.12)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $54,139,900.61 | $49,939,707.08 | $4,200,193.53 | $54,139,900.61 | $49,163,919.35 | $4,975,981.26 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $177,693,667.03 | $132,994,445.17 | $44,699,221.86 | $177,693,667.03 | $101,542,901.58 | $76,150,765.45 |
| Customer Deposits | $5,479,611.11 | $5,178,396.11 | $301,215.00 | $5,479,611.11 | $4,646,396.11 | $833,215.00 |
| Taxes Accrued | $8,973,617.85 | $9,653,603.30 | ($679,985.45) | $8,973,617.85 | $14,403,173.56 | ($5,429,555.71) |
| Interest Accrued | $514,701.64 | $489,064.44 | $25,637.20 | $514,701.64 | $441,673.49 | $73,028.15 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | ($9,424.84) | ($37,974.15) | $28,549.31 | ($9,424.84) | $434,093.82 | ($443,518.66) |
| Misc Current & Accrued Liab | $95,390,591.51 | $80,858,827.99 | $14,531,763.52 | $95,390,591.51 | $86,516,429.47 | $8,874,162.04 |
| Obligation Cap Lease - Current | $2,177,829.41 | $2,184,651.23 | ($6,821.82) | $2,177,829.41 | $2,039,031.28 | $138,798.13 |
| Derivative Liability | $5,177,060.00 | $3,178,000.00 | $1,999,060.00 | $5,177,060.00 | $0.00 | $5,177,060.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$349,537,554.32** | **$284,438,721.17** | **$65,098,833.15** | **$349,537,554.32** | **$259,187,618.66** | **$90,349,935.66** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Oct - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Oct - 2024* | Previous Month | Variance | Month: *Oct - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,640,609.29 | $1,660,798.90 | ($20,189.61) | $1,640,609.29 | $1,806,363.33 | ($165,754.04) |
| Acc Defd Investment Tax Credit | $387,017.00 | $400,643.00 | ($13,626.00) | $387,017.00 | $523,276.00 | ($136,259.00) |
| Other Deferred Credits | $8,073,120.23 | $8,078,827.40 | ($5,707.17) | $8,073,120.23 | $5,031,663.59 | $3,041,456.64 |
| Other Regulatory Liabilities | $198,769,090.47 | $198,931,103.56 | ($162,013.09) | $198,769,090.47 | $210,111,003.48 | ($11,341,913.01) |
| Accum Defer Inc Tax - Oth Prop | $522,229,655.70 | $519,351,319.70 | $2,878,336.00 | $522,229,655.70 | $502,026,202.70 | $20,203,453.00 |
| Accum Defer Inc Tax - Other | $3,311,103.99 | $3,205,718.99 | $105,385.00 | $3,311,103.99 | $931,420.99 | $2,379,683.00 |
| **Deferred Credits** | **$734,410,596.68** | **$731,628,411.55** | **$2,782,185.13** | **$734,410,596.68** | **$720,429,930.09** | **$13,980,666.59** |
| **Total Liabilities and Equity** | **$4,192,755,610.33** | **$4,124,220,173.11** | **$68,535,437.22** | **$4,192,755,610.33** | **$3,906,446,980.08** | **$286,308,630.25** |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2024* | Previous Month | Variance | Month: *Nov - 2024* | December of Previous Year | Variance |
| **ASSETS** | | | | | | |
| **Utility Plant** | | | | | | |
| Utility Plant | $4,363,226,186.17 | $4,323,626,787.49 | $39,599,398.68 | $4,363,226,186.17 | $4,072,989,947.67 | $290,236,238.50 |
| Construction Work In Progress | $137,815,234.06 | $150,490,662.32 | ($12,675,428.26) | $137,815,234.06 | $79,033,805.43 | $58,781,428.63 |
| **Total Utility Plant** | **$4,501,041,420.23** | **$4,474,117,449.81** | **$26,923,970.42** | **$4,501,041,420.23** | **$4,152,023,753.10** | **$349,017,667.13** |
| Accum Prov - Amort and Depr | ($758,874,465.68) | ($756,423,875.73) | ($2,450,589.95) | ($758,874,465.68) | ($695,203,539.18) | ($63,670,926.50) |
| **Net Utility Plant** | **$3,742,166,954.55** | **$3,717,693,574.08** | **$24,473,380.47** | **$3,742,166,954.55** | **$3,456,820,213.92** | **$285,346,740.63** |
| 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** | **$3,742,898,826.80** | **$3,718,425,446.33** | **$24,473,380.47** | **$3,742,898,826.80** | **$3,457,552,086.17** | **$285,346,740.63** |
| **Other Property and Investments** | | | | | | |
| Non Utility Other Property | $3,146,131.15 | $8,346.49 | $3,137,784.66 | $3,146,131.15 | $8,346.49 | $3,137,784.66 |
| Accum Prov - Deprec Oth Plant | ($195,988.20) | $0.00 | ($195,988.20) | ($195,988.20) | $0.00 | ($195,988.20) |
| Investments in Associated Cos | - | - | - | - | - | - |
| Investments in Subsidiary Cos | $22,199,905.62 | $22,143,489.38 | $56,416.24 | $22,199,905.62 | $21,706,439.86 | $493,465.76 |
| Other Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Sinking Fund | - | - | - | - | - | - |
| Other Special Funds | $14,331,012.49 | $14,231,613.84 | $99,398.65 | $14,331,012.49 | $13,215,914.00 | $1,115,098.49 |
| **Other Property and Investments** | **$39,481,061.06** | **$36,383,449.71** | **$3,097,611.35** | **$39,481,061.06** | **$34,930,700.35** | **$4,550,360.71** |
| **Current and Accrued Assets** | | | | | | |
| Cash | $80,824.08 | $1,724,260.57 | ($1,643,436.49) | $80,824.08 | $4,182,521.82 | ($4,101,697.74) |
| Special Deposits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Working Funds | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Temp Cash Investments | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Notes Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 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 | $86,660,965.19 | $47,391,528.27 | $39,269,436.92 | $86,660,965.19 | $46,623,454.41 | $40,037,510.78 |
| AR from Associated Cos | $66,726.86 | $59,434.07 | $7,292.79 | $66,726.86 | $7,535.00 | $59,191.86 |
| Fuel Stock | - | - | - | - | - | - |
| Fuel Stock Expenses Undistrib | - | - | - | - | - | - |
| Residuals & Extracted Products | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Plant Materials & Supplies | $856,466.59 | $845,800.54 | $10,666.05 | $856,466.59 | $939,897.40 | ($83,430.81) |
| Merchandise | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Allowances | - | - | - | - | - | - |
| Stores Exp Undistributed | - | - | - | - | - | - |
| Gas Stored Underground - Curr | $41,081,911.03 | $46,733,453.92 | ($5,651,542.89) | $41,081,911.03 | $49,676,669.31 | ($8,594,758.28) |
| LNG Stored & Held for Process | - | - | - | - | - | - |
| Prepayments | $7,750,460.20 | $9,185,491.81 | ($1,435,031.61) | $7,750,460.20 | $5,558,398.72 | $2,192,061.48 |
| Interest & Dividends Rec | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Rent Receivable | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Accrued Utility Revenues | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Misc Current & Accrued Assets | $771,905.25 | $443,031.44 | $328,873.81 | $771,905.25 | $2,360,361.75 | ($1,588,456.50) |
| Derivative Instrument Assets | $1,692,790.00 | $72,980.00 | $1,619,810.00 | $1,692,790.00 | $91,740.00 | $1,601,050.00 |
| Derivative Assets - Hedging | - | - | - | - | - | - |
| **Current and Accrued Assets** | **$139,215,049.20** | **$106,708,980.62** | **$32,506,068.58** | **$139,215,049.20** | **$109,693,578.41** | **$29,521,470.79** |
| **Deferred Debits** | | | | | | |
| Unamortized Debt Expense | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Extraordinary Property Loss | - | - | - | - | - | - |
| Other Regulatory Asset | $189,929,860.90 | $193,255,450.80 | ($3,325,589.90) | $189,929,860.90 | $185,209,544.74 | $4,720,316.16 |
| Preliminary Surveys | $17,378,339.70 | $18,387,681.63 | ($1,009,341.93) | $17,378,339.70 | $11,627,226.67 | $5,751,113.03 |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2024* | Previous Month | Variance | Month: *Nov - 2024* | December of Previous Year | Variance |
| Clearing Accounts | $107,115.99 | $103,669.90 | $3,446.09 | $107,115.99 | $0.00 | $107,115.99 |
| Miscellaneous Deferred Debits | $3,455,468.99 | $3,285,747.42 | $169,721.57 | $3,455,468.99 | $2,231,506.39 | $1,223,962.60 |
| Research & Development Expense | - | - | - | - | - | - |
| Unamort Loss Reacquired Debt | - | - | - | - | - | - |
| Accum Deferred Income Taxes | $92,595,114.00 | $94,809,726.00 | ($2,214,612.00) | $92,595,114.00 | $99,590,260.00 | ($6,995,146.00) |
| Unrecovered Purchase Gas Costs | $19,610,657.75 | $21,395,451.99 | ($1,784,794.24) | $19,610,657.75 | $5,612,077.35 | $13,998,580.40 |
| **Deferred Debits** | **$323,076,557.33** | **$331,237,727.74** | **($8,161,170.41)** | **$323,076,557.33** | **$304,270,615.15** | **$18,805,942.18** |
| **Assets and Other Debits** | **$4,244,671,494.39** | **$4,192,755,604.40** | **$51,915,889.99** | **$4,244,671,494.39** | **$3,906,446,980.08** | **$338,224,514.31** |
| **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 | $192,889,827.00 | $192,889,827.00 | $0.00 | $192,889,827.00 | $192,889,827.00 | $0.00 |
| Capital Stock Expense | - | - | - | - | - | - |
| Retained Earnings | $1,491,342,468.23 | $1,473,658,577.56 | $17,683,890.67 | $1,491,342,468.23 | $1,390,118,873.44 | $101,223,594.79 |
| Unapprop Undistrib Sub Earning | - | - | - | - | - | - |
| Reqcquired Capital Stock | - | - | - | - | - | - |
| Accumulated OCI | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Proprietary Capital** | **$1,729,360,095.23** | **$1,711,676,204.56** | **$17,683,890.67** | **$1,729,360,095.23** | **$1,628,136,500.44** | **$101,223,594.79** |
| **Long Term Debt** | | | | | | |
| Bonds | - | - | - | - | - | - |
| Advances from Associated Cos | $1,385,515,000.00 | $1,385,515,000.00 | $0.00 | $1,385,515,000.00 | $1,285,515,000.00 | $100,000,000.00 |
| Other Long Term Debt | - | - | - | - | - | - |
| Unamortized Premium on LTD | - | - | - | - | - | - |
| Unamortized Discount on LTD | - | - | - | - | - | - |
| **Long Term Debt** | **$1,385,515,000.00** | **$1,385,515,000.00** | **$0.00** | **$1,385,515,000.00** | **$1,285,515,000.00** | **$100,000,000.00** |
| **Other Noncurrent Liabilities** | | | | | | |
| Obligations - Cap Leases - NC | $9,167,653.20 | $9,310,769.20 | ($143,116.00) | $9,167,653.20 | $10,649,790.28 | ($1,482,137.08) |
| Accum Prov - Property Ins | - | - | - | - | - | - |
| Accum Prov - Injuries & Damage | $29,302.78 | $9,502.34 | $19,800.44 | $29,302.78 | $73,942.80 | ($44,640.02) |
| Accum Prov - Pension & Benefit | $2,032,279.81 | $2,295,983.23 | ($263,703.42) | $2,032,279.81 | $2,454,197.81 | ($421,918.00) |
| 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** | **$11,229,235.79** | **$11,616,254.77** | **($387,018.98)** | **$11,229,235.79** | **$13,177,930.89** | **($1,948,695.10)** |
| **Current and Accrued Liabilities** | | | | | | |
| Curr Portion of Long-Term Debt | - | - | - | - | - | - |
| Notes Payable | - | - | - | - | - | - |
| Accounts Payable | $50,728,036.42 | $54,139,900.61 | ($3,411,864.19) | $50,728,036.42 | $49,163,919.35 | $1,564,117.07 |
| NP to Associated Cos | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| AP to Associated Cos | $212,833,543.91 | $177,693,667.03 | $35,139,876.88 | $212,833,543.91 | $101,542,901.58 | $111,290,642.33 |
| Customer Deposits | $5,451,710.11 | $5,479,611.11 | ($27,901.00) | $5,451,710.11 | $4,646,396.11 | $805,314.00 |
| Taxes Accrued | $9,799,458.02 | $8,973,617.85 | $825,840.17 | $9,799,458.02 | $14,403,173.56 | ($4,603,715.54) |
| Interest Accrued | $540,441.13 | $514,701.64 | $25,739.49 | $540,441.13 | $441,673.49 | $98,767.64 |
| Dividends Declared | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Tax Collections Payable | $64,421.63 | ($9,424.84) | $73,846.47 | $64,421.63 | $434,093.82 | ($369,672.19) |
| Misc Current & Accrued Liab | $97,015,097.35 | $95,390,591.51 | $1,624,505.84 | $97,015,097.35 | $86,516,429.47 | $10,498,667.88 |
| Obligation Cap Lease - Current | $2,271,033.60 | $2,177,829.41 | $93,204.19 | $2,271,033.60 | $2,039,031.28 | $232,002.32 |
| Derivative Liability | $1,480,970.00 | $5,177,060.00 | ($3,696,090.00) | $1,480,970.00 | $0.00 | $1,480,970.00 |
| Derivative Liability - Hedge | - | - | - | - | - | - |
| **Current & Accrued Liabilities** | **$380,184,712.17** | **$349,537,554.32** | **$30,647,157.85** | **$380,184,712.17** | **$259,187,618.66** | **$120,997,093.51** |
| **Deferred Credits** | | | | | | |

**Columbia Gas of Pennsylvania**
**Balance Sheet - Regulated**
**Regulated - Account FERC Hierarchy**
**As of Nov - 2024**
*FDW Standard Report - For Internal Use Only*

| | Total | | | | | |
|---|---|---|---|---|---|---|
| | Month: *Nov - 2024* | Previous Month | Variance | Month: *Nov - 2024* | December of Previous Year | Variance |
| Customer Adv. for Construction | $1,639,807.39 | $1,640,609.29 | ($801.90) | $1,639,807.39 | $1,806,363.33 | ($166,555.94) |
| Acc Defd Investment Tax Credit | $373,391.00 | $387,017.00 | ($13,626.00) | $373,391.00 | $523,276.00 | ($149,885.00) |
| Other Deferred Credits | $8,044,837.64 | $8,073,120.23 | ($28,282.59) | $8,044,837.64 | $5,031,663.59 | $3,013,174.05 |
| Other Regulatory Liabilities | $200,221,475.41 | $198,769,090.47 | $1,452,384.94 | $200,221,475.41 | $210,111,003.48 | ($9,889,528.07) |
| Accum Defer Inc Tax - Oth Prop | $525,097,279.70 | $522,229,655.70 | $2,867,624.00 | $525,097,279.70 | $502,026,202.70 | $23,071,077.00 |
| Accum Defer Inc Tax - Other | $3,005,665.99 | $3,311,103.99 | ($305,438.00) | $3,005,665.99 | $931,420.99 | $2,074,245.00 |
| **Deferred Credits** | **$738,382,457.13** | **$734,410,596.68** | **$3,971,860.45** | **$738,382,457.13** | **$720,429,930.09** | **$17,952,527.04** |
| **Total Liabilities and Equity** | **$4,244,671,500.32** | **$4,192,755,610.33** | **$51,915,889.99** | **$4,244,671,500.32** | **$3,906,446,980.08** | **$338,224,520.24** |

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 2020 through 2024.

# ***CREDIT RATINGS MATRIX***

## NiSource

| **Moody's** | **2024** | **2023** | **2022** | **2021** | **2020** |
|---|---|---|---|---|---|
| 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 | F2 | F2 | F2 | F2 | F2 |

## Columbia Gas of Pennsylvania

| **Moody's** | **2024** | **2023** | **2022** | **2021** | **2020** |
|---|---|---|---|---|---|
| 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.

26-Feb-2023 | 21:01 EST

# Annual Review For NiSource Inc.

This publication does not constitute a rating action.

S&P Global Ratings has performed annual reviews of the credit ratings of this issuer. When applicable, this review would include the review of the issuer's subsidiaries or associated entities.

In an annual review, S&P Global Ratings reviews current credit ratings against the latest issuers/issues performance data as well as any recent market developments. Annual reviews may, depending on their outcome, result in a referral of a credit rating for a committee review, which may result in a credit rating action. This publication is not an indication of whether or not a credit rating action is likely in the near future.

Please refer to the below information for the key elements considered during this review and underlying the current credit rating.

## Rating Component Scores

| | |
|---|---|
| Business risk | Excellent |
| Country risk | Very Low Risk |

| | |
|---|---|
| Industry risk | Very Low Risk |
| Competitive position | Strong |
| Financial risk | Significant |
| Cash flow/leverage | Significant |
| Anchor | a- |
| 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+ |
| Current Credit Rating | |

| | |
|---|---|
| Foreign currency issuer credit rating | BBB+/Stable/A-2 |
| Local currency issuer credit rating | BBB+/Stable/A-2 |

## Regulatory Disclosures (PCRs)

S&P Global Ratings' regulatory disclosures (PCRs) can be accessed by clicking on the link above or they can also be found on www.spglobal.com/ratings by searching for the issuer name and clicking on the Regulatory Disclosure link that appears below its rating. PCRs are published as of a point-in-time, which is current as of the date a Credit Rating Action was last published.

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S&P Global
Ratings

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Bulletin:

# NiSource Inc.'s Sale Of A 19.9% Equity Stake In NIPSCO Will Modestly Improve Its Financial Measures

**June 20, 2023**

NEW YORK (S&P Global Ratings) June 20, 2023--S&P Global Ratings today said its view of NiSource Inc.'s (BBB+/Stable/A-2) credit quality is unchanged following the company's announcement that it has entered into a definitive agreement to sell a 19.9% equity interest in its subsidiary Northern Indiana Public Service Co. (NIPSCO; BBB+/Stable/NR) to Blackstone Infrastructure Partners (BIP) for about $2.15 billion of cash and $250 million in contractual obligations to support ongoing capital requirements. NiSource will remain the sole operator and retain 80.1% ownership of NIPSCO (which provides lower-risk, regulated, and vertically integrated electric and gas distribution operations in northern Indiana), while BIP will receive certain limited minority rights. We believe the sale will modestly improve NiSource's financial measures and expect its business risk will remain in line with our expectations for the current rating. Therefore, all of our ratings on the company are unchanged.

We expect NiSource will use the proceeds from the minority sale to strengthen its balance sheet and fund the robust capital spending needs related to its energy transition, including the retirement of its coal-fired generation plants in Indiana by 2028. Specifically, we expect NiSource's funds from operations to debt will be in the 14%-16% range through 2025.

The sale, which we expect will close by year-end 2023, remains subject to approval by the Federal Energy Regulatory Commission. We will continue to monitor any developments related to this transaction.

Related Research

- Northern Indiana Public Service Co., May 5, 2023
- NiSource Inc. And Northern Indiana Public Service Co. Ratings Affirmed On Announced Sale Of Minority Interest In NIPSCO, Nov. 10, 2022

This report does not constitute a rating action.

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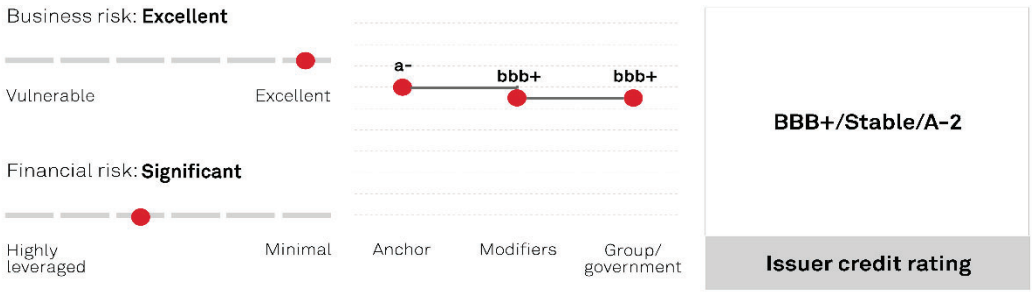
S&P Global
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# NiSource Inc.

**June 29, 2023**

## Ratings Score Snapshot




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## Credit Highlights

### Overview

| Key strengths | Key risks |
|---|---|
| Lower-risk regulated and vertically integrated electric and gas distribution operations. | Robust capital spending plan mostly for renewable energy transition and investments in electric and natural gas infrastructure to enhance safety and reliability. |
| Effective management of regulatory risk through continued use of regulatory mechanisms in credit-supportive jurisdictions. | Continued negative discretionary cash flow driven by robust capital spending, indicating external funding needs. |
| Solid customer base and geographic and regulatory diversity with a large service territory across six states. | |

**We expect NiSource Inc.'s minority interest sale of subsidiary Northern Indiana Public Service Co. LLC (NIPSCO) will modestly improve its financial measures.** In June 2023, NiSource entered into a definitive agreement to sell a 19.9% equity stake in NIPSCO to Blackstone Infrastructure Partners (BIP) for about $2.15 billion of cash and $250 million in contractual obligations to support ongoing capital requirements. NiSource will continue to operate NIPSCO and retain its majority ownership with an 80.1% share while BIP will receive certain limited minority rights. We expect NiSource will use the proceeds from the minority sale to strengthen its balance sheet and fund the robust capital spending needs related to its energy transition. Specifically, we expect NiSource's funds from operations to debt will be in the 14%-16% range through 2025. The sale, which we expect will close by year-end 2023, remains subject to approval by the Federal Energy Regulatory Commission. We will continue to monitor any developments related to this transaction.

**We expect the company to continue implementing its renewable energy transition plans with robust capital spending over the next few years.** NiSource aims to reduce about 90% of its scope 1 greenhouse gas emissions by 2030 and 50% of methane emissions from gas mains and services by 2025 relative to 2005 levels. As of 2022, the company had reduced Scope 1 greenhouse gas emissions by about 67% from 2005 levels. NiSource aims to be coal free by 2028 and increase clean energy resources with capital investments for renewable projects. The company expects to retire the remaining two coal units of Schahfer Generating Station by 2025 and Michigan City Generating Station by the end of 2028.

**NiSource will effectively manage its regulatory risks through the use of regulatory mechanisms.** We expect the company will continue to benefit from a credit-supportive regulatory framework across six jurisdictions through the use of regulatory riders for cost recovery of investments in infrastructure. We expect the company's financial measures will remain at the lower end of the range for its financial risk profile category, with funds from operations (FFO) to debt of about 14%-16% through 2025.

# Outlook

The stable outlook reflects our expectation that NiSource will continue to effectively manage its regulatory risk across its six regulatory jurisdictions and execute its clean energy transition plans, including the retirement of its coal-fired generation plants in Indiana. The stable outlook also reflects its sale of a minority stake in NIPSCO, which will strengthen the company's balance sheet and increase our anticipation it will maintain consolidated FFO to debt, which we expect will be 14%-16% through 2025.

## Downside scenario

We could lower our issuer credit rating on NiSource over the next 24 months if its ability to manage its regulatory risk weakened or its FFO to debt fell consistently below 13%.

## Upside scenario

We could raise our issuer credit rating on NiSource over the next 24 months if its FFO to debt improved consistently above 16% and it were able to effectively manage its regulatory risk throughout its service territories.

# Our Base-Case Scenario

### Assumptions

- Modest customer growth.

- Continued use of regulatory mechanisms and rate cases.
- Annual capital spending averaging about $3.2 billion through 2025.
- Minimal cash balance assumed.
- All debt maturities to be refinanced.

## Key metrics

**NiSource Inc.--Key Metrics***

| | 2021a | 2022a | 2023e | 2024f | 2025f |
|---|---|---|---|---|---|
| FFO to debt (%) | 14.0 | 13.9 | 14.0-16.0 | 14.0-16.0 | 14.0-16.0 |
| Debt to EBITDA (x) | 5.7 | 5.8 | 5.0-5.5 | 5.0-5.5 | 5.0-5.5 |

*All figures adjusted by S&P Global Ratings. a--Actual. e--Estimate. f--Forecast. 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 and generates, transmits, and distributes electricity and wholesale and transmission transaction services. It serves more than 3.3 million natural gas customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana and about 486,000 electricity customers in northern Indiana.

# Peer Comparison

**NiSource Inc.--Peer Comparisons**

| | NiSource Inc. | CenterPoint Energy Inc. | Atmos Energy Corp. | ONE Gas Inc. |
|---|---|---|---|---|
| Foreign currency issuer credit rating | BBB+/Stable/A-2 | BBB+/Stable/A-2 | A-/Stable/A-2 | A-/Stable/A-2 |
| Local currency issuer credit rating | BBB+/Stable/A-2 | BBB+/Stable/A-2 | A-/Stable/A-2 | A-/Stable/A-2 |
| Period | Annual | Annual | Annual | Annual |
| Period ending | 2022-12-31 | 2022-12-31 | 2022-09-30 | 2022-12-31 |
| Mil. | $ | $ | $ | $ |
| Revenue | 5,851 | 9,088 | 4,202 | 2,555 |
| EBITDA | 2,029 | 2,699 | 1,511 | 574 |
| Funds from operations (FFO) | 1,641 | 1,706 | 1,234 | 410 |
| Interest | 415 | 600 | 122 | 81 |

**NiSource Inc.--Peer Comparisons**

| | | | | |
|---|---|---|---|---|
| Cash interest paid | 381 | 572 | 261 | 97 |
| Operating cash flow (OCF) | 1,383 | 1,491 | 994 | 1,544 |
| Capital expenditure | 2,175 | 4,375 | 2,432 | 605 |
| Free operating cash flow (FOCF) | (792) | (2,884) | (1,438) | 939 |
| Discretionary cash flow (DCF) | (1,227) | (3,349) | (1,814) | 802 |
| Cash and short-term investments | 41 | 509 | 52 | 10 |
| Gross available cash | 41 | 509 | 52 | 10 |
| Debt | 11,806 | 17,659 | 8,022 | 2,644 |
| Equity | 7,462 | 9,645 | 9,419 | 2,584 |
| EBITDA margin (%) | 34.7 | 29.7 | 36.0 | 22.5 |
| Return on capital (%) | 6.6 | 6.4 | 5.8 | 5.9 |
| EBITDA interest coverage (x) | 4.9 | 4.5 | 12.4 | 7.1 |
| FFO cash interest coverage (x) | 5.3 | 4.0 | 5.7 | 5.2 |
| Debt/EBITDA (x) | 5.8 | 6.5 | 5.3 | 4.6 |
| FFO/debt (%) | 13.9 | 9.7 | 15.4 | 15.5 |
| OCF/debt (%) | 11.7 | 8.4 | 12.4 | 58.4 |
| FOCF/debt (%) | (6.7) | (16.3) | (17.9) | 35.5 |
| DCF/debt (%) | (10.4) | (19.0) | (22.6) | 30.3 |

# Business Risk

Our assessment of business risk reflects NiSource's lower-risk, regulated, and vertically integrated electric and gas distribution operations with a solid customer base, geographic and regulatory diversity, and effective management of regulatory risk in its jurisdictions. We expect the company will continue to benefit from a credit-supportive regulatory framework across its service territories in six jurisdictions and recover costs related to investments in infrastructure through future rate-case filings and regulatory riders. We also expect the company will continue to execute its clean energy transition plans and is on track to eliminate all of its coal-fired generation by 2028.

# 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 S&P Global Ratings-adjusted FFO to total debt will be in the 14%-16% range throughout the outlook period. This reflects cost recovery through the use of various recovery mechanisms, including future rate case fillings and regulatory riders. In addition, 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.

## NiSource Inc.--Financial Summary

| Period ending | Dec-31-2017 | Dec-31-2018 | Dec-31-2019 | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 |
|---|---|---|---|---|---|---|
| Reporting period | 2017a | 2018a | 2019a | 2020a | 2021a | 2022a |
| Display currency (mil.) | $ | $ | $ | $ | $ | $ |
| Revenues | 4,875 | 5,115 | 5,209 | 4,682 | 4,900 | 5,851 |
| EBITDA | 1,583 | 1,815 | 1,867 | 1,738 | 1,811 | 2,029 |
| Funds from operations (FFO) | 1,185 | 1,397 | 1,470 | 1,359 | 1,455 | 1,641 |
| Interest expense | 406 | 414 | 415 | 419 | 385 | 415 |
| Cash interest paid | 392 | 415 | 386 | 380 | 351 | 381 |
| Operating cash flow (OCF) | 734 | 520 | 1,565 | 1,093 | 1,205 | 1,383 |
| Capital expenditure | 1,653 | 1,774 | 1,776 | 1,737 | 1,819 | 2,175 |
| Free operating cash flow (FOCF) | (919) | (1,254) | (211) | (643) | (613) | (792) |
| Discretionary cash flow (DCF) | (1,155) | (1,536) | (559) | (1,013) | (1,007) | (1,227) |
| Cash and short-term investments | 29 | 113 | 139 | 117 | 84 | 41 |
| Gross available cash | 29 | 113 | 139 | 117 | 84 | 41 |
| Debt | 9,297 | 9,876 | 10,375 | 10,489 | 10,375 | 11,806 |
| Common equity | 4,320 | 5,311 | 5,547 | 5,398 | 6,833 | 7,462 |
| Adjusted ratios | | | | | | |
| EBITDA margin (%) | 32.5 | 35.5 | 35.8 | 37.1 | 37.0 | 34.7 |
| Return on capital (%) | 7.2 | 8.3 | 7.0 | 6.3 | 6.3 | 6.6 |
| EBITDA interest coverage (x) | 3.9 | 4.4 | 4.5 | 4.1 | 4.7 | 4.9 |
| FFO cash interest coverage (x) | 4.0 | 4.4 | 4.8 | 4.6 | 5.2 | 5.3 |
| Debt/EBITDA (x) | 5.9 | 5.4 | 5.6 | 6.0 | 5.7 | 5.8 |
| FFO/debt (%) | 12.7 | 14.1 | 14.2 | 13.0 | 14.0 | 13.9 |
| OCF/debt (%) | 7.9 | 5.3 | 15.1 | 10.4 | 11.6 | 11.7 |
| FOCF/debt (%) | (9.9) | (12.7) | (2.0) | (6.1) | (5.9) | (6.7) |
| DCF/debt (%) | (12.4) | (15.5) | (5.4) | (9.7) | (9.7) | (10.4) |

## Reconciliation Of NiSource Inc. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

| | Debt | Shareholder Equity | Revenue | EBITDA | Operating income | Interest expense | S&PGR adjusted EBITDA | Operating cash flow | Dividends | Capital expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| Financial year | Dec-31-2022 | | | | | | | | | |
| Company reported amounts | 11,141 | 7,575 | 5,851 | 2,087 | 1,266 | 362 | 2,029 | 1,409 | 443 | 2,203 |
| Cash taxes paid | - | - | - | - | - | - | (7) | - | - | - |
| Cash interest paid | - | - | - | - | - | - | (344) | - | - | - |
| Lease liabilities | 211 | - | - | - | - | - | - | - | - | - |

**Reconciliation Of NiSource Inc. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)**

| | Debt | Shareholder Equity | Revenue | EBITDA | Operating income | Interest expense | S&PGR adjusted EBITDA | Operating cash flow | Dividends | Capital expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating leases | - | - | - | 10 | 1 | 1 | (1) | 9 | - | - |
| Intermediate hybrids (equity) | 440 | (440) | - | - | - | 8 | (8) | (8) | (8) | - |
| Postretirement benefit obligations/ deferred compensation | 181 | - | - | - | - | - | - | - | - | - |
| Accessible cash and liquid investments | (41) | - | - | - | - | - | - | - | - | - |
| Capitalized interest | - | - | - | - | - | 28 | (28) | (28) | - | (28) |
| Share-based compensation expense | - | - | - | 19 | - | - | - | - | - | - |
| Asset-retirement obligations | 406 | - | - | 17 | 17 | 17 | - | - | - | - |
| Nonoperating income (expense) | - | - | - | - | 15 | - | - | - | - | - |
| Noncontrolling/ minority interest | - | 326 | - | - | - | - | - | - | - | - |
| Debt: other | (532) | - | - | - | - | - | - | - | - | - |
| EBITDA - Gain/(loss) on disposals of PP&E | - | - | - | (104) | (104) | - | - | - | - | - |
| Total adjustments | 665 | (114) | - | (58) | (71) | 54 | (388) | (26) | (8) | (28) |
| **S&P Global Ratings adjusted** | **Debt** | **Equity** | **Revenue** | **EBITDA** | **EBIT** | **Interest expense** | **Funds from Operations** | **Operating cash flow** | **Dividends** | **Capital expenditure** |
| | 11,806 | 7,462 | 5,851 | 2,029 | 1,195 | 415 | 1,641 | 1,383 | 435 | 2,175 |

# Liquidity

We base our short-term 'A-2' rating on our long-term issuer credit rating. 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 its net sources will remain positive even if its consolidated EBITDA declines 10%. We believe the company's predictable regulatory framework provides it with cash flow stability even in times of economic stress, which supports our use of slightly lower thresholds to assess its liquidity. In addition, we believe NiSource has the ability to absorb high-impact, low-probability events. This reflects its $1.85 billion revolving credit facility, maturing February 2027, and our expectation that it would reduce its high capital spending during stressful

periods, if needed. Furthermore, our assessment reflects the company's generally prudent risk management, sound relationships with its banking group, and satisfactory standing in the credit markets. Overall, we anticipate NiSource will likely be able to withstand adverse market circumstances over the next 12 months while maintaining sufficient liquidity to meet its obligations. The company's next major long debt maturity is in 2025, when about $1.26 billion comes due, which we expect it will proactively address well in advance of the due date.

### Principal liquidity sources

- Cash balance of about $106 million as of March 31, 2023;
- Credit facility availability of about $1.85 billion;
- Cash FFO of about $1.86 billion.

### Principal liquidity uses

- Debt maturities of about $1.3 billion, including the current portion of long-term debt and short-term borrowings, as of March 31, 2023;
- Maintenance capital spending of about $1.7 billion; and
- Dividends of about $400 million.

# Environmental, Social, And Governance

**ESG Credit Indicators**

| E-1 | E-2 | **E-3** | E-4 | E-5 | S-1 | **S-2** | S-3 | S-4 | S-5 | G-1 | **G-2** | G-3 | G-4 | G-5 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - Climate transition risks | | | | | N/A | | | | | N/A | | | | |

N/A—Not applicable. ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicator Definitions And Applications," published Oct. 13, 2021.

Environmental factors are a moderately negative consideration in our credit rating analysis of NiSource. As a vertically integrated electric generation and natural gas distribution company, NiSource has exposure to gas pipelines with potential methane leaks. We expect the company to continue implementing its plans to retire 100% of its coal generation by 2028 and investing in its electric and natural gas infrastructure to enhance safety, reliability, customer affability, and sustainability over the next few years, which we expect will provide additional environmental and customer benefits.

# 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 $9.5 billion of unsecured notes, $1.5 billion of commercial paper and term loan, and about $1.5 billion 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.

### Rating Component Scores

| | |
|---|---|
| **Foreign currency issuer credit rating** | **BBB+/Stable/A-2** |
| **Local currency 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-** |
| 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+** |

# Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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 | General: Corporate Methodology, Nov. 19, 2013

- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, 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

## Ratings Detail (as of June 29, 2023)*

| | |
|---|---|
| **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** | |
| **Bay State Gas Co.** | |
| Issuer Credit Rating | BBB+/Stable/NR |
| Senior Unsecured | BBB+ |
| **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.

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MOODY'S

**Rating Action: Moody's affirms ratings of NiSource and subsidiaries; outlooks stable**

13 Jun 2023

**Approximately $11 billion of debt securities affected**

New York, June 13, 2023 -- Moody's Investors Service (Moody's) affirmed the ratings of NiSource Inc., including its Baa2 senior unsecured and Issuer ratings and its Prime-2 short term rating for commercial paper, the ratings of its guaranteed subsidiaries, as well as the Baa1 Issuer and senior unsecured ratings of its utility operating company Northern Indiana Public Service Company (NIPSCO). The outlook for all of the companies is stable. A complete list of ratings affirmed appears below.

RATINGS RATIONALE

"The affirmation of NiSource's ratings reflects our expectation that favorable regulatory outcomes, and the use of proceeds from the pending sale of a minority interest in NIPSCO to reduce debt financing needs, will help support improved debt coverage metrics," stated Nana Hamilton, VP-Senior Analyst.

NiSource's credit quality is underpinned by the diversity and supportiveness of its six regulatory jurisdictions that provide its utility subsidiaries with predictable operating cash flow. A history of credit supportive regulatory outcomes at these subsidiaries has helped to mitigate a historically weak consolidated financial profile driven by the organization's high leverage.

In the most recent significant credit supportive regulatory development, subsidiary NIPSCO, in March 2023, reached a settlement in its electric rate case. The settlement[1] includes a $292 million total revenue increase (it's largest ever increase) relative to an initial request of $395 million, based on a 9.8% ROE and a 51.63% equity capitalization. A final order from the Indiana Utilities Regulatory Commission (IURC) is expected in August, with new rates effective September 2023. The ratings affirmations at both NiSource and NIPSCO assume adoption of the settlement by the IURC with limited modifications as has historically been the case in Indiana. The rate case is an important one for NIPSCO's electric business which is spending significantly on renewable generation and storage to replace the retirement of 722 MW of its current coal generating capacity of 1,177 MW by 2025 and the remainder by 2028.

Despite these favorable regulatory outcomes, NiSource's financial profile continues to be pressured by high leverage. Aside from a small amount of legacy debt at subsidiary NIPSCO, NiSource issues all of the consolidated organization's debt at the parent level and allocates it to its subsidiaries. Assuming that all of NiSource's utility subsidiaries were capitalized at their regulatory authorized capital structures, we estimate that approximately 30% of consolidated debt is holding company debt not recoverable in utility rates. With substantial capital expenditures on the horizon to support NiSource's decarbonization goals, a strong balance sheet will be essential for the company to maintain its credit quality.

NiSource is currently in the process of selling a minority interest in subsidiary NIPSCO, and expects to announce a sale before the end of 2023. Proceeds from the sale will be used to supplement debt and common equity financing for the company's capital expenditure program, which totals approximately $15 billion over the 2023 to 2027 period. This should help the company maintain credit metrics appropriate for its rating over the next few years, assuming a premium valuation of NIPSCO, which is NiSource's largest subsidiary and has attractive growth prospects. Over the next two years, we expect NiSource to generate a ratio of operating cash flow excluding changes in working capital

(CFO pre-WC) to debt in the 14% to 15% range.

NIPSCO's rating is constrained by NiSource's highly leveraged consolidated capital structure and a relatively unrestricted ability to move cash across the corporate family. For NIPSCO, we expect a ratio of CFO pre-WC to debt in the 18% to 20% range over the next two years.

Rating Outlook

NiSource's stable outlook reflects Moody's view that its utility regulatory jurisdictions will remain credit supportive and that regulated utility capital expenditure plans will be financed in a manner that supports the NiSource organization's credit quality.

NIPSCO's stable rating outlook reflects the credit supportiveness of the Indiana regulatory environment, our expectation of a favorable final order in its pending electric rate case and continued timely recovery of costs associated with its large planned capital program. NIPSCO's stable outlook also incorporates the stable outlook at its parent company, NiSource.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Factors that Could Lead to an Upgrade

NiSource's rating could be upgraded if there is a material and sustained increase in the company's credit metrics with a CFO pre-WC to debt ratio above 17%.

NIPSCO's rating could be upgraded if its CFO pre-WC to debt ratio is sustained above 21% and there is a significant reduction in the amount of parent company debt that it supports. An upgrade at NiSource could also result in upward rating pressure on NIPSCO.

Factors that Could Lead to a Downgrade

NiSource's rating could be downgraded if there is a decline in the credit supportiveness of its regulatory environments or other adverse developments, or if debt financing increases significantly such that the company's ratio of CFO pre-WC to debt declines below 13% on a sustained basis.

NIPSCO's rating could be downgraded if there is a deterioration in the credit supportiveness of the regulatory environment in Indiana such that CFO pre-WC to debt falls below 18% on a sustained basis. A downgrade at NiSource could also place downward rating pressure on NIPSCO.

Headquartered in Merrillville, Indiana, NiSource is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $16.7 billion in rate base. NiSource owns one of the largest gas distribution (LDC) systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland providing service to about 3.3 million customers, as well as a mid-sized vertically integrated electric utility in Indiana providing service to about 486,000 customers. The LDCs accounted for about 72% of the company's consolidated operating income in 2022, with the remainder coming from the electric utility.

The principal methodology used in these ratings was Regulated Electric and Gas Utilities published in June 2017 and available at https://ratings.moodys.com/rmc-documents/68547. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

Affirmations:

..Issuer: Bay State Gas Company

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Baa2

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa2

..Issuer: NiSource Capital Markets, Inc.

....Backed Senior Unsecured Regular Bond/Debenture, Affirmed Baa2

..Issuer: NiSource Finance Corporation

.... Issuer Rating, Affirmed Baa2

....Backed Senior Unsecured Regular Bond/Debenture, Affirmed Baa2

..Issuer: NiSource Inc.

.... Issuer Rating, Affirmed Baa2

....Pref. Shelf, Affirmed (P)Ba1

....Pref. Stock, Affirmed Ba1

....Senior Unsecured Bank Credit Facility, Affirmed Baa2

....Senior Unsecured Commercial Paper, Affirmed P-2

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa2

....Senior Unsecured Shelf, Affirmed (P)Baa2

..Issuer: Northern Indiana Public Service Company

.... Issuer Rating, Affirmed Baa1

....Senior Unsecured Medium-Term Note Program, Affirmed (P)Baa1

....Senior Unsecured Regular Bond/Debenture, Affirmed Baa1

Outlook Actions:

..Issuer: Bay State Gas Company

....Outlook, Remains Stable

..Issuer: NiSource Capital Markets, Inc.

....Outlook, Remains Stable

..Issuer: NiSource Finance Corporation

....Outlook, Remains Stable

..Issuer: NiSource Inc.

....Outlook, Remains Stable

..Issuer: Northern Indiana Public Service Company

....Outlook, Remains Stable

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

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REFERENCES/CITATIONS

[1] Indiana Utility Regulatory Commission, Docket 45772 10-Mar-2023

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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# NiSource Inc.

## NIPSCO stake sale proceeds will supplement NiSource's debt financing and enhance financial flexibility

On 20 June, NiSource Inc. (Baa2 stable) announced the sale of a 19.9% equity interest in utility subsidiary Northern Indiana Public Service Company (NIPSCO, Baa1 stable) to Blackstone Infrastructure Partners (BIP) for $2.15 billion in cash, an implied rate base valuation of 1.85x. BIP also supported its intention to finance its proportionate share of NIPSCO's ongoing capital requirements with a $250 million commitment letter. NiSource expects the transaction to close by year end, pending Federal Energy Regulatory Commission approval.

NiSource will apply transaction proceeds to its $15 billion five-year capital expenditure program. Although introducing another owner at NIPSCO presents some governance complexity, the transaction is overall credit positive for NiSource because the proceeds will supplement debt financing and enhance cash flow coverage metrics. Our assessment of NiSource's credit quality following the completion of the transaction will be based on credit metrics that include NiSource's proportional ownership of NIPSCO's cash flow and debt. NiSource's financing plan also includes $863 million of proceeds in 2023 from remarketing mandatory convertible preferred stock issued in 2021, which will later convert to common equity.

Although the alternatives to debt financing will help support NiSource's credit quality, the regulatory environments in which the company's utilities operate will be a primary driver of its credit quality. Assuming continued supportive regulatory outcomes, we expect NiSource to generate a ratio of operating cash flow excluding changes to working capital (CFO pre-WC) to debt of 14%-15% over the next three years, up from 13%-14% over the past three years. The expected improvement in debt coverage metrics also assumes that the Indiana Utilities Regulatory Commission will adopt (with limited modifications) the credit supportive settlement NIPSCO reached in its pending electric rate case. The rate case, the largest in NIPSCO's history, is important for NIPSCO's electric business. The electric business is spending significantly on renewable generation and storage to replace the retirement of 722 megawatt (MW) of its current coal generating capacity of 1,177 MW by 2025 and the remainder by 2028.

To reflect the increased complexity associated with a minority shareholder after the stake sale, NIPSCO's Board Structure and Policies Governance risk subcategory score will change to a 3 (moderately negative) from a 2 (neutral to low).

Headquartered in Merrillville, Indiana, NiSource is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $16.7 billion in rate base. NiSource owns one of the largest gas distribution (LDC) systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland, providing service to about 3.3 million customers. It also owns a mid-sized vertically integrated electric utility in Indiana providing service to about 486,000 customers. The LDCs accounted for about 72% of the company's consolidated operating income in 2022, with the remainder coming from the electric utility.

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# NiSource Inc.

## Update following ratings affirmation

## Summary

NiSource Inc.'s (NiSource) credit profile reflects the diversity and supportiveness of its multiple regulatory jurisdictions that provide predictable operating cash flow. Its fully regulated operating utility subsidiaries have low business risk, given their critical infrastructure asset base. Together, these utilities have helped to mitigate a historically weak financial profile driven by the company's high leverage.

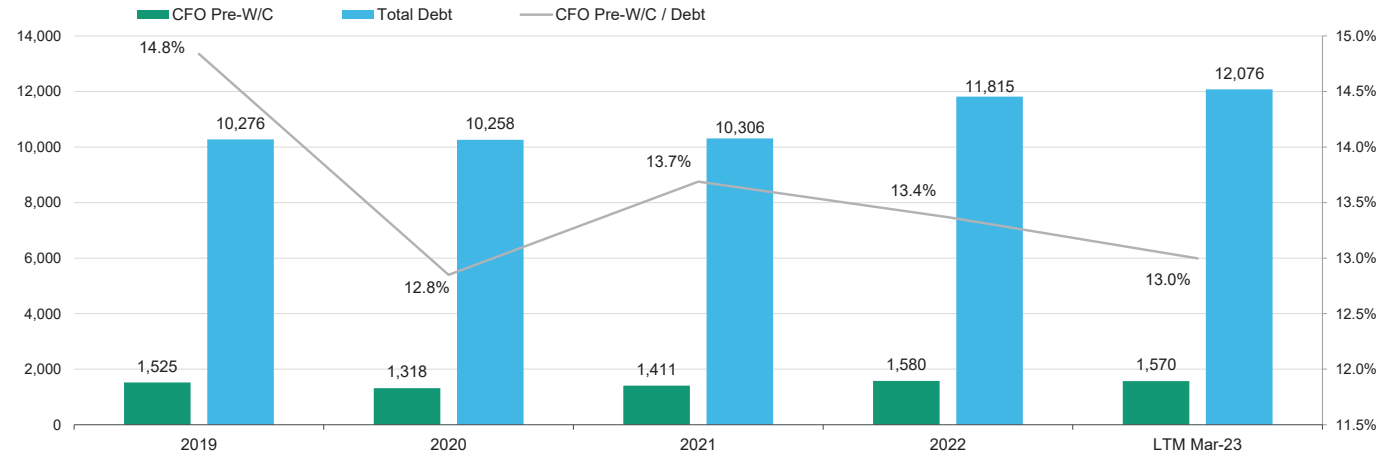
We expect NiSource's financial profile to remain under pressure as the company executes a substantial capital expenditure program which includes significant investments in renewable energy generation at subsidiary Northern Indiana Public Service Company (NIPSCO) to replace the coal generation. The company retired 900 MW of coal generation in 2021, plans to retire 722 MW of its current coal generating capacity of 1,177 MW by 2025 and to retire all of its coal generation by 2028. Over the next two years, we expect continued favorable regulatory outcomes, and the use of proceeds from the sale of a minority interest in NIPSCO to reduce debt financing, to enable NiSource to generate a ratio of operating cash flow excluding working capital changes (CFO pre-WC) to debt around 14%-15%.

### Recent Events

On 20 June 2023, NiSource announced the sale of a 19.9% equity interest in NIPSCO to Blackstone Infrastructure Partners (BIP, not rated) for $2.15 billion in cash. BIP further supported its commitment to finance its pro rata share of NIPSCO's ongoing capital requirements with a $250 million commitment letter. The transaction is expected to close by the end of 2023 subject to approval by the Federal Energy Regulatory Commission (FERC). Proceeds from the sale will be used to supplement debt financing for NiSource's $15 billion five-year capital expenditure program, enhancing financial flexibility. Following transaction completion, our assessment of NiSource's credit will include a proportional consolidation of NiSource's ownership of NIPSCO.

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

» Financing plan for capital investments that includes common equity and minority sale proceeds should help support credit quality

## Credit Challenges

» Persistently high debt balance

» Elevated capital expenditures

» Current weak metrics leave little room to absorb unexpected negative events

## Rating Outlook

NiSource's stable outlook reflects Moody's view that its utility regulatory jurisdictions will remain credit supportive and that regulated utility capital expenditure plans will be financed in a manner that supports the organization's credit quality.

## 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 a CFO pre-WC to debt ratio above 17%

## Factors that Could Lead to a Downgrade

» A decline in the credit supportiveness of its utility regulatory environments

» An adverse change in the company's business mix that increases risk

» A ratio of CFO pre-WC to debt sustained below 13%

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## Key Indicators

Exhibit 2
**NiSource Inc. [1]**

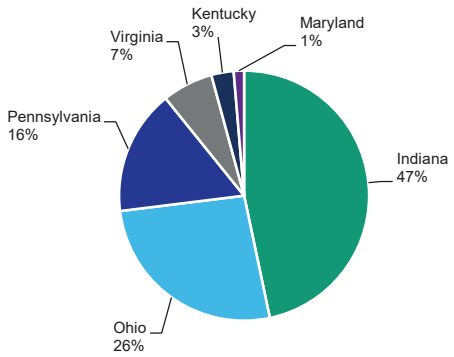
| | Dec-19 | Dec-20 | Dec-21 | Dec-22 | LTM Mar-23 |
|---|---|---|---|---|---|
| CFO Pre-W/C + Interest / Interest | 4.7x | 4.3x | 4.8x | 5.0x | 4.8x |
| CFO Pre-W/C / Debt | 14.8% | 12.8% | 13.7% | 13.4% | 13.0% |
| CFO Pre-W/C – Dividends / Debt | 11.7% | 9.4% | 10.1% | 9.9% | 9.5% |
| Debt / Capitalization | 59.6% | 59.9% | 54.8% | 55.9% | 55.9% |

[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 $16.7 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 3.3 million customers, as well as a mid-sized vertically integrated electric utility in Indiana providing service to about 486,000 customers. The LDCs accounted for about 72% of the company's consolidated operating income in 2022, with the remainder coming from the electric utility.

Exhibit 3
**State Rate Base Exposure**



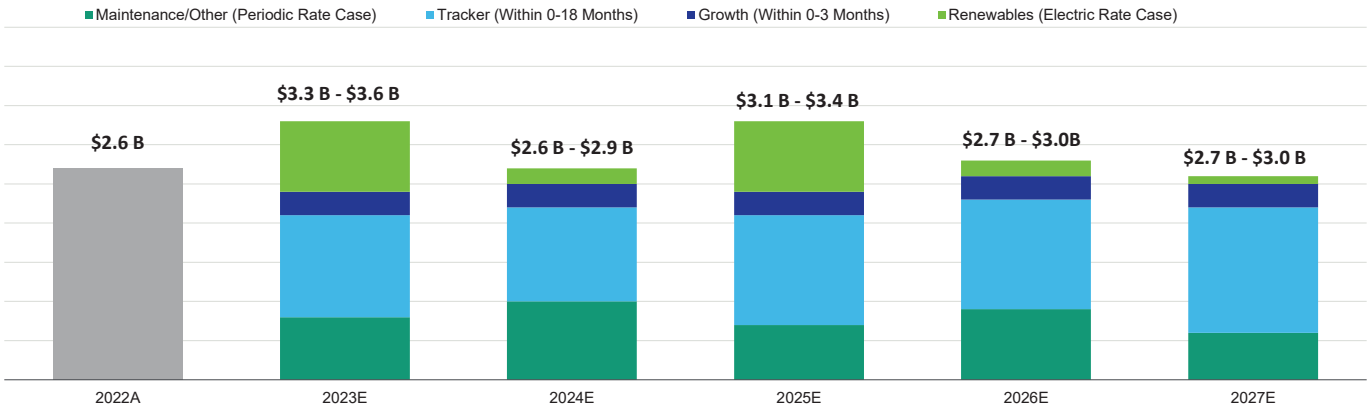

*Source: Company's reports*

## 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 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 ongoing infrastructure replacement and other tracker filings, NiSource completed three rate cases in the last six months and currently has two rate cases pending.

### 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 2022, the utility filed a rate case requesting a revenue increase of $82.2 million based on an ROE of 10.95%, equity capitalization of 54.38% and a forecasted rate base of $3 billion. The rate case was concluded in December 2022 with the approval of a $44.5 million revenue increase in a black box settlement.

NiSource completed a rate case in Ohio in January 2023 when the Public Utilities Commission of Ohio approved a settlement for a revenue increase of $68.2 million based on a 9.6% ROE and 50.6% equity layer. The settlement also extended the utility's capital investment riders through 2026. The company had requested a revenue increase of $221.4 million based on a 10.95% ROE and 50.6% equity layer. This was Columbia Gas of Ohio's first rate case since 2008 and the authorized rate base of $3.5 billion reflects an approximately $2.5 billion increase over its previously authorized rate base.

In May 2023, the Virginia State Corporation Commission approved a settlement for a $40.3 million revenue increase, inclusive of about $14.5 million collected under the Steps to Advance Virginia's Energy Plan (SAVE) infrastructure tracker. The settlement did not specify an ROE or equity layer. The company had requested a $58.2 million revenue increase, inclusive of about $17.7 million under the SAVE tracker.

NiSource currently has a gas rate case pending in Maryland with a request for an $8.1 million revenue increase based on a 10.95% ROE and 52.07% equity layer. A final order is expected by the end of 2023.

### Electric operations

In September 2022, NIPSCO Electric filed a rate case requesting a total incremental revenue increase of $395 million. The request included a $291.8 million base rate increase to be implemented in two steps in September 2023 and March 2024 and an additional request of $103.2 million for costs associated with a new variable cost tracker. In March 2023, NIPSCO reached a settlement for a $292 million total revenue increase, inclusive of $29.9 million to be recovered through a new environmental cost tracker. A final order from the Indiana Utilities Regulatory Commission is expected in August, with new rates effective September 2023.

## Regulated utility assets exhibit fundamentally low business risk

NiSource's six LDCs represented about 72% of its operating income in 2022, while its fully regulated vertically integrated electric utility segment made up the difference. We continue to view NiSource's LDCs as having low business risk in spite of the possible risk to public

safety associated with natural gas distribution operations. NiSource's size, diversity of operations and broad geographic footprint offer regulatory diversity and provide a natural hedge against material exposure to a single event or adverse regulatory action.

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. Over 50% of the company's retail electric sales volume 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 all of its coal capacity by 2028, which will reduce its exposure to more stringent environmental regulations that could require costly investments. The company plans to replace its retired coal capacity 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. We expect this will continue to weigh on its debt coverage metrics as the company executes its elevated capital investment plan. Besides legacy debt at subsidiary NIPSCO, NiSource issues all debt at the parent level and allocates it to its subsidiaries. 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 that approximately 30% of consolidated debt is not recoverable in utility rates.

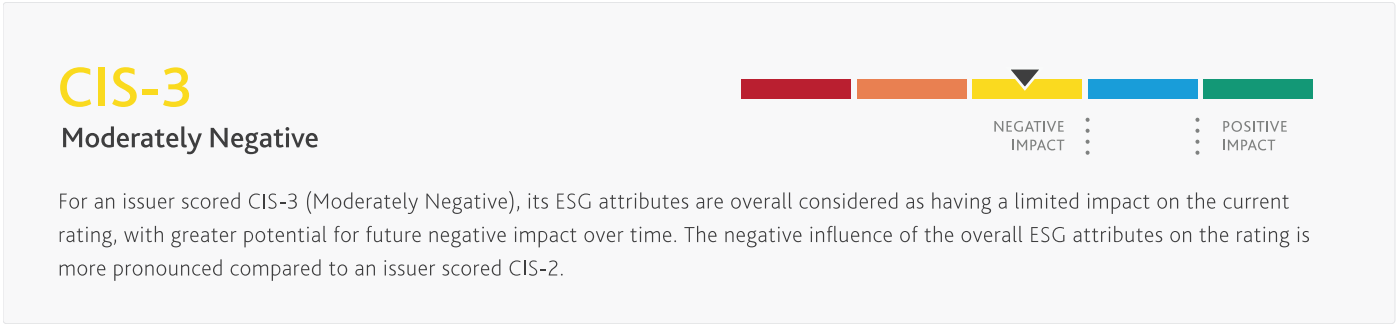
NiSource's capital expenditure program is substantial, totaling approximately $15 billion over the 2023-2027 period. Capital spending is expected to peak in 2023 because of renewable energy investments at NIPSCO. Over the next two years, we expect continued favorable regulatory outcomes, including in NIPSCO's currently pending rate case, and the use of proceeds from the sale of a minority interest in NIPSCO to reduce debt financing, to enable NiSource to generate a ratio of CFO pre-WC to debt around 14%-15%.

The company's financing plan for its five-year capital investments program also includes approximately $863 million of proceeds in 2023 from the remarketing of mandatory convertible preferred stock issued in April 2021.

## ESG considerations

### NiSource ESG Credit Impact Score is CIS-3 (Moderately Negative)

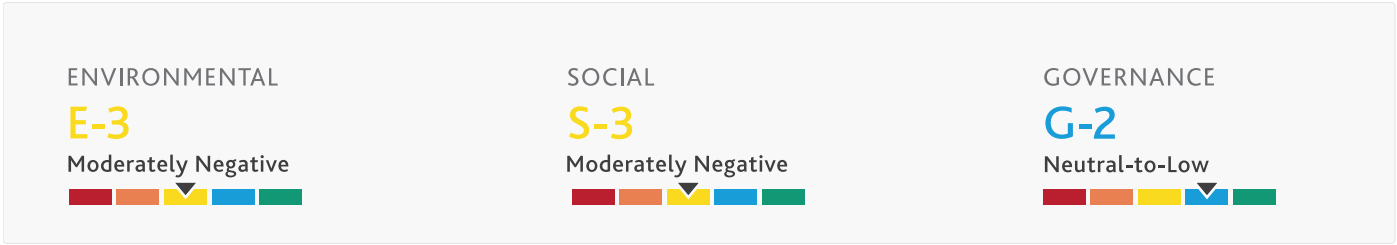
Exhibit 5
**ESG Credit Impact Score**




*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**




*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

Governance is broadly in line with other utilities and does not pose a particular risk (**G-2** issuer profile score). NiSource's governance assessment is supported by neutral to low scores on financial strategy and risk management, management credibility and track record, organizational structure, compliance and reporting and board structure policies and procedures.

ESG Issuer Profile Scores and Credit Impact Scores for NiSource are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for NiSource on Moodys.com and view the ESG Scores section.

## Liquidity Analysis

NiSource's liquidity is adequate and supported by a $1.85 billion revolving credit facility maturing in February 2027. 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 2023, the ratio was 59.1%.

NiSource also maintains three separate accounts receivables securitization programs totaling $635.5 million at its operating companies ($281.8 million outstanding balance as of 31 March 2023). The programs are renewed annually. As of 31 March 2023, NiSource had about $106.4 million of cash on hand, no commercial paper outstanding and $10.2 million of letters of credit issued under its credit facility. NiSource does not have a material debt maturity until 2025 ($1.25 billion).

For the twelve months ended 31 March 2023, NiSource generated $1.5 billion in operating cash flow, invested $2.3 billion in capital expenditures, and paid $455 million in dividend distributions, resulting in a negative free cash flow position of $1.3 billion. NiSource funded the cash shortfall primarily with debt. 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 mix of debt, equity and proceeds from the minority sale of NIPSCO.

## Rating Methodology and Scorecard Factors

Exhibit 7
**Methodology Scorecard Factors**
**NiSource Inc.**

| Regulated Electric and Gas Utilities Industry [1][2] | Current LTM 3/31/2023 | | 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 | Baa | Baa |
| **Factor 4 : Financial Strength (40%)** | | | | |
| a) CFO pre-WC + Interest / Interest (3 Year Avg) | 4.7x | A | 4.5x - 5x | A |
| b) CFO pre-WC / Debt (3 Year Avg) | 13.5% | Baa | 14% - 15% | Baa |
| c) CFO pre-WC – Dividends / Debt (3 Year Avg) | 9.9% | Baa | 9% - 12% | Baa |
| d) Debt / Capitalization (3 Year Avg) | 56.1% | Ba | 50% - 55% | Baa |
| **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 03/31/2023(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) | | | Alliant Energy Corporation Baa2 (Stable) | | | Spire Inc. Baa2 (Stable) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (In US millions) | FYE Dec-21 | FYE Dec-22 | LTM Mar-23 | FYE Dec-21 | FYE Dec-22 | LTM Mar-23 | FYE Dec-21 | FYE Dec-22 | LTM Mar-23 | FYE Sep-21 | FYE Sep-22 | LTM Mar-23 |
| e en e | 4 900 | 5 851 | 5 943 | 1 949 | 2 552 | 2 649 | 3 669 | 4 205 | 4 214 | 2 236 | 2 199 | 2 700 |
| CFO Pre-W/C | 1 411 | 1 580 | 1 570 | 4 | 755 | 798 | 1 103 | 1 106 | 1 028 | 559 | 51 | 304 |
| Total Debt | 10 306 | 11 815 | 12 076 | 4 571 | 4 706 | 4 518 | 8 150 | 9 119 | 9 460 | 4 039 | 4 610 | 4 853 |
| CFO Pre-W/C + Interest / Interest | 4.8x | 5.0x | 4.8x | 1.0x | 5.6x | 5.7x | 5.2x | 4.8x | 4.4x | 5.6x | 1.4x | 2.8x |
| CFO Pre-W/C / Debt | 13.7% | 13.4% | 13.0% | 0.1% | 16.0% | 17.7% | 13.5% | 12.1% | 10.9% | 13.8% | 1.1% | 6.3% |
| CFO Pre-W/C – Dividends / Debt | 10.1% | 9.9% | 9.5% | -3.4% | 12.3% | 13.7% | 8.6% | 7.1% | 6.0% | 10.3% | -2.1% | 3.1% |
| Debt / Capitalization | 54.8% | 55.9% | 55.9% | 57.7% | 56.7% | 54.8% | 50.7% | 52.6% | 53.4% | 56.1% | 57.7% | 57.3% |

[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-19 | Dec-20 | Dec-21 | Dec-22 | LTM Mar-23 |
|---|---|---|---|---|---|
| As Adjusted | | | | | |
| **FFO** | **1,646** | **1,344** | **1,465** | **1,676** | **1,683** |
| +/- Other | -121 | -26 | -54 | -97 | -114 |
| **CFO Pre-WC** | **1,525** | **1,318** | **1,411** | **1,580** | **1,570** |
| +/- ΔWC | 46 | -223 | -206 | -189 | -75 |
| **CFO** | **1,571** | **1,095** | **1,205** | **1,391** | **1,494** |
| - Div | 327 | 349 | 373 | 415 | 428 |
| - Capex | 1,828 | 1,795 | 1,878 | 2,242 | 2,349 |
| **FCF** | **-584** | **-1,049** | **-1,047** | **-1,267** | **-1,283** |
| | | | | | |
| (CFO Pre-W/C) / Debt | 14.8% | 12.8% | 13.7% | 13.4% | 13.0% |
| (CFO Pre-W/C - Dividends) / Debt | 11.7% | 9.4% | 10.1% | 9.9% | 9.5% |
| FFO / Debt | 16.0% | 13.1% | 14.2% | 14.2% | 13.9% |
| RCF / Debt | 12.8% | 9.7% | 10.6% | 10.7% | 10.4% |
| | | | | | |
| Revenue | 5,209 | 4,682 | 4,900 | 5,851 | 5,943 |
| Interest Expense | 413 | 401 | 371 | 392 | 417 |
| Net Income | 945 | 458 | 526 | 675 | 676 |
| Total Assets | 22,660 | 22,041 | 24,157 | 26,744 | 26,861 |
| Total Liabilities | 17,184 | 16,728 | 17,650 | 19,603 | 19,621 |
| Total Equity | 5,476 | 5,312 | 6,507 | 7,142 | 7,241 |

[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 [1]**

| NiSource Inc. | | | | | | |
|---|---|---|---|---|---|---|
| (USD Millions) | FYE Dec-18 | FYE Dec-19 | FYE Dec-20 | FYE Dec-21 | FYE Dec-22 | LTM Mar-23 |
| **As Reported Debt** | **9,132.6** | **9,642.8** | **9,746.1** | **9,801.5** | **11,315.5** | **11,576.6** |
| Pensions | 113.6 | 57.8 | 32.1 | 30.0 | 22.9 | 22.9 |
| Operatin Leases | 196.4 | 64.8 | 40.2 | 34.6 | 36.7 | 36.7 |
| ybrid ecurities | 440.0 | 440.0 | 440.0 | 440.0 | 440.0 | 440.0 |
| Non- tandard Adjustments | 68.5 | 70.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Moody's Adjusted Debt** | **9,951.1** | **10,275.9** | **10,258.4** | **10,306.1** | **11,815.1** | **12,076.2** |

[1] 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 |
| **BAY STATE GAS COMPANY** | |
| Outlook | Stable |
| Senior Unsecured | Baa2 |
| **NISOURCE CAPITAL MARKETS, INC.** | |
| Outlook | Stable |
| Bkd Senior Unsecured | Baa2 |

*Source: Moody's Investors Service*

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REPORT NUMBER 1370104

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FitchRatings

RATING ACTION COMMENTARY

# Fitch Rates NiSource Inc.'s Senior Notes 'BBB'

Wed 22 Mar, 2023 - 5:54 PM ET

Fitch Ratings - New York - 22 Mar 2023: Fitch Ratings has assigned a 'BBB' to NiSource Inc.'s (NI) $750 million 5.25% notes due March 30, 2028. NI's Long-Term Issuer Default Rating (IDR) is 'BBB', and the Rating Outlook is Stable.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The pending sale of 19.9% of Northern Indiana Public Service Company (NIPSCO, BBB/Stable) is neutral to negative from a credit perspective. However, the transaction is relatively small and provides funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

Minority Interest Sale Pending

In November 2022, NI announced plan to sell up to 19.9% equity interest in NIPSCO. A formal sale process is currently pending. While Fitch views the sale as neutral to negative as NIPSCO is a strong electric utility that provides fuel diversification, the transaction is relatively small. Fitch expects NI to use the proceeds to right-size the balance sheet and fund its large capex program. Pro forma closing of the transaction, Fitch's rating methodology requires that cash distribution to minority interest be deducted from the funds from operations.

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. The gas rate base is approximately 65% the total rate base. Pro forma NIPSCO transaction, gas rate base will be approximately 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and are less exposure to environmental mandates.

Four states have legislations that prohibit municipalities from banning natural gas use. Fitch considers Ohio, Pennsylvania and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

Supportive Regulation

Approximately 75% of NI's growth, safety and modernization capex would begin earning within 18 months. 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. All of NI's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric. Gas utilities in Indiana, Maryland and Kentucky have authorized ROEs of 9.85%, 9.65% and 9.35%, respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.7%.

NIPSCO electric's authorized ROE is 9.75%, compared with 2021 industry average of 9.54%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for 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. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

Large Capex

Capex continues to rise. In the next three years, annual capex will average $3.2 billion, compared with approximately $1.9 billion in the last three years. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties. Rate base will grow 8%-10% CAGR from 2023.

Cleaner Generation

NI plans to retire all coal generation by 2028. Fifty-one percent (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire between 2025 and 2028. NISPCO proposed a natural gas peaking unit to replace these units.

Weak Credit Metrics

Over the last three years, NI's credit metrics in the last three years were impacted from the Merrimack Valley gas explosions, the pandemic, asset sale in Massachusetts and weather. FFO leverage ratio averaged near 6x for the period, weak for its rating. Fitch expects FFO leverage to modestly improve and average in the high 5x in the next few years.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects both NI and IPALCO's FFO leverage to be in the high-5x for the next few years. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

## KEY ASSUMPTIONS

--Approximately $15 billion capex for 2023 to 2027 forecast period.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--NI could be upgraded if consolidated FFO leverage is sustained below 5.0x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Consolidated FFO leverage sustains above 6.0x 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.

## ISSUER PROFILE

NiSource Inc. is an energy holding company whose primary subsidiaries are fully regulated natural gas and electric utility companies, serving approximately 3.7 million customers in six states.

## DATE OF RELEVANT COMMITTEE

07 March 2022

## 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 the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

## RATING ACTIONS

| ENTITY / DEBT | RATING | | |
|---|---|---|---|
| NiSource Inc. | | | |
| senior unsecured | LT | BBB | New Rating |

VIEW ADDITIONAL RATING DETAILS

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## APPLICABLE CRITERIA

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 09 Apr 2021) (including rating assumption sensitivity)

Corporate Rating Criteria - Effective from 15 October 2021 to 28 October 2022 (pub. 15 Oct 2021) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria (pub. 01 Dec 2021)

## 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

Solicitation Status

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Energy and Natural Resources Corporate Finance North America United States

FitchRatings

**RATING ACTION COMMENTARY**

# Fitch Rates NiSource Inc.'s Senior Notes 'BBB'

Mon 05 Jun, 2023 - 3:06 PM ET

Fitch Ratings - New York - 05 Jun 2023: Fitch Ratings has assigned a 'BBB' rating to NiSource Inc.'s (NI) $450 million 5.400% Notes due 2033. NI's Long-Term Issuer Default Rating (IDR) is 'BBB', and the Rating Outlook is Stable.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The pendin sale of 19.9% of Northern Indiana Public Service Company (NIPSCO; BBB/Stable) is neutral to negative from a credit perspective. However, the transaction is relatively small and provides funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

Minority Interest Sale Pending

In November 2022, NI announced a plan to sell up to 19.9% equity interest in NIPSCO. A formal sale process is currently pending. While Fitch views the sale as neutral to negative as NIPSCO is a strong electric utility that provides fuel diversification, the transaction is relatively small. Fitch expects NI to use the proceeds to right-siz the balance sheet and fund its large capex program. Pro forma for the closing of the transaction, Fitch's rating methodology requires that cash distribution to minority interest be deducted from the funds from operations.

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. The gas rate base is approximately 65% the total rate base. Pro forma for the NIPSCO transaction, the gas rate base will be approximately 69% the total rate base. Gas distribution utilities benefit frc supportive recovery mechanisms and less exposure to environmental mandates.

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Supportive Regulation

Approximately 75% of NI's growth, safety and modernization capex would begin earning within 18 months. 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. All of NI's gas utilities use infrastruct trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric. Gas utilities in Indiana, Maryland and Kentucky have authorized ROEs of 9.85%, 9.65% and 9.35%, respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%.

NIPSCO electric's authorized ROE is 9.75%, compared with the 2021 industry average of 9.54%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery betwee rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

Large Capex

Capex continues to rise. In the next three years, annual capex will average $3.2 billion, compared with approximately $1.9 billion in the last three years. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its servi territories. Renewable projects are pre-approved, reducing regulatory uncertainties. The rate base will grow 8%-10% CAGR from 2023.

Cleaner Generation

NI plans to retire all coal generation by 2028. Fifty-one percent (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire between 2025 and 2028. NISPCO propose natural gas peaking unit to replace these units.

Weak Credit Metrics

Over the last three years, NI's credit metrics in the last three years were affected by the Merrimack Valley gas

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## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Comp Gas (BBB+/Stable), which invests in unregulated operations. NI's business model, geographic diversification and supportive regulations mitigate its relatively weak credit metrics. Similar to IPALCO Enterprises, Inc. (BBB-/Sta which also operates in Indiana, NI's subsidiary NIPSCO has coal generation.

However, NI's operation is diversified and gas focused compared with IPALCO's single-state electric generation Both NI and IPALCO are executing a large capex program. Fitch expects both NI and IPALCO's FFO leverage to in the high-5x for the next few years. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

## KEY ASSUMPTIONS

--Approximately $15 billion capex for 2023 to 2027 forecast period.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--NI could be upgraded if consolidated FFO leverage is sustained below 5.0x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recover 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 th 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 scenar 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.

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NiSource Inc. is an energy holding company whose primary subsidiaries are fully regulated natural gas and elect utility companies, serving approximately 3.7 million customers in six states.

## DATE OF RELEVANT COMMITTEE

07 March 2022

## 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

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## RATING ACTIONS

| ENTITY / DEBT | | RATING | |
|---|---|---|---|
| NiSource Inc. | | | |
| senior unsecured | LT | BBB | New Rating |

VIEW ADDITIONAL RATING DETAILS

## FITCH RATINGS ANALYSTS

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## PARTICIPATION STATUS

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## APPLICABLE CRITERIA

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 09 Apr 2021) (including rating assumption sensitivity)

Corporate Rating Criteria - Effective from 15 October 2021 to 28 October 2022 (pub. 15 Oct 2021) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria - Effective from 1 December 2021 to 16 June 2023 (pub. 01 Dec 2021)

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FitchRatings

RATING ACTION COMMENTARY

# Fitch Affirms NiSource and NIPSCO; Outlooks Stable

Mon 12 Jun, 2023 - 3:49 PM ET

Fitch Ratings - New York - 12 Jun 2023: Fitch Ratings has affirmed the 'BBB' Long-Term Issuer Default Ratings (IDRs) of NiSource Inc. (NI) and Northern Indiana Public Service Company (NIPSCO). NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The pending sale of 19.9% of equity interest in NIPSCO is neutral to mildly negative from a credit perspective. Fitch expects NiSource to maintain credit metrics that are consistent with its 'BBB' IDR.

## KEY RATING DRIVERS

NIPSCO Sale Pending: In November 2022, NI announced a plan to sell up to 19.9% equity interest in NIPSCO. A formal sale process is currently pending. Fitch views the sale as neutral to mildly negative, as Fitch believes NIPSCO is a strong electric and gas utility and the transaction will reduce operating scale and diversity. However, the transaction is relatively small and Fitch expects NI to use the proceeds such that its FFO leverage will remain consistent with the 'BBB' IDR. Execution risk is minimal as regulatory approval is not required in Indiana for an equity interest sale in a regulated utility. The transaction will be tax free.

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. The gas rate base is approximately 65% the total rate base. Pro forma for the NIPSCO transaction, the gas rate base will be approximately 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates. Four

states have legislations that prohibit municipalities from banning natural gas use. Fitch considers Ohio, Pennsylvania and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

NIPSCO Rate Case Settlement Constructive: Fitch views NIPSCO's electric rate case settlement favorably. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE is higher than the industry average of mid-9%. Under the settlement, NIPSCO would withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT would allow a few categories of costs than the VCT and would total about $29.9 million annually.

The difference between the ECT and VCT would be recovered through base rate case proceedings. The company requested a base rate increase of $291.8 million and the approval of a VCT. NIPSCO's existing electric revenue requirement is based on a 9.75% ROE and 49.88% equity ratio. Final order is expected in August 2023 with rates taking effect in 2023 and 2024.

Supportive Regulation: Approximately 75% of NI's growth, safety and modernization capex would begin earning within 18 months. Gas utilities have revenue decoupling in Ohio, Maryland and Virginia; weather normalization in Pennsylvania, Maryland, Virginia and Kentucky; and straight fixedvariable rates in Ohio. All of NI's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Maryland, Kentucky and Ohio have authorized ROEs of 9.85%, 9.65%, 9.35% and 9.60% respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%.

NIPSCO electric's authorized ROE is 9.75% (pending approval of a new settlement the ROE could be 9.8%), compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

Large Capex: Capex continues to rise. In the next five years, annual capex will average $3 billion, compared with approximately $1.9 billion in the last three years. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties. The rate base will grow 8%-10% CAGR from 2023. Approximately 75% of the capex begins recovery within 18 months.

Cleaner Generation: NI plans to retire all coal generation by 2028. Fifty-one percent (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by MISO. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire by 2028. NISPCO proposed a natural gas peaking unit to replace these units in its 2021 Integrated Resource Plan.

Credit Metrics: Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged around 6x. Fitch expects FFO leverage to average in the mid 5x range in the next few years.

Parent Sub Linkage: NiSource and NIPSCO's standalone credit profiles are the same. NIPSCO has very small amount of debt as it relies NiSource solely for liquidity and capital access. NiSource has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt which will be repaid as they mature. NIPSCO's standalone credit profile is not analytically meaningful.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects NI and IPALCO's FFO leverage to be in the mid-5x and high-5x, respectively 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 relies solely on NiSource 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 $15 billion capex for 2023 to 2027, including $2 billion to $2.2 billion (first round of funding) renewable investments in Indiana;

--Normal weather;

--Assume certain amount of sale proceeds from the NIPSCO transaction;

--Remarketing the same mandatory converts in 2023 as indicated in the public financial statements.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--NI and NIPSCO could be upgraded if the consolidated FFO leverage is sustained below 5x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Consolidated FFO leverage sustains above 6.0x 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.

## ISSUER PROFILE

NiSource Inc. is an energy holding company whose primary subsidiaries are fully regulated natural gas and electric utility companies, serving approximately 3.7 million customers in six states.

## 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 NiSource or NIPSCO, either due to their nature or the way in which they are being managed by the entities. 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 Indiana Public Service Company | LT IDR | BBB Rating Outlook Stable | Affirmed | BBB Rating Outlook Stable |
| senior unsecured | LT | BBB+ | Affirmed | BBB+ |

VIEW ADDITIONAL RATING DETAILS

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## PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

## APPLICABLE CRITERIA

Corporate Hybrids Treatment and Notching Criteria (pub. 12 Nov 2020)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 09 Apr 2021) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria (pub. 01 Dec 2021)

Corporate Rating Criteria (pub. 28 Oct 2022) (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), v8.1.0 (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 |

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Energy and Natural Resources Corporate Finance Utilities and Power North America

United States

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FitchRatings



# NiSource Inc.

NiSource Inc.'s credit profile is supported by its 100% regulated gas and electric utility operations in six states. The pending sale of 19.9% of Northern Indiana Public Service Company (NIPSCO) is neutral to mildly negative from a credit perspective. NIPSCO's ratings mirror those of NiSource, as it relies on NiSource solely for capital access.

## Key Rating Drivers

**NIPSCO Sale Pending**: In November 2022, NiSource announced a plan to sell up to 19.9% equity interest in NIPSCO. In June 2023, NiSource announced it entered into definitive agreement with Blackstone Infrastructure Partners, which will acquire the minority interest for $2.15 billion. As part of the transaction, Blackstone is committed to funding its pro rata share of ongoing capital requirements. Fitch Ratings views the sale as neutral to mildly negative as we believe NIPSCO is a strong electric and gas utility and the transaction will reduce operating scale.

The sale proceeds will be used to replace equity as well as debt. Fitch expects NiSource to use the proceeds to right-size the balance sheet and fund its large capex program such that its FFO leverage will remain consistent with the 'BBB' Issuer Default Rating (IDR). Execution risk is minimal as there is no regulatory approval necessary in Indiana for a sale of equity interest in a utility. The deal will be tax-free as it is a minority equity interest sale with full consolidation remaining in effect. The deal is expected to close by YE 2023.

**Low Business Risk**: NiSource's ratings and Outlook are supported by stable cash flows and earnings from 100% regulated gas and electric utilities in six states. The gas rate base is approximately 65% the total rate base. Pro forma for the NIPSCO transaction, the gas rate base will be approximately 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates.

Four states have legislations that prohibit municipalities from banning natural gas use. Fitch considers Ohio, Pennsylvania and Indiana — NiSource's top three service territories — to be among the most supportive jurisdictions in the U.S.

**NIPSCO Rate Case Settlement Approved**: NIPSCO's electric rate case settlement that was approved in August 2023, is constructive, is constructive in Fitch's view. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% return on equity and 51.63% equity layer. The ROE is higher than the industry average of mid-9%. However, under the settlement, NIPSCO would withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT would allow a few categories of costs than the VCT and would total about $29.9 million annually. The difference between the ECT and VCT would be recovered through base rate case proceedings.

The company requested a base rate increase of $291.8 million and the approval of a VCT. Without the VCT, the rate request would have been approximately $394 million. This implies that the rate increase under the settlement is approximately 74% of the requested amount, which is favorable. NIPSCO's existing electric revenue requirement is based on a 9.75% ROE and 47.9% equity ratio. Rate increases will be phased in starting in August 2023, with remaining increases implemented in 2024.

## Ratings

| NiSource Inc. | |
|---|---|
| Long-Term IDR | BBB |
| Short-Term IDR | F2 |
| Senior Unsecured Debt - Long-Term Rating | BBB |
| Senior Unsecured Debt – Short-Term Rating | F2 |
| **Outlook** | |
| Long-Term Foreign-Currency IDR | Stable |

| Northern Indiana Public Service Company | |
|---|---|
| Long-Term IDR | BBB |
| Senior Unsecured Debt - Long-Term Rating | BBB+ |
| **Outlook** | |
| Long-Term Foreign-Currency IDR | Stable |

2035 Climate Vulnerability Signal: 44

Click here for the full list of ratings

## Applicable Criteria

Corporate Rating Criteria (October 2022)

Parent and Subsidiary Linkage Rating Criteria - Effective from 1 December 2021 to 16 June 2023 (December 2021)

Corporates Recovery Ratings and Instrument Ratings Criteria (April 2021)

Corporate Hybrids Treatment and Notching Criteria (November 2020)

## Related Research

Fitch Affirms NiSource and NIPSCO; Outlooks Stable (June 2023)

North American Utilities, Power & Gas Dashboard: Second-Quarter 2023 (July 2023)

North American Utilities, Power & Gas Outlook 2023 (December2022)

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**Supportive Regulation:** Approximately 75% of NiSource's growth, safety and modernization capex would begin earning within 18 months. 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. All of NiSource's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric. Gas utilities in Indiana, Maryland, Kentucky and Ohio have authorized ROEs of 9.85%, 9.65%, 9.35% and 9.60%, respectively. Other gas utilities have ROEs for infrastructure programs ranging between 9.275% and 9.700%.

NIPSCO electric's authorized ROE is 9.8% compared with the industry average of mid-9.0%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**Large Capex:** Capex continues to rise. In the next five years, annual capex will average $3 billion, compared with approximately $1.9 billion in the last three years. Most projects are small, providing flexibility in execution. NiSource's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties. The rate base will grow 8%–10% CAGR from 2023. Approximately 75% of the capex can be recovered within 18 months, a credit positive.

**Cleaner Generation:** NiSource plans to retire all coal generation by 2028, as 51% (1,177megawatts) of NIPSCO's nameplate generation capacity is from coal. NiSource remains on track to retire R.M Schahfer's remaining two coal units by YE 2025. Michigan City will retire by 2028 subject to approval by Midcontinent Independent System Operator, NiSource proposed that the retiring units be replaced by demand-side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire by 2028. NISPCO proposed a natural gas peaking unit to replace these units in its 2021 Integrated Resource Plan.

**Credit Metrics:** Over the last three years, NiSource's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged around 6x. Fitch expects FFO leverage to improve and average in the mid-5x range in the next few years.

**Parent Sub Linkage:** There is parent subsidiary linkage between NiSource and NIPSCO. Access and control are open. NiSource's operating subsidiaries, including NIPSCO, rely on NiSource solely for liquidity and capital access. 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. NIPSCO's standalone credit profile is not analytically meaningful. As such, NiSource and NIPSCO's IDRs are equalized and reflect NiSource's consolidated credit profile.

## Financial Summary

**NiSource Inc.**

| ($ mil.) | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| Gross revenue | 5,209 | 4,682 | 4,900 | 5,851 |
| EBITDA | 1,996 | 1,653 | 1,717 | 2,071 |
| CFO (Fitch-defined) | 1,512 | 1,026 | 1,133 | 1,316 |
| Debt | 9,952 | 10,078 | 10,135 | 11,657 |
| FFO interest coverage (x) | 4.8 | 4.1 | 4.6 | 4.7 |
| FFO leverage (x) | 5.1 | 6.1 | 5.9 | 6.3 |
| EBITDA leverage (x) | 5.0 | 6.1 | 5.9 | 5.6 |

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

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## Rating Derivation Relative to Peers

NiSource's fully regulated business model provides predictable earnings and cash flow, similar to Southern Company Gas (BBB+/Stable), which has natural gas distribution utility operations in four states , but also a long-term contracted pipeline investments, and a modest exposure to non-regulated natural gas marketing business. NiSource'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, NiSource's subsidiary NIPSCO has coal generation.

However, NiSource's operation is diversified and gas focused compared with IPALCO's single-state electric generation. Both NiSource and IPALCO are executing a large capex program. Fitch expects NiSource and IPALCO's FFO leverage to be in the mid-5x and around 6.0x respectively 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 NiSource, as it depends on NiSource for funding. IPL's rating is upward constrained by the ownership of IPALCO, which relies on IPL solely to service its debt obligations.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- NiSource and NIPSCO could be upgraded if the consolidated FFO leverage is sustained below 5.0x.

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Consolidated FFO leverage sustains above 6.0x with low probability of recovery;
- Material adverse changes in NiSource's regulatory construct that result in unexpected lag or disallowance in recovering capex.

## Liquidity and Debt Structure

**Adequate Liquidity:** NiSource has adequate liquidity and access to capital markets. NiSource currently maintains a $1.85 billion revolving credit facility with a termination date of Feb. 18, 2027. The purpose of the facility is to fund ongoing working capital requirements including liquidity support 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. At June, 2023, NiSource had $1.8 billion available liquidity including cash on hand and the revolver. In addition, the regulated utilities' liquidity is also supported by accounts receivable securitization program which has $400 million availability.

NiSource has been actively refinancing its debt maturities with longer tenor and lower interest rates over the years. This resulted in very manageable debt maturities and very modest need for refinancing in the near term. The weighted average maturities is 13 years and weight average interest rate is 3.93% as of June 30, 2023 compared with the most recent issuances with coupon of 5.2% to 5.4%. The next major maturity is $1.25 billion 0.95% senior notes due in 2025. And then May 2027 3.49% notes are due. Higher interest expenses are assumed in the forecast.

Vast majority of NiSource long-term debt is fixed rate, which mitigate interest rate risk, except for a $1.0 billion term credit agreement, which matures on March 15, 2024 with an interest rate of SOFR plus 105bps.

NiSource has always utilized an ATM equity program that allows it to issue common stock from time to time. It plans to issue ATM equity starting in 2025.

## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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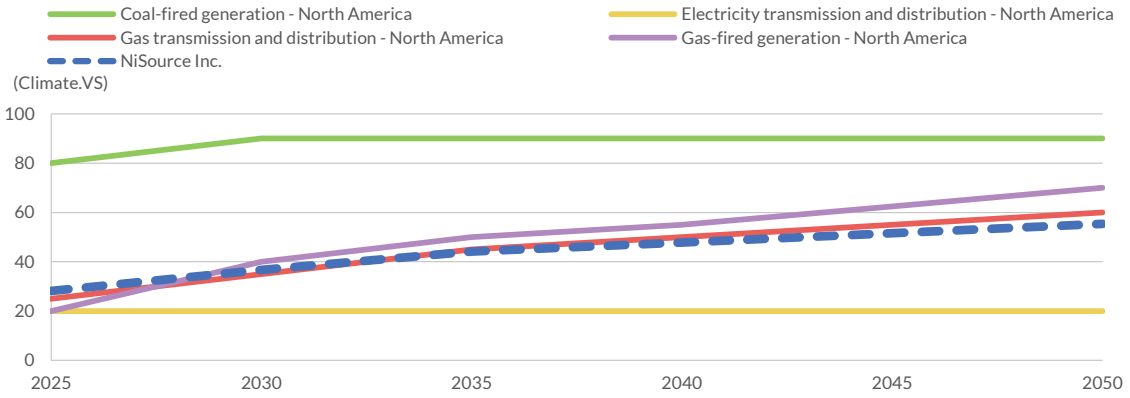

## Climate Vulnerability Considerations

Fitch's *Climate Vulnerability in Corporate Ratings Criteria* report describes how we use Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). Click here for the Criteria.

NiSource's 2021 revenue-weighted Climate Vulnerability Signal (Climate. VS) is close to average at '44' in 2035. The signal reflects its utilities' natural gas distribution operations (approximately 70% of revenue), electric transmission and distribution operations and the remaining coal and gas generation. NiSource's gas utilities reduce methane emissions through modernization and advanced leak detection and repair of the gas distribution systems. The company also has a well-articulated plan to exit coal and replace it with renewable resources. The company is on track to reduce 90% of greenhouse gas emissions by 2030. For further information on how Fitch perceives climate-related risks in the Utilities sector see *Utilities - Long-Term Climate Vulnerability Signals Update*.

### Climate.VS Evolution

As of Dec. 31, 2022




Source: Fitch Ratings

## Liquidity and Debt Maturities

### Liquidity Analysis — NiSource Inc.

| ($ mil.) | 12/31/22 |
|---|---|
| Total cash and cash equivalents | 75 |
| Short-term investments | 0 |
| Less not readily available cash and cash equivalents | 35 |
| **Fitch-defined readily available cash and cash equivalents** | **41** |
| Availability under committed lines of credit | 1,425 |
| **Total liquidity** | **1,466** |
| LTM EBITDA after associates and minorities | 2,065 |
| LTM FCF | -1,592 |

Source: Fitch Ratings, Fitch Solutions, NiSource Inc.

### Scheduled Debt Maturities — NiSource Inc.

| (USD mil.) | 12/31/22 |
|---|---|
| 2023 | 1,762 |
| 2024 | 0 |
| 2025 | 1,260 |
| 2026 | 0 |
| 2027 | 1,090 |
| Thereafter | 7,545 |

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| | |
|---|---|
| **Total** | **11,657** |

Source: Fitch Ratings, Fitch Solutions, NiSource Inc.

## Key Assumptions

### Fitch's Key Assumptions Within Our Rating Case for the Issuer Include

- Approximately $15 billion capex for 2023–2027, including $2 billion–$2.2 billion in first round of renewable investments in Indiana;
- Normal weather;
- Assume $2.1 billion sale proceeds from the NIPSCO transaction;
- Remarketing the same mandatory converts in 2023 as indicated in the public financial statements.

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## Financial Data

**NiSource Inc.**

| ($ mil.) | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Summary income statement** | | | | |
| Gross revenue | 5,209 | 4,682 | 4,900 | 5,851 |
| Revenue growth (%) | 1.8 | -10.1 | 4.7 | 19.4 |
| EBITDA before income from associates | 1,996 | 1,653 | 1,717 | 2,071 |
| EBITDA margin (%) | 38.3 | 35.3 | 35.0 | 35.4 |
| EBITDA after associates and minorities | 1,996 | 1,653 | 1,717 | 2,065 |
| EBITDAR | 2,041 | 1,708 | 1,717 | 2,071 |
| EBITDAR margin (%) | 39.2 | 36.5 | 35.0 | 35.4 |
| EBIT | 1,294 | 950 | 998 | 1,282 |
| EBIT margin (%) | 24.8 | 20.3 | 20.4 | 21.9 |
| Gross interest expense | -375 | -367 | -336 | -360 |
| Pretax income including associate income/loss | 507 | -31 | 707 | 956 |
| **Summary balance sheet** | | | | |
| Readily available cash and equivalents | 139 | 117 | 84 | 41 |
| Debt | 9,952 | 10,078 | 10,135 | 11,657 |
| Lease-adjusted debt | 10,309 | 10,516 | 10,135 | 11,657 |
| Net debt | 9,813 | 9,962 | 10,051 | 11,616 |
| **Summary cash flow statement** | | | | |
| EBITDA | 1,996 | 1,653 | 1,717 | 2,071 |
| Cash interest paid | -346 | -345 | -318 | -342 |
| Cash tax | -11 | -1 | -5 | -7 |
| Dividends received less dividends paid to minorities (inflow/outflow) | — | — | -1 | -6 |
| Other items before FFO | -40 | -9 | -3 | -193 |
| FFO | 1,551 | 1,249 | 1,340 | 1,472 |
| FFO margin (%) | 29.8 | 26.7 | 27.3 | 25.2 |
| Change in working capital | -40 | -223 | -206 | -156 |
| CFO (Fitch-defined) | 1,512 | 1,026 | 1,133 | 1,316 |
| Total non-operating/nonrecurring cash flow | — | — | — | — |
| Capex | -1,802 | -1,843 | -2,078 | -2,527 |
| Capital intensity (capex/revenue) (%) | 34.6 | 39.4 | 42.4 | 43.2 |
| Common dividends | -299 | -322 | -345 | -382 |
| FCF | -589 | -1,140 | -1,290 | -1,592 |
| FCF margin (%) | -11.3 | -24.3 | -26.3 | -27.2 |
| Net acquisitions and divestitures | — | 1,116 | 1 | — |
| Other investing and financing cash flow items | -123 | -293 | 86 | -69 |
| Net debt proceeds | 494 | 82 | 31 | 1,488 |
| Net equity proceeds | 244 | 211 | 1,140 | 154 |
| Total change in cash | 27 | -23 | -32 | -20 |
| **Leverage ratios (x)** | | | | |
| EBITDA leverage | 5.0 | 6.1 | 5.9 | 5.6 |
| EBITDA net leverage | 4.9 | 6.0 | 5.9 | 5.6 |
| EBITDAR leverage | 5.1 | 6.2 | 5.9 | 5.6 |
| EBITDAR net leverage | 5.0 | 6.1 | 5.9 | 5.6 |
| EBITDAR net fixed-charge coverage | 5.3 | 4.3 | 5.5 | 6.1 |

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| NiSource Inc. | | | | |
|---|---|---|---|---|
| ($ mil.) | 2019 | 2020 | 2021 | 2022 |
| FFO adjusted leverage | 5.2 | 6.2 | 5.9 | 6.3 |
| FFO adjusted net leverage | 5.1 | 6.1 | 5.9 | 6.2 |
| FFO leverage | 5.1 | 6.1 | 5.9 | 6.3 |
| FFO net leverage | 5.0 | 6.1 | 5.9 | 6.2 |
| **Calculations for forecast publication** | | | | |
| Capex, dividends, acquisitions and other items before FCF | -2,101 | -1,049 | -2,423 | -2,909 |
| FCF after acquisitions and divestitures | -589 | -24 | -1,290 | -1,592 |
| FCF margin after net acquisitions (%) | -11.3 | -0.5 | -26.3 | -27.2 |
| **Coverage ratios (x)** | | | | |
| FFO interest coverage | 4.8 | 4.1 | 4.6 | 4.7 |
| FFO fixed-charge coverage | 4.5 | 3.7 | 4.6 | 4.7 |
| EBITDAR fixed-charge coverage | 5.2 | 4.3 | 5.4 | 6.0 |
| EBITDA interest coverage | 5.8 | 4.8 | 5.4 | 6.0 |
| **Additional metrics (%)** | | | | |
| CFO-capex/debt | -2.9 | -8.1 | -9.3 | -10.4 |
| CFO-capex/net debt | -3.0 | -8.2 | -9.4 | -10.4 |
| CFO/capex | 83.9 | 55.6 | 54.5 | 52.1 |

CFO – Cash flow from operations
Source: Fitch Ratings, Fitch Solutions

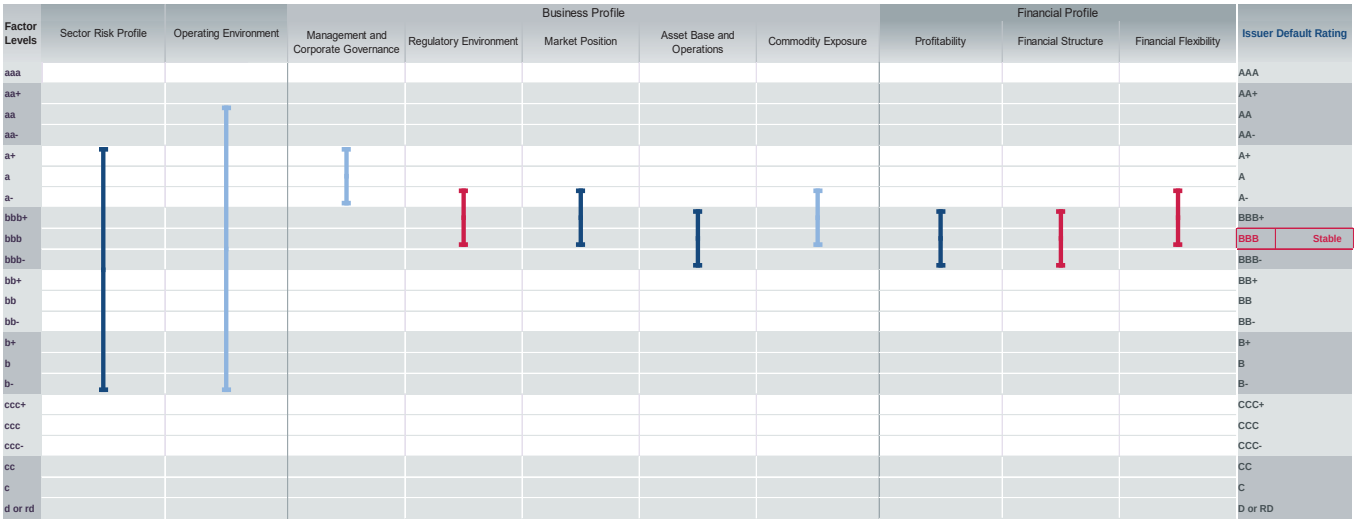
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## Ratings Navigator

FitchRatings **NiSource Inc.** ESG Relevance:

**Corporates Ratings Navigator**
North American Utilities




| Bar Chart Legend: | |
|---|---|
| Vertical Bars = Range of Rating Factor | Bar Arrows = Rating Factor Outlook |
| Bar Colors = Relative Importance | ⇧ Positive |
| Higher Importance | ⇩ Negative |
| Average Importance | ⇳ Evolving |
| Lower Importance | ▭ Stable |

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FitchRatings

# NiSource Inc.

Corporates Ratings Navigator
North American 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+ | | | | |

## Regulatory Environment

| | | | | |
|---|---|---|---|---|
| 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 Position

| | | | | |
|---|---|---|---|---|
| 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- | | EBITDA Leverage | bb | 4.75x |
| bbb+ | | FFO Leverage | bbb | 5.0x |
| bbb | | | | |
| bbb- | | | | |
| bb+ | | | | |

## Financial Flexibility

| | | | | |
|---|---|---|---|---|
| a | | Financial Discipline | bbb | Less conservative policy, but generally applied consistently. |
| a- | | Liquidity | | Very comfortable liquidity. No need to use external funding in the next 12 months even under a severe stress scenario. Well-spread debt maturity schedule. Diversified sources of funding. |
| bbb+ | | FFO Interest Coverage | bbb | 4.5x |
| bbb | | | | |
| bbb- | | | | |

**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

Overall ESG

| | | | | |
|---|---|---|---|---|
| NiSource Inc. has 12 ESG potential rating drivers | key driver | 0 | issues | 5 |
| Emissions from operations | driver | 0 | issues | 4 |
| Fuel use to generate energy and serve load | potential driver | 12 | issues | 3 |
| Impact of waste from operations | not a rating driver | 2 | issues | 2 |
| Plants' and networks' exposure to extreme weather | | 0 | issues | 1 |
| Product affordability and access | | | | |
| Quality and safety of products and services; data security | | | | |

Showing top 6 issues

For further details on Credit-Relevant ESG scoring, see page 3.

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FitchRatings

# NiSource Inc.

Corporates Ratings Navigator
North American 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.

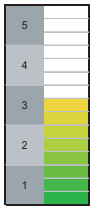
Showing top 6 issues

| | | | ESG Relevance to Credit Rating |
|---|---|---|---|
| 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) Relevance Scores

| 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 |

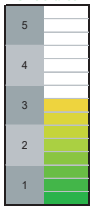
E Relevance




## Social (S) Relevance Scores

| 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 |

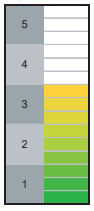
S Relevance




## Governance (G) Relevance Scores

| 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 Relevance




**How to Read This Page**

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

**The Environmental (E), Social (S) and Governance (G) tables** break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

**The Credit-Relevant ESG Derivation** table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.

**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), the Sustainability Accounting Standards Board (SASB), and the World Bank.

**CREDIT-RELEVANT ESG SCALE**

How relevant are E, S and G issues to the overall credit rating?

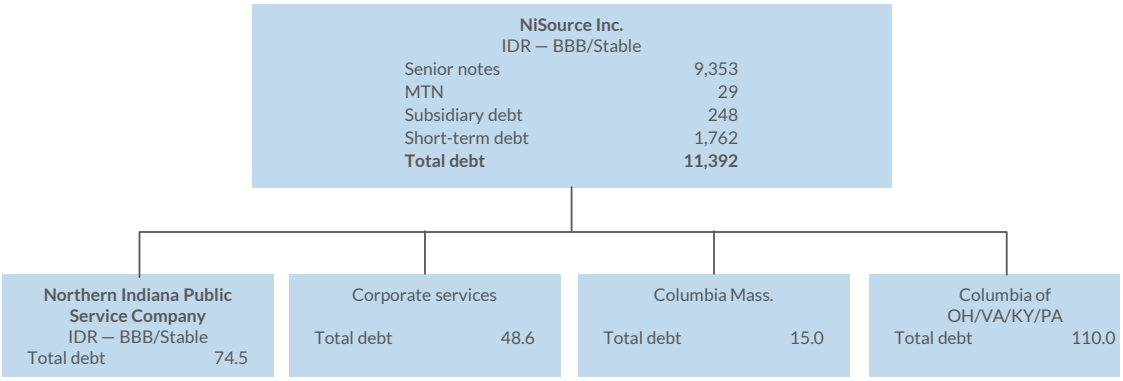
| | |
|---|---|
| 5 | Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator. |
| 4 | Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator. |
| 3 | Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator. |
| 2 | Irrelevant to the entity rating but relevant to the sector. |
| 1 | Irrelevant to the entity rating and irrelevant to the sector. |

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## Simplified Group Structure Diagram

**Organizational Structure**
$ mil., as of Dec. 31, 2022




IDR – Issuer Default Rating. Note: Debt includes finance leases.
Source: Fitch Ratings, Fitch Solutions, NiSource Inc.

## Peer Financial Summary

| Company | Issuer Default Rating | Financial statement date | Gross revenue ($ mil.) | FFO leverage (x) | FFO interest coverage (x) | FFO ($ mil.) | EBITDA leverage (x) |
|---|---|---|---|---|---|---|---|
| NiSource Inc. | BBB | | | | | | |
| | BBB | 2022 | 5,851 | 6.3 | 4.7 | 1,472 | 5.6 |
| | BBB | 2021 | 4,900 | 5.9 | 4.6 | 1,340 | 5.9 |
| | BBB | 2020 | 4,682 | 6.1 | 4.1 | 1,249 | 6.1 |
| Southern Company Gas | BBB+ | | | | | | |
| | BBB+ | 2022 | 5,962 | 4.6 | 6.5 | 1,461 | 5.3 |
| | BBB+ | 2021 | 4,380 | 4.5 | 3.6 | 1,248 | 5.3 |
| | BBB+ | 2020 | 3,434 | 4.7 | 5.8 | 1,156 | 5.1 |
| IPALCO Enterprises, Inc. | BBB– | | | | | | |
| | BBB– | 2022 | 1,792 | 6.7 | 3.8 | 335 | 6.1 |
| | BBB– | 2021 | 1,426 | 6.0 | 3.9 | 349 | 5.5 |
| | BBB– | 2020 | 1,353 | 5.9 | 3.8 | 351 | 5.5 |
| Indianapolis Power & Light Company | BBB+ | | | | | | |
| | BBB+ | 2022 | 1,792 | 4.9 | 5.3 | 359 | 4.3 |
| | BBB+ | 2021 | 1,426 | 4.1 | 5.4 | 375 | 3.7 |
| | BBB+ | 2020 | 1,353 | 4.1 | 5.3 | 375 | 3.7 |
| Indiana Michigan Power Company | A– | | | | | | |
| | A– | 2022 | 2,670 | 3.8 | 6.9 | 723 | 3.4 |
| | A– | 2021 | 2,327 | 3.8 | 7.1 | 689 | 3.5 |
| | BBB+ | 2020 | 2,242 | 3.1 | 8.5 | 821 | 3.4 |

Source: Fitch Ratings, Fitch Solutions

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## Fitch Adjusted Financials

### NiSource Inc.

| ($ mil. as of 31 Dec 2022) | Notes and formulas | Standardized values | Fair value and other debt adjustments | Lease treatment | Other adjustments | Adjusted values |
|---|---|---|---|---|---|---|
| **Income statement summary** | | | | | | |
| Revenue | | 5,851 | — | — | — | 5,851 |
| EBITDA | (a) | 2,087 | — | -40 | 25 | 2,071 |
| Depreciation and amortization | | -821 | — | 32 | -0 | -789 |
| EBIT | | 1,266 | — | -9 | 25 | 1,282 |
| **Balance sheet summary** | | | | | | |
| Debt | (b) | 11,756 | 76 | -175 | 0 | 11,657 |
| Of which other off-balance-sheet debt | | — | — | — | — | — |
| Lease-equivalent debt | | — | — | — | — | — |
| Lease-adjusted debt | | 11,756 | 76 | -175 | 0 | 11,657 |
| Readily available cash and equivalents | (c) | 41 | — | — | — | 41 |
| Not readily available cash and equivalents | | 35 | — | — | — | 35 |
| **Cash flow summary** | | | | | | |
| EBITDA | (a) | 2,087 | — | -40 | 25 | 2,071 |
| Dividends received from associates less dividends paid to minorities | (d) | -6 | — | — | — | -6 |
| Interest paid | (e) | -344 | — | 9 | -7 | -342 |
| Interest received | (f) | 4 | — | — | — | 4 |
| Preferred dividends paid | (g) | -55 | — | — | — | -55 |
| Cash tax paid | | -7 | — | — | — | -7 |
| Other items before FFO | | -175 | — | — | -18 | -193 |
| FFO | (h) | 1,504 | — | -32 | 0 | 1,472 |
| Change in working capital | | -156 | — | — | — | -156 |
| CFO | (i) | 1,348 | — | -32 | 0 | 1,316 |
| Non-operating/nonrecurring cash flow | | — | — | — | — | — |
| Capex | (j) | -2,527 | — | — | — | -2,527 |
| Common dividends paid | | -382 | — | — | — | -382 |
| FCF | | -1,560 | — | -32 | 0 | -1,592 |
| **Gross leverage (x)** | | | | | | |
| EBITDA leverage | b / (a+d) | 5.7 | — | — | — | 5.6 |
| FFO leverage | b / (h-e-f-g) | 6.2 | — | — | — | 6.3 |
| (CFO-capex)/debt (%) | (i+j) / b | -10.0 | — | — | — | -10.4 |
| **Net leverage (x)** | | | | | | |
| EBITDA net leverage | (b-c) / (a+d) | 5.7 | — | — | — | 5.6 |
| FFO net leverage | (b-c) / (h-e-f-g) | 6.2 | — | — | — | 6.2 |
| (CFO-capex)/net debt (%) | (i+j) / (b-c) | -10.0 | — | — | — | -10.4 |
| **Coverage (x)** | | | | | | |
| EBITDA interest coverage | (a+d) / (-e) | 6.1 | — | — | — | 6.0 |
| FFO interest coverage | (h-e-f-g) / (-e-g) | 4.8 | — | — | — | 4.7 |

CFO – Cash flow from operations. Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly. Debt includes other off-balance-sheet debt.
Source: Fitch Ratings, Fitch Solutions, NiSource Inc.

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SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

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22-Feb-2024 | 21:00 EST

# Annual Review For NiSource Inc.

This publication does not constitute a rating action.

S&P Global Ratings has performed annual reviews of the credit ratings of this issuer. When applicable, this review would include the review of the issuer's subsidiaries or associated entities.

In an annual review, S&P Global Ratings reviews current credit ratings against the latest issuers/issues performance data as well as any recent market developments. Annual reviews may, depending on their outcome, result in a referral of a credit rating for a committee review, which may result in a credit rating action. This publication is not an indication of whether or not a credit rating action is likely in the near future.

Please refer to the below information for the key elements considered during this review and underlying the current credit rating.

## Rating Component Scores

| | |
|---|---|
| Business risk | Excellent |
| Country risk | Very Low Risk |

| | |
|---|---|
| Industry risk | Very Low Risk |
| Competitive position | Strong |
| Financial risk | Significant |
| Cash flow/leverage | Significant |
| Anchor | a- |
| Diversification/portfolio effect | Neutral (no impact) |
| Capital structure | Neutral (no impact) |
| Financial policy | Neutral (no impact) |
| Liquidity | Adequate (no impact) |
| Management and governance | Neutral (no impact) |
| Comparable rating analysis | Negative (-1 notch) |
| Stand-alone credit profile | bbb+ |
| Current Credit Rating | |

| | |
|---|---|
| Foreign currency issuer credit rating | BBB+/Stable/A-2 |
| Local currency issuer credit rating | BBB+/Stable/A-2 |

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FitchRatings

RATING ACTION COMMENTARY

# Fitch Rates NiSource Inc.'s Senior Notes 'BBB'

Mon 11 Mar, 2024 - 1:19 PM ET

Fitch Ratings - New York - 11 Mar 2024: Fitch Ratings has assigned a 'BBB' rating to NiSource Inc.'s (NI) offering of senior unsecured notes. NI's Fitch-rated Long-Term Issuer Default Rating (IDR) is 'BBB', and the Rating Outlook is Stable.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. Furthermore, the recent closing of the partial sale of 19.9% of Northern Indiana Public Service Company (NIPSCO; BBB/Stable) will provide additional funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

**NIPSCO Sale:** On Dec. 31, 2023, NI completed the sale of a 19.9% non-controlling equity interest in NIPSCO for $2.16 billion. Fitch expects NI to use the proceeds to reduce leverage, fund capex program and maintain FFO leverage consistent with its 'BBB' IDR.

**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. The gas rate base is approximately 65% the total rate base. Pro forma for the NIPSCO transaction, the gas rate base will be approximately 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates. Four states have legislations that prohibit municipalities from banning natural gas use. Fitch considers Ohio, Pennsylvania and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

**Supportive Regulation:** 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. All of NI's gas utilities use infrastructure trackers

except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Kentucky and Ohio have authorized ROEs of 9.85%, 9.35% and 9.60% respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%. Maryland did not have a specified ROE in its latest 2023 rate case.

NIPSCO electric's authorized ROE is 9.80%, compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**NIPSCO Last Rate Case Constructive:** Fitch views NIPSCO's last electric rate case settlement and final order favorably. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE is higher than the industry average of mid-9%. Under the settlement, NIPSCO would withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT would allow a few categories of costs than the VCT and would total about $29.9 million annually. The commission fully adopted and approved the settlement in August 2023.

**Large Capex:** Capex continues to rise. Over the next five years, annual capex will average around $3 billion, compared with approximately $1.9 billion in 2020-2022. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties. Rate base expects to grow at an annual rate of about 8%-10%.

**Cleaner Generation:** NI plans to retire all coal generation by 2028. As of Dec. 31, 2023, Forty-two percent (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by MISO. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire by 2028. NISPCO proposed a natural gas peaking unit to replace these units in its 2021 Integrated Resource Plan.

**Credit Metrics:** Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged around 6.0x. Fitch expects FFO leverage to improve and average in the mid 5x range in the next few years following debt paydown from NIPSCO's sale proceeds.

**Parent Sub Linkage:** NiSource and NIPSCO's standalone credit profiles are the same. NIPSCO has very small amount of debt as it relies NiSource solely for liquidity and capital access. NiSource has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt which will be repaid as they mature. NIPSCO's standalone credit profile is not analytically meaningful.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects both NI and IPALCO's FFO leverage to be in the high-5x for the next few years. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

## KEY ASSUMPTIONS

--Capex in line with company's projections;

--Normal weather;

--Assume company will use sale proceeds from the NIPSCO transaction for fund capex and reduce leverage.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--NI could be upgraded if consolidated FFO leverage is sustained below 5.0x.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capital spending.

## LIQUIDITY AND DEBT STRUCTURE

Ni continues to have sufficient liquidity. As of Dec. 31, 2023, it had about $2.2 billion of unrestricted cash and $790 million availability under its $1.85 billion unsecured revolving credit facility.

NI is required to maintain total debt to total capitalization that does not in exceed 0.70 to 1 under the credit facility. There are no debt maturities in 2024 and about $1.26 billion due in 2025.

## ISSUER PROFILE

NiSource Inc. is an energy holding company whose primary subsidiaries are fully regulated natural gas and electric utility companies, serving approximately 3.8 million customers in six states.

## DATE OF RELEVANT COMMITTEE

09 June 2023

## 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.

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## RATING ACTIONS

| ENTITY / DEBT | RATING | | | PRIOR |
|---|---|---|---|---|
| NiSource Inc. | | | | |
| senior unsecured | LT | BBB | New Rating | BBB(EXP) |

VIEW ADDITIONAL RATING DETAILS

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## APPLICABLE CRITERIA

Corporate Hybrids Treatment and Notching Criteria (pub. 12 Nov 2020)

Corporates Recovery Ratings and Instrument Ratings Criteria - Effective from 9 April 2021 to 13 October 2023 (pub. 09 Apr 2021) (including rating assumption sensitivity)

Parent and Subsidiary Linkage Rating Criteria - Effective from 1 December 2021 to 16 June 2023 (pub. 01 Dec 2021)

Corporate Rating Criteria - Effective from 28 October 2022 to 3 November 2023 (pub. 28 Oct 2022) (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), v8.1.0 (1)

## ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

## ENDORSEMENT STATUS

| | |
|---|---|
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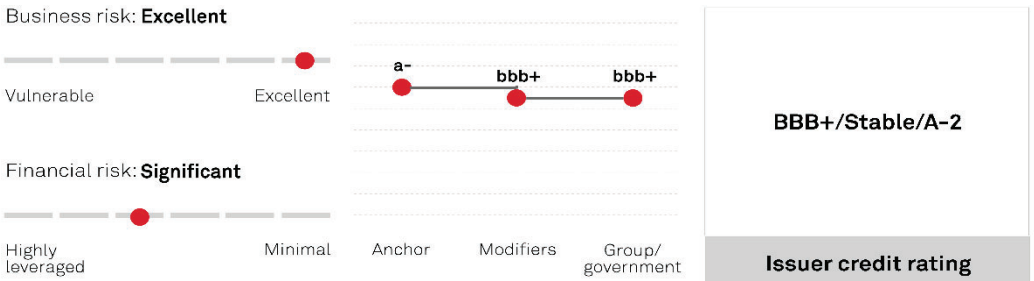
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# NiSource Inc.

**March 28, 2024**

## Ratings Score Snapshot




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## Credit Highlights

### Overview

| Key strengths | Key risks |
|---|---|
| Lower-risk regulated and vertically integrated electric and gas distribution operations | Robust capital spending plan mostly for renewable energy transition and investments in electric and natural gas infrastructure to enhance safety and reliability |
| Effective management of regulatory risk through continued use of regulatory mechanisms in credit-supportive jurisdictions | Continued negative discretionary cash flow driven by robust capital spending, indicating external funding needs |
| Solid customer base and geographic and regulatory diversity with a large service territory across six states | |

**We expect NiSource Inc.'s minority interest sale of subsidiary Northern Indiana Public Service Co. LLC (NIPSCO) will support the company's financial measures.** On Dec. 31, 2023, NiSource completed the sale of a 19.9% equity stake in NIPSCO to Blackstone Infrastructure Partners (BIP) for about $2.16 billion of cash and $250 million in contractual obligations to support ongoing capital requirements. NiSource will continue to operate NIPSCO and retain its majority ownership with an 80.1% share while BIP has certain limited minority rights. S&P Global

Ratings expects NiSource will use the proceeds from the minority sale to strengthen its balance sheet and fund the robust capital spending needs related to its energy transition. Specifically, we expect NiSource's financial measures will remain at the lower end of the range for its financial risk profile category, with funds from operations (FFO) to debt of about 14%-16% through 2026.

**We expect capital spending will remain robust.** NiSource plans to spend about $16 billion from 2024 to 2028 to harden its systems, enhance safety and reliability, and support its clean energy transition plan. The company aims to achieve net zero greenhouse gas (GHG) emissions by 2040, as well as reduce about 90% of its scope 1 GHG emissions by 2030 and 50% of methane emissions from gas mains and services by 2025 relative to 2005 levels. As of 2022, NiSource had reduced scope 1 GHG emissions by about 67% from 2005 levels. In addition, the company expects to retire the remaining two coal units of its Schahfer Generating Station by the end of 2025, be coal free by 2028, and increase clean energy resources with capital investments for renewable projects.

**NiSource operates under constructive regulatory frameworks.** We expect the company will continue to effectively manage regulatory risk across its six jurisdictions through the use of various regulatory mechanisms and riders for cost recovery of infrastructure investments, supporting its credit quality. In addition, NiSource's subsidiary, NIPSCO, filed its natural gas rate case with the Indiana Utility Regulatory Commission in October 2023, requesting a two-step base rate increase totaling $161.9 million premised upon a 10.70% return on equity. The rate case outcome is pending. The company expects rates effective September 2024.

# Outlook

The stable outlook reflects our expectation that NiSource will continue to effectively manage its regulatory risk across its six regulatory jurisdictions and execute its clean energy transition plans, including the retirement of its coal-fired generation plants in Indiana. The stable outlook also reflects the company's sale of a minority stake in NIPSCO, which will strengthen NiSource's balance sheet and increase our anticipation it will maintain consolidated FFO to debt, which we expect will be 14%-16% through 2026.

## Downside scenario

We could lower our issuer credit rating on NiSource over the next 24 months if its ability to manage its regulatory risk weakened or its FFO to debt fell consistently below 13%.

## Upside scenario

We could raise our issuer credit rating on NiSource over the next 24 months if its FFO to debt improved consistently above 16% and it were able to effectively manage its regulatory risk throughout its service territories.

# Our Base-Case Scenario

### Assumptions

- Modest customer growth.
- Continued use of regulatory mechanisms and rate cases.

- Annual capital spending averaging roughly $3.4 billion through 2026.
- Minimal cash balance assumed.
- All debt maturities to be refinanced.

## Key metrics

**NiSource Inc. --Key Metrics***

| | 2023a | 2024e | 2025f | 2026f |
|---|---|---|---|---|
| FFO to debt (%) | 14.0 | 14-16 | 14-16 | 14-16 |
| Debt to EBITDA (x) | 5.5 | 5.0-5.5 | 5.0-5.5 | 5.0-5.5 |

*All figures adjusted by S&P Global Ratings. FFO—Funds from operations. a--Actual. e--Estimate. f--Forecast.

# Company Description

NiSource, 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. The company serves more than 3.3 million natural gas customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, and Indiana. NiSource also generates, transmits, and distributes electricity and wholesale and transmission transaction services, serving about 500,000 electricity customers in northern Indiana.

# Peer Comparison

**NiSource Inc.--Peer Comparisons**

| | NiSource Inc. | CenterPoint Energy Inc. | Atmos Energy Corp. | ONE Gas Inc. |
|---|---|---|---|---|
| Foreign currency issuer credit rating | BBB+/Stable/A-2 | BBB+/Negative/A-2 | A-/Stable/A-2 | A-/Stable/A-2 |
| Local currency issuer credit rating | BBB+/Stable/A-2 | BBB+/Negative/A-2 | A-/Stable/A-2 | A-/Stable/A-2 |
| Period | Annual | Annual | Annual | Annual |
| Period ending | 2023-12-31 | 2023-12-31 | 2023-09-30 | 2022-12-31 |
| Mil. | $ | $ | $ | $ |
| Revenue | 5,505 | 8,523 | 4,274 | 2,555 |
| EBITDA | 2,262 | 3,082 | 1,725 | 574 |
| Funds from operations (FFO) | 1,753 | 2,107 | 1,429 | 410 |
| Interest | 576 | 773 | 163 | 81 |
| Cash interest paid | 499 | 760 | 281 | 97 |

**NiSource Inc.--Peer Comparisons**

| | | | | |
|---|---|---|---|---|
| Operating cash flow (OCF) | 1,881 | 3,614 | 3,471 | 1,544 |
| Capital expenditure | 2,590 | 4,369 | 2,790 | 605 |
| Free operating cash flow (FOCF) | (708) | (755) | 681 | 939 |
| Discretionary cash flow (DCF) | (1,572) | (2,065) | 250 | 802 |
| Cash and short-term investments | 2,245 | 541 | 15 | 10 |
| Gross available cash | 2,245 | 541 | 15 | 10 |
| Debt | 12,494 | 19,067 | 6,775 | 2,644 |
| Equity | 9,893 | 9,667 | 10,870 | 2,584 |
| EBITDA margin (%) | 41.1 | 36.2 | 40.3 | 22.5 |
| Return on capital (%) | 6.5 | 6.5 | 6.5 | 5.9 |
| EBITDA interest coverage (x) | 3.9 | 4.0 | 10.6 | 7.1 |
| FFO cash interest coverage (x) | 4.5 | 3.8 | 6.1 | 5.2 |
| Debt/EBITDA (x) | 5.5 | 6.2 | 3.9 | 4.6 |
| FFO/debt (%) | 14.0 | 11.1 | 21.1 | 15.5 |
| OCF/debt (%) | 15.1 | 19.0 | 51.2 | 58.4 |
| FOCF/debt (%) | (5.7) | (4.0) | 10.0 | 35.5 |
| DCF/debt (%) | (12.6) | (10.8) | 3.7 | 30.3 |

# Business Risk

Our assessment of business risk reflects NiSource's lower-risk, regulated, and vertically integrated electric and gas distribution operations with a solid customer base, geographic and regulatory diversity, and effective management of regulatory risk in its jurisdictions. We expect the company will continue to benefit from a credit-supportive regulatory framework across its service territories in six jurisdictions and recover costs related to investments in infrastructure through rate-case filings and regulatory riders. We also expect NiSource will continue to execute its clean energy transition plans and is on track to eliminate all of its coal-fired generation by 2028.

# 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 S&P Global Ratings-adjusted FFO to total debt will be in the 14%-16% range throughout the outlook period. This reflects cost recovery through the use of various recovery mechanisms, including future rate case filings and regulatory riders, as well as robust capital spending. We also assume dividends averaging roughly $540 million through 2026. In addition, 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.

**NiSource Inc.--Financial Summary**

| Period ending | Dec-31-2018 | Dec-31-2019 | Dec-31-2020 | Dec-31-2021 | Dec-31-2022 | Dec-31-2023 |
|---|---|---|---|---|---|---|

## NiSource Inc.--Financial Summary

| Reporting period | 2018a | 2019a | 2020a | 2021a | 2022a | 2023a |
|---|---|---|---|---|---|---|
| Display currency (mil.) | $ | $ | $ | $ | $ | $ |
| Revenues | 5,115 | 5,209 | 4,682 | 4,900 | 5,851 | 5,505 |
| EBITDA | 1,815 | 1,867 | 1,738 | 1,811 | 2,029 | 2,262 |
| Funds from operations (FFO) | 1,397 | 1,470 | 1,359 | 1,455 | 1,641 | 1,753 |
| Interest expense | 414 | 415 | 419 | 385 | 415 | 576 |
| Cash interest paid | 415 | 386 | 380 | 351 | 381 | 499 |
| Operating cash flow (OCF) | 520 | 1,565 | 1,093 | 1,205 | 1,383 | 1,881 |
| Capital expenditure | 1,774 | 1,776 | 1,737 | 1,819 | 2,175 | 2,590 |
| Free operating cash flow (FOCF) | (1,254) | (211) | (643) | (613) | (792) | (708) |
| Discretionary cash flow (DCF) | (1,536) | (559) | (1,013) | (1,007) | (1,227) | (1,572) |
| Cash and short-term investments | 113 | 139 | 117 | 84 | 41 | 2,245 |
| Gross available cash | 113 | 139 | 117 | 84 | 41 | 2,245 |
| Debt | 9,876 | 10,375 | 10,489 | 10,375 | 11,806 | 12,494 |
| Common equity | 5,311 | 5,547 | 5,398 | 6,833 | 7,462 | 9,893 |
| **Adjusted ratios** | | | | | | |
| EBITDA margin (%) | 35.5 | 35.8 | 37.1 | 37.0 | 34.7 | 41.1 |
| Return on capital (%) | 8.3 | 7.0 | 6.3 | 6.3 | 6.6 | 6.5 |
| EBITDA interest coverage (x) | 4.4 | 4.5 | 4.1 | 4.7 | 4.9 | 3.9 |
| FFO cash interest coverage (x) | 4.4 | 4.8 | 4.6 | 5.2 | 5.3 | 4.5 |
| Debt/EBITDA (x) | 5.4 | 5.6 | 6.0 | 5.7 | 5.8 | 5.5 |
| FFO/debt (%) | 14.1 | 14.2 | 13.0 | 14.0 | 13.9 | 14.0 |
| OCF/debt (%) | 5.3 | 15.1 | 10.4 | 11.6 | 11.7 | 15.1 |
| FOCF/debt (%) | (12.7) | (2.0) | (6.1) | (5.9) | (6.7) | (5.7) |
| DCF/debt (%) | (15.5) | (5.4) | (9.7) | (9.7) | (10.4) | (12.6) |

## Reconciliation Of NiSource Inc. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

| | | Debt | Shareholder Equity | Revenue | EBITDA | Operating income | Interest expense | S&PGR adjusted EBITDA | Operating cash flow | Dividends | Capital expenditure |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial year | Dec-31-2023 | | | | | | | | | | |
| Company reported amounts | | 13,923 | 8,270 | 5,505 | 2,204 | 1,296 | 490 | 2,262 | 1,935 | 471 | 2,646 |
| Cash taxes paid | | - | - | - | - | - | - | (9) | - | - | - |
| Cash interest paid | | - | - | - | - | - | - | (434) | - | - | - |
| Lease liabilities | | 240 | - | - | - | - | - | - | - | - | - |
| Operating leases | | - | - | - | 11 | 2 | 2 | (2) | 10 | - | - |
| Intermediate hybrids (equity) | | 243 | (243) | - | - | - | 8 | (8) | (8) | (8) | - |
| Postretirement benefit obligations/ deferred compensation | | 164 | - | - | - | - | - | - | - | - | - |

**Reconciliation Of NiSource Inc. Reported Amounts With S&P Global Adjusted Amounts (Mil. $)**

| | Debt | Shareholder Equity | Revenue | EBITDA | Operating income | Interest expense | S&PGR adjusted EBITDA | Operating cash flow | Dividends | Capital expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| Accessible cash and liquid investments | (2,245) | - | - | - | - | - | - | - | - | - |
| Capitalized interest | - | - | - | - | - | 56 | (56) | (56) | - | (56) |
| Share-based compensation expense | - | - | - | 24 | - | - | - | - | - | - |
| Asset-retirement obligations | 437 | - | - | 20 | 20 | 20 | - | - | - | - |
| Nonoperating income (expense) | - | - | - | - | 32 | - | - | - | - | - |
| Noncontrolling/ minority interest | - | 1,867 | - | - | - | - | - | - | - | - |
| Debt: Debt serviced by third parties | (266) | - | - | - | - | - | - | - | - | - |
| EBITDA - Gain/(loss) on disposals of PP&E | - | - | - | 3 | 3 | - | - | - | - | - |
| Total adjustments | (1,428) | 1,624 | - | 58 | 56 | 86 | (508) | (54) | (8) | (56) |

| S&P Global Ratings adjusted | Debt | Equity | Revenue | EBITDA | EBIT | Interest expense | Funds from Operations | Operating cash flow | Dividends | Capital expenditure |
|---|---|---|---|---|---|---|---|---|---|---|
| | 12,494 | 9,893 | 5,505 | 2,262 | 1,352 | 576 | 1,753 | 1,881 | 464 | 2,590 |

# 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 its net sources will remain positive even if its consolidated EBITDA declines 10%. We believe the company's predictable regulatory framework provides it with cash flow stability even in times of economic stress. In addition, we believe NiSource has the ability to absorb high-impact, low-probability events with limited need for refinancing. This reflects the company’s $1.85 billion revolving credit facility, maturing February 2027, as well as our belief the company can significantly scale back its high capital spending projects during stressful periods, indicative of a limited need for refinancing under such conditions. Furthermore, the assessment also reflects the company’s generally prudent risk management, sound relationships with banks (which comprises a diversified banking group), and a generally satisfactory standing in the credit markets. Overall, we believe the company could withstand adverse market circumstances during the next 12 months with sufficient liquidity to meet its obligations. The company’s next major long debt maturity is in 2025, when about $1.26 billion comes due, which we expect it will proactively address well in advance of the due date.

### Principal liquidity sources

- Cash balance of about $2.25 million as of Dec. 31, 2023;
- Credit facility of about $1.85 billion;
- Cash FFO of about $2.05 billion; and
- Minority interest sale of about $2.1 billion.

### Principal liquidity uses

- Debt maturities of about $3.07 billion, including the current portion of long-term debt and short-term borrowings, as of Dec. 31, 2023;
- Maintenance capital spending of about $1.75 billion;
- Dividends of about $500 million.

## Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of NiSource. As a vertically integrated electric generation and natural gas distribution company, NiSource has exposure to gas pipelines with potential methane leaks. We expect the company will continue implementing its plans to retire 100% of its coal generation by 2028 and investing in its electric and natural gas infrastructure to enhance safety, reliability, customer affability, and sustainability over the next few years, which we expect will provide additional environmental and customer benefits.

## 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

- As of Dec. 31, 2023. NiSource's capital structure comprises about $14.1 billion of debt, of which very little is priority debt.

### Analytical conclusions

- We rate NiSource's unsecured debt 'BBB+', the same level 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 the instrument's deferability and one notch for its subordination.

### Rating Component Scores

| | |
|---|---|
| **Foreign currency issuer credit rating** | BBB+/Stable/A-2 |
| **Local currency 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- |
| Diversification/portfolio effect | Neutral (no impact) |
| Capital structure | Neutral (no impact) |
| Financial policy | Neutral (no impact) |
| Liquidity | Adequate (no impact) |
| Management and governance | Neutral (no impact) |
| Comparable rating analysis | Negative (-1 notch) |
| **Stand-alone credit profile** | bbb+ |

## Related Criteria

- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Ratings Detail (as of March 28, 2024)*

**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**

**Bay State Gas Co.**

| | |
|---|---|
| Issuer Credit Rating | BBB+/Stable/NR |
| Senior Unsecured | BBB+ |

**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.

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FitchRatings

RATING ACTION COMMENTARY

# Fitch Assigns First Time 'BB+' Rating to NiSource's Junior Subordinated Notes

Mon 13 May, 2024 - 12:32 PM ET

Fitch Ratings - New York - 13 May 2024: Fitch Ratings has assigned a first-time 'BB+' rating to NiSource Inc's (NI; BBB/Stable) planned fixed-to-fixed rate reset junior subordinated notes. Proceeds from the offering will be used for general corporate purposes. The securities are eligible for 50% equity credit based on Fitch's hybrid methodology. Features supporting the equity categorization of these debentures include their junior subordinate priority, the option to defer interest payments on a cumulative basis for up to 10 years on each occasion and no step-up.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. Furthermore, the recent closing of the partial sale of 19.9% of Northern Indiana Public Service Company (NIPSCO; BBB/Stable) will provide additional funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

**NIPSCO Sale Completed:** On Dec. 31, 2023, NI completed the sale of a 19.9% non-controlling equity interest in NIPSCO for $2.16 billion. NI used the proceeds to pay down debt and reduce FFO leverage to levels consistent with its 'BBB' IDR.

**Low Business Risk:** NI's ratings and Rating Outlook are supported by stable cash flows and earnings from 100% regulated gas and electric utilities in six states. Pro forma for the NIPSCO transaction, the gas rate base is 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental

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and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

**Supportive Regulation:** 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. All of NI's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Kentucky and Ohio have authorized ROEs of 9.85%, 9.35% and 9.60% respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%. Maryland did not have a specified ROE in its latest 2023 rate case.

NIPSCO electric's authorized ROE is 9.80%, compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**NIPSCO Last Rate Case Constructive:** Fitch views NIPSCO's last electric rate case settlement approval favorably. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE was higher than the industry average of mid-9%. Under the settlement, NIPSCO agreed to withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT allows a few categories of costs than the VCT and totals about $29.9 million annually. The commission fully adopted and approved the settlement in August 2023.

**Elevated Capex:** Capex continues to rise. Over the 2024-2028 period, Fitch expects NI's base capex plan of about $16.4 billion supporting annual rate base growth of about 8%-10%. The capex was increased by $400 million reflecting additional renewable solar investments from $16 billion at 1Q2024 earnings call. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure

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**Cleaner Generation:** NI plans to retire all coal generation by 2028. As of Dec. 31, 2023, 42% (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by MISO. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire by 2028. NISPCO proposed a natural gas peaking unit to replace these units in its 2021 Integrated Resource Plan.

**Credit Metrics Expected to Improve:** Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with the NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged above 6.0x. Fitch expects FFO leverage to improve and remain below its downgrade sensitivity threshold in the next few years following debt paydown from NIPSCO's minority interest sale proceeds and equity issuances to support elevated capex growth.

**Parent Sub Linkage:** NI and NIPSCO's standalone credit profiles are the same. NIPSCO has very small amount of debt as it relies NI solely for liquidity and capital access. NI has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt which will be repaid as they mature. NIPSCO's standalone credit profile is not analytically meaningful.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects both NI and IPALCO's FFO leverage to be in the high-5x for the next few years. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO

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--Normal weather;

--Hybrids will receive 50% equity content.

## RATING SENSITIVITIES

**Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

--NI and NIPSCO could be upgraded if the consolidated FFO leverage is consistently below 5.0x.

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capex.

## LIQUIDITY AND DEBT STRUCTURE

**Adequate Liquidity:** NI continues to have sufficient liquidity. As of Dec. 31, 2023, it had about $2.2 billion of unrestricted cash and $790 million availability under its $1.85 billion unsecured revolving credit facility.

NI is required to maintain total debt to total capitalization that does not in exceed 0.70 to 1 under the credit facility. There are no debt maturities in 2024 and about $1.26 billion due in 2025.

## ISSUER PROFILE

NiSource Inc. (NI) is a fully regulated utility holding company whose regulated subsidiaries provide natural gas and electricity to 3.8 million customers across six states.

## 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

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The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

## RATING ACTIONS

| ENTITY / DEBT | | RATING | |
|---|---|---|---|
| NiSource Inc. | | | |
| junior subordinated | LT | BB+ | New Rating |

VIEW ADDITIONAL RATING DETAILS

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## APPLICABLE CRITERIA

Corporate Hybrids Treatment and Notching Criteria (pub. 12 Nov 2020)

Parent and Subsidiary Linkage Rating Criteria (pub. 16 Jun 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 13 Oct 2023) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 03 Nov 2023) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 03 Nov 2023)

## ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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S&P Global
Ratings

RatingsDirect®

# NiSource Inc.'s Proposed Fixed-To-Fixed Reset Rate Junior Subordinated Notes Due 2054 Rated 'BBB-'

**May 13, 2024**

NEW YORK (S&P Global Ratings) May 13, 2024--S&P Global Ratings today assigned its 'BBB-' issue-level rating to NiSource Inc.'s proposed fixed-to-fixed reset rate junior subordinated notes due November 2054. The company intends to use the net proceeds for general corporate purposes, including repayment of existing indebtedness, capital investments, and working capital additions.

We classify these notes as hybrid securities with intermediate equity content (50%). This reflects the offering's permanence, subordination, and deferability features. In line with our criteria, we will reclassify the notes as having minimal equity content after November 2034, as the remaining period until maturity will be less than 20 years.

We rate these notes two notches below our 'BBB+' long-term issuer credit rating on NiSource. This reflects the notes' subordination and management's ability to defer interest payments.

The long-term nature of the junior subordinated notes, along with the company's limited ability and lack of incentives to redeem the issuance for a long-dated period, meets our standards for permanence. The instruments are subordinated to all of NiSource's existing and future senior debt obligations, thereby satisfying the condition for subordination. In addition, the interest payments are deferrable, which fulfills the deferability element.

For the complete issuer credit rating rationale, see our most recent full analysis on NiSource, published March 28, 2024, on RatingsDirect.

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## Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Related Research

- NiSource Inc., March 28, 2024

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MOODY'S
RATINGS

# Rating Action: Moody's Ratings assigns Baa3 rating to NiSource Inc's junior subordinated notes

15 May 2024

## $500 million of securities rated

New York, May 15, 2024 -- Moody's Ratings (Moody's) assigned a Baa3 ratin NiSource Inc.'s (NiSource, Baa2) $500 million 30 year Junior Subordinated N 2054 ("Notes"). NiSource's outlook is stable.

RATINGS RATIONALE

The Baa3 rating assigned to the Notes is one notch below NiSource's Baa2 s unsecured rating and reflects the security's relative position in the company's structure compared to its senior unsecured debt. The one notch differential be the Notes rating and the senior unsecured rating is consistent with our metho guidance for notching corporate instrument ratings based on differences in se and priority of claim.

NiSource intends to use the net proceeds from the junior subordinated notes i for general corporate purposes, including to finance capital expenditures, for v capital additions and to repay existing debt.

In our view, the Notes have equity-like features which allow them to receive b "M" treatment (i.e. 50% equity and 50% debt) for the purpose of adjusting fina statements. Please refer to Moody's Hybrid Equity Credit methodology publish February 2024 for further details.

NiSource's Baa2 rating reflects the diversity and supportiveness of its multiple regulatory jurisdictions that provide predictable operating cash flow. Its fully re operating electric and gas utility subsidiaries have low business risk, given the infrastructure asset base. NiSource's financial profile will remain under pressu the company executes a substantial capital expenditure program which includ significant investments in renewable energy generation at subsidiary Northern Public Service Company (NIPSCO, Baa1 stable) to replace coal generation. H

we expect continued favorable regulatory outcomes, and the use of proceeds
the recent sale of a minority interest in NIPSCO to reduce debt financing need
enable NiSource to generate a ratio of cash flow from operations excluding wo
capital changes (CFO pre-WC) to debt of around 14%-15%.

Rating Outlook

NiSource's stable outlook reflects Moody's view that its utility regulatory jurisd
will remain credit supportive and that its regulated utility capital expenditure pl
be financed in a manner that supports the NiSource organization's credit quali

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF T
RATING

Factors that Could Lead to an Upgrade

NiSource's rating could be upgraded if there is a material and sustained increa
the company's credit metrics with a CFO pre-WC to debt ratio above 17%.

Factors that Could Lead to a Downgrade

NiSource's rating could be downgraded if there is a decline in the credit
supportiveness of its regulatory environments or other adverse developments
debt financing increases significantly such that the company's ratio of CFO pre
debt declines below 13% on a sustained basis.

The principal methodology used in this rating was Regulated Electric and Gas
published in June 2017 and available at https://ratings.moodys.com/rmc-
documents/68547. Alternatively, please see the Rating Methodologies page on
https://ratings.moodys.com for a copy of this methodology.

Headquartered in Merrillville, Indiana, NiSource is a utility holding company w
portfolio of fully regulated utility subsidiaries totaling about $18.8 billion in rate
NiSource owns one of the largest gas distribution (LDC) systems in the US, w
operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland,
as a mid-sized vertically integrated electric utility in Indiana.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity ana
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MOODY'S
RATINGS

# Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of NiSource Inc.

03 Jun 2024

New York, June 03, 2024 -- Moody's Ratings (Moody's) has completed a perio review of the ratings of NiSource Inc. and other ratings that are associated wit issuer.

The review was conducted through a rating committee held on 3 June 2024 in Moody's reassessed the appropriateness of the ratings in the context of the re principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indicat whether or not a credit rating action is likely in the near future. Please see the page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

NiSource Inc's (NiSource) ratings, including its Baa2 long term issuer rating, a stable outlook remain unchanged. NiSource's rating reflects predictable opera cash flow from utility operations in diverse and credit supportive regulatory jurisdictions. Its fully regulated electric and gas utility subsidiaries have relativ business risk, given their critical infrastructure asset base. NiSource's five-yea expenditure program is substantial and includes significant investments in ren energy generation at subsidiary Northern Indiana Public Service Company (N Baa1 stable) to replace coal generation. Nevertheless, we expect continued fa regulatory outcomes, and the use of proceeds from the recent sale of a minor interest in NIPSCO to reduce debt financing needs, to enable NiSource to ger ratio of cash flow from operations excluding working capital changes (CFO pre to debt in the 14%-15% range.

NIPSCO's ratings, including its Baa1 long term issuer rating, and stable outlo remain unchanged. NIPSCO's rating reflects a favorable regulatory framework

Indiana that provides timely recovery of investments. Our view of NIPSCO als considers its geographic concentration in northern Indiana, with a service terri is heavily exposed to industry. NIPSCO's rating is constrained by its parent Ni because the utility is dependent on NiSource for liquidity and external financin NiSource's consolidated capital structure is highly leveraged, with an estimate of consolidated debt not recoverable in utility rates and a relatively unrestricte to move cash across the corporate family. NIPSCO's credit metrics have decli materially since 2021 as the company has increased investments in renewabl generation to replace planned coal retirements. Over the next two years, we e the company's ratio of CFO pre-WC to debt to be maintained at current lower between 19% and 21%.

This document summarizes Moody's view as of the publication date and will n updated until the next periodic review announcement, which will incorporate m changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regulated Electric and Ga Utilities published in June 2017. Please see the Rating Methodologies page o https://ratings.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 herein to the extent necessary, if they are the same organization list.

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Fitch Ratings

RATING ACTION COMMENTARY

# Fitch Rates NiSource Inc.'s Senior Notes 'BBB'

Mon 17 Jun, 2024 - 3:40 PM ET

Fitch Ratings - New York - 17 Jun 2024: Fitch Ratings has assigned a 'BBB' rating to NiSource Inc.'s (NI) offering of senior unsecured notes. NI's Fitch-rated Long-Term Issuer Default Rating (IDR) is 'BBB'. The Rating Outlook is Stable.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The recent closing of the partial sale of 19.9% of Northern Indiana Public Service Company (NIPSCO; BBB/Stable) will provide additional funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

**NIPSCO Sale Completed:** On Dec. 31, 2023, NI completed the sale of a 19.9% non-controlling equity interest in NIPSCO for $2.16 billion. NI used the proceeds to pay down debt and reduce FFO leverage to levels consistent with its Fitch-rated 'BBB' IDR.

**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. Pro forma for the NIPSCO transaction, the gas rate base is 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates. Four states have legislations that prohibit municipalities from banning natural gas use.

While Maryland, at a county level, is the only state within NI's service territory that restricts the use of fossil fuel, including natural gas, in buildings, however, Maryland makes up a very small portion of NI's customers and cash flow. Fitch considers Ohio, Pennsylvania and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

**Supportive Regulation:** 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. All of NI's gas utilities use infrastructure trackers except in Pennsylvania.

Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Kentucky and Ohio have authorized ROEs of 9.85%, 9.35% and 9.60% respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%. Maryland did not have a specified ROE in its latest 2023 rate case.

NIPSCO electric's authorized ROE is 9.80%, compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**NIPSCO Last Rate Case Constructive:** Fitch views NIPSCO's last electric rate case settlement approval favorably. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE was higher than the industry average of mid-9%. Under the settlement, NIPSCO agreed to withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT allows a few categories of costs than the VCT and totals about $29.9 million annually. The commission fully adopted and approved the settlement in August 2023.

**Elevated Capex:** Capex continues to rise. Over the 2024-2028 period, Fitch expects NI's base capex plan of about $16.4 billion supporting annual rate base growth of about 8%-10%. The capex was increased by $400 million reflecting additional renewable solar investments from $16 billion at 1Q24 earnings call. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties.

**Cleaner Generation:** NI plans to retire all coal generation by 2028. As of Dec. 31, 2023, 42% (1,177MW) of NIPSCO's nameplate generation capacity is from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by MISO. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Two vintage gas peaking units at the R.M. Schahfer Generating Station are expected to retire by 2028. NISPCO proposed a natural gas peaking unit to replace these units in its 2021 Integrated Resource Plan.

**Credit Metrics Expected to Improve:** Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with the NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged above 6.0x. Fitch expects FFO leverage to improve and remain below its downgrade sensitivity threshold in the next few years following debt paydown from NIPSCO's minority interest sale proceeds and equity issuances to support elevated capex growth.

**Parent Sub Linkage:** NI and NIPSCO's standalone credit profiles are the same. NIPSCO has very small amount of debt as it relies NI solely for liquidity and capital access. NI has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt which will be repaid as they mature. NIPSCO's standalone credit profile is not analytically meaningful.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects both NI and IPALCO's FFO leverage to be in the high-5x for the next few years. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

## KEY ASSUMPTIONS

--Capex of about $16.4 billion in total between 2024 and 2028;

--Normal weather.

## RATING SENSITIVITIES

**Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

--NI and NIPSCO could be upgraded if the consolidated FFO leverage is consistently below 5.0x.

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capex.

## LIQUIDITY AND DEBT STRUCTURE

Adequate Liquidity: NI continues to have sufficient liquidity. As of March 31, 2024, it had about $102.2 million of unrestricted cash and a $1.85 billion commercial paper program that is backstopped by the company's $1.85 billion committed revolving credit facility.

NI is required to maintain total debt to total capitalization that does not in exceed 0.70 to 1 under the credit facility. There are no debt maturities in 2024 and about $1.26 billion due in 2025.

## ISSUER PROFILE

NiSource Inc. (NI) is a fully regulated utility holding company whose regulated subsidiaries provide natural gas and electricity to 3.8 million customers across six states.

## DATE OF RELEVANT COMMITTEE

07-May-2024

## 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.

## MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Macro and Sector Forecasts data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

## ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

## RATING ACTIONS

| ENTITY / DEBT | | RATING | |
|---|---|---|---|
| NiSource Inc. | | | |
| senior unsecured | LT | BBB | New Rating |

VIEW ADDITIONAL RATING DETAILS

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## APPLICABLE CRITERIA

Corporate Hybrids Treatment and Notching Criteria (pub. 12 Nov 2020)

Parent and Subsidiary Linkage Rating Criteria (pub. 16 Jun 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 13 Oct 2023) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 03 Nov 2023) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 03 Nov 2023)

## ADDITIONAL DISCLOSURES

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MOODY'S RATINGS



CREDIT OPINION
21 June 2024

Update

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# NiSource Inc.

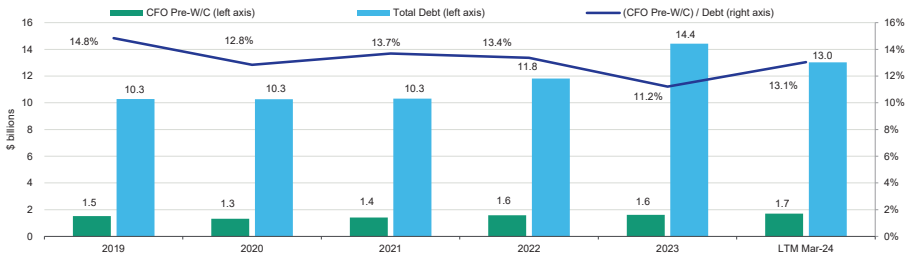
## Update to credit analysis

## Summary

NiSource's credit profile reflects predictable operating cash flow from utility operations in diverse and credit supportive regulatory jurisdictions. Its fully regulated electric and gas utility subsidiaries have relatively low business risk, given their critical infrastructure asset base.

NiSource's five-year capital expenditure program is substantial and includes significant investments in renewable energy generation at subsidiary Northern Indiana Public Service Company (NIPSCO, Baa1 stable) to replace coal generation. Nevertheless, we expect the company to generate a ratio of cash flow from operations excluding working capital changes (CFO pre-WC) to debt in the 14%-15% range, aided by strong regulatory support for investment and asset sales proceeds (a 19.9% equity interest in NIPSCO) reducing future debt financing needs. Our assessment of NiSource's credit going forward will include a proportional consolidation of its 80.1% ownership of NIPSCO.

Exhibit 1
**Historical CFO Pre-W/C, Total Debt and CFO Pre-W/C to Debt**




All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. LTM = Last 12 months.
Note: the 2023 CFO pre-WC to debt ratio adjusted to proportionally consolidate NIPSCO debt and reduce NiSource debt by proceeds from the minority sale of NIPSCO completed on 31 December 2023 is approximately 14.1%.
*Source: Moody's Financial Metrics™*

## Credit strengths

» Operations in jurisdictions with attractive cost recovery mechanisms

» Fully regulated utility assets with fundamentally low business risk

» Use of proceeds from minority sale of NIPSCO to offset debt funding needs

## Credit challenges

» Elevated capital expenditures require significant external financing

» Estimated leverage at holding company not recoverable in rates remains high at approximately 30%

## Rating outlook

NiSource's stable outlook reflects Moody's view that its utility regulatory jurisdictions will remain credit supportive and that regulated utility capital expenditure plans will be financed in a manner that maintains financial metrics and the organization's credit quality.

## Factors that could lead to upgrade

» Improvement in the utility regulatory environments

» A material and sustained increase in the company's credit metrics with a CFO pre-WC to debt ratio above 17%

## Factors that could lead to downgrade

» A decline in the credit supportiveness of its utility regulatory environments

» An adverse change in the company's business mix that increases risk

» A ratio of CFO pre-WC to debt sustained below 13%

## Key indicators

Exhibit 2

**NiSource Inc.**

| | 2019 | 2020 | 2021 | 2022 | 2023 | LTM Mar-24 |
|---|---|---|---|---|---|---|
| CFO Pre-W/C + Interest / Interest | 4.7x | 4.3x | 4.8x | 5.0x | 4.1x | 4.3x |
| CFO Pre-W/C / Debt | 14.8% | 12.8% | 13.7% | 13.4% | 11.2% | 13.1% |
| CFO Pre-W/C – Dividends / Debt | 11.7% | 9.4% | 10.1% | 9.9% | 8.1% | 9.5% |
| Debt / Capitalization | 59.6% | 59.9% | 54.8% | 55.9% | 54.6% | 52.1% |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. LTM = Last 12 months.
Note: the 2023 CFO pre-WC to debt ratio adjusted to proportionally consolidate NIPSCO debt and reduce NiSource debt by proceeds from the minority sale of NIPSCO completed on 31 December 2023 is approximately 14.1%.
*Source: Moody's Financial Metrics™*

## Profile

NiSource Inc. is a utility holding company with a portfolio of fully regulated utility subsidiaries totaling about $18.8 billion in rate base. NiSource owns one of the largest local gas distribution company (LDC) systems in the US, with operations in Ohio, Indiana, Pennsylvania, Virginia, Kentucky, and Maryland providing service to about 3.3 million customers. NiSource also owns a mid-sized vertically integrated electric utility in Indiana, providing service to about 489,000 customers. The LDCs accounted for about 70% of the company's consolidated operating income in 2023, with the remainder coming from the electric utility. NiSource's Indiana operations are 19.9% owned by Blackstone Infrastructure Partners.

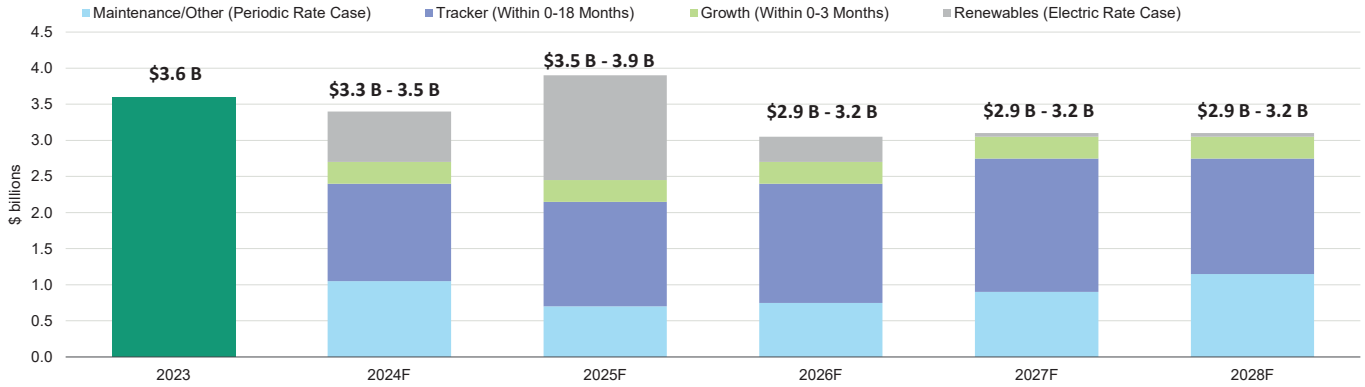
## Detailed credit considerations

### Predictable 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 gas infrastructure investment program. 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. This includes a semi-annual tracker adjustment for the recovery of 80% of infrastructure improvement investments.

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Exhibit 3
**Capital investments with estimated recovery periods**




Periods are fiscal year-end unless indicated.
*Source: Company filings*

The company's investments across all of its jurisdictions continue to drive an active regulatory calendar. In addition to ongoing infrastructure replacement and other tracker filings, NiSource currently has four natural gas distribution general rate cases pending.

### 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 2024, the utility filed a rate case requesting a revenue increase of $124 million based on an ROE of 11.75%, equity capitalization of 54.4% and a forecasted rate base of $3.5 billion.

In May 2024, Columbia Gas of Kentucky filed a rate case requesting a base rate increase of $23.8 million based on a 10.8% ROE, 52.64% equity layer and $518.8 million rate base. A final decision is expected by the end of 2024.

In October 2023, NIPSCO Gas filed a rate case requesting a two-step revenue increase totaling $161.9 million based on a 10.7% ROE, 52.39% equity layer and $3.5 billion rate base. In March 2024, the utility reached settlement for a two-step revenue increase totaling $120.9 million based on a 9.75% ROE, 52.39% equity layer and $3.5 billion rate base. A final decision from the Indiana Utilities Regulatory Commission (IURC) is expected by the third quarter of 2024.

In April 2024, Columbia Gas of Virginia filed a rate case requesting an incremental $37.2 million revenue increase based on a 10.85% ROE, 42.76% equity layer and $1.2 billion rate base. The rate case is expected to be completed by the second quarter of 2025.

### Electric operations

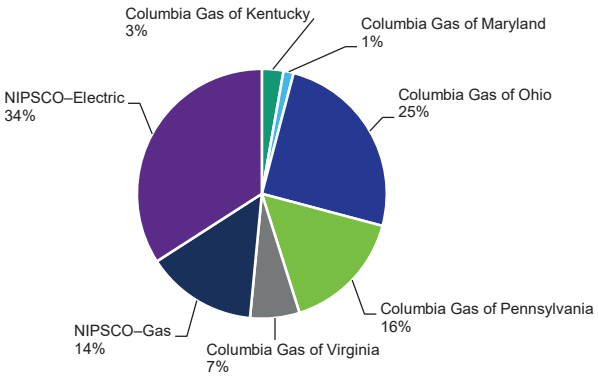
In September 2022, NIPSCO Electric filed a rate case requesting a total incremental revenue increase of $395 million. The request included a $291.8 million base rate increase to be implemented in two steps in September 2023 and March 2024 and an additional request of $103.2 million for costs associated with a new variable cost tracker. In March 2023, NIPSCO reached a settlement for a $291.8 million total revenue increase, inclusive of $29.9 million to be recovered through a new environmental cost tracker. In August 2023, the IURC approved the settlement. New rates went into effect in August 2023.

## Regulated utility assets exhibit fundamentally low business risk

NiSource's six LDCs represented about 70% of its operating income in 2023, while its fully regulated vertically integrated electric utility segment made up the difference. NiSource's size, diversity of operations and broad geographic footprint offer regulatory diversity and provide a natural hedge against material exposure to a single event or adverse regulatory action.

Exhibit 4

**NiSource year-end 2023 rate base (~$19 billion) by operating company**




*Source: Company Presentation*

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. Over 50% of the company's retail electric sales volume 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.

In addition, Indiana's regulatory environment is favorable from a credit standpoint and provides the company's electric segment with cost recovery mechanisms that cover most of its operating and capital expenses. NIPSCO Electric plans to retire all of its coal capacity by 2028, which will reduce its exposure to more stringent environmental regulations that could require costly investments. The company plans to replace its retired coal capacity with lower-cost renewable energy sources such as wind, solar and battery technology.

## High debt balance and elevated capital spending weigh on financial profile

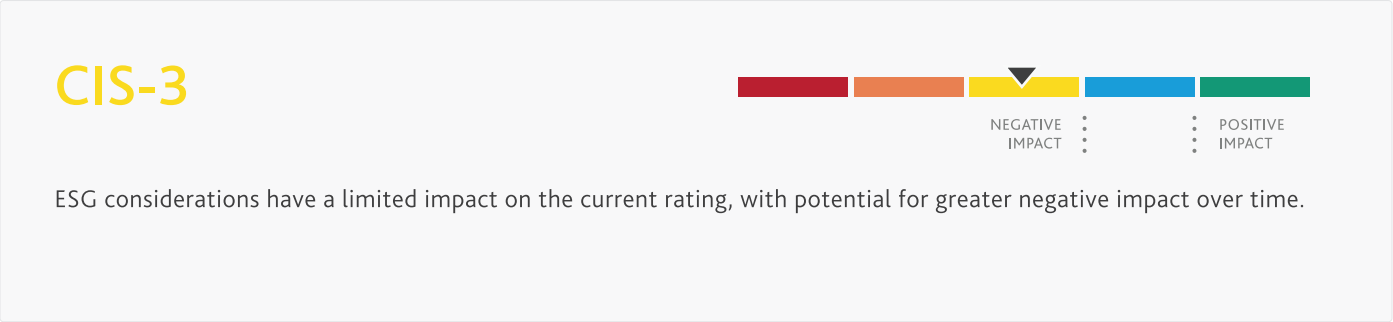
NiSource's credit profile is constrained by its highly levered capital structure. Besides legacy debt at subsidiary NIPSCO, NiSource issues all debt at the parent level and allocates it to its subsidiaries. Assuming that NiSource's subsidiaries are capitalized at their most recently authorized capital structures, we estimate that approximately 30% of consolidated debt is not recoverable in utility rates. The proceeds from the minority sale of NIPSCO should help curb growth in non-utility debt as the company executes its elevated capital investment plan. However, high leverage will continue to weigh on NiSource's credit profile.

NiSource's capital expenditure program is substantial, totaling approximately $16.4 billion over the 2024-2028 period, with significant investments in renewable energy at NIPSCO. Over the next two years, we expect the company to generate CFO pre-WC to debt ratios in the 14%-15% range, aided by strong regulatory support for investment and asset sales proceeds reducing future debt financing needs. Going forward, our assessment of NiSource's credit will include a proportional consolidation of its 80.1% ownership of NIPSCO.

## ESG considerations

### NiSource Inc.'s ESG credit impact score is CIS-3

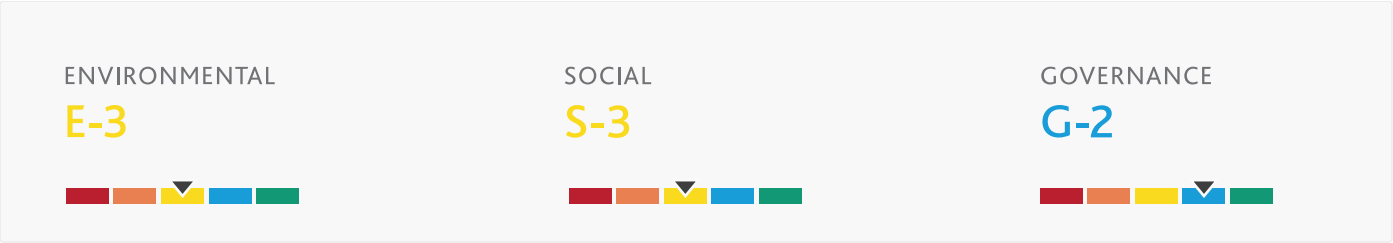
Exhibit 5
**ESG credit impact score**




*Source: Moody's Ratings*

NiSource Inc.'s **CIS-3** indicates that ESG considerations have a limited impact on the current rating, with potential for negative impact over time. NiSource's **CIS-3** primarily reflects environmental risks associated with carbon emissions from its electric and natural gas infrastructure, and social risks related to customer affordability concerns or adverse regulatory outcomes.

Exhibit 6
**ESG issuer profile scores**




*Source: Moody's Ratings*

### Environmental

NiSource's **E-3** issuer profile score primarily reflects 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.

### Social

NiSource's **S-3** issuer profile score reflects the risk 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.

### Governance

NiSource's **G-2** issuer profile score reflects governance that is broadly in line with other utilities and does not pose a particular risk.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Liquidity analysis

NiSource's liquidity is adequate and supported by a $1.85 billion revolving credit facility maturing in February 2027. The revolver backs a $1.85 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 2024, the ratio was 57.0%.

NiSource also maintains three separate accounts receivables securitization programs with an available borrowing capacity of $419.8 million as of 31 March 24 at its operating companies (no outstanding balance as of 31 March 2024). The programs are renewed annually. As of 31 March 2024, NiSource had about $102.2 million of cash on hand, $1,222.3 million of commercial paper outstanding and $9.9 million of letters of credit issued under its credit facility. NiSource's next material debt maturity is in August 2025 when $1.25 billion of senior notes are due.

For the twelve months ended 31 March 2024, NiSource generated $1.7 billion in operating cash flow, invested $2.7 billion in capital expenditures, and paid $485 million in dividend distributions, resulting in a negative free cash flow position of $1.5 billion. NiSource funded the cash shortfall with debt and proceeds from the minority sale of NIPSCO. 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 primarily with incremental debt.

## Rating methodology and scorecard factors

The principal methodology used for this rating is the Regulated Electric and Gas Utilities rating methodology.

Exhibit 7

**Rating factors**

**NiSource Inc.**

| Regulated Electric and Gas Utilities Industry Scorecard | Current LTM Mar-24 | | Moody's 12-18 month forward view | |
|---|---|---|---|---|
| **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 | Baa | Baa | Baa | Baa |
| **Factor 4 : Financial Strength (40%)** | | | | |
| a) CFO pre-WC + Interest / Interest (3 Year Avg) | 4.7x | A | 4x - 4.5x | Baa |
| b) CFO pre-WC / Debt (3 Year Avg) | 13.5% | Baa | 14% - 15% | Baa |
| c) CFO pre-WC – Dividends / Debt (3 Year Avg) | 9.9% | Baa | 9% - 11% | Baa |
| d) Debt / Capitalization (3 Year Avg) | 53.8% | Baa | 55% - 58% | 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 |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
*Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts*

# Appendix

Exhibit 8

## Peer comparison

**NiSource Inc.**

| | NiSource Inc. Baa2 Stable | | | Alliant Energy Corporation Baa2 Stable | | | Black Hills Corporation Baa2 Stable | | | Spire Inc. Baa2 Stable | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in $ millions) | FY Dec-22 | FY Dec-23 | LTM Mar-24 | FY Dec-22 | FY Dec-23 | LTM Mar-24 | FY Dec-22 | FY Dec-23 | LTM Mar-24 | FY Sep-22 | FY Sep-23 | LTM Mar-24 |
| Revenue | 5,851 | 5,505 | 5,246 | 4,205 | 4,027 | 3,981 | 2,552 | 2,331 | 2,137 | 2,199 | 2,666 | 2,614 |
| CFO Pre-W/C | 1,580 | 1,617 | 1,700 | 1,106 | 1,386 | 1,426 | 755 | 798 | 721 | 51 | 375 | 771 |
| Total Debt | 11,815 | 14,424 | 13,024 | 9,119 | 9,849 | 10,024 | 4,706 | 4,444 | 4,445 | 4,610 | 4,968 | 4,816 |
| CFO Pre-W/C + Interest / Interest | 5.0x | 4.1x | 4.3x | 4.8x | 5.2x | 5.2x | 5.6x | 5.4x | 4.9x | 1.4x | 2.8x | 4.6x |
| CFO Pre-W/C / Debt | 13.4% | 11.2% | 13.1% | 12.1% | 14.1% | 14.2% | 16.1% | 18.0% | 16.2% | 1.1% | 7.6% | 16.0% |
| CFO Pre-W/C – Dividends / Debt | 9.9% | 8.1% | 9.5% | 7.4% | 9.4% | 9.6% | 12.4% | 13.8% | 11.9% | -2.1% | 4.4% | 12.6% |
| Debt / Capitali ation | 55.9% | 54.6% | 52.1% | 52.6% | 52.8% | 53.2% | 56.7% | 53.6% | 52.6% | 57.7% | 58.3% | 54.0% |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
LTM = Last 12 months.
*Source: Moody's Financial Metrics™*

Exhibit 9

## Moody's–adjusted cash flow metrics

**NiSource Inc.**

| (in $ millions) | 2019 | 2020 | 2021 | 2022 | 2023 | LTM Mar-24 |
|---|---|---|---|---|---|---|
| **FFO** | **1,646.0** | **1,344.2** | **1,465.1** | **1,676.2** | **1,723.6** | **1,811.2** |
| +/- Other | (121.2) | (26.1) | (54.3) | (96.6) | (106.6) | (111.5) |
| **CFO Pre-WC** | **1,524.8** | **1,318.1** | **1,410.8** | **1,579.6** | **1,617.0** | **1,699.7** |
| +/- ΔWC | 46.1 | (223.0) | (206.1) | (188.8) | 306.5 | 0.2 |
| **CFO** | **1,570.9** | **1,095.1** | **1,204.7** | **1,390.8** | **1,923.5** | **1,699.9** |
| - Div | 327.1 | 349.2 | 373.4 | 415.1 | 450.0 | 466.7 |
| - Capex | 1,828.1 | 1,795.2 | 1,878.0 | 2,242.3 | 2,688.7 | 2,721.1 |
| **FCF** | **(584.3)** | **(1,049.2)** | **(1,046.7)** | **(1,266.6)** | **(1,215.2)** | **(1,487.9)** |
| | | | | | | |
| (CFO Pre-W/C) / Debt | 14.8% | 12.8% | 13.7% | 13.4% | 11.2% | 13.1% |
| (CFO Pre-W/C - Dividends) / Debt | 11.7% | 9.4% | 10.1% | 9.9% | 8.1% | 9.5% |
| FFO / Debt | 16.0% | 13.1% | 14.2% | 14.2% | 11.9% | 13.9% |
| RCF / Debt | 12.8% | 9.7% | 10.6% | 10.7% | 8.8% | 10.3% |
| | | | | | | |
| Revenue | 5,208.9 | 4,681.7 | 4,899.6 | 5,850.6 | 5,505.4 | 5,245.7 |
| Interest Expense | 412.7 | 401.5 | 370.7 | 392.0 | 513.7 | 517.5 |
| Net Income | 944.9 | 458.5 | 525.9 | 674.6 | 705.3 | 739.1 |
| Total Assets | 22,659.8 | 22,040.5 | 24,156.9 | 26,744.3 | 31,077.2 | 29,338.1 |
| Total Liabilities | 17,183.6 | 16,728.3 | 17,649.6 | 19,602.5 | 23,050.7 | 21,442.2 |
| Total Equity | 5,476.2 | 5,312.2 | 6,507.3 | 7,141.8 | 8,026.6 | 7,895.9 |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. LTM = Last 12 months.
*Source: Moody's Financial Metrics™*

Exhibit 10

## Moody's–adjusted debt reconciliation

**NiSource Inc.**

| (in $ millions) | 2019 | 2020 | 2021 | 2022 | 2023 | LTM Mar-24 |
|---|---|---|---|---|---|---|
| **As reported debt** | **9,642.8** | **9,746.1** | **9,801.5** | **11,315.5** | **14,127.9** | **12,970.9** |
| Pensions | 57.8 | 32.1 | 30.0 | 22.9 | 19.1 | 19.1 |
| Operatin Leases | 64.8 | 40.2 | 34.6 | 36.7 | 34.1 | 34.1 |
| ybrid ecurities | 440.0 | 440.0 | 440.0 | 440.0 | 243.1 | - |
| Non- tandard Adjustments | 70.5 | - | - | - | - | - |
| **Moody's – adjusted debt** | **10,275.9** | **10,258.4** | **10,306.1** | **11,815.1** | **14,424.2** | **13,024.1** |

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Periods are fiscal year-end unless indicated. LTM = Last 12 months.
*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 |
| **BAY STATE GAS COMPANY** | |
| Outlook | Stable |
| Senior Unsecured | Baa2 |
| **NISOURCE CAPITAL MARKETS, INC.** | |
| Outlook | Stable |
| Bkd Senior Unsecured | Baa2 |

*Source: Moody's Ratings*

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REPORT NUMBER 1407807

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Fitch Ratings

RATING ACTION COMMENTARY

# Fitch Affirms NiSource and NIPSCO at 'BBB'; Outlooks Stable

Tue 16 Jul, 2024 - 12:05 PM ET

Fitch Ratings - New York - 16 Jul 2024: 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. Fitch has also affirmed NI's Short-Term Issuer Default Rating at 'F2'.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The recent closing of the partial sale of 19.9% of NIPSCO will provide additional funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

**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. The gas rate base is approximately 69% the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates.

Four states have legislations that prohibit municipalities from banning natural gas use. Maryland, at a county level, is the only state within NI's service territory that restricts the use of fossil fuel, including natural gas, in buildings, but Maryland makes up a very small portion of NI's customers and cash flow. Fitch considers Ohio, Pennsylvania and Indiana -- NI's top three service territories -- to be among the most supportive jurisdictions in the U.S.

**Supportive Gas Regulation:** 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. All of NI's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Kentucky and Ohio have authorized ROEs of 9.85%, 9.35% and 9.60% respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to

9.700%. Maryland did not have a specified ROE in its latest 2023 rate case.

**Supportive Electric Regulation:** NIPSCO electric's authorized ROE is 9.80%, compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for pre-approval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semi-annual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**Last Rate Case Constructive:** Fitch views NIPSCO's last electric rate case settlement and final order favorably. On March 10, 2023, NIPSCO filed a settlement which allows for a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE is higher than the industry average of mid-9%. Under the settlement, NIPSCO would withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT would allow a few categories of costs than the VCT and would total about $29.9 million annually. The commission fully adopted and approved the settlement in August 2023.

NIPSCO filed its gas rate case in October 2023, requesting a two-step base rate increase totaling $161.9 million. On March 20, 2024, the company filed a settlement for a two-step base rate increase totaling of $120.9 million. The first increase would take effect shortly after an order is issued, expect in Sept 2024. The second increase would take effect shortly after the commission approves the company's compliance filing, about March 1, 2025. Fitch expects a constructive outcome from the commission on the settlement.

**Elevated Capex:** NI's capex continues to be elevated. Over the 2024-2028 period, Fitch expects NI's base capex plan of about $16.4 billion, supporting annual rate base growth of about 8%-10%. Most projects are small, providing flexibility in execution. NI's robust capex program is mainly supported by infrastructure modernization legislations and riders in all its service territories. Renewable projects are pre-approved, reducing regulatory uncertainties.

**Cleaner Generation:** NI plans to retire all coal generation by 2028. As of Dec. 31, 2023, 42% (1,177MW) of NIPSCO's nameplate generation capacity was from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by the Midcontinent Independent System Operator. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Fitch views the proposed coal phase-out by 2028 will improve business risk and credit positive over the longer term.

**Credit Metrics:** Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged around 6.0x in the past four years. Over the 2024-2026 period, Fitch forecast FFO leverage about 5.6x-5.9x.

**Parent Sub Linkage:** NiSource and NIPSCO's Standalone Credit Profiles are the same. NIPSCO has very small amount of debt as it relies NiSource solely for liquidity and capital access. NiSource has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt which will be repaid as they mature. NIPSCO's Standalone Credit Profile is not analytically meaningful.

## DERIVATION SUMMARY

***NiSource Inc.***

NI's fully regulated business model provides predictable earnings and cash flow, compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects NI's FFO leverage around 5.5x-5.9x in 2024-2026 while that of IPALCO is around 5.1x-6.3x in 2024-2026. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

***NIPSCO***

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 relies solely on NiSource 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

--Capex of about $16.4 billion in total between 2024 and 2028;

--Normal weather;

--Modest customer growth;

--No adverse regulatory outcomes;

--All debt maturities are refinanced

## 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 consistently below 5.0x.

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capex.

## LIQUIDITY AND DEBT STRUCTURE

**Adequate Liquidity**: NI continues to have sufficient liquidity. As of Dec. 31, 2023, it had about $2.2 billion of unrestricted cash and $790 million availability under its $1.85 billion unsecured revolving credit facility.

NI is required to maintain total debt to total capitalization that does not in exceed 0.70 to 1 under the credit facility. There are no debt maturities in 2024 and about $1.26 billion due in 2025.

## ISSUER PROFILE

NiSource Inc. (NI) is a fully regulated utility holding company whose regulated subsidiaries provide natural gas and electricity to 3.8 million customers across six states.

## 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

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's

ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

## 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 |
| junior subordinated | LT BB+ Affirmed | BB+ |
| senior unsecured | ST F2 Affirmed | F2 |
| Northern Indiana Public Service Company | LT IDR BBB Rating Outlook Stable Affirmed | BBB Rating Outlook Stable |
| senior unsecured | LT BBB+ Affirmed | BBB+ |

VIEW ADDITIONAL RATING DETAILS

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## APPLICABLE CRITERIA

Parent and Subsidiary Linkage Rating Criteria (pub. 16 Jun 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 13 Oct 2023) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 03 Nov 2023) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 21 Jun 2024)

## APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.1.0 (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 |

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FitchRatings

RATING ACTION COMMENTARY

# Fitch Assigns 'BB+' Rating to NiSource's Junior Subordinated Notes

Tue 03 Sep, 2024 - 9:53 AM ET

Fitch Ratings - New York - 03 Sep 2024: Fitch Ratings has assigned a 'BB+' rating to NiSource Inc.'s (NI; BBB/Stable) planned fixed-to-fixed rate reset junior subordinated notes. Proceeds from the offering will be used for general corporate purposes, including to finance capital expenditures, for working capital and to repay existing indebtedness. The securities are eligible for 50% equity credit based on Fitch's hybrid methodology. Features supporting the equity categorization of these debentures include their junior subordinate priority, the option to defer interest payments on a cumulative basis for up to 10 years on each occasion and no step-up.

NI's credit profile is supported by its 100% regulated gas and electric utility operations in six states. The recent closing of the partial sale of 19.9% of NIPSCO will provide additional funding for NI's aggressive growth capex program while improving its financial flexibility.

## KEY RATING DRIVERS

**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. The gas rate base is approximately 69% of the total rate base. Gas distribution utilities benefit from supportive recovery mechanisms and less exposure to environmental mandates.

Four states have legislations that prohibit municipalities from banning natural gas use. At a county level, Maryland is the only state within NI's service territory that restricts the use of fossil fuel, including natural gas, in buildings. However, Maryland makes up a very small portion of NI's customers and cash flow. Fitch considers Ohio, Pennsylvania and Indiana —

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straight fixed variable rates in Ohio. All of NI's gas utilities use infrastructure trackers except in Pennsylvania. Gas rates in Indiana are nearly 50% fixed for residential and commercial customers. Approximately 50% of the total revenue is non-volumetric.

Gas utilities in Indiana, Kentucky and Ohio have authorized ROEs of 9.75%, 9.35% and 9.60%, respectively. Other gas utilities have ROEs for infrastructure programs ranging from 9.275% to 9.700%. Maryland did not have a specified ROE in its latest 2023 rate case.

**Supportive Electric Regulation:** NIPSCO electric's authorized ROE is 9.80%, compared with the industry average of mid-9%. In Indiana, the Transmission, Distribution and Storage System Improvement Charge statute provides for cost recovery between rate cases for safety, reliability and modernization, and allows for preapproval of a seven-year plan of eligible investments. Up to 80% of eligible costs can be recovered using semiannual trackers. Transmission projects are regulated by the Federal Energy Regulatory Commission (FERC), which enjoy forward-looking rates and construction work in progress recovery with over 10% ROE.

**Last Rate Case Constructive:** Fitch views NIPSCO's last electric rate case settlement and final order favorably. On March 10, 2023, NIPSCO filed a settlement allowing a $262 million base rate increase based on a 9.8% ROE and 51.63% equity layer. The ROE is higher than the industry average of mid-9%. Under the settlement, NIPSCO would withdraw a variable cost tracker (VCT) for its coal-fired generation plants and replace it with a new environmental cost tracker (ECT). The ECT would allow fewer categories of costs than the VCT, totaling about $29.9 million annually. The commission fully adopted and approved the settlement in August 2023.

NIPSCO filed its gas rate case in October 2023, requesting a two-step base rate increase totaling $161.9 million. On March 20, 2024, the company filed a settlement for a two-step base rate increase totaling $120.9 million. The first increase would take effect shortly after an order is issued, likely in September 2024. The second increase would take effect shortly after the commission approves the company's compliance filing, around March 1, 2025. On July 31, 2024 the commission approved the settlement agreement.

**Elevated Capex:** NI's capex remains elevated. Over the 2024-2028 period, Fitch expects NI's base capex plan to be about $16.4 billion, supporting annual rate base growth of about

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**Cleaner Generation:** NI plans to retire all coal generation by 2028. As of Dec. 31, 2023, 42% (1,177MW) of NIPSCO's nameplate generation capacity was from coal generation. It remains on track to retire R.M Schahfer's remaining two coal units by the end of 2025. Michigan City will retire by 2028 subject to approval by the Midcontinent Independent System Operator. NI proposed that the retiring units be replaced by demand side management resources, solar, energy storage and upgrades to the Sugar Creek Generating Station. Fitch views the proposed coal phaseout by 2028 will improve business risk and credit positive over the longer term.

**Credit Metrics:** Over the last three years, NI's credit metrics were affected by the Merrimack Valley gas explosions, the pandemic, an asset sale in Massachusetts, one-time expenses associated with NiSource Next initiative and unfavorable weather. The FFO leverage ratio averaged around 6.0x in the past four years. Over the 2024-2026 period, Fitch forecast FFO leverage of about 5.6x-5.9x.

**Parent Sub Linkage:** NiSource and NIPSCO's Standalone Credit Profiles are the same. NIPSCO has a very small amount of debt as it relies on NiSource solely for liquidity and capital access. NiSource has not issued any new debt at the operating company levels and doesn't plan to do so going forward. The legacy public debt will be repaid as they mature. NIPSCO's Standalone Credit Profile is not analytically meaningful.

## DERIVATION SUMMARY

NI's fully regulated business model provides predictable earnings and cash flow compared with Southern Company Gas (BBB+/Stable), which invests 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 diversified and gas focused compared with IPALCO's single-state electric generation. Both NI and IPALCO are executing a large capex program. Fitch expects NI's FFO leverage to be around 5.5x-5.9x in 2024-2026 while that of IPALCO is around 5.1x-6.3x in 2024-2026. NI's larger scale and asset mix result in the one-notch IDR difference from IPALCO, although their FFO leverage ratios are similar.

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--Modest customer growth;

--No adverse regulatory outcomes;

--All debt maturities are refinanced.

## 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 consistently below 5.0x.

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--Consolidated FFO leverage sustains above 6.0x with low probability of recovery;

--Material adverse changes in NI's regulatory construct that result in unexpected lag or disallowance in recovering capex.

## LIQUIDITY AND DEBT STRUCTURE

Adequate Liquidity: NI continues to have sufficient liquidity. As of Jun. 30, 2024, it had about $101 million of unrestricted cash and $1,206 million availability under its $1.85 billion unsecured revolving credit facility, after factoring in $644 million of commercial paper outstanding.

NI is required to maintain total debt to total capitalization that does not in exceed 0.70 to 1 under the credit facility. There are no debt maturities in 2024 and about $1.26 billion due in 2025.

## ISSUER PROFILE

NiSource Inc. is a fully regulated utility holding company whose regulated subsidiaries provide natural gas and electricity to 3.8 million customers across six states.

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## 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.

## MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Macro and Sector Forecasts data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

## ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

## RATING ACTIONS

| ENTITY / DEBT | | RATING | |
|---|---|---|---|
| NiSource Inc. | | | |
| junior subordinated | LT | BB+ | New Rating |

VIEW ADDITIONAL RATING DETAILS

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## PARTICIPATION STATUS

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## APPLICABLE CRITERIA

Parent and Subsidiary Linkage Rating Criteria (pub. 16 Jun 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria - Effective from 13 October

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## APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.1.0 (1)

## ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

## ENDORSEMENT STATUS

| | |
|---|---|
| NiSource Inc. | EU Endorsed, UK Endorsed |

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S&P Global
Ratings

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# NiSource Inc.'s $500 Million 6.375% Fixed-To-Fixed Reset Rate Junior Subordinated Notes Rated 'BBB-'

**September 4, 2024**

NEW YORK (S&P Global Ratings) Sept. 4, 2024--S&P Global Ratings today assigned its 'BBB-' issue-level rating to NiSource Inc.'s (NiSource) $500 million 6.375% fixed-to-fixed reset rate junior subordinated notes due 2055. The company intends to use the net proceeds from these notes for general corporate purposes including paying off any short-term borrowings.

We classify these notes as hybrid securities with intermediate equity content (50%). We rate the securities two notches below our 'BBB+' long-term issuer credit rating on NiSource to reflect their subordination and the company's ability to defer its interest payments on the notes.

We base our intermediate equity treatment on the instrument's permanence, subordination, and deferability features as defined in our criteria for hybrid securities. The securities' long-dated nature and the company's limited ability and lack of incentives to redeem them for a long-dated period meet our standards for permanence. In addition, the interest payments are deferrable, which fulfills the deferability requirement. The instruments are also subordinated to all of NiSource's existing and future senior debt obligations, thereby satisfying the condition for subordination. However, we will reclassify the notes as having minimal equity content after March 31, 2035, because the remaining period until maturity will be less than 20 years.

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## Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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

- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

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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 2024. The CPA rate is 6.44%.

Attached as Attachment B is the worksheet showing the computation of the current AFUDC rate of 6.44%. Employee names have been redacted.

**Number:** CL 2024-60
**Date:** 11/26/2024

**2024 Allowance for Funds Used During Construction (AFUDC) Borrowed and Equity Rates**

Listed below are the updated AFUDC rates to be used for 2024 shown alongside the rates last published in Controller's Letter 2024-24 (issued May 2024). Interim rates are published to capture significant rate trends prior to year-end.

Please follow the instructions below to update rates :

1. TABLE A: Rates published in April 2024. Provided here for reference only
2. TABLE B: Rates calculated with using the standard AFUDC methodology for rate applicable Jan 1, 2024 onwards

See Attachment B for schedules showing the computation of the 2024 AFUDC rates. If you have any questions regarding the AFUDC calculations, please contact Technical Accounting Team

**TABLE A**

| | Using 12 Months Ended April 30, 2024 | | | |
|---|---|---|---|---|
| | Borrowed | Equity | Total | |
| **CKY** | 4.25% | 2.33% | 6.58% | (2) |
| **COH** | 5.91% | 0.00% | 5.91% | (1) |
| **CMD** | 2.17% | 5.03% | 7.20% | **[A]** |
| **CPA** | 4.49% | 2.14% | 6.63% | (1) |
| **NIPSCO (Electric)** | 1.94% | 5.93% | 7.87% | (1) |
| **NIPSCO (Gas)** | 1.84% | 6.21% | 8.05% | (1) |

**TABLE B**

| | Using 12 Months Ended November 30, 2024 | | | |
|---|---|---|---|---|
| | Borrowed | Equity | Total | Chg from Oct |
| **CKY** | 2.80% | 4.16% | 6.96% | 0.38% **(2)** |
| **COH** | 5.60% | 0.05% | 5.65% | -0.26% **(1)** |
| **CMD** | 2.17% | 5.03% | 7.20% | 0.00% **[A]** |
| **CPA** | 4.34% | 2.10% | 6.44% | -0.19% **(1)** |
| **NIPSCO (Electric)** | 1.94% | 5.92% | 7.86% | -0.01% **(1)** |
| **NIPSCO (Gas)** | 1.87% | 6.16% | 8.03% | -0.02% **(1)** |

| PeopleSoft 9.1 | Account | Cost Ele | Activity Code |
|---|---|---|---|
| Borrowed | 43200000 | 4503 | 11003 |
| Equity | 41910000 | 4504 | |

**[A]** Per Regulatory: CMD rate of 7.20% based upon Case 9680. Please note, CMD rate is not impacted by the FERC waiver. Will be updated in December 2024.

**(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 increasing money pool (ST Debt) rates.

**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 | 4.34% |
| AFUDC Equity | 2.10% |
| Total AFUDC | 6.44% |

| AFUDC Debt = s(S/W)+d(D/(D+P+C)*(1-S/W)<br>AFUDC Equity = (1-S/W)*[(p(P/(D+P+C))*+c(C/(D+P+C))] | UDC Formula Inpu |
|---|---|
| | CPA037 |
| D - LTD | 1,285,515,000 |
| 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 | 1,624,973,556 |
| c - Common Equity Cost Rate (see Note A) | 10.15% |
| | |
| s - ST Debt Interest Rate | 5.63% |
| S - Average ST Debt | 78,038,106 |
| W - Average CWIP | 124,109,734 |
| STD/AVCWIP | 62.88% |

| CWIP - Ending Balance | | |
|---|---|---|
| | | |
| 100129000 | | CPA037 |
| 2023 | Oct | 134,411,678 |
| 2023 | Nov | 138,907,083 |
| 2023 | Dec | 82,949,319 |
| 2024 | Jan | 91,053,156 |
| 2024 | Feb | 109,403,394 |
| 2024 | Mar | 119,620,479 |
| 2024 | Apr | 122,867,127 |
| 2024 | May | 134,573,240 |
| 2024 | Jun | 150,995,830 |
| 2024 | Jul | 128,998,671 |
| 2024 | Aug | 124,705,007 |
| 2024 | Sep | 140,441,987 |
| 2024 | Oct | 155,191,352 |
| Average CWIP Ending Balance | | 125,701,409 |

| CWIP - Average Monthly Balance | | |
|---|---|---|
| | | |
| | | CPA037 |
| 2023 | Nov | 136,659,380 |
| 2023 | Dec | 110,928,201 |
| 2024 | Jan | 87,001,238 |
| 2024 | Feb | 100,228,275 |
| 2024 | Mar | 114,511,936 |
| 2024 | Apr | 121,243,803 |
| 2024 | May | 128,720,183 |
| 2024 | Jun | 142,784,535 |
| 2024 | Jul | 139,997,250 |
| 2024 | Aug | 126,851,839 |
| 2024 | Sep | 132,573,497 |
| 2024 | Oct | 147,816,669 |
| TTM Average CWIP Balance | | 124,109,734 |

**Interest Expense - ST Borrowings**

| 700102000 | | CPA037 |
|---|---|---|
| 2023 | Nov | 275,231 |
| 2023 | Dec | 527,667 |
| 2024 | Jan | 625,142 |
| 2024 | Feb | 441,543 |
| 2024 | Mar | 325,007 |
| 2024 | Apr | 216,818 |
| 2024 | May | 175,315 |
| 2024 | Jun | 340,344 |
| 2024 | Jul | 261,812 |
| 2024 | Aug | 412,175 |
| 2024 | Sep | 545,440 |
| 2024 | Oct | 448,024 |
| TTM MP Interest Expense | | 4,594,517 |

**Average Daily Balance of Short-term Borrowings**

| 300203234 | | CPA037 |
|---|---|---|
| 2023 | Nov | 54,887,530 |
| 2023 | Dec | 100,447,521 |
| 2024 | Jan | 128,853,235 |
| 2024 | Feb | 98,941,143 |
| 2024 | Mar | 68,459,378 |
| 2024 | Apr | 46,879,451 |
| 2024 | May | 36,722,138 |
| 2024 | Jun | 73,675,567 |
| 2024 | Jul | 55,276,597 |
| 2024 | Aug | 87,136,532 |
| 2024 | Sep | 121,353,268 |
| 2024 | Oct | 105,676,905 |
| TTM Avg. ST Borrowings | | 81,525,772 |

**Short-term Borrowings Used for AFUDC Calculation**

| | | CPA037 |
|---|---|---|
| 2023 | Nov | 54,887,530 |
| 2023 | Dec | 100,447,521 |
| 2024 | Jan | 87,001,238 |
| 2024 | Feb | 98,941,143 |
| 2024 | Mar | 68,459,378 |
| 2024 | Apr | 46,879,451 |
| 2024 | May | 36,722,138 |
| 2024 | Jun | 73,675,567 |
| 2024 | Jul | 55,276,597 |
| 2024 | Aug | 87,136,532 |
| 2024 | Sep | 121,353,268 |
| 2024 | Oct | 105,676,905 |
| TTM Avg. ST Borrowings for AFUDC | | 78,038,106 |

**Interest Expense on ST Borrowings for AFUDC**

| | | CPA037 |
|---|---|---|
| 2023 | Nov | 275,231 |
| 2023 | Dec | 527,667 |
| 2024 | Jan | 422,093 |
| 2024 | Feb | 441,543 |
| 2024 | Mar | 325,007 |
| 2024 | Apr | 216,818 |
| 2024 | May | 175,315 |
| 2024 | Jun | 340,344 |
| 2024 | Jul | 261,812 |
| 2024 | Aug | 412,175 |
| 2024 | Sep | 545,440 |
| 2024 | Oct | 448,024 |
| TTM MP Interest Expense for AFUDC | | 4,391,468 |

**Long-term Debt / Preferred Stock / Common Equity**

| 2023 | Dec | CPA037 |
|---|---|---|
| 201299000 | Long Term Debt (incl. Finance Leases) | 1,291,864,217 |
| 300199000 | Current Portion of Long Term Debt | 721,670 |
| 300201233 | Short-term Debt I/C (see Note J) | - |
| 300129000 | Less: Capital Leases in Current LTD | 721,670 |
| 201230225 | Less: Unamortized Premium | - |
| 201235226 | Less: Unamortized Discount | - |
| 201240000 | Less: Interest Rate Swaps | - |
| 201249000 | Less: Capital Leases in LTD | 6,349,217 |
| **Long-term Debt** | | 1,285,515,000 |
| | | |
| 200299900 | Preferred Stock | - |
| | | |
| 200999000 | Total Stock Equity | 1,624,973,556 |
| 200699000 | Less: AOCI | - |
| 200299900 | Less: Preferred Stock | - |
| 200280008 | Less: NCI | - |
| **Total Common Equity** | | 1,624,973,556 |

**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, was

**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

11,735,492,089 Common Equity us

**Note C** - LTD Interest Rate obtained from Debt Cost Report worksheet obtained from Treasury as of 12/31/23. AFUDC requires the use of the latest year-end

**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 E** - Amounts obtained from [redacted] Money Pool Spreadsheet (see

**Note F** - NIPSCO Electric/Gas split for ST Borrowings is based on the CWIP

**Note G** - NIPSCO Electric/Gas split for CWIP was obtained from **Fixed Asset Accounting**, Electric Accounting. 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 $8M FERC-GAAP differences due to

**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

**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

**Note K** - Amounts from [redacted] Regulatory Affairs. 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

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.

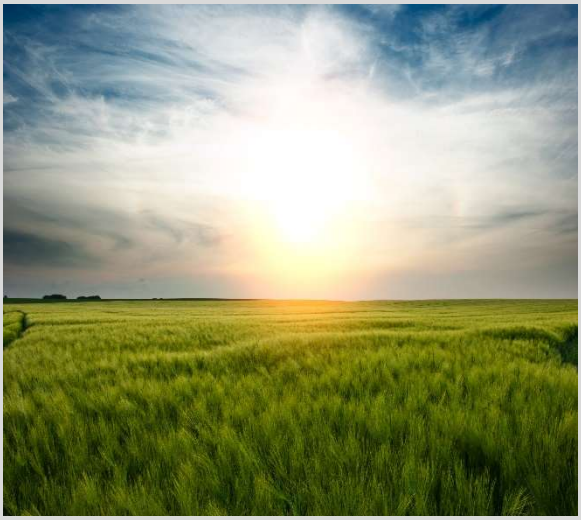
Response:

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 – I.







*We exist to deliver safe, reliable energy that drives value to our customers*

# Segment and Financial Information
# Year End 2022

Supplement to NiSource Year End 2022
Earnings Presentation







# NiSource Inc.

## Condensed Statements of Consolidated Income (unaudited) (GAAP)

| *(in millions, except per share amounts)* | Three Months Ended December 31, 2022 | Three Months Ended December 31, 2021 | Twelve Months Ended December 31, 2022 | Twelve Months Ended December 31, 2021 |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Customer revenues | **$ 1,683.6** | $ 1,353.6 | **$ 5,738.6** | $ 4,731.3 |
| Other revenues | **21.0** | 55.0 | **112.0** | 168.3 |
| Total Operating Revenues | **1,704.6** | 1,408.6 | **5,850.6** | 4,899.6 |
| **Operating Expenses** | | | | |
| Cost of energy | **689.3** | 478.9 | **2,110.5** | 1,392.3 |
| Operation and maintenance | **365.3** | 380.6 | **1,489.4** | 1,456.0 |
| Depreciation and amortization | **216.2** | 188.2 | **820.8** | 748.4 |
| Loss (gain) on sale of assets, net | **1.1** | 0.8 | **(104.2)** | 7.7 |
| Other taxes | **67.2** | 75.7 | **268.3** | 288.3 |
| Total Operating Expenses | **1,339.1** | 1,124.2 | **4,584.8** | 3,892.7 |
| **Operating Income** | **365.5** | 284.4 | **1,265.8** | 1,006.9 |
| **Other Income (Deductions)** | | | | |
| Interest expense, net | **(101.8)** | (87.6) | **(361.6)** | (341.1) |
| Other, net | **22.2** | 3.6 | **52.2** | 40.8 |
| Total Other Deductions, Net | **(79.6)** | (84.0) | **(309.4)** | (300.3) |
| **Income before Income Taxes** | **285.9** | 200.4 | **956.4** | 706.6 |
| **Income Taxes** | **44.7** | 27.2 | **164.6** | 117.8 |
| **Net Income** | **241.2** | 173.2 | **791.8** | 588.8 |
| Net income (loss) attributable to noncontrolling interest | **(3.3)** | 7.3 | **(12.3)** | 3.9 |
| **Net Income Attributable to NiSource** | **244.5** | 165.9 | **804.1** | 584.9 |
| Preferred dividends | **(13.7)** | (13.7) | **(55.1)** | (55.1) |
| **Net Income Available to Common Shareholders** | **230.8** | 152.2 | **749.0** | 529.8 |
| **Earnings Per Share** | | | | |
| Basic Earnings Per Share | **$ 0.56** | $ 0.38 | **$ 1.84** | $ 1.35 |
| Diluted Earnings Per Share | **$ 0.52** | $ 0.36 | **$ 1.70** | $ 1.27 |
| **Basic Average Common Shares Outstanding** | **409.6** | 395.6 | **407.1** | 393.6 |
| **Diluted Average Common Shares** | **445.9** | 428.8 | **442.7** | 417.3 |

# NiSource Inc.

## Condensed Consolidated Balance Sheets (unaudited) (GAAP)

| *(in millions)* | **December 31, 2022** | December 31, 2021 |
|---|---|---|
| **ASSETS** | | |
| **Property, Plant and Equipment** | | |
| Plant | **$ 27,551.3** | $ 25,171.3 |
| Accumulated depreciation and amortization | **(7,708.7)** | (7,289.5) |
| Net Property, Plant and Equipment[(1)] | **19,842.6** | 17,881.8 |
| **Investments and Other Assets** | | |
| Unconsolidated affiliates | **1.6** | 0.8 |
| Available-for-sale debt securities (amortized cost of $166.7 and $169.3, allowance for credit losses of $0.9 and $0.2, respectively) | **151.6** | 171.8 |
| Other investments | **71.0** | 87.1 |
| Total Investments and Other Assets | **224.2** | 259.7 |
| **Current Assets** | | |
| Cash and cash equivalents | **40.8** | 84.2 |
| Restricted cash | **34.6** | 10.7 |
| Accounts receivable | **1,065.8** | 849.1 |
| Allowance for credit losses | **(23.9)** | (23.5) |
| Accounts receivable, net | **1,041.9** | 825.6 |
| Gas inventory | **531.7** | 327.4 |
| Materials and supplies, at average cost | **151.4** | 139.1 |
| Electric production fuel, at average cost | **68.8** | 32.2 |
| Exchange gas receivable | **128.1** | 99.6 |
| Regulatory assets | **233.2** | 206.2 |
| Deposits to renewable generation asset developer | **143.8** | — |
| Prepayments and other | **210.0** | 195.8 |
| Total Current Assets[(1)] | **2,584.3** | 1,920.8 |
| **Other Assets** | | |
| Regulatory assets | **2,347.6** | 2,286.0 |
| Goodwill | **1,485.9** | 1,485.9 |
| Deferred charges and other | **252.0** | 322.7 |
| Total Other Assets | **4,085.5** | 4,094.6 |
| **Total Assets** | **$ 26,736.6** | $ 24,156.9 |

[(1)]Includes $978.5 million and $695.9 million at December 31, 2022 and December 31, 2021, respectively, of net property, plant and equipment assets and $25.7 million and $14.3 million at December 31, 2022 and December 31, 2021, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs.

# NiSource Inc.

## Condensed Consolidated Balance Sheets (unaudited) (GAAP) (continued)

| *(in millions, except share amounts)* | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **CAPITALIZATION AND LIABILITIES** | | |
| **Capitalization** | | |
| Stockholders' Equity | | |
| Common stock - $0.01 par value, 600,000,000 shares authorized; 412,142,602 and 405,303,023 shares outstanding, respectively | **$ 4.2** | $ 4.1 |
| Preferred stock - $0.01 par value, 20,000,000 shares authorized; 1,302,500 shares outstanding | **1,546.5** | 1,546.5 |
| Treasury stock | **(99.9)** | (99.9) |
| Additional paid-in capital | **7,375.3** | 7,204.3 |
| Retained deficit | **(1,213.6)** | (1,580.9) |
| Accumulated other comprehensive loss | **(37.1)** | (126.8) |
| Total NiSource Stockholders' Equity | **7,575.4** | 6,947.3 |
| Noncontrolling interest in consolidated subsidiaries | **326.4** | 325.6 |
| Total Stockholders' Equity | **7,901.8** | 7,272.9 |
| Long-term debt, excluding amounts due within one year | **9,523.6** | 9,183.4 |
| Total Capitalization | **17,425.4** | 16,456.3 |
| **Current Liabilities** | | |
| Current portion of long-term debt | **29.7** | 58.1 |
| Short-term borrowings | **1,762.2** | 560.0 |
| Accounts payable | **899.5** | 697.8 |
| Customer deposits and credits | **324.7** | 237.9 |
| Taxes accrued | **246.2** | 277.1 |
| Interest accrued | **138.4** | 105.5 |
| Exchange gas payable | **147.6** | 107.7 |
| Regulatory liabilities | **236.8** | 137.4 |
| Accrued compensation and employee benefits | **167.5** | 182.7 |
| Obligations to renewable generation asset developer | **347.2** | — |
| Other accruals | **360.7** | 382.0 |
| Total Current Liabilities[(1)] | **4,660.5** | 2,746.2 |
| **Other Liabilities** | | |
| Deferred income taxes | **1,854.5** | 1,659.4 |
| Accrued liability for postretirement and postemployment benefits | **245.5** | 292.5 |
| Regulatory liabilities | **1,775.8** | 1,842.6 |
| Asset retirement obligations | **478.1** | 469.7 |
| Other noncurrent liabilities and deferred credits | **296.8** | 690.2 |
| Total Other Liabilities[(1)] | **4,650.7** | 4,954.4 |
| **Total Capitalization and Liabilities** | **$ 26,736.6** | $ 24,156.9 |

[(1)]Includes $128.2 million and $10.0 million at December 31, 2022 and December 31, 2021, respectively, of current liabilities and $30.6 million and $20.5 million at December 31, 2022 and December 31, 2021, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit.

# NiSource Inc.
## Statements of Consolidated Cash Flows (GAAP)

| Twelve Months Ended December 31, *(in millions)* | 2022 | 2021 |
|---|---|---|
| **Operating Activities** | | |
| Net Income | **$ 791.8** | $ 588.8 |
| Adjustments to Reconcile Net Income to Net Cash from Operating Activities: | | |
| Depreciation and amortization | **820.8** | 748.4 |
| Deferred income taxes and investment tax credits | **156.9** | 111.9 |
| Stock compensation expense and 401(k) profit sharing contribution | **24.9** | 24.3 |
| Loss (gain) on sale of assets | **(105.3)** | 5.6 |
| Other adjustments | **5.7** | (0.7) |
| Changes in Assets and Liabilities: | | |
| Accounts receivable | **(216.3)** | (40.3) |
| Inventories | **(258.9)** | (112.9) |
| Accounts payable | **165.0** | 54.9 |
| Exchange gas receivable/payable | **57.8** | (114.2) |
| Other accruals | **73.4** | 43.0 |
| Prepayments and other current assets | **(9.8)** | (36.6) |
| Regulatory assets/liabilities | **(129.4)** | 76.8 |
| Postretirement and postemployment benefits | **84.7** | (96.4) |
| Deferred charges and other noncurrent assets | **(4.1)** | (4.7) |
| Other noncurrent liabilities | **(47.8)** | (30.0) |
| **Net Cash Flows from Operating Activities** | **1,409.4** | 1,217.9 |
| **Investing Activities** | | |
| Capital expenditures | **(2,203.1)** | (1,838.0) |
| Insurance recoveries | **105.0** | — |
| Cost of removal | **(151.7)** | (121.1) |
| Proceeds from disposition of assets | **—** | 0.7 |
| Purchases of available-for-sale securities | **(73.5)** | (102.9) |
| Sales of available-for-sale securities | **75.7** | 97.8 |
| Payment to renewable generation asset developer | **(323.9)** | (240.4) |
| Other investing activities | **1.3** | (1.0) |
| **Net Cash Flows used for Investing Activities** | **(2,570.2)** | (2,204.9) |
| **Financing Activities** | | |
| Proceeds from issuance of long-term debt | **345.6** | — |
| Repayments of long-term debt and finance lease obligations | **(60.3)** | (25.7) |
| Issuance of short-term debt (maturity > 90 days) | **1,000.0** | — |
| Change in short-term borrowings, net (maturity ≤ 90 days) | **202.2** | 57.0 |
| Issuance of common stock, net of issuance costs | **154.3** | 299.6 |
| Equity costs, premiums and other debt related costs | **(13.0)** | (18.2) |
| Contributions from noncontrolling interest | **21.2** | 245.1 |
| Distributions to noncontrolling interest | **(6.0)** | (0.6) |
| Issuance of equity units, net of underwriting costs | **—** | 839.9 |
| Dividends paid - common stock | **(381.5)** | (345.2) |
| Dividends paid - preferred stock | **(55.1)** | (55.1) |
| Contract liability payment | **(66.1)** | (40.5) |
| **Net Cash Flows from Financing Activities** | **1,141.3** | 956.3 |
| Change in cash, cash equivalents and restricted cash | **(19.5)** | (30.7) |
| Cash, cash equivalents and restricted cash at beginning of period | **94.9** | 125.6 |
| **Cash, Cash Equivalents and Restricted Cash at End of Period** | **$ 75.4** | $ 94.9 |

Information contained herein is on a non-GAAP basis that is supplemental to and should be read in conjunction with our GAAP financial results. For our GAAP financial results and discussion of segment operations, please refer to Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's Quarterly Report on Form 10-K for the fiscal year ended December 31, 2022. For a reconciliation of GAAP to non-GAAP earnings, GAAP to non-GAAP operating revenues, GAAP to non-GAAP operating expenses and GAAP to non-GAAP operating income, see Schedules 1 and 2 contained herein.

**Three and Twelve Months Ended December 31, 2022 Non-GAAP Net Operating Earnings - Segment Results**

NiSource's consolidated non-GAAP net operating earnings available to common shareholders for the three months ended December 31, 2022 were $221.0 million, compared to $166.7 million in the comparable 2021 period. NiSource's consolidated non-GAAP net operating earnings for the twelve months ended December 31, 2022 were $648.2 million, compared to $571.2 million in the comparable 2021 period. Refer to the attached schedules for the items included in 2022 and 2021 GAAP net income but excluded from non-GAAP net operating earnings available to common shareholders.

Non-GAAP operating income for NiSource's business segments for the three and twelve months ended December 31, 2022, are discussed below.

**Gas Distribution Operations**

For the three months ended December 31, 2022, Gas Distribution Operations reported non-GAAP operating income of $287.6 million, compared to non-GAAP operating income of $215.8 million in the comparable 2021 period. For the twelve months ended December 31, 2022, Gas Distribution Operations reported non-GAAP operating income of $805.2 million, compared to non-GAAP operating income of $673.7 million in the comparable 2021 period.

Non-GAAP operating revenues for the three months ended December 31, 2022 were $1,256.8 million, an increase of $250.3 million from the comparable 2021 period. Non-GAAP operating revenues for the twelve months ended December 31, 2022 were $4,011.6 million, an increase of $805.2 million from the comparable 2021 period.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in non-GAAP Operating Revenues** *(in millions)* | **Three Months Ended December 31, 2022 vs 2021** | **Twelve Months Ended December 31, 2022 vs 2021** |
| New rates from base rate proceedings and regulatory capital programs | 60.4 | 169.7 |
| Increased customer usage | 3.9 | 2.3 |
| Higher revenue related to off system sales | 2.9 | 8.8 |
| The effects of customer growth | 1.3 | 4.9 |
| Higher (lower) revenue due to the effects of resuming common credit mitigation practices | (0.1) | 3.5 |
| Other | (2.3) | 4.7 |
| Change in non-GAAP operating revenues (before cost of energy and other tracked items) | $ 66.1 | $ 193.9 |
| **Operating revenues offset in operating expense** | | |
| Higher cost of energy billed to customers | 168.6 | 572.1 |
| Higher tracker deferrals within operation and maintenance, depreciation, and tax | 15.6 | 39.2 |
| **Total change in non-GAAP operating revenues** | **$ 250.3** | **$ 805.2** |

Non-GAAP operating expenses for the three months ended December 31, 2022 were $969.2 million, an increase of $178.5 million from the comparable 2021 period. Non-GAAP operating expenses for the twelve months ended December 31, 2022 were $3,206.4 million, an increase of $673.7 million from the comparable 2021 period.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in non-GAAP Operating Expenses** *(in millions)* | **Three Months Ended December 31, 2022 vs 2021** | **Twelve Months Ended December 31, 2022 vs 2021** |
| Lower (higher) outside services expenses | 8.8 | (12.2) |
| Lower (higher) employee and administrative related expenses | 7.9 | (10.0) |
| Lower other than income taxes primarily related to property tax expense | 7.7 | 17.8 |
| Lower (higher) materials and supplies expense | 1.6 | (2.7) |
| Lower NiSource Next program expenses | 1.4 | 5.3 |
| Lower (higher) environmental remediation costs | 1.1 | (2.7) |
| Higher depreciation and amortization expense | (9.8) | (33.3) |
| Rate case settlement adjustment | (4.4) | (4.4) |
| Earnings reserve adjustment | (2.5) | (2.5) |
| The loss (gain) on sale and expenses related to the Massachusetts Business in 2021 | (1.7) | 0.6 |
| Higher fleet expenses | (0.5) | (5.5) |
| Other | (3.9) | (12.8) |
| Change in non-GAAP operating expenses (before cost of energy and other tracked items) | $ 5.7 | $ (62.4) |
| **Operating expenses offset in operating revenue** | | |
| Higher cost of energy billed to customers | (168.6) | (572.1) |
| Higher tracker deferrals within operation and maintenance, depreciation, and tax | (15.6) | (39.2) |
| **Total change in non-GAAP operating expense** | **$ (178.5)** | **$ (673.7)** |

## Electric Operations

For the three months ended December 31, 2022, Electric Operations reported non-GAAP operating income of $67.5 million, compared to non-GAAP operating income of $81.9 million in the comparable 2021 period. For the twelve months ended December 31, 2022, Electric Operations reported non-GAAP operating income of $354.4 million compared to non-GAAP operating income of $387.2 million in the comparable 2021 period.

Non-GAAP operating revenues for the three months ended December 31, 2022 were $447.8 million, an increase of $37.0 million from the comparable 2021 period. Non-GAAP operating revenues for the twelve months ended December 31, 2022 were $1,823.0 million, an increase of $147.6 million from the comparable 2021 period.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in non-GAAP Operating Revenues** *(in millions)* | **Three Months Ended December 31, 2022 vs 2021** | **Twelve Months Ended December 31, 2022 vs 2021** |
| PPA revenue from renewable JV projects, fully offset by JV operating expenses and noncontrolling interest net income (loss) | $ 9.2 | $ 27.5 |
| The effects of customer growth | 0.8 | 4.6 |
| Decreased fuel handling costs | — | 4.0 |
| Decreased customer usage | (7.7) | (18.5) |
| Reduction in gross receipts tax, offset in operating expenses | (4.4) | (10.3) |
| FAC over earnings reserve | (2.1) | (5.8) |
| New rates from regulatory capital and DSM programs | (0.1) | 2.8 |
| Other | 0.5 | (2.4) |
| Change in non-GAAP operating revenues (before cost of energy and other tracked items) | $ (3.8) | $ 1.9 |
| **Operating revenues offset in operating expense** | | |
| Higher cost of energy billed to customers | 41.7 | 146.1 |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | (0.9) | (0.4) |
| **Total change in non-GAAP operating revenues** | **$ 37.0** | **$ 147.6** |

Non-GAAP operating expenses for the three months ended December 31, 2022 were $380.3 million, an increase of $51.4 million from the comparable 2021 period. Non-GAAP operating expenses for the twelve months ended December 31, 2022 were $1,468.6 million, an increase of $180.4 million from the comparable 2021 period.

| | Favorable (Unfavorable) | |
|---|---|---|
| **Changes in non-GAAP Operating Expenses** *(in millions)* | **Three Months Ended December 31, 2022 vs 2021** | **Twelve Months Ended December 31, 2022 vs 2021** |
| Higher depreciation and amortization expense driven by the joint venture depreciation adjustment | $ (10.8) | $ (15.7) |
| Renewable JV project expenses, offset by JV operating revenues | (5.9) | (25.5) |
| Reduction in gross receipts tax, offset in operating revenues | 4.4 | 10.3 |
| Lower employee and administrative expenses | 2.6 | 5.6 |
| Lower (higher) outside services expenses | 0.4 | (5.7) |
| Effects of environmental recoveries in 2021 | — | (6.5) |
| Other | (1.3) | 2.8 |
| Change in non-GAAP operating expenses (before cost of energy and other tracked items) | $ (10.6) | $ (34.7) |
| **Operating expenses offset in operating revenue** | | |
| Higher cost of energy billed to customers | (41.7) | (146.1) |
| Lower tracker deferrals within operation and maintenance, depreciation and tax | 0.9 | 0.4 |
| **Total change in non-GAAP operating expense** | **$ (51.4)** | **$ (180.4)** |

**Corporate and Other Operations**

For the three months ended December 31, 2022, Corporate and Other Operations reported a non-GAAP operating earnings of $7.2 million compared to non-GAAP operating earnings of $6.1 million in the comparable 2021 period. This change resulted primarily from favorable fluctuations in the cash surrender value of corporate owned life insurance investments, as well as lower outside service costs in 2022.

For the twelve months ended December 31, 2022, Corporate and Other Operations reported a non-GAAP operating loss of $12.4 million compared to non-GAAP operating earnings of $2.0 million in the comparable 2021 period. This change resulted primarily from unfavorable fluctuations in the cash surrender value of corporate owned life insurance investments, as well as higher outside service costs in 2022.

**Other Deductions, net**

Other deductions, net, reduced non-GAAP net operating earnings by $89.6 million for the three months ended December 31, 2022, which was comparable to the reduction in non-GAAP net operating earnings of $84.0 million in the comparable 2021 period.

Other deductions, net, reduced non-GAAP net operating earnings by $319.4 million for the twelve months ended December 31, 2022, which was comparable to the reduction in non-GAAP net operating earnings of $300.3 million in the comparable 2021 period.

**Income Taxes**

The effective tax rate of non-GAAP net operating earnings for the three months ended December 31, 2022 was 15.1 percent compared to 14.6 percent for the same period last year. The increase in the effective tax rate in 2022 is primarily attributed to the state jurisdictional mix of pre-tax income in 2022 tax effected at statutory tax rates.

The effective tax rate of non-GAAP net operating earnings for the twelve months ended December 31, 2022 was 16.5 percent compared to 17.4 percent for the same period last year. The decrease in the effective tax rate in 2022 is primarily attributed to slightly lower amortization of excess deferred income taxes, offset by the state jurisdictional mix of pre-tax income in 2022 tax effected at statutory tax rates, and the reduction of the Pennsylvania corporate income tax rate.

# NiSource Inc.

## Consolidated Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

| *(in millions, except per share amounts)* | Three Months Ended December 31, 2022 | Three Months Ended December 31, 2021 | Twelve Months Ended December 31, 2022 | Twelve Months Ended December 31, 2021 |
|---|---|---|---|---|
| **Operating Revenues** | **$ 1,701.4** | $ 1,422.3 | **$ 5,833.7** | $ 4,900.8 |
| **Operating Expenses** | | | | |
| Cost of energy | **689.3** | 478.9 | **2,110.5** | 1,392.3 |
| Operation and maintenance | **315.9** | 336.4 | **1,332.0** | 1,281.1 |
| Operation and maintenance - trackers | **49.4** | 38.5 | **154.1** | 127.6 |
| Depreciation and amortization | **213.2** | 186.8 | **811.4** | 739.7 |
| Depreciation and amortization - trackers | **3.0** | 1.4 | **9.4** | 8.7 |
| Loss on sale of assets, net | **1.1** | 0.8 | **0.8** | 0.9 |
| Other taxes | **43.5** | 54.3 | **179.2** | 210.2 |
| Other taxes - trackers | **23.7** | 21.4 | **89.1** | 77.4 |
| Total Operating Expenses | **1,339.1** | 1,118.5 | **4,686.5** | 3,837.9 |
| **Operating Income** | **362.3** | 303.8 | **1,147.2** | 1,062.9 |
| **Other Income (Deductions)** | | | | |
| Interest expense, net | **(101.8)** | (87.6) | **(361.6)** | (341.1) |
| Other, net | **12.2** | 3.6 | **42.2** | 40.8 |
| Total Other Deductions, Net | **(89.6)** | (84.0) | **(319.4)** | (300.3) |
| **Operating Earnings Before Income Taxes** | **272.7** | 219.8 | **827.8** | 762.6 |
| **Income Taxes** | **41.3** | 32.1 | **136.8** | 132.4 |
| **Net Operating Earnings** | **231.4** | 187.7 | **691.0** | 630.2 |
| Net income (loss) attributable to noncontrolling interest | **(3.3)** | 7.3 | **(12.3)** | 3.9 |
| **Net Operating Earnings attributable to NiSource** | **234.7** | 180.4 | **703.3** | 626.3 |
| Preferred dividends | **(13.7)** | (13.7) | **(55.1)** | (55.1) |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **221.0** | 166.7 | **648.2** | 571.2 |
| **Non-GAAP Diluted Net Operating Earnings Per Share[(1)]** | **$ 0.50** | $ 0.39 | **$ 1.47** | $ 1.37 |
| **Diluted Average Common Shares** | **445.9** | 428.8 | **442.7** | 417.3 |

[(1)] The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for add-backs for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts. The add-backs for the three months ended December 31, 2022 and 2021 were $0.5M and $0.6M, respectively. The add-backs for the twelve months ended December 31, 2022 and 2021 were $2.0M and $1.6M, respectively.

**NiSource Inc.**
Segment Operating Income (Non-GAAP) *(unaudited)*

| **Gas Distribution Operations** | **Three Months Ended December 31,** | | **Twelve Months Ended December 31,** | |
|---|---|---|---|---|
| *(in millions)* | **2022** | 2021 | **2022** | 2021 |
| **Operating Revenues** | **$ 1,256.8** | $ 1,006.5 | **$ 4,011.6** | $ 3,206.4 |
| **Operating Expenses** | | | | |
| Cost of energy | **534.3** | 365.7 | **1,534.8** | 962.7 |
| Operation and maintenance | **229.4** | 238.0 | **928.1** | 880.8 |
| Operation and maintenance - trackers | **41.8** | 27.6 | **114.6** | 86.7 |
| Depreciation and amortization | **108.5** | 98.5 | **413.4** | 380.2 |
| Depreciation and amortization - trackers | **0.2** | 1.1 | **2.5** | 2.8 |
| Loss on sale of assets, net | **1.1** | 0.7 | **1.1** | 1.9 |
| Other taxes | **30.2** | 37.7 | **122.8** | 140.2 |
| Other taxes - trackers | **23.7** | 21.4 | **89.1** | 77.4 |
| Total Operating Expenses | **969.2** | 790.7 | **3,206.4** | 2,532.7 |
| **Operating Income (Non-GAAP)** | **$ 287.6** | $ 215.8 | **$ 805.2** | $ 673.7 |

| **Electric Operations** | **Three Months Ended December 31,** | | **Twelve Months Ended December 31,** | |
|---|---|---|---|---|
| *(in millions)* | **2022** | 2021 | **2022** | 2021 |
| **Operating Revenues** | **$ 447.8** | $ 410.8 | **$ 1,823.0** | $ 1,675.4 |
| **Operating Expenses** | | | | |
| Cost of energy | **155.0** | 113.3 | **575.8** | 429.7 |
| Operation and maintenance | **111.3** | 113.2 | **446.0** | 432.1 |
| Operation and maintenance - trackers | **7.6** | 10.9 | **39.5** | 40.9 |
| Depreciation and amortization | **93.1** | 78.7 | **356.0** | 323.5 |
| Depreciation and amortization - trackers | **2.8** | 0.3 | **6.9** | 5.9 |
| Gain on sale of assets, net | **—** | (0.9) | **—** | (0.9) |
| Other taxes | **10.5** | 13.4 | **44.4** | 57.0 |
| Total Operating Expenses | **380.3** | 328.9 | **1,468.6** | 1,288.2 |
| **Operating Income (Non-GAAP)** | **$ 67.5** | $ 81.9 | **$ 354.4** | $ 387.2 |

| **Corporate and Other Operations** | **Three Months Ended December 31,** | | **Twelve Months Ended December 31,** | |
|---|---|---|---|---|
| *(in millions)* | **2022** | 2021 | **2022** | 2021 |
| **Operating Income (Loss) (Non-GAAP)** | **$ 7.2** | $ 6.1 | **$ (12.4)** | $ 2.0 |

# NiSource Inc.

Segment Volumes and Statistical Data *(unaudited)*

| Gas Distribution Operations | Three Months Ended December 31, 2022 | 2021 | Twelve Months Ended December 31, 2022 | 2021 |
|---|---|---|---|---|
| **Sales and Transportation (MMDth)** | | | | |
| Residential | **79.2** | 69.7 | **249.0** | 231.2 |
| Commercial | **55.2** | 48.2 | **181.3** | 167.0 |
| Industrial | **125.1** | 122.7 | **490.7** | 507.1 |
| Off-System | **9.1** | 5.9 | **32.3** | 21.6 |
| Other | **0.1** | 0.1 | **0.3** | 0.3 |
| Total | **268.7** | 246.6 | **953.6** | 927.2 |
| Weather Adjustment | **(2.3)** | 16.1 | **(10.4)** | 20.4 |
| Sales and Transportation Volumes - Excluding Weather | **266.4** | 262.7 | **943.2** | 947.6 |
| **Customers** | | | | |
| Residential | | | **2,991,913** | 2,970,157 |
| Commercial | | | **254,436** | 253,987 |
| Industrial | | | **4,870** | 4,921 |
| Other | | | **3** | 4 |
| Total | | | **3,251,222** | 3,229,069 |
| **Heating Degree Days** | **1,943** | 1,649 | **5,436** | 5,002 |
| **Normal Heating Degree Days** | **1,919** | 1,952 | **5,347** | 5,427 |
| **% Colder (Warmer) than Normal** | **1 %** | (16)% | **2 %** | (8)% |

| Electric Operations | Three Months Ended December 31, 2022 | 2021 | Twelve Months Ended December 31, 2022 | 2021 |
|---|---|---|---|---|
| **Sales (GWh)** | | | | |
| Residential | **737.7** | 761.8 | **3,482.9** | 3,546.8 |
| Commercial | **837.1** | 868.9 | **3,682.4** | 3,698.0 |
| Industrial | **1,836.5** | 1,958.6 | **7,915.3** | 8,253.7 |
| Wholesale | **13.0** | 43.0 | **50.0** | 124.7 |
| Other | **22.0** | 24.8 | **89.5** | 108.5 |
| Total | **3,446.3** | 3,657.1 | **15,220.1** | 15,731.7 |
| Weather Adjustment | **(4.3)** | (13.0) | **(208.5)** | (244.8) |
| Sales Volumes - Excluding Weather | **3,442.0** | 3,644.1 | **15,011.6** | 15,486.9 |
| **Customers** | | | | |
| Residential | | | **424,735** | 422,436 |
| Commercial | | | **58,374** | 58,010 |
| Industrial | | | **2,130** | 2,137 |
| Wholesale | | | **710** | 714 |
| Other | | | **3** | 2 |
| Total | | | **485,952** | 483,299 |
| **Cooling Degree Days** | **8** | 44 | **942** | 1,020 |
| **Normal Cooling Degree Days** | **11** | 8 | **831** | 803 |
| **% Warmer (Colder) than Normal** | **(27)%** | 450 % | **13 %** | 27 % |

# 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 December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2022** | 2021 | **2022** | 2021 |
| **GAAP Net Income Available to Common Shareholders** | **$ 230.8** | $ 152.2 | **$ 749.0** | $ 529.8 |
| **Adjustments to Operating Income:** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **(3.2)** | 13.7 | **(24.9)** | 1.2 |
| FAC adjustment[(1)] | **—** | — | **8.0** | — |
| **Operating Expenses:** | | | | |
| Greater Lawrence Incident | **—** | 1.2 | **—** | 9.2 |
| Plant retirement costs | **—** | 1.9 | **—** | 14.1 |
| NiSource Next initiative[(2)] | **—** | 2.6 | **3.3** | 24.7 |
| Massachusetts Business related amounts[(3)] | **—** | — | **(105.0)** | 6.8 |
| Total adjustments to operating income | **(3.2)** | 19.4 | **(118.6)** | 56.0 |
| **Other Income (Deductions):** | | | | |
| Interest rate swap settlement gain | **(10.0)** | — | **(10.0)** | — |
| **Income Taxes:** | | | | |
| Tax effect of above items[(4)] | **3.4** | (4.9) | **27.8** | (14.6) |
| Total adjustments to net income | **(9.8)** | 14.5 | **(100.8)** | 41.4 |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 221.0** | $ 166.7 | **$ 648.2** | $ 571.2 |
| **Diluted Average Common Shares** | **445.9** | 428.8 | **442.7** | 417.3 |
| **GAAP Diluted Earnings Per Share** | **$ 0.52** | $ 0.36 | **$ 1.70** | $ 1.27 |
| Adjustments to diluted earnings per share | **(0.02)** | 0.03 | **(0.23)** | 0.10 |
| **Non-GAAP Diluted Net Operating Earnings Per Share[(5)]** | **$ 0.50** | $ 0.39 | **$ 1.47** | $ 1.37 |

[(1)]Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[(2)]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[(3)]2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.
[(4)]Represents income tax expense calculated using the statutory tax rates by legal entity.
[(5)]The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended December 31, 2022 and 2021were $0.5M and $0.6M, respectively.The add-back for the twelve months ended December 31, 2022 and 2021 were $2.0M and $1.6M, respectively.

# NiSource Inc.

## Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses, and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss) (Non-GAAP) *(unaudited)*

| Three Months Ended December 31, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 1,260.2** | **$ 447.6** | **$ (3.2)** | **$ 1,704.6** |
| **Adjustments:** | | | | |
| Weather - compared to normal | (3.4) | 0.2 | — | **(3.2)** |
| **Operating Revenues (Non-GAAP)** | **$ 1,256.8** | **$ 447.8** | **$ (3.2)** | **$ 1,701.4** |
| | | | | |
| **Operating Expenses (GAAP)** | **$ 969.2** | **$ 380.3** | **$ (10.4)** | **$ 1,339.1** |
| **Adjustments:** | | | | |
| **Operating Expenses (Non-GAAP)** | **$ 969.2** | **$ 380.3** | **$ (10.4)** | **$ 1,339.1** |
| | | | | |
| **Operating Income (GAAP)** | **$ 291.0** | **$ 67.3** | **$ 7.2** | **$ 365.5** |
| **Total Revenue and Expense Adjustments to Operating Income** | **(3.4)** | **0.2** | **—** | **(3.2)** |
| **Operating Income (Non-GAAP)** | **$ 287.6** | **$ 67.5** | **$ 7.2** | **$ 362.3** |

| Three Months Ended December 31, 2021 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 992.0** | **$ 411.6** | **$ 5.0** | **$ 1,408.6** |
| **Adjustments** | | | | |
| Weather - compared to normal | 14.5 | (0.8) | — | **13.7** |
| **Operating Revenues (Non-GAAP)** | **$ 1,006.5** | **$ 410.8** | **$ 5.0** | **$ 1,422.3** |
| | | | | |
| **Operating Expenses (GAAP)** | **$ 793.6** | **$ 331.7** | **$ (1.1)** | **$ 1,124.2** |
| **Adjustments** | | | | |
| Greater Lawrence Incident | 1.2 | — | — | **1.2** |
| Plant retirement costs | — | 1.9 | — | **1.9** |
| NiSource Next initiative | 1.7 | 0.9 | — | **2.6** |
| **Operating Expenses (Benefit) (Non-GAAP)** | **$ 790.7** | **$ 328.9** | **$ (1.1)** | **$ 1,118.5** |
| | | | | |
| **Operating Income (GAAP)** | **$ 198.4** | **$ 79.9** | **$ 6.1** | **$ 284.4** |
| **Total Revenue and Expense Adjustments to Operating Income** | **17.4** | **2.0** | **—** | **19.4** |
| **Operating Income (Non-GAAP)** | **$ 215.8** | **$ 81.9** | **$ 6.1** | **$ 303.8** |

See footnote descriptions contained with Schedule 1.

# NiSource Inc.

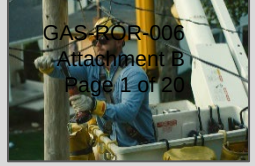
## Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses, and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss) (Non-GAAP) *(unaudited)*

| Twelve months ended December 31, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 4,019.8** | **$ 1,831.7** | **$ (0.9)** | **$ 5,850.6** |
| **Adjustments:** | | | | |
| Weather - compared to normal | (8.2) | (16.7) | — | **(24.9)** |
| FAC adjustment[(1)] | — | 8.0 | — | **8.0** |
| **Operating Revenues (Non-GAAP)** | **$ 4,011.6** | **$ 1,823.0** | **$ (0.9)** | **$ 5,833.7** |
| | | | | |
| **Operating Expenses (GAAP)** | **$ 3,104.0** | **$ 1,469.3** | **$ 11.5** | **$ 4,584.8** |
| **Adjustments:** | | | | |
| NiSource Next initiative | 2.6 | 0.7 | — | **3.3** |
| Massachusetts Business related amounts | (105.0) | — | — | **(105.0)** |
| **Operating Expenses (Non-GAAP)** | **$ 3,206.4** | **$ 1,468.6** | **$ 11.5** | **$ 4,686.5** |
| | | | | |
| **Operating Income (Loss) (GAAP)** | **$ 915.8** | **$ 362.4** | **$ (12.4)** | **$ 1,265.8** |
| **Total Revenue and Expense Adjustments to Operating Income (Loss)** | **(110.6)** | **(8.0)** | **—** | **(118.6)** |
| **Operating Income (Loss) (Non-GAAP)** | **$ 805.2** | **$ 354.4** | **$ (12.4)** | **$ 1,147.2** |

| Twelve months ended December 31, 2021 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 3,183.5** | **$ 1,697.1** | **$ 19.0** | **$ 4,899.6** |
| **Adjustments:** | | | | |
| Weather - compared to normal | 22.9 | (21.7) | — | **1.2** |
| **Operating Revenues (Non-GAAP)** | **$ 3,206.4** | **$ 1,675.4** | **$ 19.0** | **$ 4,900.8** |
| | | | | |
| **Operating Expenses (GAAP)** | **$ 2,566.0** | **$ 1,309.3** | **$ 17.4** | **$ 3,892.7** |
| **Adjustments:** | | | | |
| Greater Lawrence Incident | 9.2 | — | — | **9.2** |
| Plant retirement costs | — | 14.1 | — | **14.1** |
| NiSource Next initiative | 17.3 | 7.0 | 0.4 | **24.7** |
| Massachusetts Business sale related amounts | 6.8 | — | — | **6.8** |
| **Operating Expenses (Non-GAAP)** | **$ 2,532.7** | **$ 1,288.2** | **$ 17.0** | **$ 3,837.9** |
| | | | | |
| **Operating Income (GAAP)** | **$ 617.5** | **$ 387.8** | **$ 1.6** | **$ 1,006.9** |
| **Total Revenue and Expense Adjustments to Operating Income** | **56.2** | **(0.6)** | **0.4** | **56.0** |
| **Operating Income (Non-GAAP)** | **$ 673.7** | **$ 387.2** | **$ 2.0** | **$ 1,062.9** |

See footnote descriptions contained with Schedule 1.





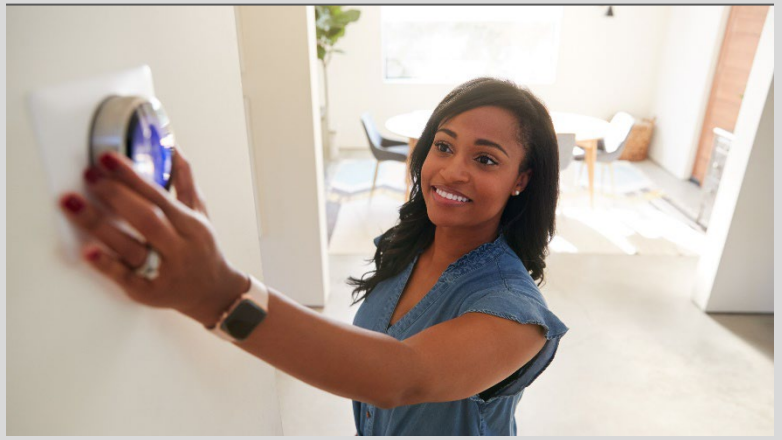
NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 1Q 2023 RESULTS

May 3, 2023







# 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, or failures of, 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, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; 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 physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal; 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; inflation; recessions; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related 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 fiscal year ended December 31, 2022, 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 and guidance for NiSource with respect to net operating earnings available to common shareholders, diluted earnings per share, and funds from operations/debt which are non-GAAP financial measures as defined by the SEC's 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, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on their GAAP equivalents and, as such, is not providing such guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings or its funds from operations/debt guidance to their GAAP equivalents without unreasonable efforts.

# ENHANCED NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH




## FINANCIAL FOUNDATION

| | | | |
|---|---|---|---|
| 100% Regulated Across Six Constructive Jurisdictions | Significant Investment Opportunities | Efficient Recovery Mechanisms | Strengthened Balance Sheet |

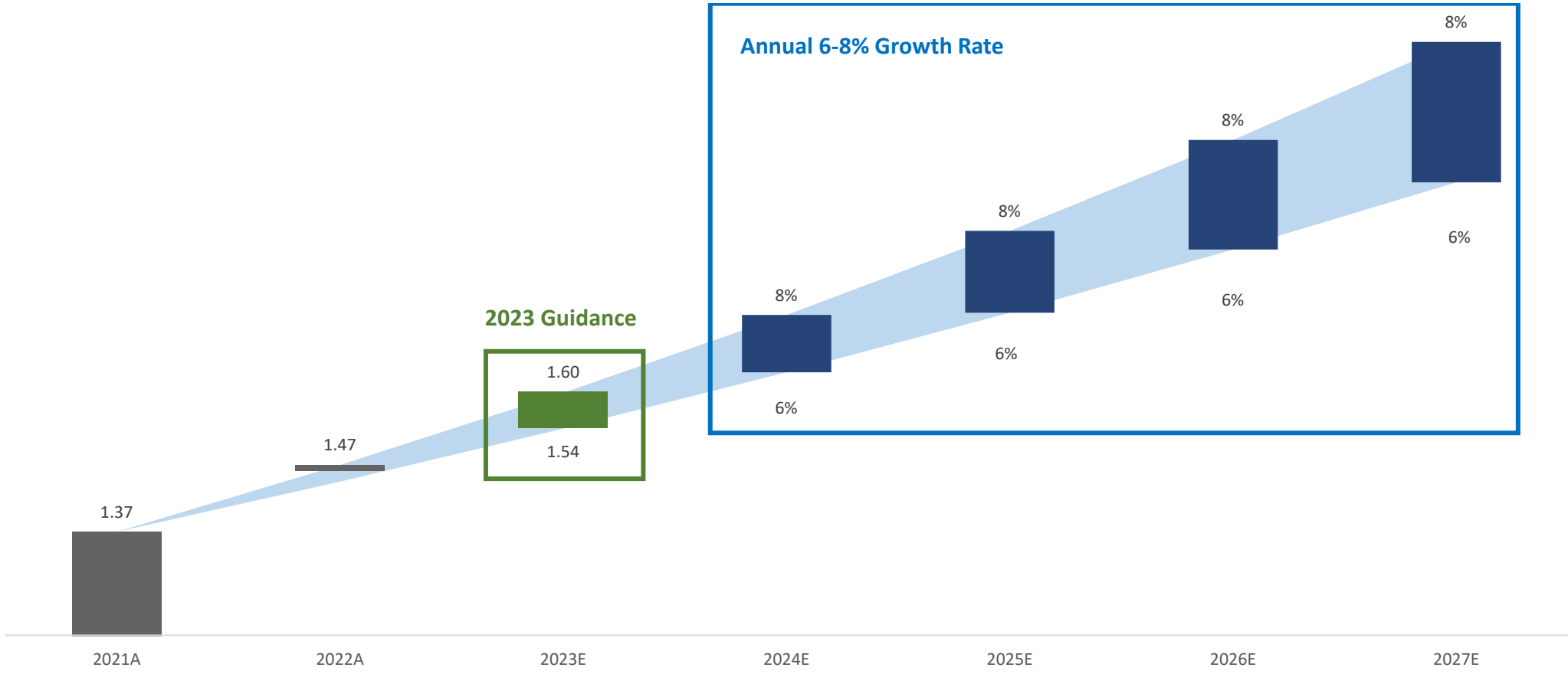


[1]Net Operating Earnings Per Diluted Share (Non-GAAP)
[2]As calculated according to the S&P and Moody's rating agency methodologies
[3]Goal for Scope 1 and 2 emissions
[4]Estimated total shareholder return at a constant P/E ratio

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

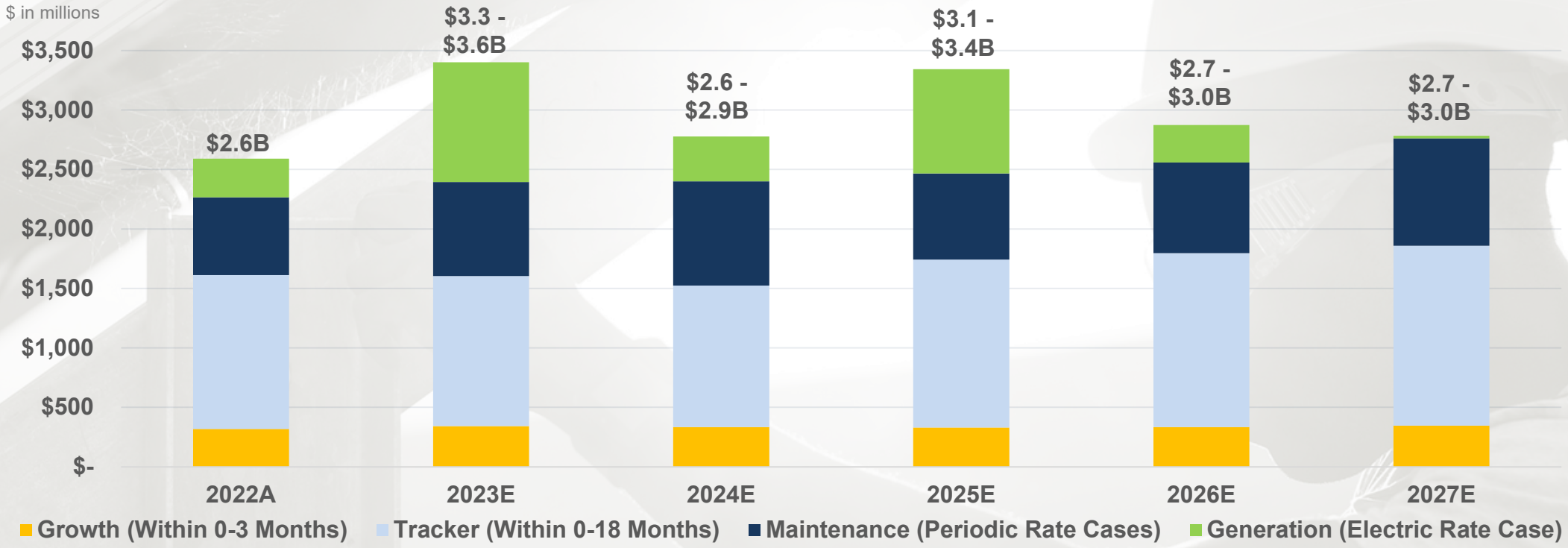
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | PROGRESS |
|---|---|---|---|---|---|---|---|---|
| **NOEPS*** (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7.3%) | **$1.54-$1.60** | **Deliver 6-8% Annual NOEPS GROWTH** | | | | On track - Solid 1Q Results |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+6.8%) | **$1.00 (+6.4%)** | **9-11% Total Shareholder Return 60-70% PAYOUT** | | | | On track |
| **CREDIT** (FFO/DEBT) | ✓ ~13.5% | ✓ ~13.5% | Execute Minority Interest Sale | Strengthened Balance Sheet to Achieve **14-16% FFO/DEBT** | | | | On track |
| **REGULATORY EXECUTION** | ✓ | ✓ | NIPSCO Electric Rate Case<br><br>Tracking Mechanisms | Sustained **Superior Regulatory** Execution | | | | On track - Filed Electric Rate Case Settlement |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | Continuing to Prioritize **Safety** while Optimizing our **Long-Term Cost Profile** | | | | | On track |

# 2023 GUIDANCE & LONG-TERM 6-8% ANNUAL NOEPS* GROWTH RATE




* NOEPS: Diluted Net Operating Earnings Per Share (Non-GAAP)

# INVESTING $15B OVER FIVE YEARS TO DRIVE SAFETY, RELIABILITY AND SUSTAINABILITY



# KEY PRIORITIES

- **Delivering 2023 and long-term EPS guidance**
  - Non-GAAP NOEPS guidance of $1.54 to $1.60 in 2023 and growth of 6-8% through 2027 reaffirmed
  - Annual rate base growth of 8-10% driven by $15 billion of capital expenditures during 2023-27
- **Regulatory execution with balanced outcomes for stakeholders**
  - NIPSCO electric rate case settlement incorporates $1.8 billion of incremental capital investments since 2019 and represents a $292 million revenue increase. Final order anticipated in August with rates effective in 2023 and 2024
  - Columbia Gas of Ohio rate case settlement approved with new rates implemented in first quarter
  - Tracked infrastructure replacement program execution continues on plan for 2023, as highlighted by Ohio's recently approved Infrastructure Replacement Program (IRP) authorizing recovery of $316 million of capital investment
- **NIPSCO minority interest sale**
  - Remains on track for 2023
  - Long-term 14-16% FFO/Debt target reaffirmed

# Additional Investment Opportunities for NiSource

## Near-Term (Through 2027)

***Near-Term investment opportunities that can enhance our current investment plan***

- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to 1985
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision

## Longer Term (2028+)

***Longer-Term investment themes beyond our current guidance period***

- Continuation of **legacy plastic, gas transmission and gas AMI programs**
- **Electric generation additions** to support anticipated capacity requirements
- Electric reliability and performance investments focused on **infrastructure replacement, continued grid modernization and system hardening**
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative

## Upsides (2028+)

***Additional opportunities past 2027***

- Electric T&D investments to **support transportation electrification**, including utility-owned charging points
- **Generation investments** to support incremental demand, asset retirements and decarbonization
- Investments in **Renewable Natural Gas** production and transportation infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# GAS DISTRIBUTION OPERATIONS

- Final order received in Ohio gas rate case in January 2023
- Continuing to invest in infrastructure to enhance safety, reliability, customer affordability and sustainability

| HIGHLIGHT | KEY COMPONENTS | STATUS |
|---|---|---|
| Columbia Gas of Virginia Base Rate Case | • Settlement Stipulation filed Dec 9, 2022 requesting approval of $25.8 million net of SAVE infrastructure tracker ($14.5M) | • Filed Apr 29, 2022<br>• Interim rates effective Oct 2022<br>• Order expected Q2 2023 |

# ELECTRIC OPERATIONS

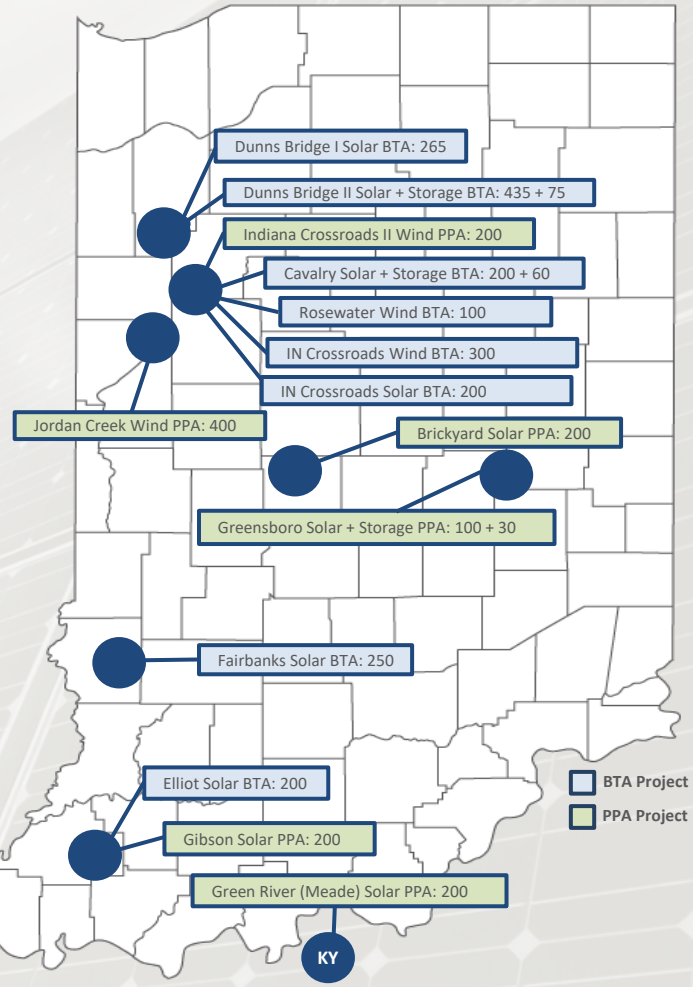
- NIPSCO Electric rate case settlement achieved Mar 10, 2023
- Renewable generation projects remain on target with previously revised in-service dates
- New request for proposals (RFP) for generation resources closed in September 2022; bid evaluation underway

| HIGHLIGHT | KEY COMPONENTS | STATUS |
|---|---|---|
| 2022 NIPSCO Electric Base Rate Case | • Settlement supports 9.80% ROE, $292 million revenue increase, and $5.95 billion rate base<br>• Settlement supports tracking of variable Environmental Operating Costs related to coal-fired generating units | • Filed Sep 19, 2022<br>• Settlement achieved Mar 10, 2023<br>• Order expected Aug 2023<br>• Rates proposed effective Sep 2023 |
| 2021 Integrated Resource Plan (IRP) & Request for Proposals (RFP) | • Schahfer Development RFP and All-Source RFP solicitation concluded September 2022 | • Project proposals are currently under evaluation |
| NIPSCO Electric FMCA Tracker | • Requested approval to recover $40 million of federally mandated retirement costs associated with the closure of Michigan City Generating Station's CCR ash ponds<br>• Proceeding stayed, pending outcome of electric rate case Settlement Agreement | • Filed Mar 30, 2022<br>• Filed Motion to stay proceeding Mar 10, 2023 |
| NIPSCO Electric FMCA Tracker | • Requested approval to recover $53 million of federally mandated retirement costs associated with the closure of R.M. Schahfer Generating Station's multi-cell unit<br>• Proceeding stayed, pending outcome of electric rate case Settlement Agreement | • Filed Nov 2, 2022<br>• Filed Motion to stay proceeding Mar 10, 2023 |

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | NIPSCO Investment ($M) | Estimated In Service | Status |
|---|---|---|---|
| Rosewater Wind | ~$100 | 2020 | Complete |
| Indiana Crossroads Wind | ~$300 | 2021 | Complete |
| Dunns Bridge I Solar | ~$240 | 2Q23 | Construction |
| Crossroads Solar | ~$200 | 2Q23 | Construction |
| Transmission Projects | ~$150 | 2Q23 | Construction |
| Cavalry Solar + Storage | ~$190+ | 2Q24 | Started Construction |
| Dunns Bridge II Solar + Storage | ~$420+ | 4Q24 | Started Construction |
| Fairbanks Solar | ~$245+ | 2Q25 | Approved |
| Elliott Solar | ~$180+ | 2025 | Approved |
| Total | ~$2,000 – 2,200 | | |

| PPA Projects | Estimated In Service | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Under Construction |
| Brickyard Solar | 2024 | Approved |
| Greensboro Solar + Storage | 2024 | Approved |
| Gibson Solar | 2024 | Approved |
| Green River Solar | 2024 | Amendment Approved |




Estimated in-services dates for solar and storage projects will continue to be refined as more information on potential solar panel tariffs and delivery of panels is available.

# FIRST QUARTER CONSOLIDATED FINANCIAL RESULTS

| GAAP | FIRST QUARTER | | |
|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $319.2 | $413.0 | $(93.8) |
| Diluted Net Operating Earnings Per Share | $0.71 | $0.94 | $(0.23) |

| NON-GAAP* | FIRST QUARTER | | |
|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $343.0 | $328.7 | $14.3 |
| Diluted Net Operating Earnings Per Share | $0.77 | $0.75 | $0.02 |

* Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

## 1Q23 Results Reflect Solid Regulatory Execution and Expense Management

# FIRST QUARTER SEGMENT NON-GAAP* RESULTS

| OPERATING INCOME/EARNINGS ($ Millions) | FIRST QUARTER 2023 | 2022 | CHANGE FAV/(UNFAV) |
|---|---|---|---|
| Gas Distribution | $ 478.1 | $ 404.8 | $ 73.3 |
| Electric Operations | 83.0 | 98.7 | (15.7) |
| Corporate & Other | 2.2 | (9.7) | 11.9 |
| **Consolidated NiSource Operating Earnings*** | **$ 563.3** | **$ 493.8** | **$ 69.5** |

## Key Drivers

**GAS DISTRIBUTION**

| | |
|---|---|
| Increased Revenue from new rates and capital programs | 82.6 |
| Higher outside service and uncollectible accounts expense | (4.0) |

**ELECTRIC OPERATIONS**

| | |
|---|---|
| Increased Revenue from new rates, offset by lower customer usage | (4.3) |
| Higher outside service expense related to generation maintenance | (7.4) |

**CORPORATE & OTHER**

Lower outside services expense

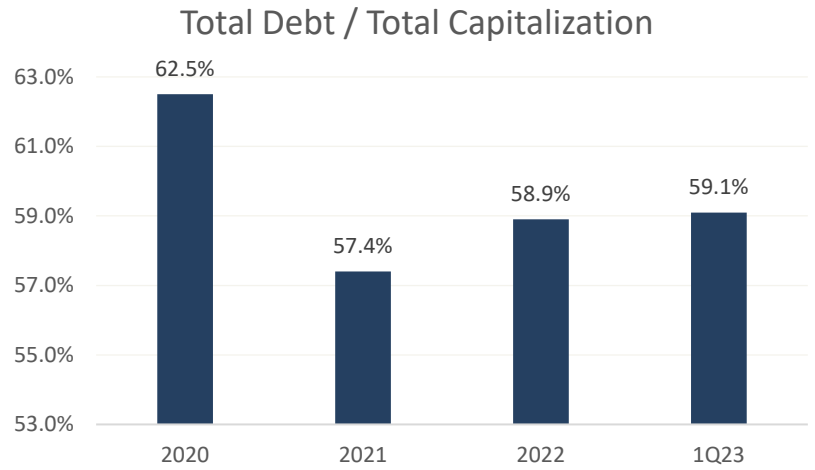
* Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the period ended Mar 31, 2023. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation.

Continued Focus on Safe and Reliable Execution

# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$11.6B as of March 31, 2023**
  - ~$10.3B of long-term debt
  - Weighted average maturity ~13 years
  - Weighted average interest rate of 3.83%

- **Solid liquidity position**
  - ~$2.3B in net available liquidity as of March 31, 2023*
  - ~$2.5B of committed facilities in place as of March 31, 2023
    - ~$1.9B revolving credit facility
    - ~$0.6B accounts receivable securitization facilities **



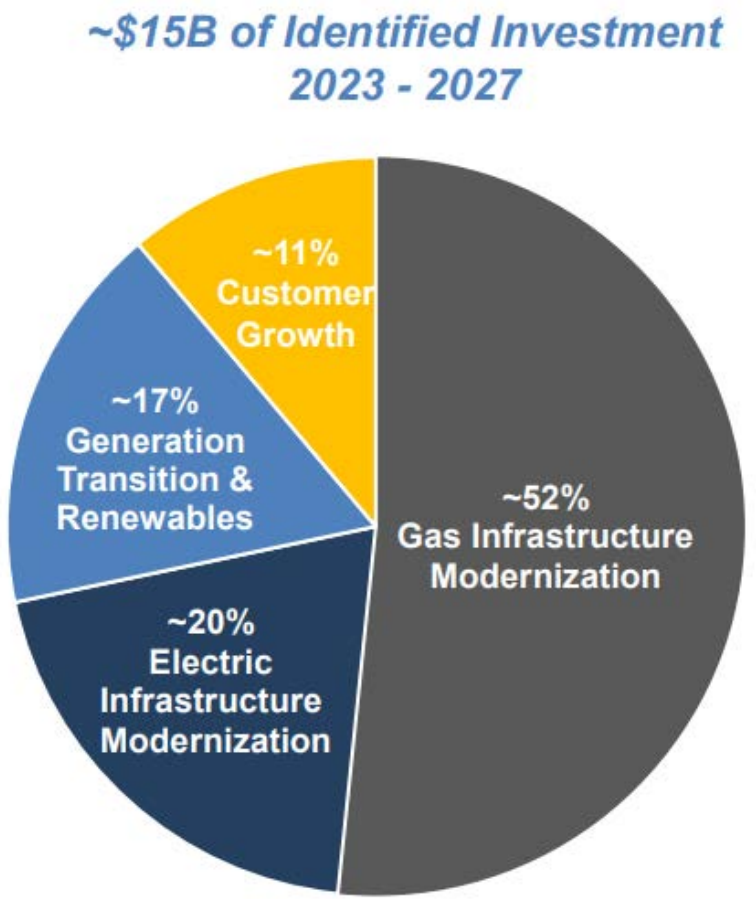

- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

Solid Financial Foundation to Support Long-Term Infrastructure and Safety Investments

# STRENGTHENED FINANCING PLAN PROVIDES FLEXIBILITY TO INVEST IN GROWTH

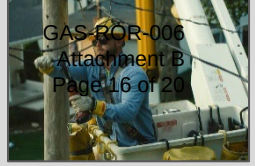
- **Dividends** and **capital investments** primarily funded through **cash from operations**
- **Minority interest sale** adds **flexibility** to financing plan
- **Target FFO/Debt[1] 14-16%**
  ATM Equity[2] (2025+) to support current investment grade credit ratings
- **Minimize near-term capital markets costs and volatility**




[1] As calculated according to the S&P and Moody's rating agency methodologies
[2] Excludes remarketed Equity Units ($863M), may be used to redeem outstanding Preferred Stock ($900M)

Financing Plan Remains Unchanged from Investor Day

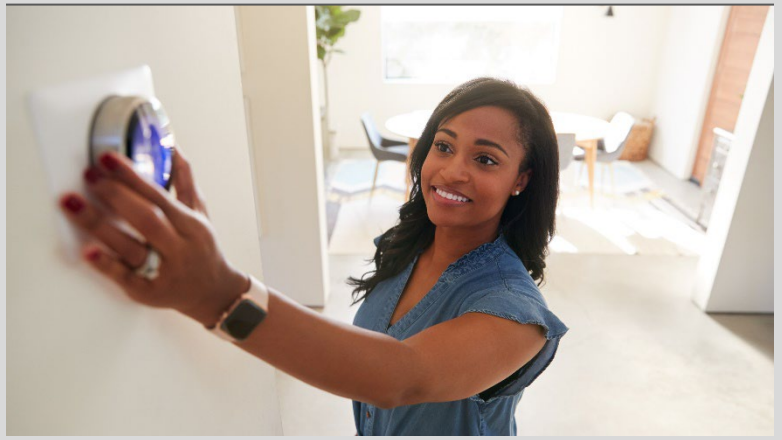






*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## 1Q 2023 RESULTS







# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

## ENVIRONMENTAL

- Approximately $3B of generation transition investments between 2021 - 2027
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- On track for 90% reduction* in greenhouse gas emissions by 2030
- Reduction in methane emissions through modernization and advanced leak detection and repair
- Actionable pathways to achieve Net Zero Goal by 2040 with support from key stakeholders
- Establishment of customer opportunities to reduce greenhouse gas emissions

## SOCIAL

- Transformation focused on customer safety, reliability and affordability
- Published a 2022 Safety Report
- Enhancing DE&I initiatives across the organization
  - Executive Leadership Team consists of ~75% women and minorities
  - Board consists of ~58% women and minorities
  - Advancing economic inclusion initiatives including a goal of 25% diverse supplier spend by 2025
- Supporting cultural awareness initiatives and development opportunities for under-represented groups

## GOVERNANCE

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled, and independent Board
- 25% of Board refreshed in 2022, including two new female directors and additional utility experience
- Robust framework for strategy, risk management, and oversight
- Enhanced alignment of employee and executive incentive programs
- Cybersecurity management Sub-Committee reports to Risk Management Committee

America's Most Responsible Companies 2023 — Newsweek — statista

The Best Employers for Women — Forbes 2022 — Powered by Statista

Member of Dow Jones Sustainability Indices — Powered by the S&P Global CSA

MSCI ESG RATINGS — AAA

CCC | B | BB | BBB | A | AA | AAA

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* *Scope 1 emissions, compared to 2005 baseline*

**NiSource's Corporate Strategy is Aligned with Commitment to Best-In-Class ESG Practices**

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2021 | $232.9 | May 2022 |
| | | FY 2022 | $316.3 | May 2023 |
| | Capital Expenditure Program (CEP) | FY 2021 | $253.5 | Sep 2022 |
| | | FY 2022 | $265.6 | Sep 2023 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2022 | $63.0 | Jan 2022 |
| | | FY 2023 | $45.9 | Jan 2023 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023 | $41.6 | Jan 2023 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2022 | $17.5 | Jan 2022 |
| | | FY 2023 | $18.0 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 4: Jul 2021 – Dec 2021 | $77.5 | Jul 2022 |
| | | TDSIC 6: Jan 2022 – Feb 2023 | $149.8 | Sep 2023 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 7: Apr 2021 – Sep 2021 | $32.8 | Apr 2022 |
| | | FMCA 1: Oct 2021 – Mar 2022 | $14.1 | Oct 2022 |
| | | FMCA 2: Apr 2022 – Sep 2022 | $38.2 | Apr 2023 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 9: Feb 2021 - May 2021 | $42.7 | Feb 2022 |
| | | TDSIC 1: Jun 2021 - Jan 2022 | $148.5 | Aug 2022 |
| | | TDSIC 2: Feb 2022 - Jul 2022 | $143.5 | Feb 2023 |

**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, 2023 | 2022 |
|---|---|---|
| **GAAP Net Income Available to Common Shareholders** | **$ 319.2** | $ 413.0 |
| **Adjustments to Operating Income:** | | |
| **Operating Revenues:** | | |
| Weather - compared to normal | **32.3** | (3.0) |
| **Operating Expenses:** | | |
| NiSource Next initiative[1] | **—** | 1.5 |
| Massachusetts Business related amounts[2] | **—** | (105.0) |
| Total adjustments to operating income | **32.3** | (106.5) |
| **Income Taxes:** | | |
| Tax effect of above items[3] | **(8.5)** | 22.2 |
| Total adjustments to net income | **23.8** | (84.3) |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 343.0** | $ 328.7 |
| **Diluted Average Common Shares** | **447.1** | 441.4 |
| **GAAP Diluted Earnings Per Share** | **$ 0.71** | $ 0.94 |
| Adjustments to diluted earnings per share | **0.06** | (0.19) |
| **Non-GAAP Diluted Net Operating Earnings Per Share[4]** | **$ 0.77** | $ 0.75 |

[1]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[2]2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.
[3]Represents income tax expense calculated using the statutory tax rates by legal entity.
[4]The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended March 31, 2023 and 2022 were $0.4M and $0.5M, respectively. The adjustment for the income allocated to participating securities for the three months ended March 31, 2023 and 2022 were $(0.2)M and zero, respectively.

**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 March 31, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 1,504.4 | $ 464.7 | $ (3.1) | $ 1,966.0 |
| Adjustments: | | | | |
| Weather - compared to normal | 31.2 | 1.1 | — | 32.3 |
| Operating Revenues (Non-GAAP) | $ 1,535.6 | $ 465.8 | $ (3.1) | $ 1,998.3 |
| | | | | |
| Operating Expenses (Benefit) (GAAP) | $ 1,057.5 | $ 382.8 | $ (5.3) | $ 1,435.0 |
| Adjustments | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 1,057.5 | $ 382.8 | $ (5.3) | $ 1,435.0 |
| | | | | |
| Operating Income (GAAP) | $ 446.9 | $ 81.9 | $ 2.2 | $ 531.0 |
| Total Revenue and Expense Adjustments to Operating Income | 31.2 | 1.1 | — | 32.3 |
| Operating Income (Non-GAAP) | $ 478.1 | $ 83.0 | $ 2.2 | $ 563.3 |

| Three Months Ended March 31, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 1,439.8 | $ 430.3 | $ 3.2 | $ 1,873.3 |
| Adjustments | | | | |
| Weather - compared to normal | (2.1) | (0.9) | — | (3.0) |
| Operating Revenues (Non-GAAP) | $ 1,437.7 | $ 429.4 | $ 3.2 | $ 1,870.3 |
| | | | | |
| Operating Expenses (GAAP) | $ 929.0 | $ 331.1 | $ 12.9 | $ 1,273.0 |
| Adjustments | | | | |
| NiSource Next initiative[1] | 1.1 | 0.4 | — | 1.5 |
| Massachusetts Business sale related amounts[2] | (105.0) | — | — | (105.0) |
| Operating Expenses (Non-GAAP) | $ 1,032.9 | $ 330.7 | $ 12.9 | $ 1,376.5 |
| | | | | |
| Operating Income (Loss) (GAAP) | $ 510.8 | $ 99.2 | $ (9.7) | $ 600.3 |
| Total Revenue and Expense Adjustments to Operating Income (Loss) | (106.0) | (0.5) | — | (106.5) |
| Operating Income (Loss) (Non-GAAP) | $ 404.8 | $ 98.7 | $ (9.7) | $ 493.8 |

See footnote descriptions contained with Schedule 1.

See footnote descriptions contained with Schedule 1.





NiSource®

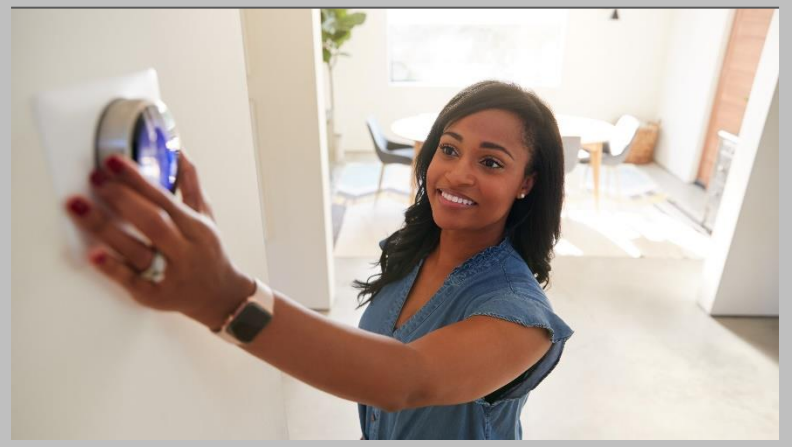


*We exist to deliver safe, reliable energy that drives value to our customers*

**Sale of a 19.9% Ownership Interest in NIPSCO**

$2.40B Equity Capital Raise to Drive Sustainable Growth Across NiSource, a Premium Utility

June 20, 2023







# 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"). Forward-looking statements in this presentation include any statements regarding the ability to complete the Transaction on the anticipated timeline or at all; the anticipated benefits of the Transaction if completed; the projected impact of the Transactions on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the Transaction; 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. 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. 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, risks and uncertainties relating to the timing and certainty of closing the Transaction; the ability to satisfy the conditions to closing the Transaction, including the ability to obtain FERC approval necessary to complete the Transaction; the ability to achieve the anticipated benefits of the Transaction; the effect of this communication on our stock price; the effects of transaction costs; the effects of the Transaction on industry, market, economic, political or regulatory conditions outside of our control; any disruption to our business from the Transaction, including the diversion of management time on Transaction-related issues, 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, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; 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 physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net-Zero Goal; 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; inflation; recessions; 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; 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 and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and the "Risk Factors" section of our Quarterly Report on Form 10-Q for the first quarter of 2023, some of which risks are beyond our control.

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, diluted earnings per share, and funds from operations/debt, which are non-GAAP financial measures as defined by the SEC’s 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, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company is not able to estimate the impact of such factors on their GAAP equivalents and, as such, is not providing such guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalent without unreasonable efforts.

# ENHANCED NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH




## FINANCIAL FOUNDATION

| | | | |
|---|---|---|---|
| 100% Regulated Across Six Constructive Jurisdictions | Significant Investment Opportunities | Efficient Recovery Mechanisms | Strengthened Balance Sheet |



[1] Net Operating Earnings Per Diluted Share (Non-GAAP)
[2] Goal for Scope 1 and 2 emissions
[3] Estimated total shareholder return at a constant P/E ratio

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | PROGRESS |
|---|---|---|---|---|---|---|---|---|
| **NOEPS*** (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7.3%) | **$1.54-$1.60** | **Deliver 6-8% Annual NOEPS GROWTH** | | | | On track - Solid 1Q Results |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+6.8%) | **$1.00 (+6.4%)** | **9-11% Total Shareholder Return 60-70% PAYOUT** | | | | On track |
| **CREDIT** (FFO/DEBT) | ✓ ~13.5% | ✓ ~13.5% | Execute Minority Interest Sale | Strengthened Balance Sheet to Achieve **14-16% FFO/DEBT** | | | | On track - Minority Interest Sale Announced |
| **REGULATORY EXECUTION** | ✓ | ✓ | NIPSCO Electric Rate Case<br><br>Tracking Mechanisms | Sustained **Superior Regulatory** Execution | | | | On track - Filed Electric Rate Case Settlement |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | Continuing to Prioritize **Safety** while Optimizing our **Long-Term Cost Profile** | | | | | On track |

* 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 NiSource's 1Q 2023 Results presentation

# $2.40B MINORITY INTEREST SALE AND EQUITY CAPITAL RAISE AT NIPSCO

Blackstone to acquire a 19.9% interest in NIPSCO for $2.15B, and is committed to funding its pro rata share of ongoing capital requirements, which is supported by a $250M equity commitment letter

- **Highly attractive and efficient equity financing**
  - $2.40B capital infusion to support NiSource and its fastest growing utility, including to fund ongoing capital needs associated with the renewable generation transition underway
  - $2.15B upfront cash payment for the 19.9% interest implies an equity value of $10.8B and an enterprise value of $14.3B[1] for 100% of NIPSCO
  - 32.5x LTM P/E and 1.85x EV / YE 2022 Rate Base multiples[1] for the 19.9% interest represent a significant premium to precedent transactions
  - Inclusion of Blackstone's $250M additional investment commitment increases the total capital raise to $2.40B
  - This capital is being raised at a substantial premium to alternative sources of financing
- **Highlights NIPSCO's industry-leading value proposition**
  - Multi-decade rate base investment opportunity driven by decarbonization, electrification, electric and gas system reliability, and customer growth leads to ~$2.1B expected 2023E CapEx opportunity and long-term 13-14% rate base growth CAGR at NIPSCO
  - Efficient rate structure that drives predictable cash flow and returns
  - Operates in Indiana, one of the most constructive utility jurisdictions in the U.S., with strong support for utility-owned generation and affordable energy
  - Economically robust service territory benefitting from on-shoring and migration trends, as well as robust economic development
- **Establishes a long-term partnership with Blackstone, a leading global infrastructure investor**
  - With ~$36B in assets under management, Blackstone is among the largest infrastructure investors globally, with a permanent capital approach to investing in high quality, stable, cash generative, long duration assets
  - Blackstone is aligned with NIPSCO in its commitment to invest in Indiana and into energy transition as a long-term partner to NiSource
  - Significant expected go-forward benefits to both NiSource and NIPSCO
- **Outcome consistent with previous NiSource commitments, and demonstrates ongoing best-in-class execution capabilities**
  - Reaffirming 2023 Non-GAAP NOEPS guidance of $1.54 to $1.60
  - Maintaining long-term annual NOEPS growth guidance of 6-8% and FFO/Debt target of 14-16%

**Transaction Supports NiSource's Robust Capital Plan While Strengthening the Balance Sheet**

[1] Figures based on $3.5B NIPSCO net debt (excludes NiSource holding company debt) and ~$333M NIPSCO LTM Non-GAAP Net Income as of 31-Mar-2023, and $7.7B YE 2022 Rate Base.

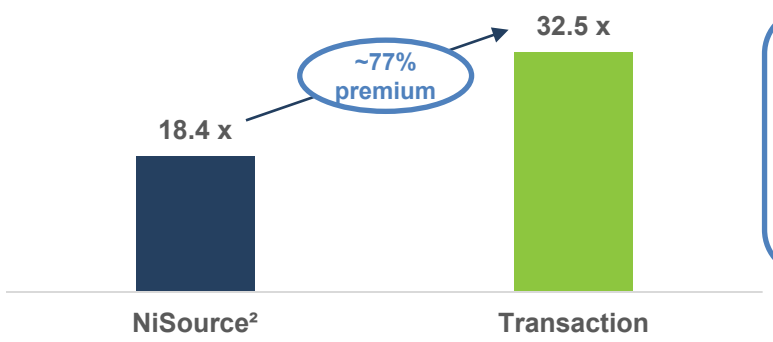
# TRANSACTION SUMMARY

| Topic | Description |
|---|---|
| **Minority Investor** | ■ Blackstone Infrastructure Partners, a permanent capital investor across global infrastructure asset classes |
| **Purchase Price** | ■ Commitment to fund $2.40B through our five-year plan<br>— $2.15B cash investment at closing in exchange for a 19.9% interest in NIPSCO<br>— Commitment to fund pro rata share of NIPSCO's ongoing capital requirements, supported by a $250M equity commitment letter |
| **Structure** | ■ NiSource to retain control with 80.1% ownership in NIPSCO<br>■ Tax-efficient transaction that utilizes a partnership structure for tax purposes |
| **Governance** | ■ Blackstone will receive minority rights commensurate with a 19.9% interest |
| **Operations** | ■ NiSource will remain the sole operator of NIPSCO<br>■ No impact to NIPSCO employees or management team |
| **Customers** | ■ Upholds NIPSCO's century-long commitment to delivering reliable and affordable energy to Northern Indiana |
| **Use of Proceeds** | ■ Funding NIPSCO capital needs, providing increased surety in NIPSCO's ability to finance its energy transition strategy<br>■ Strengthening NiSource's balance sheet and other corporate uses in line with NiSource's capital allocation objectives |
| **Closing Conditions** | ■ FERC approval |
| **Timing** | ■ Expected transaction close by year-end 2023 |

# PREMIUM VALUATION HIGHLIGHTS THE VALUE EMBEDDED IN NISOURCE

## $2.40B Equity Raise at a Premium Valuation

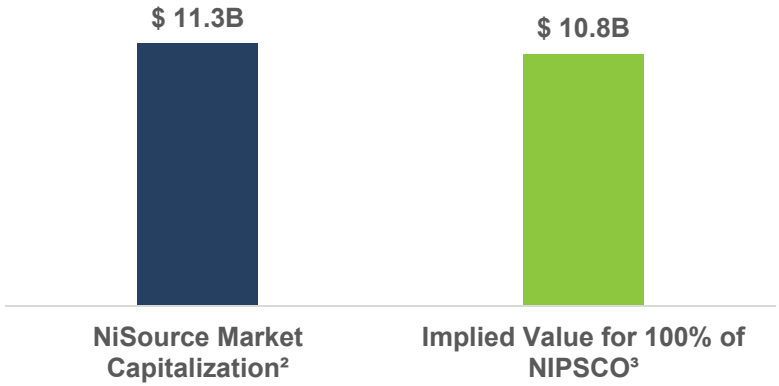
### P/E Multiple[1]




Substantial premium to NiSource's P/E and to alternative sources of financing

## Highlights Immense Value Embedded in NiSource

### Equity Value

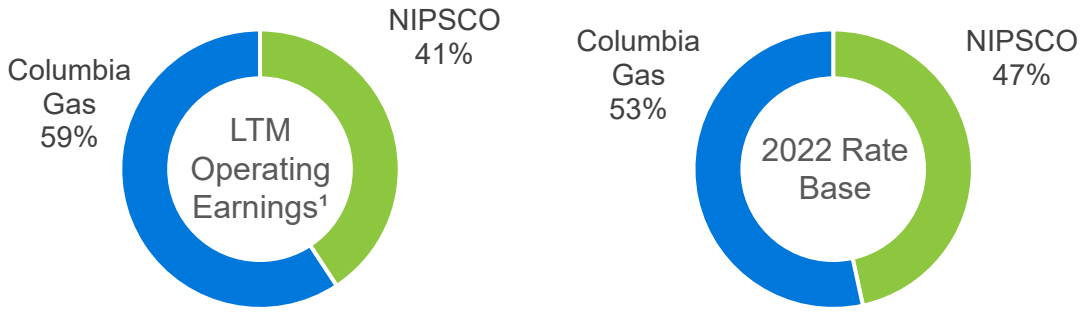



Implied value for 100% of NIPSCO represents ~96% of NiSource market capitalization, despite NIPSCO contributing <50% to consolidated earnings and rate base

### NIPSCO Benefits from NiSource's Full Operating Platform

- Shared services across 4M customers delivering greater customer value
- Enhanced purchasing power fueled by a robust capital plan across six operating companies
- Benefitting from energy diversification, particularly through the energy transition
- Regulatory diversification to support and grow safety and reliability initiatives for our communities

### NIPSCO Contribution to NiSource




[1] LTM P/E multiple and earnings based on the LTM ended 31-Mar-2023. Transaction multiple shown reflects $2.15B investment at closing. [2] Market data as of 16-Jun-2023. [3] Value for NIPSCO implied by upfront consideration of $2.15B in exchange for 19.9% ownership of NIPSCO.

# EXCEPTIONAL OUTCOME ACHIEVES ALL OF NISOURCE'S OBJECTIVES

| Transaction Objectives | Objectives Accomplished |
|---|---|
| ■ Strengthen balance sheet and financial flexibility | ✓ 14-16% FFO/debt |
| ■ Raise capital at highly attractive, premium valuation | ✓ $2.40B equity raise at a 77% premium to NiSource's P/E |
| ■ Reduce reliance on capital markets and minimize equity needs | ✓ Significantly reduces NiSource's equity needs |
| ■ Retain NiSource's benefits of scale and regulatory diversification | ✓ 4M customer platform across six states supports the shared service model, keeping customer value in focus |
| ■ Preserve NIPSCO's access to NiSource's shared service model | ✓ Enhances execution of robust capital plan and ability to deliver safe and reliable energy service |
| ■ Supports capital investment execution and energy transition | ✓ Permanent capital partner that will provide ongoing capital to NIPSCO, supported by $250M equity commitment letter |
| ■ Introduce a stakeholder to support economic development in Indiana | ✓ Blackstone will help NiSource to identify and implement economic development opportunities |
| ■ Highlight the value of NIPSCO embedded within NiSource | ✓ Implied value for 100% of NIPSCO is 96% of NI market capitalization, vs. <50% contribution to consolidated earnings and rate base |

**Highly successful outcome, despite the challenging market backdrop, reinforces NiSource's best-in-class execution capabilities**

# NIPSCO IS A PREMIUM ELECTRIC & GAS UTILITY

## NIPSCO Highlights

**Fully Regulated Utility**
By the IURC and the FERC

**Vertically-Integrated Electric & Gas Combination Utility**
~70% of Energy Volumes are Delivered to Electricity / Gas Combination Customers

**Largest Utility in Indiana**
Serves Approximately 1.3 Million Customer Meters in Northern Indiana

**One of the Fastest Generation Transitions in the Utility Sector**
100% of Coal Generation to Retire by YE 2028; No Stranded Asset Risk

**Premium Regulatory Backdrop**
Broad Support for Vertically Integrated Utility Model and Long-Term Role of Nat. Gas

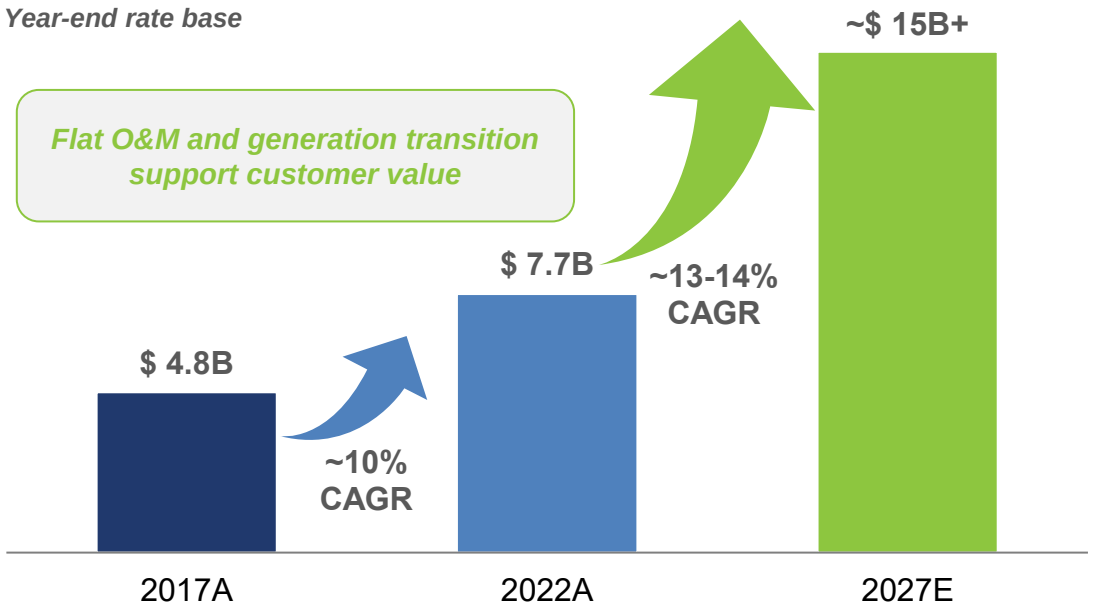
**Efficient Rate Structure Drives Predictable Cash Flow**
Forward Test Years and Trackers Largely Eliminate Regulatory Lag

**Economically Vibrant Service Territory**
Serving the Densely Populated and Growing Northern Third of Indiana

**Benefits from NiSource's Scale and Platform**
Shared Services Model Enhances Execution of NIPSCO's Robust Capital Plan

**Proven Commitment to Customer Value**
Flat O&M and Generation Transition Underpin Sustainable Customer Rates

## Attractive and Sustainable Growth




### Drivers of NIPSCO Future Growth

- Decarbonization, incl. generation transition and alternative gas fuels
- FERC-regulated transmission
- Electrification and EV build-out
- Gas and electric grid modernization
- Pipeline and safety compliance and modernization
- Economic development and system expansion

# NIPSCO'S PREMIUM VALUE PROPOSITION UNDERPINNED BY AN ECONOMICALLY ROBUST SERVICE TERRITORY AND FAVORABLE REGULATORY BACKDROP

## Indiana Highlights

**#1 Manufacturing State[1]**
U.S. State Rankings

**#1 for Infrastructure[2]**
Rails, Highways, Ports, Airports

**#6 for Inbound Migration[3]**
Influx of Chicago Residents

**$650B Annually[1]**
Goods moving through Indiana

**25% of U.S. Steel Production**
Comes from Northern Indiana

**80% of U.S. Population**
Within one-day drive from NIPSCO

**4.90% Corporate Tax Rate**
One of Lowest in the Region

**Aaa / AAA**
Moody's / S&P Credit Ratings

## Stellar Business Environment

✓ **Pro-Business Policy Promoting Growth, Innovation, Profits**
- Economic incentives offered for R&D, relocation, training
- Policies support natural gas, a critical input for manufacturers across Northern Indiana

✓ **Geographic Center of U.S.**
- Can get goods to market faster than from other regions
- Northern Indiana is <1 hour to Chicago

✓ **World-Class Infrastructure**
- Efficient logistics for shipping goods via water, rail or truck
- 45 miles of Lake Michigan shoreline

✓ **Low Cost of Doing Business**
- Reliable, low-cost energy
- Low corporate tax rate

✓ **Strong Talent Pipeline**
- Nationally-ranked universities

## Constructive Regulatory Backdrop

**Federal / MISO Policy**
*Policies Targeting Reliability & Safety Drive Increased Investment Requirements at Utilities*

**Indiana State Legislature**
*Recovery Mechanisms and Policy Support Ability to Comply with Federal Mandates*

**IURC**
*Rate Structures and Policies that Support Ability to Earn Authorized Returns While Supporting Customer Affordability*

[1] Indiana Development Economic Corporation. [2] CNBC Top States for Doing Business. [3] U-Haul Growth Index Study.

# COLUMBIA GAS IS A PREMIUM LDC BUSINESS

| | Metric | Atmos Energy | ONE Gas | Columbia Gas of Ohio |
|---|---|---|---|---|
| Scale | Rate Base | ~$14B | ~$5B | **~$9B** *(Total NiSource: ~$16.6B)* |
| | Customers | ~3.5M | ~2.3M | **~2.4M** *(Total NiSource: ~4M)* |
| | Regulatory Diversity (# of States) | 8 | 3 | **5** *(Total NiSource: 6)* |
| Growth | Rate Base CAGR[4] | 11% - 13% | 7% - 9% | **8% - 10%** |
| Location / Footprint | State-Level Support for Natural Gas[1] | ~97% | 100% | **~85%** |
| | Weather (Heating Degree Days[2]) | 2,307 | 3,653 | **5,423** |
| Valuation | Avg. Earned ROE[3] | 9.9% | 8.9% | **10.0%** |
| | Market Capitalization | ~$17B | ~$4B | |
| | Forward P/E Multiple | ~18x | ~19x | |

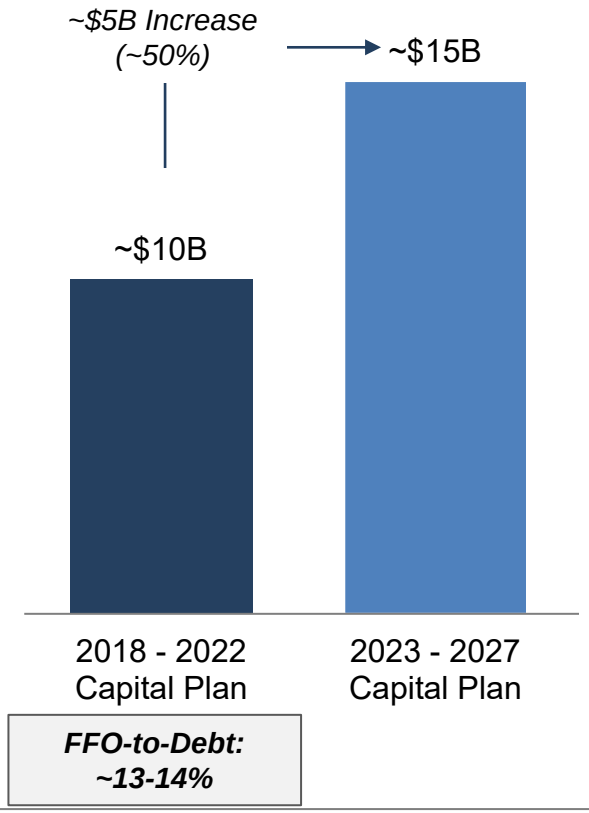
- ✓ **100% regulated gas distribution platform**
- ✓ **High quality regulatory jurisdictions supportive of natural gas**
- ✓ **Efficient rate structure, with 75-80% of capital investments recovered within 18 months**
- ✓ **Benefits from NiSource's 4M customer platform and shared service model, driving efficiencies and scale benefits**
- ✓ **Customer value supported by flat O&M, low delivered gas costs, and the shared service model**
- ✓ **Best-in-class SMS platform driving safety and reliability for customers**

**Columbia Gas compares favorably against publicly traded Gas LDC peers**

Note: Market data as of 16-Jun-2023. [1] Represents rate base located in states with passed or proposed legislation that offer policy support for natural gas infrastructure. [2] Heating degree days are summations of negative differences between the mean daily temperature and the 65°F base. Jan-Dec 2022 total heating degree days weighted by rate base. [3] Based on average of last five fiscal year earned ROE, sourced from SNL Interactive. [4] Based on public disclosure. CAGR represents the 2022-2027 period for Atmos, the 2023-2027 period for OneGas, and the 2021-2027 period for Columbia Gas.

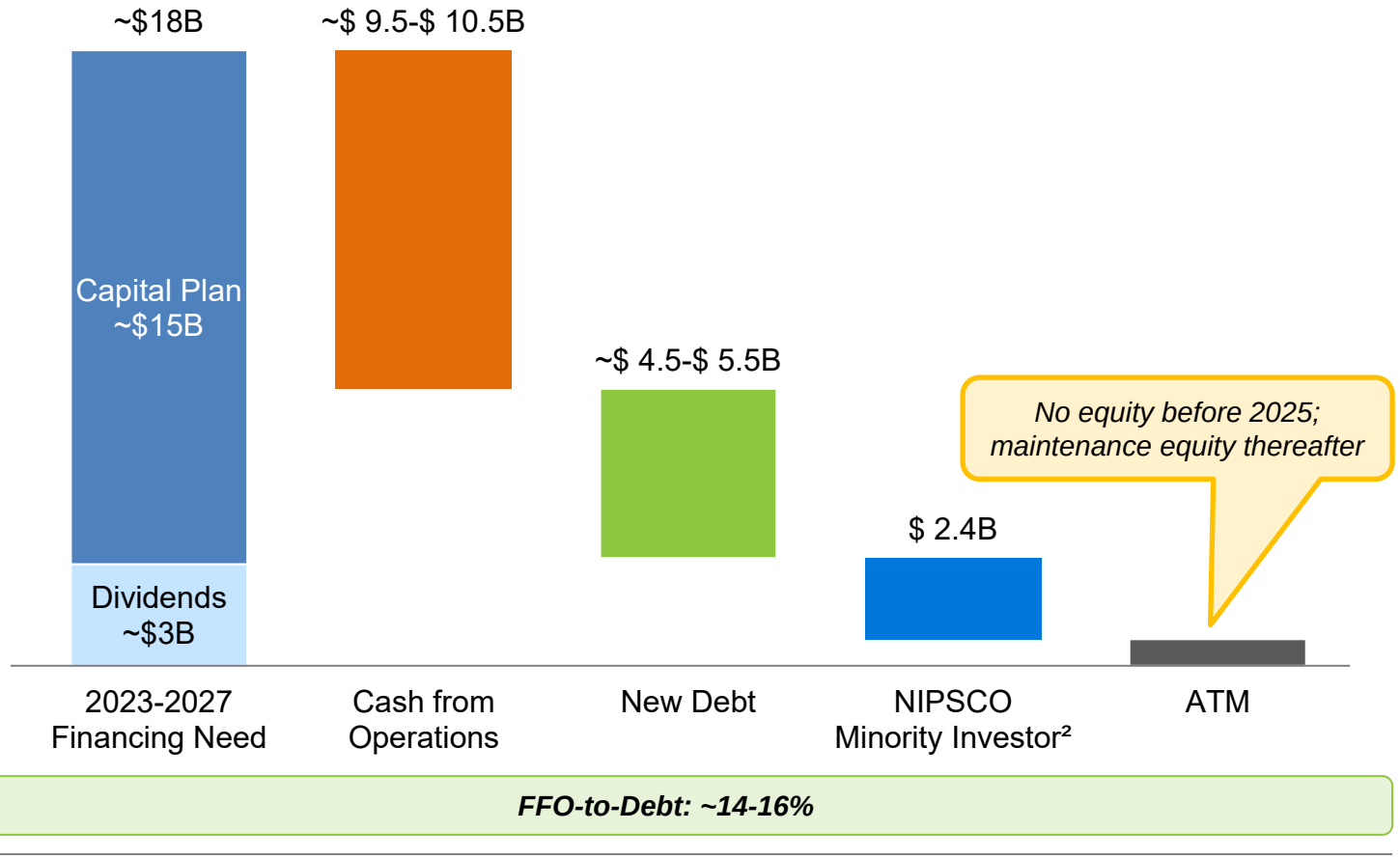
# EFFICIENT FINANCING STRATEGY SUPPORTS NISOURCE'S ROBUST CAPITAL PLAN

## Five Year Capital Plan




***FFO-to-Debt: ~13-14%***

## 2023 – 2027 Financing Plan[1]




***FFO-to-Debt: ~14-16%***

Financing Plan Remains Unchanged from Investor Day. Only Maintenance Equity, and Not Before 2025

[1] Excludes remarketed Equity Units ($863M), may be used to redeem outstanding Preferred Stock ($900M) [2] Includes NIPSCO Minority Investor up front investment of $2.15B and $250M equity commitment letter.

# ENHANCED NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH



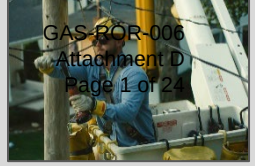

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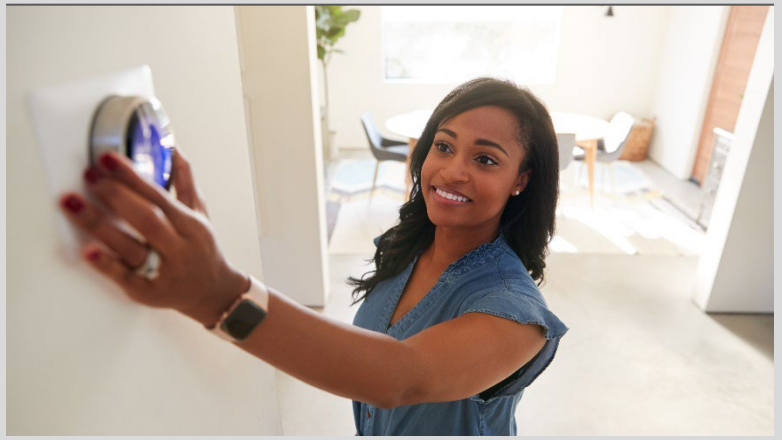
NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 2Q 2023 RESULTS

August 2, 2023







# FORWARD-LOOKING STATEMENTS

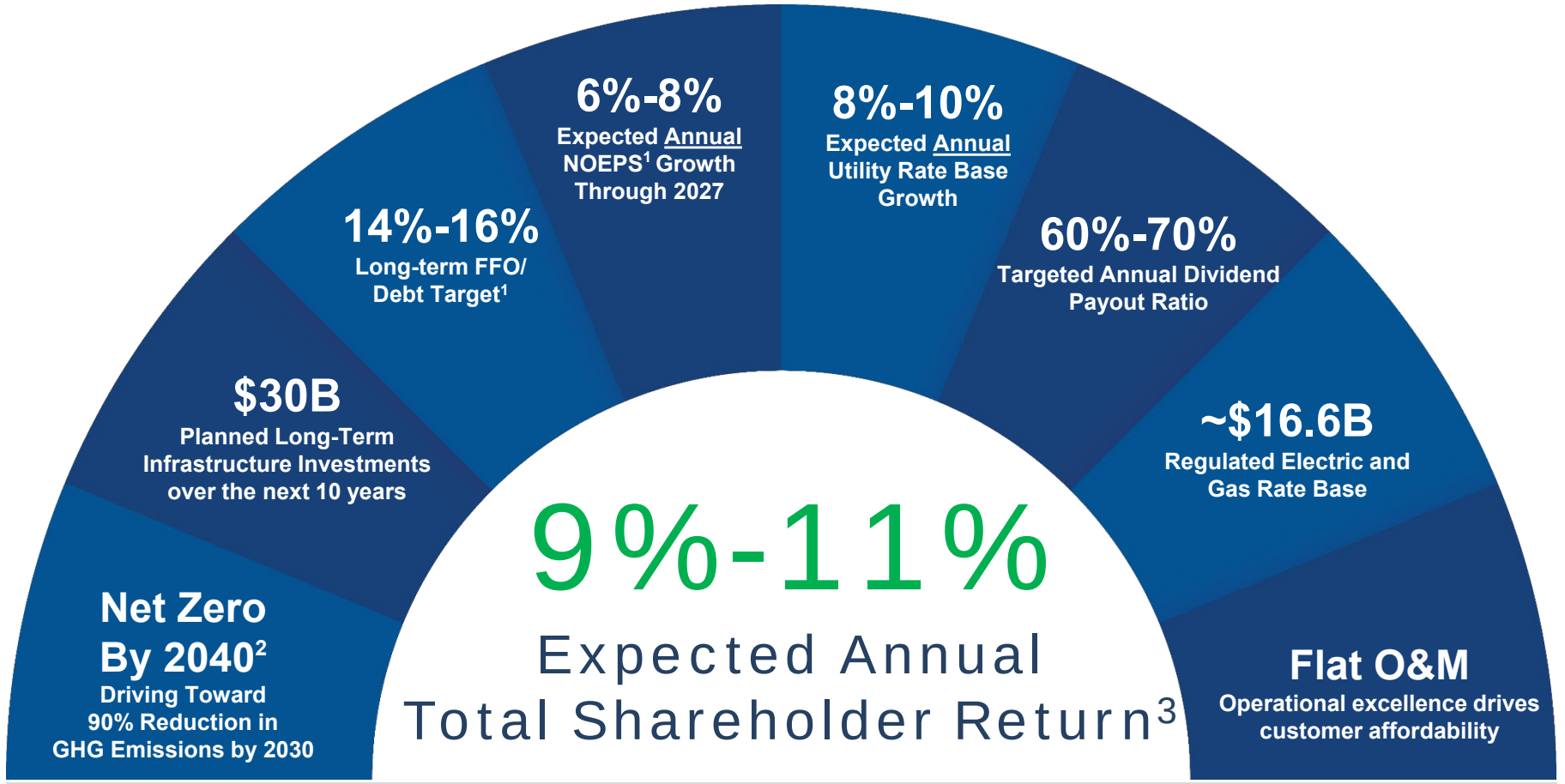
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All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect 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, diluted earnings per share and funds from operations/debt, which are non-GAAP financial measures as defined by the Securities and Exchange Commission's 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, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company 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. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalents without unreasonable efforts.

# ENHANCED NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH




## FINANCIAL FOUNDATION

| | | | |
|---|---|---|---|
| 100% Regulated Across Six Constructive Jurisdictions | Significant Investment Opportunities | Efficient Recovery Mechanisms | Strengthened Balance Sheet |

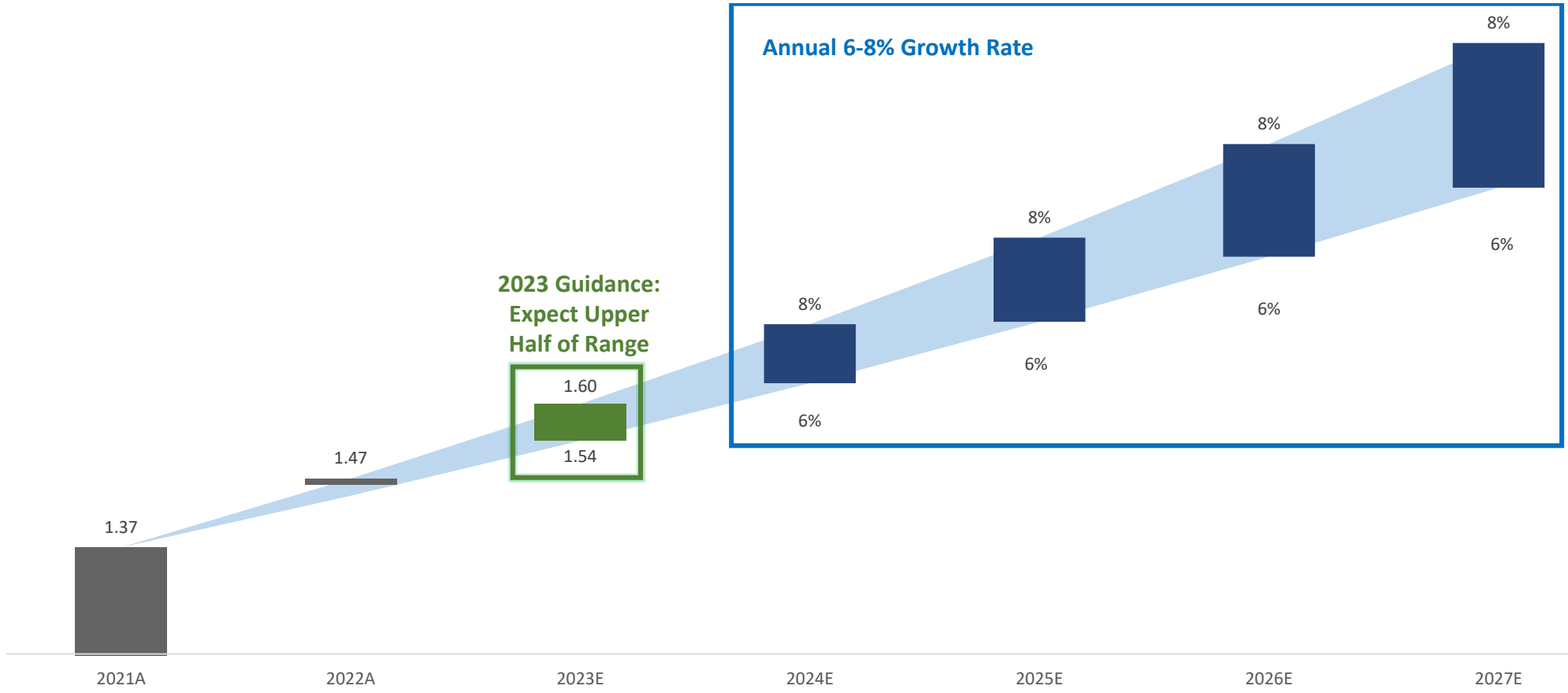


[1] Net Operating Earnings Per Diluted Share and long-term FFO/Debt (non-GAAP)
[2] Goal for Scope 1 and 2 emissions
[3] Estimated total shareholder return at a constant P/E ratio

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | PROGRESS |
|---|---|---|---|---|---|---|---|---|
| **NOEPS*** (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7.3%) | **$1.54-$1.60** | **Deliver 6-8% Annual NOEPS GROWTH** | | | | On track 2023 Guidance Raised to Upper Half of Range |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+6.8%) | **$1.00 (+6.4%)** | **9-11% Total Shareholder Return 60-70% PAYOUT** | | | | On track |
| **CREDIT*** (FFO/DEBT) | ✓ 13.6% | ✓ 13.4% | Execute Minority Interest Sale | Strengthened Balance Sheet to Achieve **14-16% FFO/DEBT** | | | | On track Entered Definitive Agreement |
| **REGULATORY EXECUTION** | ✓ | ✓ | NIPSCO Electric Rate Case<br><br>Tracking Mechanisms | Sustained **Superior Regulatory** Execution | | | | On track Filed Electric Rate Case Settlement |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | Continuing to Prioritize **Safety** while Optimizing our **Long-Term Cost Profile** | | | | | On track |

# 2023 GUIDANCE & LONG-TERM 6-8% ANNUAL NOEPS* GROWTH RATE

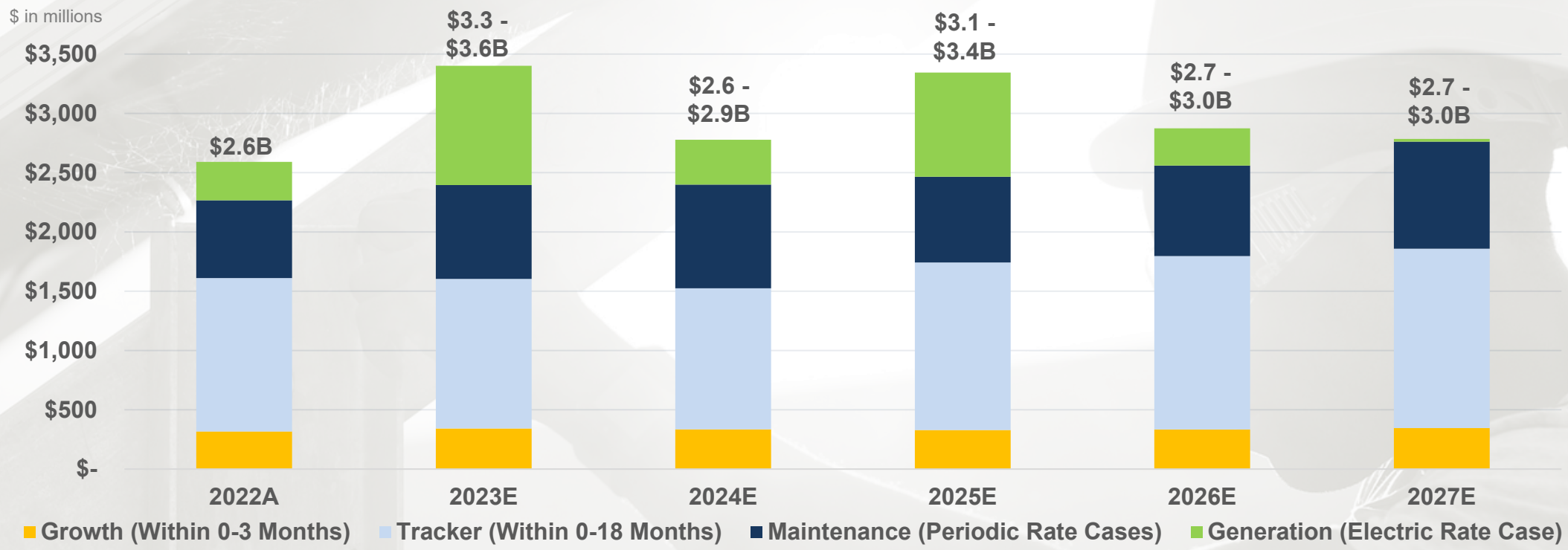



* NOEPS: Diluted Net Operating Earnings Per Share (Non-GAAP)

# KEY PRIORITIES

- **2023 EPS guidance raised to upper half of range, long-term growth commitments reaffirmed**
  - 2023 Non-GAAP NOEPS* guidance range raised to upper half of $1.54 to $1.60
  - Annual NOEPS* growth of 6-8% through 2027 and long-term 14-16% FFO/Debt* target reaffirmed
  - Annual rate base growth of 8-10% driven by $15 billion of capital expenditures during 2023-27
- **Leading regulatory execution continues in both electric and gas businesses**
  - Columbia Gas of Maryland rate case filed in May
  - Columbia Gas of Virginia rate case approved in May, interim rates in effect since October 2023
  - Columbia Gas of Ohio 2023 IRP tracker rates effective in May
  - NIPSCO electric rate case record closed; awaiting final IURC order
- **NIPSCO Minority Equity Interest Sale announced**
  - Entered into a definitive agreement with Blackstone Infrastructure Partners
  - Filed FERC 203 Application; on track to close by year-end

# INVESTING $15B OVER FIVE YEARS TO DRIVE SAFETY, RELIABILITY AND SUSTAINABILITY



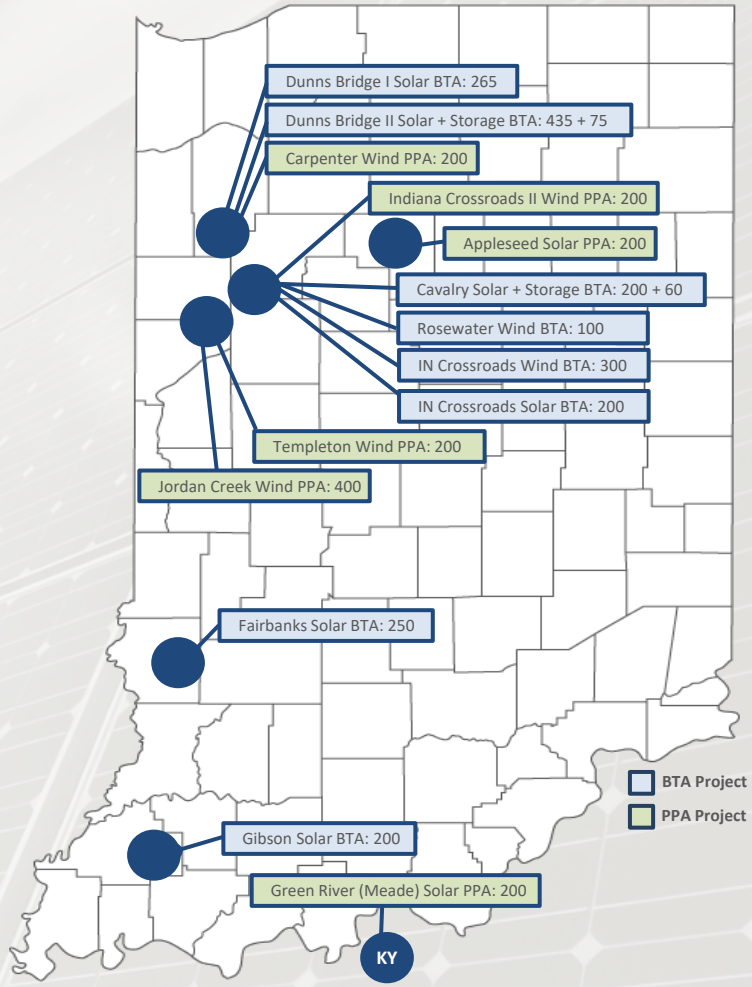
# LEADING REGULATORY EXECUTION CONTINUES IN BOTH ELECTRIC AND GAS BUSINESSES

| | | 2021 | | | | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **NIPSCO Electric** | Rate Case | | | | | | | Filed | | Settled | | Step 1 Rates[1] | |
| | Trackers | TDSIC 7 Approved | | TDSIC 8 Approved | | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 Approved | | TDSIC 3 Approved | |
| **NIPSCO Gas** | Rate Case | | | Filed | | Settled | | Approved Step 1 Rates | | Step 2 Rates | | | |
| | Trackers | FMCA 5 Approved | TDSIC 2 Approved | FMCA 6 Approved | TDSIC 3 Approved | FMCA 7 Approved | TDSIC 4 Approved | FMCA 1 Approved | | FMCA 2 Approved | | TDSIC 6 FMCA 1 | |
| **Columbia Gas of Ohio** | Rate Case | | Filed | | | | | | Settled | Approved In rates | | | |
| | Trackers | | IRP Approved | CEP Approved | | | IRP Approved | CEP Approved | | | IRP Approved | CEP | |
| **Columbia Gas of Pennsylvania** | Rate Cases | Filed | | Settled | Approved In rates | Filed | | Settled | Approved In Rates | | | | |
| **Columbia Gas of Virginia** | Rate Case | | | | | | Filed | Rates Effective[2] | Settled | | Approved | | |
| | Trackers | | | | SAVE Approved | | | | SAVE Approved | | | | |
| **Columbia Gas of Kentucky** | Rate Case | | Filed | | Settled Approved | In Rates | | | | | | | |
| | Trackers | | SMRP Approved | | | | | | SMRP Approved | | | | SMRP |
| **Columbia Gas of Maryland** | Rate Cases | | Filed | Settled | Approved In rates | | Filed | Settled | Approved In Rates | | Filed | | |
| | Trackers | | | | STRIDE Approved | | | | STRIDE Approved | | | | |

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | NIPSCO Investment ($M) | Estimated In Service | Status |
|---|---|---|---|
| Rosewater Wind | ~$100 | 2020 | Complete |
| Indiana Crossroads Wind | ~$300 | 2021 | Complete |
| Dunns Bridge I Solar | ~$240 | 2Q23 | In-Service |
| Crossroads Solar | ~$200 | 2Q23 | In-Service |
| Transmission Projects | ~$150 | 2Q23 | Complete |
| Cavalry Solar + Storage | ~$190 | 2Q24 | Construction |
| Dunns Bridge II Solar + Storage | ~$420 | 4Q24 | Construction |
| Fairbanks Solar | ~$245 | 2Q25 | Construction |
| Gibson Solar | ~$230 | 2025 | Filed with IURC |
| **Total** | **~$2,000 – 2,200** | | |

| PPA Projects | Estimated In Service | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Construction |
| Green River Solar | 2024 | Amendment Approved |
| Templeton Wind | 2025 | Filed with IURC |
| Carpenter Wind | 2025 | Filed with IURC |
| Appleseed Solar | 2025 | Filed with IURC |




Estimated in-services dates for solar and storage projects could be refined as more information on potential solar panel tariffs and delivery of panels is available.

# Additional Investment Opportunities for NiSource

## Near-Term (Through 2027)

***Near-Term investment opportunities that can enhance our current investment plan***

- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision

## Longer Term (2028+)

***Longer-Term investment themes beyond our current guidance period***

- Continuation of **legacy plastic, gas transmission and gas AMI programs**
- **Electric generation additions** to support anticipated capacity requirements
- Electric reliability and performance investments focused on **infrastructure replacement, continued grid modernization and system hardening**
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative

## Upsides (2028+)

***Additional opportunities past 2027***

- Electric T&D investments to **support transportation electrification**, including utility-owned charging points
- **Generation investments** to support incremental demand, asset retirements and decarbonization
- Investments in **Renewable Natural Gas** production and transportation infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# SECOND QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

| GAAP | SECOND QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $39.9 | $53.2 | $(13.3) | $359.1 | $466.2 | $(107.1) |
| Diluted Earnings Per Share | $0.09 | $0.12 | $(0.03) | $0.80 | $1.06 | $(0.26) |

| NON-GAAP* | SECOND QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $50.3 | $53.9 | $(3.6) | $393.3 | $382.6 | $10.7 |
| Diluted Earnings Per Share | $0.11 | $0.12 | $(0.01) | $0.88 | $0.87 | $0.01 |

* Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1A in the appendix to this presentation

# SECOND QUARTER SEGMENT NON-GAAP* RESULTS

| OPERATING EARNINGS ($ Millions) | SECOND QUARTER 2023 | SECOND QUARTER 2022 | SECOND QUARTER CHANGE FAV/(UNFAV) | YTD 2023 | YTD 2022 | YTD CHANGE FAV/(UNFAV) |
|---|---|---|---|---|---|---|
| Gas Distribution | $ 119.9 | $ 80.7 | $ 39.2 | $ 598.0 | $ 485.5 | $ 112.5 |
| Electric Operations | $ 51.0 | $ 73.4 | $ (22.4) | $ 134.0 | $ 172.1 | $ (38.1) |
| Corporate & Other | $ 3.9 | $ (9.9) | $ 13.8 | $ 6.1 | $ (19.6) | $ 25.7 |
| **Consolidated Operating Earnings*** | **$ 174.8** | **$ 144.2** | **$ 30.6** | **$ 738.1** | **$ 638.0** | **$ 100.1** |

## Key Drivers

### SECOND QUARTER

**GAS DISTRIBUTION**

| | |
|---|---|
| Increased revenue from new rates and capital programs | 60.5 |
| Lower customer usage | (3.2) |
| Lower non-tracked O&M | 0.3 |

**ELECTRIC OPERATIONS**

| | |
|---|---|
| Lower customer usage | (7.8) |
| Higher non-tracked O&M related to Generation maintenance timing and reliability expenses (vegetation management) | (5.0) |

### YTD

**GAS DISTRIBUTION**

| | |
|---|---|
| Increased Revenue from new rates and capital programs | 143.1 |
| Higher non-tracked O&M | (6.7) |

**ELECTRIC OPERATIONS**

| | |
|---|---|
| Increased revenue from new rates and capital programs | 5.5 |
| Lower customer usage | (16.1) |
| Higher non-tracked O&M related to Generation maintenance timing and reliability expenses (vegetation management) | (13.8) |

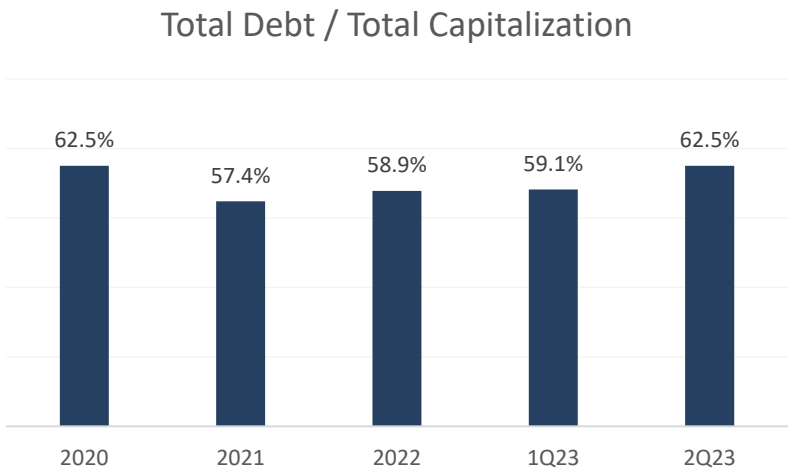
* Operating Earnings (non-GAAP). For comparable GAAP results by segment, refer to Part I. Item 2 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2023. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation.

Continued Focus on Safe and Reliable Execution

# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$12.6B as of June 30, 2023**
  - ~$11.0B of long-term debt
  - Weighted average maturity ~12 years
  - Weighted average interest rate of 3.93%

- **Solid liquidity position**
  - ~$1.8B in net available liquidity as of June 30, 2023*
  - ~$2.2B of committed facilities in place as of June 30, 2023
    - ~$1.85B revolving credit facility
    - ~$0.40B accounts receivable securitization facilities **



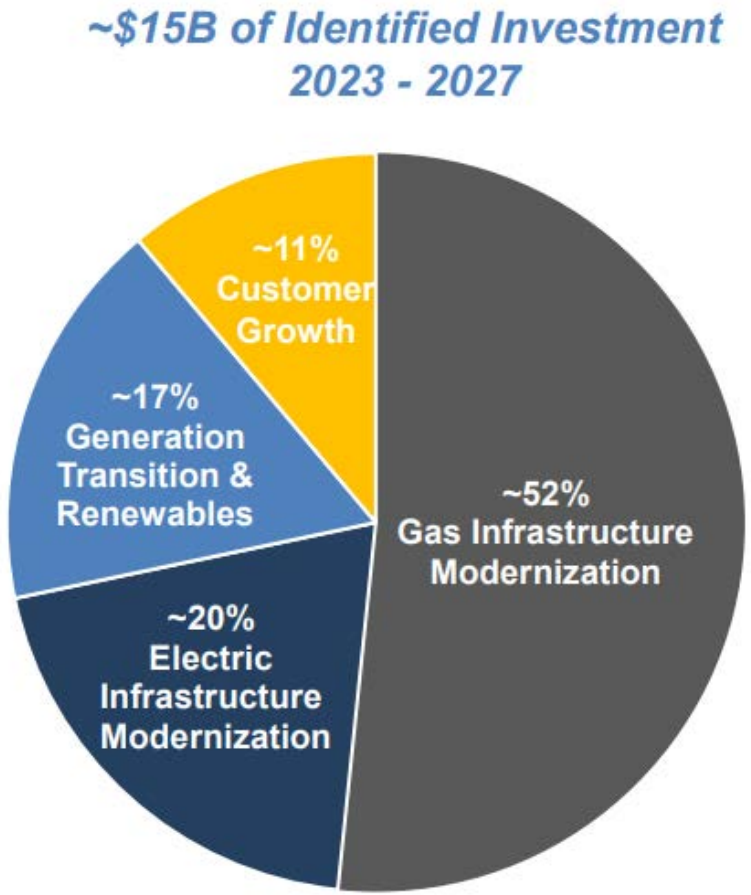

- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)
  - All three rating agencies affirmed ratings and stable outlooks following the announcement of the NIPSCO Minority Equity Interest Sale

* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

Solid Financial Foundation to Support Long-Term Infrastructure and Safety Investments

# STRENGTHENED FINANCING PLAN PROVIDES FLEXIBILITY TO INVEST IN GROWTH

- **Dividends** and **capital investments** primarily funded through **cash from operations**
- **NIPSCO Minority Equity Interest Sale** adds **flexibility** to financing plan
- **Target FFO/Debt 14-16%**[1]
  ATM Equity[2] (2025+) to support current investment grade credit ratings
- **Minimize near-term capital markets costs and volatility**

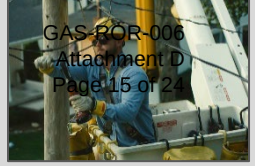



[1] Target FFO/Debt (non-GAAP)

[2] Excludes remarketed Equity Units ($863M), may be used to redeem outstanding Preferred Stock ($900M)

Financing Plan Remains Unchanged from Investor Day



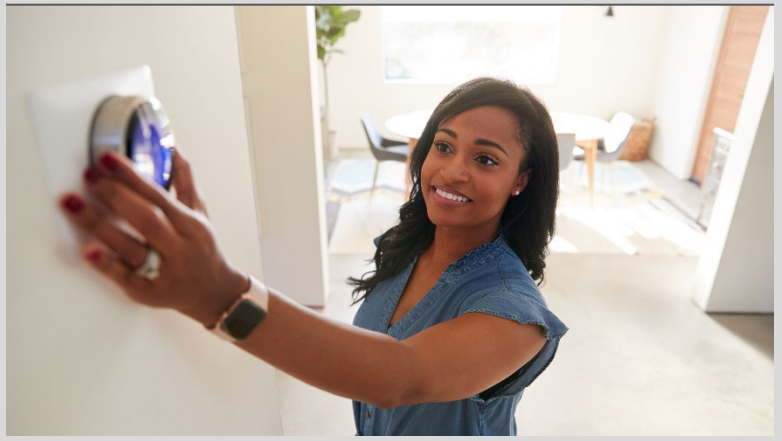


NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## 2Q 2023 RESULTS







# GAS DISTRIBUTION OPERATIONS

- Final order received in Virginia gas rate case in May 2023, interim rates in effect since October 2023
- Gas rate case filed in Maryland in May 2023
- Ohio gas IRP rider rates effective May 2023
- Continuing to invest in infrastructure to enhance safety, reliability, customer affordability and sustainability

| HIGHLIGHT | KEY COMPONENTS | STATUS |
|---|---|---|
| Columbia Gas of Maryland Base Rate Case | • Requested $8.1 million revenue increase, and $235 million rate base<br>• Requested 10.95% ROE and 52.1% equity capital structure | • Filed May 12, 2023<br>• Order Expected 4Q23<br>• Rates proposed effective Dec. 2023 |
| Columbia Gas of Virginia Base Rate Case | • Final order supports a revenue increase of $25.8 million net of SAVE infrastructure tracker; $1.0 billion rate base | • Filed Apr 29, 2022<br>• Rates effective Oct 2022<br>• Final Order May 15, 2023 |
| 2023 Columbia Gas of Ohio IRP Rider | • Tracked infrastructure replacement program approved in April 2023, authorizing recovery of $316.0 million in safety enhancing capital investments.<br>• Supports tracked revenue increase of $38 million | • Filed Feb 24, 2023<br>• Approved Apr 19, 2023<br>• Rates effective May 1, 2023 |
| 2023 Columbia Gas of Ohio CEP Rider | • Tracked capital expenditure program filed in Feb 2023, seeking recovery of $265.6 million in safety enhancing capital investments.<br>• Supports tracked revenue increase of $30 million | • Filed Feb 22, 2023<br>• Rates proposed effective Sep, 2023 |
| PHMSA Ohio IRP Rider | • Tracked capital and expense program filed Feb 2023, seeking recovery of $619 million in work related to the PHMSA Mega Rule requirements for investments made during 2023-2027 | • Filed Feb 28, 2023<br>• Staff report filed July 7, 2023 |



IRA: Infrastructure Replacement Program
CEP: Capital Expenditure Program
PHMSA: Pipeline and Hazardous Materials Safety Administration

# ELECTRIC OPERATIONS

- Dunn's Bridge I and Crossroads solar projects complete; construction underway on Cavalry, Dunn's Bridge II and Fairbanks Solar projects
- Three New PPAs submitted to IURC for approval in 2Q
- Gibson Solar PPA converted to BTA to replace Elliott Solar BTA

| HIGHLIGHT | KEY COMPONENTS | STATUS |
|---|---|---|
| 2022 NIPSCO Electric Base Rate Case | • Settlement supports 9.80% ROE, $292 million revenue increase, and $5.95 billion rate base<br>• Settlement supports tracking of variable Environmental Operating Costs related to coal-fired generating units | • Filed Sep 19, 2022<br>• Settlement achieved Mar 10, 2023<br>• Order expected Aug 2023<br>• Rates proposed effective Sep 2023 |
| 2021 Integrated Resource Plan (IRP) & Request for Proposals (RFP) | • Schahfer Development RFP and All-Source RFP solicitation concluded September 2022 | • Project proposals are currently under evaluation |
| NIPSCO Electric FMCA Tracker | • Requested approval to recover $40 million of federally mandated retirement costs associated with the closure of Michigan City Generating Station's CCR ash ponds<br>• Proceeding stayed, pending outcome of electric rate case Settlement Agreement | • Filed Mar 30, 2022<br>• Filed Motion to stay proceeding Mar 10, 2023 |
| NIPSCO Electric FMCA Tracker | • Requested approval to recover $53 million of federally mandated retirement costs associated with the closure of R.M. Schahfer Generating Station's multi-cell unit<br>• Proceeding stayed, pending outcome of electric rate case Settlement Agreement | • Filed Nov 2, 2022<br>• Filed Motion to stay proceeding Mar 10, 2023 |



FMCA: Federally Mandated Cost Adjustment

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

## ENVIRONMENTAL

- Approximately $3B of generation transition investments 2022 - 2027
- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- On track for 90% reduction* in greenhouse gas emissions by 2030
- Reduction in methane emissions through modernization and advanced leak detection and repair
- Actionable pathways to achieve Net Zero Goal by 2040 with support from key stakeholders
- Establishment of customer opportunities to reduce greenhouse gas emissions

## SOCIAL

- Transformation focused on customer safety, reliability and affordability
- Published 2022 Integrated Annual and Safety Reports
- Ongoing DE&I initiatives across the organization
  - Executive Leadership Team consists of ~75% women and minorities
  - Board consists of ~58% women and minorities
  - Advancing economic inclusion initiatives including a goal of 25% diverse supplier spend by 2025
- Long-standing support for cultural awareness initiatives and development opportunities for under-represented groups

## GOVERNANCE

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled, and independent Board
- 25% of Board refreshed in 2022, including additional utility experience
- Robust framework for strategy, risk management, and oversight
- Enhanced alignment of employee and executive incentive programs
- Cybersecurity management Sub-Committee reports to Risk Management Committee







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MSCI ESG RATINGS AAA

CCC | B | BB | BBB | A | AA | AAA

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** Scope 1 emissions, compared to 2005 baseline*

NiSource's Corporate Strategy is Aligned with Commitment to Best-In-Class ESG Practices

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2021 | $232.9 | May 2022 |
| | | FY 2022 | $316.3 | May 2023 |
| | Capital Expenditure Program (CEP) | FY 2021 | $253.5 | Sep 2022 |
| | | FY 2022 | $265.6 | Sep 2023 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2023 | $45.9 | Jan 2023 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023 | $41.6 | Jan 2023 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18.0 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 4: Jul 2021 – Dec 2021 | $77.5 | Jul 2022 |
| | | TDSIC 6: Jan 2022 – Feb 2023 | $149.8 | Sep 2023 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 7: Apr 2021 – Sep 2021 | $32.8 | Apr 2022 |
| | | FMCA 1: Oct 2021 – Mar 2022 | $14.1 | Oct 2022 |
| | | FMCA 2: Apr 2022 – Sep 2022 | $38.2 | Apr 2023 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 1: Jun 2021 - Jan 2022 | $148.5 | Aug 2022 |
| | | TDSIC 2: Feb 2022 - Jul 2022 | $143.5 | Feb 2023 |

**NiSource Inc.**

Schedule 1A - 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)* | **2023** | 2022 | **2023** | 2022 |
| **GAAP Net Income Available to Common Shareholders** | **$ 39.9** | $ 53.2 | **$ 359.1** | $ 466.2 |
| **Adjustments to Operating Income:** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **5.9** | (8.3) | **38.2** | (11.3) |
| FAC adjustment[1] | **—** | 8.0 | **—** | 8.0 |
| **Operating Expenses:** | | | | |
| NiSource Next initiative[2] | **—** | 1.2 | **—** | 2.7 |
| Massachusetts Business related amounts[3] | **—** | — | **—** | (105.0) |
| Total adjustments to operating income | **5.9** | 0.9 | **38.2** | (105.6) |
| **Income Taxes:** | | | | |
| Tax effect of above items[4] | **(1.7)** | (0.2) | **(10.2)** | 22.0 |
| **Preferred Dividends:** | | | | |
| Preferred dividends redemption premium[5] | **6.2** | | **6.2** | |
| Total adjustments to net income | **10.4** | 0.7 | **34.2** | (83.6) |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 50.3** | $ 53.9 | **$ 393.3** | $ 382.6 |
| **Diluted Average Common Shares** | **446.8** | 440.2 | **446.9** | 440.8 |
| **GAAP Diluted Earnings Per Share** | **$ 0.09** | $ 0.12 | **$ 0.80** | $ 1.06 |
| Adjustments to diluted earnings per share | **0.02** | — | **0.08** | (0.19) |
| **Non-GAAP Diluted Net Operating Earnings Per Share[6]** | **$ 0.11** | $ 0.12 | **$ 0.88** | $ 0.87 |

[1]Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.
[4]Represents income tax expense calculated using the statutory tax rates by legal entity.
[5]Represents the premium from our Series A Preferred Stock redemption calculated as the difference between the carrying value of the Series A Preferred Stock and the total amount of consideration paid to redeem.
[6]The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended June 30, 2023 and 2022 were $0.4M and $0.5M, respectively. The add-backs for the six months ended June 30, 2023 and 2022 were $0.8M and $1.0M, respectively. The adjustment for the income allocated to participating securities for the six months ended June 30, 2023 and 2022 were $(0.2)M and zero, respectively.

**NiSource Inc.**

Schedule 1B - Reconciliation of Consolidated Net Income 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)* | **2022** | 2021 | **2022** | 2021 |
| **GAAP Net Income Available to Common Shareholders** | **$ 230.8** | $ 152.2 | **$ 749.0** | $ 529.8 |
| **Adjustments to Operating Income:** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **(3.2)** | 13.7 | **(24.9)** | 1.2 |
| FAC adjustment[1] | **—** | — | **8.0** | — |
| **Operating Expenses:** | | | | |
| Greater Lawrence Incident | **—** | 1.2 | **—** | 9.2 |
| Plant retirement costs | **—** | 1.9 | **—** | 14.1 |
| NiSource Next initiative[2] | **—** | 2.6 | **3.3** | 24.7 |
| Massachusetts Business related amounts[3] | **—** | — | **(105.0)** | 6.8 |
| Total adjustments to operating income | **(3.2)** | 19.4 | **(118.6)** | 56.0 |
| **Other Income (Deductions):** | | | | |
| Interest rate swap settlement gain | **(10.0)** | — | **(10.0)** | — |
| **Income Taxes:** | | | | |
| Tax effect of above items[4] | **3.4** | (4.9) | **27.8** | (14.6) |
| Total adjustments to net income | **(9.8)** | 14.5 | **(100.8)** | 41.4 |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 221.0** | $ 166.7 | **$ 648.2** | $ 571.2 |
| **Diluted Average Common Shares** | **445.9** | 428.8 | **442.7** | 417.3 |
| **GAAP Diluted Earnings Per Share** | **$ 0.52** | $ 0.36 | **$ 1.70** | $ 1.27 |
| Adjustments to diluted earnings per share | **(0.02)** | 0.03 | **(0.23)** | 0.10 |
| **Non-GAAP Diluted Net Operating Earnings Per Share[5]** | **$ 0.50** | $ 0.39 | **$ 1.47** | $ 1.37 |

[1]Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.
[4]Represents income tax expense calculated using the statutory tax rates by legal entity.
[5]The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended December 31, 2022 and 2021were $0.5M and $0.6M, respectively.The add-back for the twelve months ended December 31, 2022 and 2021 were $2.0M and $1.6M, respectively.

**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, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 695.9 | $ 397.1 | $ (3.0) | $ 1,090.0 |
| Weather - compared to normal | 4.5 | 1.4 | — | 5.9 |
| Operating Revenues (Non-GAAP) | $ 700.4 | $ 398.5 | $ (3.0) | $ 1,095.9 |
| Operating Expenses (Benefit) (GAAP) | $ 580.5 | $ 347.5 | $ (6.9) | $ 921.1 |
| Adjustments | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 580.5 | $ 347.5 | $ (6.9) | $ 921.1 |
| Operating Income (GAAP) | $ 115.4 | $ 49.6 | $ 3.9 | $ 168.9 |
| Total Revenue and Expense Adjustments to Operating Income | 4.5 | 1.4 | — | 5.9 |
| Operating Income (Non-GAAP) | $ 119.9 | $ 51.0 | $ 3.9 | $ 174.8 |

| Three Months Ended June 30, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 744.3 | $ 437.3 | $ 1.6 | $ 1,183.2 |
| Adjustments | | | | |
| Weather - compared to normal | (0.9) | (7.4) | — | (8.3) |
| FAC refunds to customers[1] | — | 8.0 | — | 8.0 |
| Operating Revenues (Non-GAAP) | $ 743.4 | $ 437.9 | $ 1.6 | $ 1,182.9 |
| Operating Expenses (GAAP) | $ 663.7 | $ 364.7 | $ 11.5 | $ 1,039.9 |
| Adjustments | | | | |
| NiSource Next initiative[2] | 1.0 | 0.2 | — | 1.2 |
| Operating Expenses (Non-GAAP) | $ 662.7 | $ 364.5 | $ 11.5 | $ 1,038.7 |
| Operating Income (Loss) (GAAP) | $ 80.6 | $ 72.6 | $ (9.9) | $ 143.3 |
| Total Revenue and Expense Adjustments to Operating Income (Loss) | 0.1 | 0.8 | — | 0.9 |
| Operating Income (Loss) (Non-GAAP) | $ 80.7 | $ 73.4 | $ (9.9) | $ 144.2 |

See footnote descriptions contained with Schedule 1A

**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, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 2,200.3 | $ 861.8 | $ (6.1) | $ 3,056.0 |
| Adjustments: | | | | |
| Weather - compared to normal | 35.7 | 2.5 | — | 38.2 |
| Operating Revenues (Non-GAAP) | $ 2,236.0 | $ 864.3 | $ (6.1) | $ 3,094.2 |
| | | | | |
| Operating Expenses (GAAP) | $ 1,638.0 | $ 730.3 | $ (12.2) | $ 2,356.1 |
| Adjustments: | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 1,638.0 | $ 730.3 | $ (12.2) | $ 2,356.1 |
| | | | | |
| Operating Income (Loss) (GAAP) | $ 562.3 | $ 131.5 | $ 6.1 | $ 699.9 |
| Total Revenue and Expense Adjustments to Operating Income (Loss) | 35.7 | 2.5 | — | 38.2 |
| Operating Income (Loss) (Non-GAAP) | $ 598.0 | $ 134.0 | $ 6.1 | $ 738.1 |

| Six months ended June 30, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 2,184.1 | $ 867.6 | $ 4.8 | $ 3,056.5 |
| Adjustments: | | | | |
| Weather - compared to normal | (3.0) | (8.3) | — | (11.3) |
| FAC refunds to customers[1] | — | 8.0 | — | 8.0 |
| Operating Revenues (Non-GAAP) | $ 2,181.1 | $ 867.3 | $ 4.8 | $ 3,053.2 |
| | | | | |
| Operating Expenses (GAAP) | $ 1,592.7 | $ 695.8 | $ 24.4 | $ 2,312.9 |
| Adjustments: | | | | |
| NiSource Next initiative[2] | 2.1 | 0.6 | — | 2.7 |
| Massachusetts Business related amounts[3] | (105.0) | — | — | (105.0) |
| Operating Expenses (Non-GAAP) | $ 1,695.6 | $ 695.2 | $ 24.4 | $ 2,415.2 |
| | | | | |
| Operating Income (GAAP) | $ 591.4 | $ 171.8 | $ (19.6) | $ 743.6 |
| Total Revenue and Expense Adjustments to Operating Income | (105.9) | 0.3 | — | (105.6) |
| Operating Income (Non-GAAP) | $ 485.5 | $ 172.1 | $ (19.6) | $ 638.0 |

See footnote descriptions contained with Schedule 1A

**NiSource Inc.**

Schedule 3 - Reconciliation by of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2022 | 2021 |
|---|---|---|
| Net Cash Flows from Operating Activities | 1,409.4 | 1,217.9 |
| Changes to Working Capital | | |
| - Accounts Receivable | (216.3) | (40.3) |
| - Inventories | (258.9) | (112.9) |
| - Accounts Payable | 165.0 | 54.9 |
| - Exchange gas receivable/payable | 57.8 | (114.2) |
| - Other accruals | 73.4 | 43.0 |
| - Prepayments and other current assets | (9.8) | (36.6) |
| Other Adjustments | | |
| - 50% of Preferred Dividends (Series A & B) | 27.6 | 27.6 |
| **Funds from Operations (Adjusted)** | **1,570.7** | **1,396.5** |
| | | |
| Long-term debt | 9,523.6 | 9,183.4 |
| + Current portion of long-term debt | 30.0 | 58.1 |
| + Short-term borrowings | 1,761.9 | 560.0 |
| Other Adjustments | | |
| + 50% Preferred Equity (Series A & B) | 440.0 | 440.0 |
| **Total Adjusted Debt** | **11,755.5** | **10,241.5** |
| | | |
| **FFO to Debt (Adjusted)** | **13.4%** | **13.6%** |

NOTE: Methodology will be adjusted for the Minority Interest transaction going forward





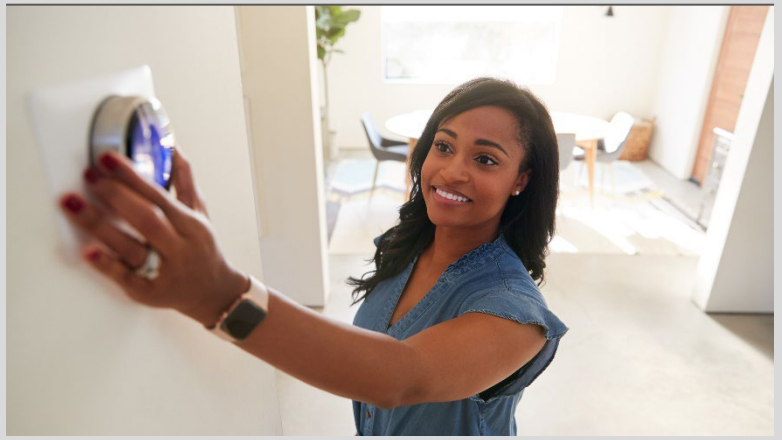
NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 3Q 2023 RESULTS

November 1, 2023







# 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"). Forward-looking statements in this presentation include, but are not limited to, statements regarding the purchase and sale agreement that NiSource's wholly-owned subsidiary, NIPSCO Holdings II LLC, entered into with BIP BLUE BUYER L.L.C., an affiliate of Blackstone Infrastructure Partners (the "Investor") on June 17, 2023 whereby Investor will acquire newly issued membership interests of NIPSCO Holdings II LLC which will represent a 19.9% ownership in NIPSCO Holdings II LLC at closing time (the "NIPSCO Minority Equity Interest Sale"); statements regarding the ability to complete the NIPSCO Minority Equity Interest Sale on the anticipated timeline or at all; statements concerning the anticipated benefits of the NIPSCO Minority Equity Interest Sale if completed; statements concerning the projected impact of the NIPSCO Minority Equity Interest Sales on our performance or opportunities; any statements regarding our expectations, beliefs, plans, objectives or prospects or future performance or financial condition as a result of or in connection with the NIPSCO Minority Equity Interest Sale; 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. 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. 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, but are not limited to, risks and uncertainties relating to the timing and certainty of closing the NIPSCO Minority Equity Interest Sale, the ability to obtain Federal Energy Regulatory Commission approval necessary to complete the NIPSCO Minority Equity Interest Sale; the ability to achieve the anticipated benefits of the NIPSCO Minority Equity Interest Sale; the effects of transaction costs; the effects of the NIPSCO Minority Equity Interest Sale on industry, market, economic, political or regulatory conditions outside of NiSource's control; any disruption to NiSource's business from the NIPSCO Minority Equity Interest Sale, including the diversion of management time on NIPSCO Minority Equity Interest Sale-related issues, 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, or failures of, 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, diverse workforce and ability to maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance of third-party suppliers and service providers; potential cybersecurity attacks; increased requirements and costs related to cybersecurity; 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 physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal; 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; inflation; recessions; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; potential remaining liabilities related 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 fiscal year ended December 31, 2022 and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, respectively, 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 and guidance for NiSource with respect to net operating earnings available to common shareholders, diluted earnings per share and funds from operations/debt, which are non-GAAP financial measures as defined by the Securities and Exchange Commission's 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, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company 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. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalents without unreasonable efforts.

# NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH



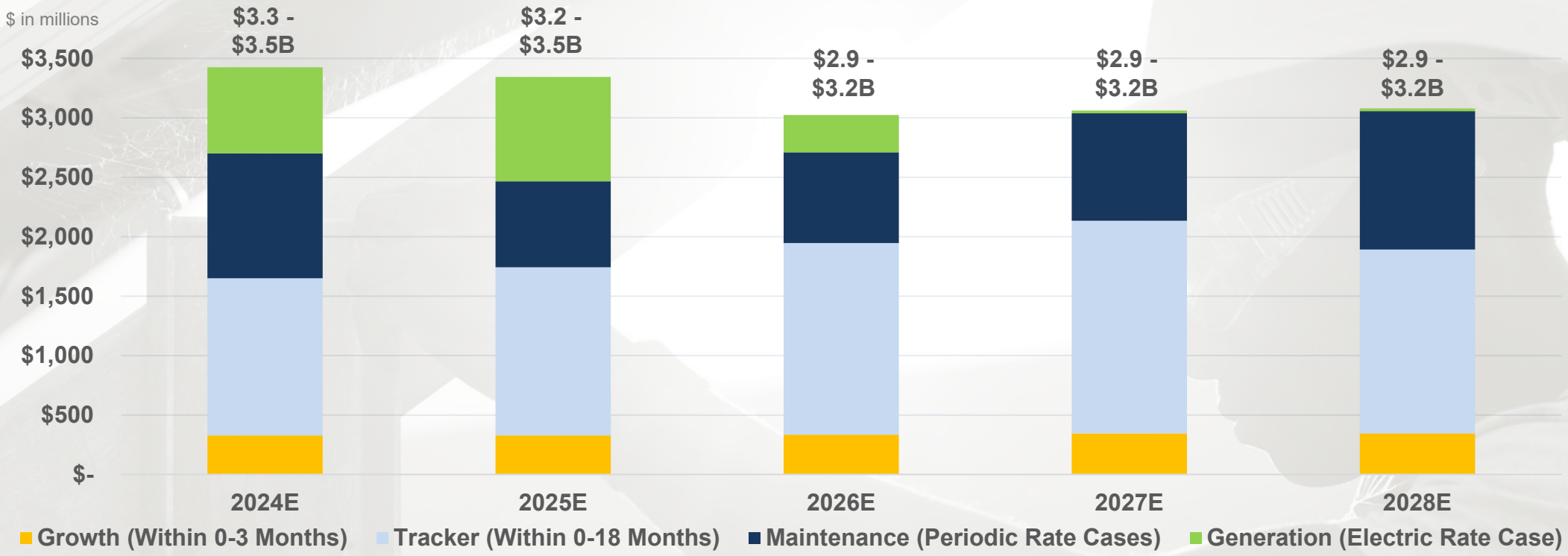



[1] Net Operating Earnings Per Diluted Share and FFO/Debt (non-GAAP)
[2] Goal for Scope 1 and 2 emissions
[3] Estimated total shareholder return at a constant P/E ratio
[4] Core business rate base growth; select years may exceed range

# KEY PRIORITIES

- **Resilient Financial Commitments**
  - Reiterating upper half of 2023 non-GAAP NOEPS[1] of $1.54-$1.60 and initiating 2024 guidance of $1.68-1.72
  - Extending 6-8% annual non-GAAP NOEPS[1] growth to 2023-28
  - $16 billion 2024-2028 base plan capital expenditures support 8%-10% annual 2023-2028 rate base growth[2]
  - 14-16% FFO/Debt[3] annually through 2028
- **Superior Regulatory & Stakeholder Foundation**
  - NIPSCO electric rate case order received and implemented in August
  - NIPSCO gas rate case filed in October
  - Columbia Gas of Maryland rate case order received in October
- **Balance Sheet Flexibility**
  - NIPSCO minority interest transaction FERC approval received in October & on track to close by year-end
- **Programmatic and Enduring Investment Plans Plus Upside Opportunities**
  - Driven by safety, reliability, regulation, decarbonization, modernization

# SUSTAINABLE INVESTMENT OPPORTUNITIES FOR CUSTOMERS AND COMMUNITIES




- Capital expenditures include 100% of NIPSCO
- Figures exclude upside capex

# SUPERIOR REGULATORY AND STAKEHOLDER FOUNDATION

| | | 2021 | | | | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **NIPSCO Electric** | Rate Case | | | | | | | Filed | | Settled +$292M | | Approved In Rates | |
| | Trackers | TDSIC 7 Approved | | TDSIC 8 Approved | | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 +$6.6M | | TDSIC 3 +$21.2M | |
| **NIPSCO Gas** | Rate Case | | | Filed | | Settled +$71.8 | | Approved Step 1 Rates | | Step 2 Rates | | | Filed +$162M |
| | Trackers | FMCA 5 Approved | TDSIC 2 Approved | FMCA 6 Approved | TDSIC 3 Approved | FMCA 7 Approved | TDSIC 4 Approved | FMCA 1 Approved | | FMCA 2 +$4.2M | | TDSIC 6 FMCA 1 | TDSIC 7 |
| **Columbia Gas of Ohio** | Rate Case | | Filed | | | | | | Settled +$68.3M | Approved In Rates | | | |
| | Trackers | | IRP Approved | CEP Approved | | | IRP Approved | CEP Approved | | | IRP +$38.4M | CEP +$31.0M | |
| **Columbia Gas of Pennsylvania** | Rate Cases | Filed | | Settled | Approved In Rates | Filed | | Settled | Approved In Rates | | | | |
| **Columbia Gas of Virginia** | Rate Case | | | | | | Filed | Rates Effective | Settled +$25.8M | | Approved | | |
| | Trackers | | | | SAVE Approved | | | | SAVE +$4.5M | | | | SAVE |
| **Columbia Gas of Kentucky** | Rate Case | | Filed | | Settled Approved | In Rates | | | | | | | |
| | Trackers | | SMRP Approved | | | | | | SMRP +$1.6M | | | | SMRP |
| **Columbia Gas of Maryland** | Rate Cases | | Filed | Settled | Approved In Rates | | Filed | Settled +$3.5M | Approved In Rates | | Filed | Settled +$3.9M | Approved In Rates* |
| | Trackers | | | | STRIDE Approved | | | | STRIDE Approved | In Rates +$1.3M | | | STRIDE |

# OPERATIONAL EXCELLENCE

**Prioritizes Safety, Assures Predictable, Reliable Operations and a Culture of Continuous Improvement**

## SAFETY

**Gas and Electric Probabilistic Risk Modeling** being used to maximize risk reduction in our work plans

**Advanced Leak Survey Technology and Repair** accelerating the elimination of large-volume leaks with greater precision

**Accelerated In-Line Inspection Capabilities** ensuring the health of our most critical transmission assets

## RELIABILITY

**Work and Asset Management System** standardizing work, system reliability and data quality

**Distribution & Substation Automation (Vipers)** enhancing system awareness and reducing customer impacts

**Underground Storage Modernization** maintains NiSource's ability to keep gas moving during times of supply constraints

**System Hardening** via large scale substation and circuit rebuilds

## EFFICIENCY

**Enterprise Continuous Improvement Organization** driving process efficiencies and waste reduction and ensuring spend is delivering value for our customers and shareholders

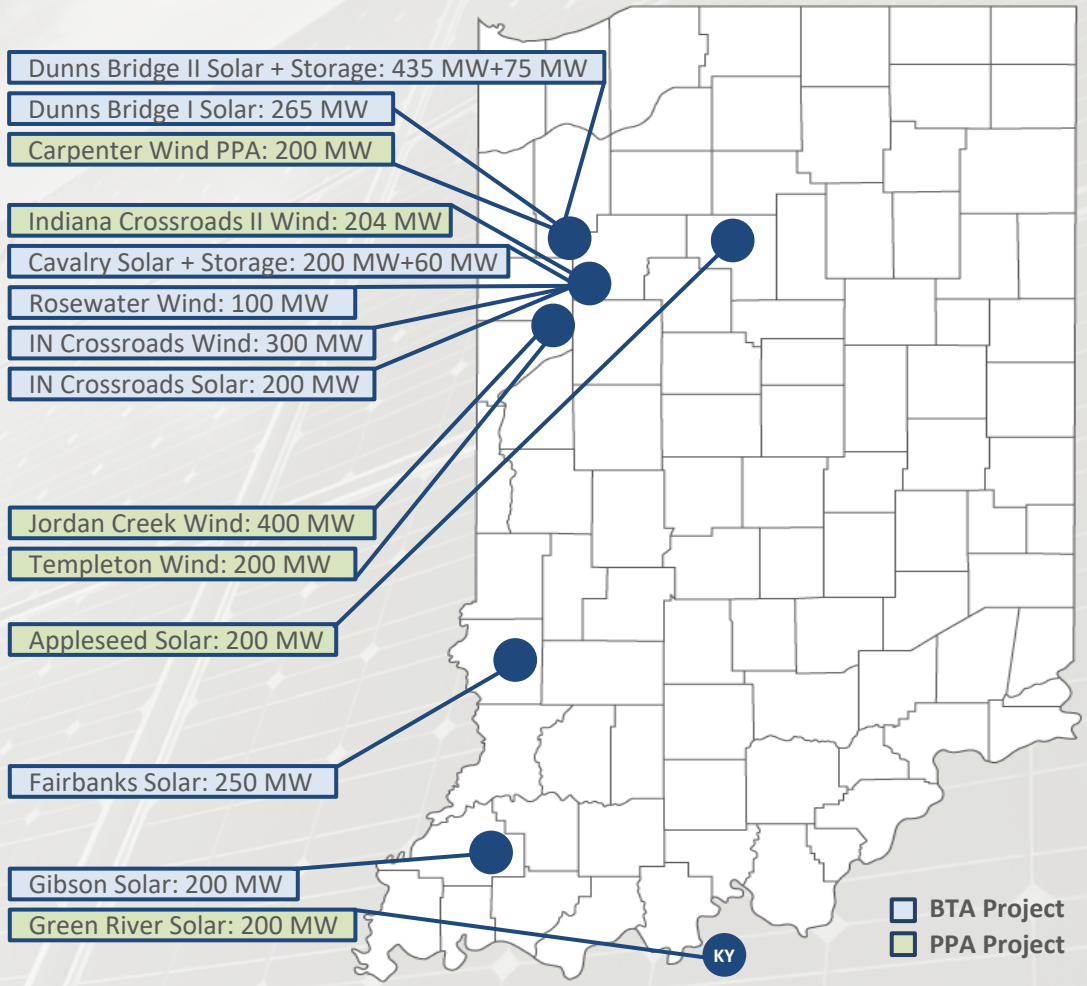
## CULTURE

**Human Performance Training** equipping employees with the tools and skills to minimize error and foster a culture of continuous improvement

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | Estimated In-Service | NIPSCO Investment ($M) | Status |
|---|---|---|---|
| Rosewater Wind | 2020 | ~$1,000 (In Rate base) | Complete |
| Indiana Crossroads Wind | 2021 | | |
| Dunns Bridge I Solar | 2023 | | |
| Crossroads Solar | 2023 | | |
| Transmission Projects | 2023 | | |
| Cavalry Solar + Storage | 2024 | ~$1,700 (Pending IURC Approval) | Construction |
| Dunns Bridge II Solar + Storage | 2024 | | |
| Fairbanks Solar | 2025 | | |
| Gibson Solar | 2025 | | Pre-Construction |
| Total | | ~$2,700* | |

| PPA Projects | Estimated In Service | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Construction |
| Green River Solar | 2024 | Pre-Construction |
| Templeton Wind | 2025 | Pre-Construction |
| Carpenter Wind | 2025 | Pre-Construction |
| Appleseed Solar | 2025 | Pre-Construction |




- Projects and investment amounts represent base capital plan only; assumes full ownership of Calvary and Dunns Bridge II, pending IURC approval.

# Additional Investment Opportunities for NiSource

## Near-Term (Through 2028)
**~$2B Upside Opportunity Not Included In Base Plan**

***Investment opportunities that can enhance our current financial plan***

- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision
- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- Investments in **Renewable Natural Gas** production and transportation infrastructure

## Longer-Term (2028+)

***Longer-Term investment themes beyond our current financial plan***

- Electric T&D reliability and performance investments focused on **infrastructure replacement, continued grid modernization, system hardening and transportation electrification**
- **Generation investments** to support incremental demand, asset retirements and decarbonization
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative
- Continuation of investments in **gas system modernization and AMI programs and Renewable Natural Gas** infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# THIRD QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

| GAAP | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $77.0 | $52.0 | $25.0 | $436.1 | $518.2 | $(82.1) |
| Diluted Earnings Per Share | $0.17 | $0.12 | $0.05 | $0.98 | $1.18 | $(0.20) |

| NON-GAAP* | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Operating Earnings Available to Common Shareholders ($ in Millions) | $83.7 | $44.6 | $39.1 | $477.0 | $427.2 | $49.8 |
| Net Operating Earnings Per Share | $0.19 | $0.10 | $0.09 | $1.07 | $0.97 | $0.10 |

* Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1A in the appendix to this presentation

# THIRD QUARTER SEGMENT NON-GAAP* RESULTS

| NET OPERATING EARNINGS ($ Millions) | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | CHANGE FAV/(UNFAV) | 2023 | 2022 | CHANGE FAV/(UNFAV) |
| Gas Distribution | $ 53.0 | $ 32.1 | $ 20.9 | $ 651.0 | $ 517.6 | $ 133.4 |
| Electric Operations | $ 184.0 | $ 114.8 | $ 69.2 | $ 318.0 | $ 286.9 | $ 31.1 |
| Corporate & Other | $ 5.0 | $ 0.0 | $ 5.0 | $ 11.1 | $ (19.6) | $ 30.7 |
| **Consolidated Net Operating Earnings** | **$ 242.0** | **$ 146.9** | **$ 95.1** | **$ 980.1** | **$ 784.9** | **$ 195.2** |

## THIRD QUARTER DRIVERS

**GAS DISTRIBUTION**

Increased revenue from new rates and capital programs
Increased customer usage
Higher non-tracked Depreciation and Amortization Expense
Higher non-tracked Operating and Maintenance Expense

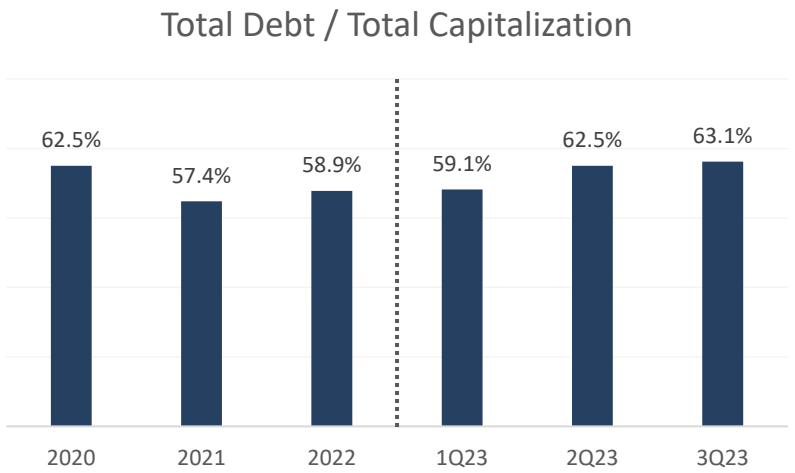
**ELECTRIC OPERATIONS**

Increased revenue from new rates and capital programs
Increased customer usage

* Net 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 Sep 30, 2023. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation.

# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$13.3B as of September 30, 2023**
  - ~$11.0B of long-term debt
    - Weighted average maturity ~12 years
    - Weighted average interest rate of 3.93%
  - ~$2.2B of short-term debt
    - $1.0B term loan (maturity March 2024)
    - ~$0.9B of commercial paper issued
    - ~$0.3 accounts receivable securitization balance
- **Solid liquidity position**
  - ~$1.0B in net available liquidity as of September 30, 2023*
  - ~$2.2B of committed facilities in place as of September 30, 2023
    - ~$1.85B revolving credit facility
    - ~$0.3B accounts receivable securitization facilities **
- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)
  - All three rating agencies affirmed ratings and outlooks this year




* Consisting of cash and available capacity under credit facilities
** Capacity on accounts receivable securitization facilities changes with seasonality

# EXTEND FINANCIAL COMMITTMENTS

**Extended Base 5 Year Plan**

- Annual non-GAAP NOEPS[1] growth of 6-8% 2023-2028
- 8-10% annual 2023-28 rate base[2] growth
- Customer bill < 4% average annual 2023-2028 growth[3]
- Continued commitment to 14-16% FFO/Debt[4] annually through 2028

## Capital Expenditures

**November 2022 5 Year Plan**

$15 billion 2023-2027

**Extended Base 5 Year Plan**

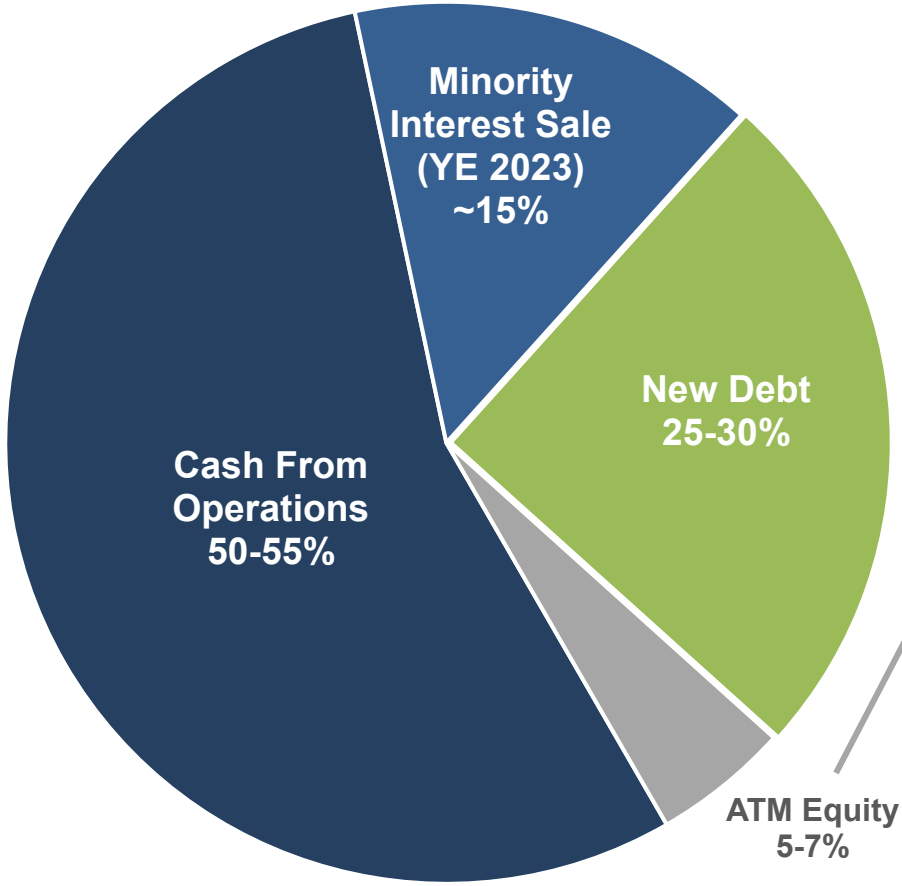
$16 billion 2024-2028

**Upside 5 Year Opportunity**

$2 billion 2024-2028 incremental opportunity not included in base plan

# STRENGTHENED BALANCE SHEET PROVIDES FLEXIBLE FINANCING PLAN TO INVEST IN GROWTH

## $16B CAPITAL INVESTMENT FUNDING SOURCES[1] (2024-2028)




## TARGETING ANNUAL FFO/Debt[2] 14-16%

- Base Capital Plan assumes $200-300 million of annual total equity raised via ATM from 2025-2028
- No equity required in 2024; ATM utilized starting in 2025
- Equity sized to support current investment grade credit ratings and maintain 14-16% FFO/Debt
- Plan to utilize ATM program under all scenarios (with or without a successful execution on the equity unit remarketing)
- Upside to the Base Capital Plan may require modest increases to ATM to maintain the capital structure

1. Assumes a successful Equity Units remarketing with proceeds used to redeem Preferred Equity and minority interest transaction closing by year-end 2023
2. Funds from Operations / Debt (Non-GAAP); see Appendix for reconciliation, target represents the period of 2023 through 2028

Equity figures exclude internal programs

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | PROGRESS |
|---|---|---|---|---|---|---|---|---|---|
| **NOEPS**[1] (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7.3%) | $1.54-$1.60 | $1.68-$1.72 | Deliver 6-8% Annual NOEPS Growth | | | | On track 2023 Guidance Raised 2X |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+6.8%) | $1.00 (+6.4%) | 10-12% Total Shareholder Return[2] 60-70% Payout | | | | | On track |
| **CAPEX** | ✓ $1.9B (Guide: $1.9-2.1B) | ✓ $2.6B (Guide: $2.4-2.7B) | $3.5B[3] (Guide: $3.3-3.6B) | $16B Sustainable Investment Opportunities For Customers and Communities | | | | | Highly Visible Capital Investment |
| **BALANCE SHEET FLEXIBLITY**[1] (FFO/DEBT) | ✓ 13.6% | ✓ 13.4% | Execute Minority Interest Transaction | 14-16% FFO/Debt Annually | | | | | On track FERC Transaction Approval |
| **SUPERIOR REGULATORY & STAKEHOLDER FOUNDATION** | ✓ | ✓ | NIPSCO Electric Rate Case<br>Tracking Mechanisms | Sustained **Superior Regulatory** Execution | | | | | On track Electric Rate Case Implemented |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | Continuing to Prioritize **Safety** while Optimizing our **Long-Term Cost Profile** | | | | | | On track |



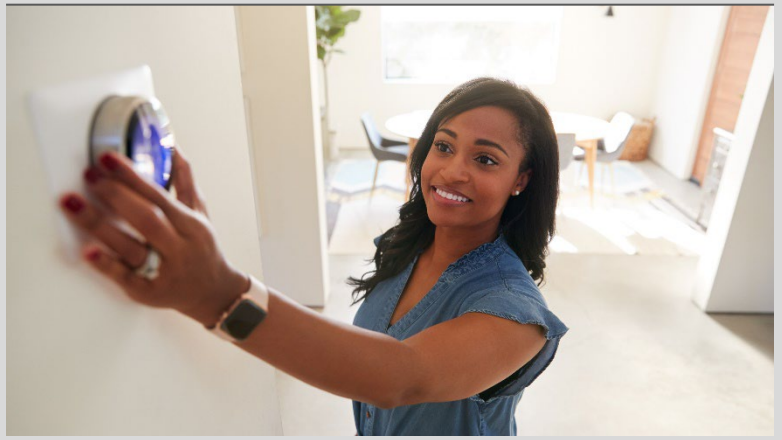


NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## 3Q 2023 RESULTS







# BASE PLAN CAPITAL EXPENDITURES

**Capital Plan by Segment**

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| **ELECTRIC** | 1.5 | 1.4 - 1.6 | 1.0 - 1.1 | 0.8 | 0.8 |
| **GAS** | 1.9 | 1.7 - 1.9 | 1.9 - 2.1 | 2.2 - 2.4 | 2.2 - 2.4 |
| **TOTAL** | $3.3 - 3.5 | $3.2 - 3.5 | $2.9 - 3.2 | $2.9 - 3.2 | $2.9 - 3.2 |

- Capital expenditures include 100% of NIPSCO
- Figures exclude upside capex

# NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO ELECTRIC)

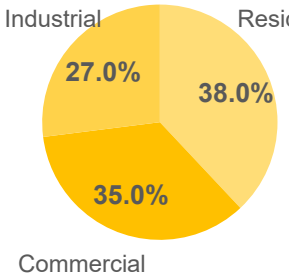
## Business Profile



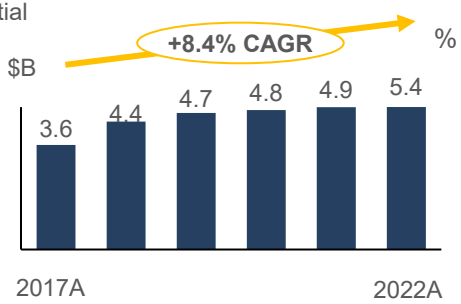
### Unique Insights/Opportunities

| 100% | Lowest | MISO | $3B+ |
|---|---|---|---|
| Of coal generation to be retired by 2026-2028 | Number of complaints[3] in the state over the past 5 years | Geographic proximity provides future transmission opportunity | In generation investments 2022-2028 |

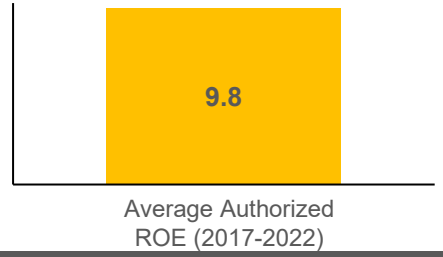
**Net Revenue Mix[4]**




**Rate Base[4]**




**Return on Equity[1]**




### Regulatory Landscape

- TDSIC recovers new or replacement projects for safety, reliability and system modernization;
- Design of Rate 531 (former 831) insulates NIPSCO from potential year-to-year variability of industrial electric load
- Fully Forward Test Year utilized for base rate cases
- ~$550M FERC Regulated Electric Transmission Rate Base under formula rates

### Constructive Legislation

- HB 1420 *clarifies incumbent utility ROFR for transmission projects within jurisdiction*
- HB 1421 *allows CWIP recovery for gas generation capex and enacts 240-day timeline for IURC to rule on generation CPCNs*

### Economic Outlook

- Indiana Ranked #1 State To Start A Business[7]
- Indiana Ranks 3rd in Business Tax Climate – Property Tax[8]
- State has budgeted 500M economic development deal closing find for 2023/2024

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Transmission, Distribution, and Storage System Improvement Charge(TDSIC) | 12 Months[6] (80% of Investment) |
| Federally Mandated Cost Adjustment (FMCA) | 11 Months [6] |
| RTO | Forecasted with a True-Up to Actual |
| Energy Efficiency | Forecasted with a True-Up to Actual |
| Fuel Costs | Forecasted with a True-Up to Actual |
| Resource Adequacy | Historic [9] |

**Footnotes:**

(1) Inclusive of both Gas & Electric
(2) Compound annual growth between 2018A and 2022A
(3) Represents complaints justified by the Indiana Utility Regulatory Commission (IURC) as of YE2022
(4) NIPSCO rate base includes deferred taxes in capital structure
(5) Under TDSIC/FMCA 20% of investment cost for recovery in next rate case
(6) Revenue mix based on net revenues for the year ending 2021
(7) Forbes, 2023
(8) Tax Foundation, 2023
(9) NIPSCO recovers $22.4 million of capacity costs annually in base rates, with the RA used to track deviations from that amount

# COLUMBIA GAS OF OHIO (COH)

## Business Profile



### Regulatory Landscape

- Fully tracked annual Infrastructure Replacement Program (IRP) and Capital Expenditure Program (CEP)
- Public policy provides tools supporting investment for economic development and deferral of pipeline safety costs
- Straight fixed variable rate design
- 100% of capital investment is tracked and recovery begins within 12 months

### Constructive Legislation

- HB 95 – *Authorization of utility modernization capital programs*
- SB 319 – *Annual infrastructure cost recovery of up to $25.5M for economic development projects*
- SB 378 – *Underground protection & enforcement*
- HB 201 – *Codifies consumers' right to fuel diversity*

### Economic Outlook

- Intel's $20-100 Billion investment in two new chip fabrication facilities is the largest economic development project for Ohio, announced in January 2022

## Unique Insights/Opportunities

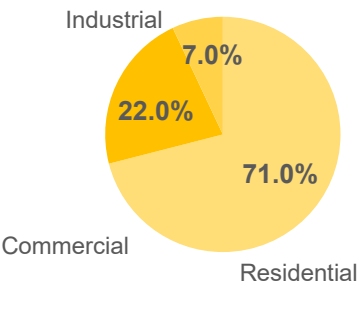
**2023 Energy Star Partner of the Year** for sustained excellence in energy efficiency program delivery

**~1,200** Communities served throughout the state of Ohio

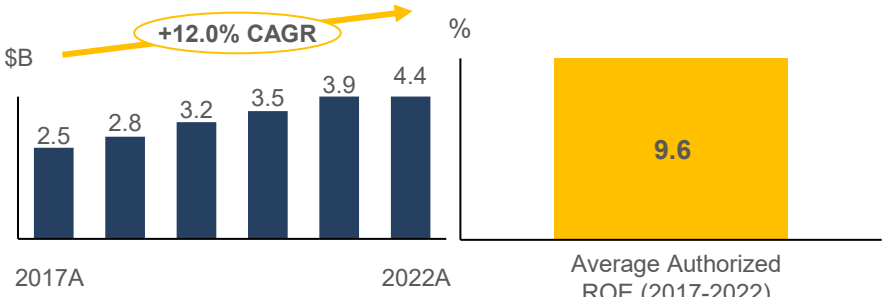
**Top Tier Performance** in customer satisfaction based on 2023 YTD JD Power Survey[3]

**2x Most Trusted** Utility Brand Awarded in 2023 and 2022 by **Escalent**

**Net Revenue Mix[2]**




**Rate Base**




**Return on Equity**



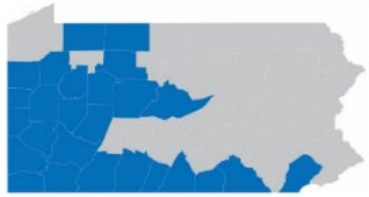

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Capital Expenditure Program (CEP) | 14 Months |
| Infrastructure Replacement Program (IRP) | 10 Months |
| Bad Debt | 10 Months (SGS/GS)<br>Base Rates (LGS) |
| Environmental | Deferral |
| Low Income Energy Efficiency | 10 Months |
| Fuel Costs | Forecasted with a True-Up to Actual |
| Low Income | 11 Months |



**Footnotes:**
(1) Compound annual growth between 2018A and 2022A
(2) Revenue mix based on net revenues for the year ending 2022
(3) COH Ranks in top 5 in all 6 categories vs. 16 other utilities in the Midwest large segment

# COLUMBIA GAS OF PENNSYLVANIA (CPA)

## Business Profile



### Regulatory Landscape

- Fully projected Future Test year allows for capital and expense recovery with zero lag
- Authorized Weather Normalized Adjustment of residential bills during winter period stabilizes revenue for CPA and bills for customers
- State leader in universal services, low-income initiatives, choice and energy efficiency programs

### Constructive Legislation

- Act 11 – *Allows for filing of a Distribution Service Improvement Charge (DSIC) and a rate case with a fully forecasted rate year*
- Chapter 14 – *Stabilized credit and collections 19 years ago, up for renewal in 2024, at risk for negative changes*

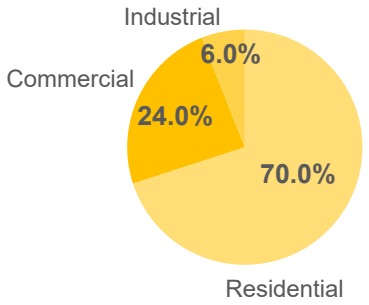
## Unique Insights/Opportunities

**1.1K Miles** of remaining priority pipe

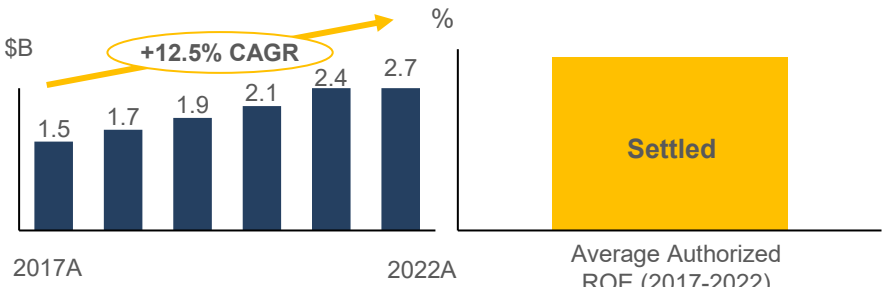
**#2** In customer satisfaction based on 2022 JD Power Survey (3)

**10** Of the last 11 base rate proceedings have been settled

**Net Revenue Mix(2)**




**Rate Base**




**Return on Equity**




| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Rate Case | 0 Months (Fully Projected Future Test Year) |
| DSIC | 3 - 6 Months |
| USECP Rider | 0 Months |
| Environmental | Deferred |
| Energy Efficiency | Deferred |
| Fuel Costs (inc. Bad debt) | Deferred |
| Pension/OPEB | Deferred |
| Low Income | Deferred |



**Footnotes:**
(1) Compound annual growth between 2018A and 2022A
(2) Revenue mix based on net revenues for the year ending 2022
(3) Among midsized eastern gas utilities

# NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO GAS)

## Business Profile



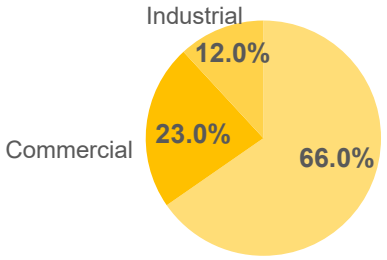
### Unique Insights/Opportunities

**Lowest**
Number of complaints[3] in the state over the past 5 years

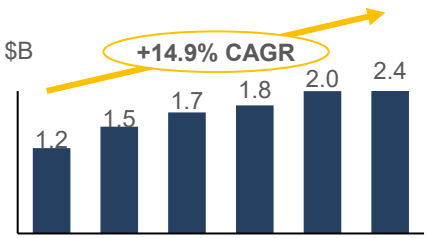
**100%**
Of distribution rate cases settled since 1987

**Largest**
LDC in the state of Indiana[7]

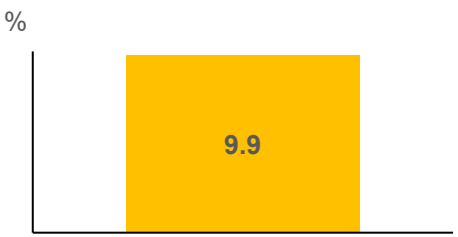
**Net Revenue Mix[4]**




**Rate Base[5]**




**Return on Equity[1]**




## Regulatory Landscape

- TDSIC recovers new or replacement projects for safety, reliability and system modernization; semi-annual infrastructure tracker under TDSIC statute
- FMCA offers capital and O&M semi-annual recovery for federally mandated costs, including adherence to PHMSA
- Fully Forward Test Year utilized for base rate cases

## Constructive Legislation

- SB 560 – *Forward test year, timely rate cases and infrastructure tracking*
- HB 1470 – *Increased flexibility for inclusion of future projects in TDSIC*
- HB 1191 – *Codifies consumers' right to fuel diversity*

## Economic Outlook

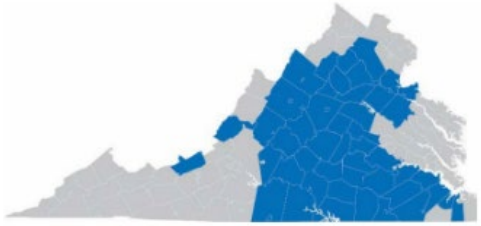
- StarPlus Energy announced, in Oct. 2023, two EV battery manufacturing projects, investing nearly $6B and creating 2700 jobs. NIPSCO is ready to serve gas from a completed approximately $200M gas expansion project.
- GM and Samsung finalized plans, in June 2023, for an EV battery manufacturing project in New Carlisle, $3B investment planned to create 1700 jobs served by NIPSCO gas.

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Transmission, Distribution, and Storage System Improvement Charge(TDSIC) | 11 Months[6] |
| Federally Mandated Cost Adjustment (FMCA) | 11 Months[6] |
| Bad Debt | Base Rates / Gas Costs |
| Energy Efficiency | Forecasted with a True-Up to Actual |
| Fuel Costs | Forecasted with a True-Up to Actual |
| Low Income | Deferral with a True-Up to Actuals |

**Footnotes:**
(1) Inclusive of both Gas & Electric
(2) Compound annual growth between 2018A and 2022A
(3) Represents complaints justified by the Indiana Utility Regulatory Commission (IURC)
(4) Revenue mix based on net revenues for the year ending 2022
(5) NIPSCO rate base includes deferred taxes in capital structure
(6) Under TDSIC/FMCA 20% of investment is deferred with carrying cost for recovery in next rate case; a future test year is utilized to recover operating expenses
(7) As of YE2022

# COLUMBIA GAS OF VIRGINIA (CVA)

## Business Profile

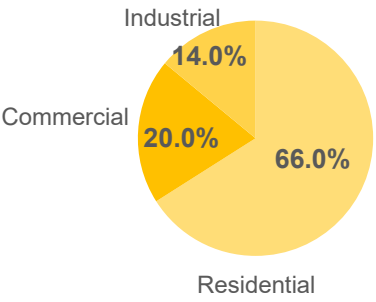


### Unique Insights/Opportunities

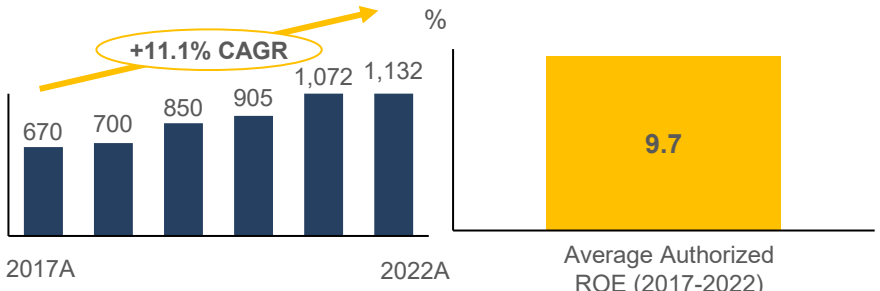
**236**
Industrial Customers, **13** Power Generation Customers

**Recognized**
By Lynchburg Regional Business Alliance for 50-year support of economic development in region in Fall 2023

**Net Revenue Mix**(2)




**Rate Base**




**Return on Equity**




### Regulatory Landscape

- Forward-looking annual modernization/safety infrastructure investment tracker filings
- Tracker filings supplemented by rate case filings with forward test year

### Constructive Legislation

- DIMP Act– *Allows deferral of incremental O&M related to pipeline safety*
- SAVE Act – *Allows recovery of investment on infrastructure replacement*
- CARE Act – *Provides for energy efficiency programs and a revenue decoupling adjustment*
- Energy Innovation Act– *Provides regulatory pathways to procure substitute/supplemental gas (RNG/Hydrogen), promotes biogas supply and expends energy efficiency*

### Economic Landscape

- Service Center Metals, a manufacturer of aluminum extrusions, brought online two new facilities in Prince George County Summer 2023. These new facilities are expected to consume 600,000 dth/year and generate $320,000 in annual revenue

- The VA Budget, enacted Sep-23, adds $125 million to the VA Business Ready Sites Program Fund to promote the readiness of industrial sites in the Commonwealth.

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Steps to Advance Virginias Energy Plan (SAVE) | 0 Months (Forward Looking Test Year) |
| Energy Efficiency (CARE) | Deferred |
| Fuel Costs (inc. Bad debt) | Deferred |
| Pipeline Safety (DIMP) | O&M Above baseline Deferred to Rate Case |

**Footnotes:**
(1) Compound annual growth between 2018A and 2022A
(2) Revenue mix based on net revenues for the year ending 2022

# COLUMBIA GAS OF KENTUCKY (CKY)

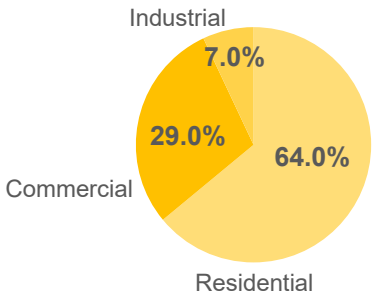
## Business Profile



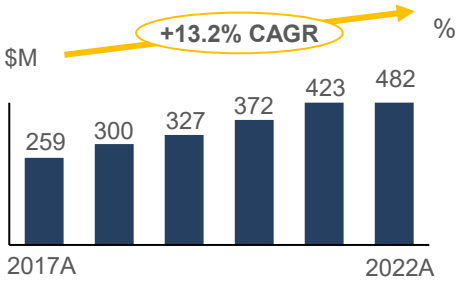
## Unique Insights/Opportunities

| | | | | |
|---|---|---|---|---|
| **5X** Named to Best Place to Work in Kentucky roster in 2023; fourth year in a row | **215** Miles of priority pipe replaced since 2008 | **AGA** Safety achievement award winner in 2021[5] | **#1** In Customer Satisfaction based on Q3 2023 JD Power Survey[2] | **Recognized** For Leadership in Emerging Energy /Transition Environment[3] |

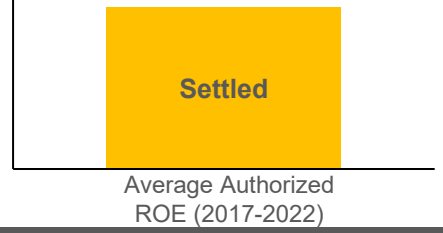
**Net Revenue Mix[4]**




**Rate Base**




**Return on Equity**




### Regulatory Landscape

- SMRP allows for full cost recovery of eligible pipeline replacement/safety related initiatives via forward looking test year
- Commission has authorized economic development extension tariff for high potential sites requiring natural gas
- Performance based incentives for gas supply management
- Base rate recovery is weather normalized

### Constructive Legislation

- HB 207 – *Codifies consumers' right to fuel diversity*
- HB 100 – *Governments may create and assess for special energy efficiency project districts*

### Economic Landscape

- $100M in 2023 KY Product Development Initiative (PDI) funding which will significantly benefit CKY's eastern territory ED initiatives
- KY Ranked $5 in US in Economic Development success by Site Selection Magazine (#1 in South Central region) in Q2 2023

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Safety Modification & Replacement Program (SMRP) | 0 Months (Forward Looking Test Year) |
| Gas Costs | Forecasted with a True-Up to Actual |

**Footnotes:**

(1) Compound annual growth between 2018A and 2022A
(2) JD Power Scores – CKY does not meet residential customer threshold for syndicated survey but ranked #1 in Midwest Midsize Segment
(3) Recognized at Governor's Conference on Energy & Environment Oct 2023
(4) Revenue mix based on net revenues for the year ending 2022
(5) 3 teams will celebrate five-year safety milestones in 2023

# COLUMBIA GAS OF MARYLAND (CMD)

## Business Profile

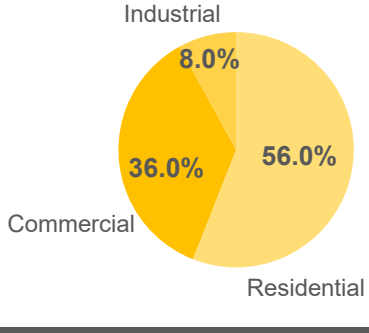


## Unique Insights/Opportunities

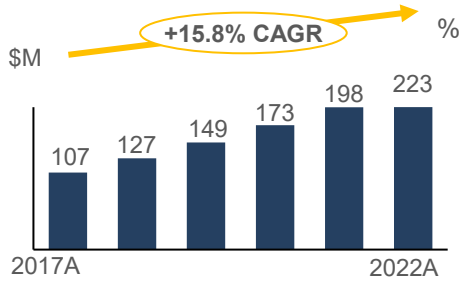
**108**
Miles of cast Iron/Bare Steel pipeline replaced since 2008

**0**
PHMSA/DOT reportable incidents in 2021-3Q23

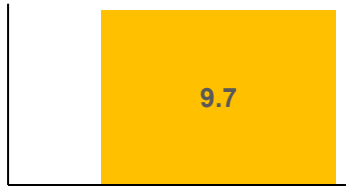
### Net Revenue Mix(2)




### Rate Base




### Return on Equity




## Regulatory Landscape

- Forward-looking annual infrastructure replacement and improvement surcharge (IRIS) recovers age and condition investment
- Revenue normalization enables full recovery of residential distribution revenue
- IRIS filings supplemented by periodic rate cases
- Tariff provisions allow for modest customer growth.

## Constructive Legislation

- STRIDE Act – *Prospective cost recovery for age and condition investment.*

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Strategic Infrastructure Development & Enhancement (STRIDE) | 0 Months |
| Energy Efficiency Rider | Deferred |
| Fuel Costs (inc. Bad Debt) | Deferred |
| Environmental | Deferred |

**Footnotes:**
(1) Compound annual growth between 2018A and 2022A
(2) Revenue mix based on net revenues for the year ending 2022

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

## ENVIRONMENTAL

- Expected to retire 100% of coal assets by 2028 and replace primarily with renewables
- On track for 90% reduction* in greenhouse gas emissions by 2030
- Reduction in methane emissions through modernization and advanced leak detection and repair
- Actionable pathways to achieve Net Zero Goal by 2040 with support from key stakeholders
- Establishment of customer opportunities to reduce greenhouse gas emissions

## SOCIAL

- Transformation focused on customer safety, reliability and affordability
- Published 2023 ESG Report
- Enhancing DE&I initiatives across the organization
  - Executive Leadership Team consists of ~75% women and minorities
  - Board consists of ~58% women and minorities
  - Advancing economic inclusion initiatives including a goal of 25% diverse supplier spend by 2025
- Supporting cultural awareness initiatives and development opportunities for under-represented groups

## GOVERNANCE

- Leadership enhancements support commitment to customer service and safety
- Diverse, skilled, and independent Board
- 25% of Board refreshed in 2022, including two new female directors and additional utility experience
- Robust framework for strategy, risk management, and oversight
- Enhanced alignment of employee and executive incentive programs
- Cybersecurity management Sub-Committee reports to Risk Management Committee

TIME WORLD'S BEST COMPANIES 2023 statista

Forbes 2023 BEST EMPLOYERS FOR DIVERSITY POWERED BY STATISTA

AMERICA'S MOST RESPONSIBLE COMPANIES 2023 Newsweek statista

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

MSCI ESG RATINGS AAA

CCC | B | BB | BBB | A | AA | AAA

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* *Scope 1 emissions, compared to 2005 baseline*

NiSource's Corporate Strategy is Aligned with Commitment to Best-In-Class ESG Practices

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILING DETAILS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2021<br>FY 2022 | $232.9<br>$316.3 | May 2022<br>May 2023 |
| | Capital Expenditure Program (CEP) | FY 2021<br>FY 2022 | $253.5<br>$265.6 | Sep 2022<br>Sep 2023 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2023 | $45.9 | Jan 2023 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023<br>FY 2024 | $41.6<br>$40.2 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18.0 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 6: Jan 2022 – Feb 2023<br>TDSIC 7: Mar 2023 – Aug 2023 | $149.8<br>$207.1 | Sep 2023<br>Mar 2024 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 1: Oct 2021 – Mar 2022<br>FMCA 2: Apr 2022 – Sep 2022 | $14.1<br>$38.2 | Oct 2022<br>Apr 2023 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 2: Feb 2022 - Jul 2022<br>TDSIC 3: Jan 2023 – Aug 2023 | $143.5<br>$144.8 | Feb 2023<br>Sep 2024 |

**NiSource Inc.**

Schedule 1A - Reconciliation of Consolidated Net Income 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)* | **2023** | 2022 | **2023** | 2022 |
| **GAAP Net Income Available to Common Shareholders** | **$ 77.0** | $ 52.0 | **$ 436.1** | $ 518.2 |
| **Adjustments to Operating Income :** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **9.0** | (10.4) | **47.2** | (21.7) |
| FAC adjustment[1] | **—** | — | **—** | 8.0 |
| **Operating Expenses:** | | | | |
| NiSource Next initiative[2] | **—** | 0.6 | **—** | 3.3 |
| Massachusetts Business related amounts[3] | **—** | — | **—** | (105.0) |
| Total adjustments to operating income | **9.0** | (9.8) | **47.2** | (115.4) |
| **Income Taxes:** | | | | |
| Tax effect of above items[4] | **(2.3)** | 2.4 | **(12.5)** | 24.4 |
| **Preferred Dividends:** | | | | |
| Preferred dividends redemption premium[5] | **—** | — | **6.2** | — |
| Total adjustments to net income (loss) | **6.7** | (7.4) | **40.9** | (91.0) |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 83.7** | $ 44.6 | **$ 477.0** | $ 427.2 |
| **Diluted Average Common Shares** | **448.3** | 443.4 | **447.4** | 441.7 |
| **GAAP Diluted Earnings Per Share[6]** | **$ 0.17** | $ 0.12 | **$ 0.98** | $ 1.18 |
| Adjustments to diluted earnings (loss) per share | **0.02** | (0.02) | **0.09** | (0.21) |
| **Non-GAAP Diluted Net Operating Earnings Per Share** | **$ 0.19** | $ 0.10 | **$ 1.07** | $ 0.97 |

[1] Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[2] Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3] Represents proceeds from a property insurance settlement related to the Greater Lawrence Incident.
[4] Represents income tax expense calculated using the statutory tax rates by legal entity.
[5] Represents the premium from our Series A Preferred Stock redemption calculated as the difference between the carrying value of the Series A Preferred Stock and the total amount of consideration paid to redeem.
[6] The GAAP Diluted Earnings Per Share numerator is equal to Net Operating Earnings Available to Common Shareholders adjusted for income allocated to participating securities and add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts.

**NiSource Inc.**

Schedule 1B - Reconciliation of Consolidated Net Income 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)* | **2022** | 2021 | **2022** | 2021 |
| **GAAP Net Income Available to Common Shareholders** | **$ 230.8** | $ 152.2 | **$ 749.0** | $ 529.8 |
| **Adjustments to Operating Income:** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **(3.2)** | 13.7 | **(24.9)** | 1.2 |
| FAC adjustment[1] | **—** | — | **8.0** | — |
| **Operating Expenses:** | | | | |
| Greater Lawrence Incident | **—** | 1.2 | **—** | 9.2 |
| Plant retirement costs | **—** | 1.9 | **—** | 14.1 |
| NiSource Next initiative[2] | **—** | 2.6 | **3.3** | 24.7 |
| Massachusetts Business related amounts[3] | **—** | — | **(105.0)** | 6.8 |
| Total adjustments to operating income | **(3.2)** | 19.4 | **(118.6)** | 56.0 |
| **Other Income (Deductions):** | | | | |
| Interest rate swap settlement gain | **(10.0)** | — | **(10.0)** | — |
| **Income Taxes:** | | | | |
| Tax effect of above items[4] | **3.4** | (4.9) | **27.8** | (14.6) |
| Total adjustments to net income | **(9.8)** | 14.5 | **(100.8)** | 41.4 |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 221.0** | $ 166.7 | **$ 648.2** | $ 571.2 |
| **Diluted Average Common Shares** | **445.9** | 428.8 | **442.7** | 417.3 |
| **GAAP Diluted Earnings Per Share** | **$ 0.52** | $ 0.36 | **$ 1.70** | $ 1.27 |
| Adjustments to diluted earnings per share | **(0.02)** | 0.03 | **(0.23)** | 0.10 |
| **Non-GAAP Diluted Net Operating Earnings Per Share[5]** | **$ 0.50** | $ 0.39 | **$ 1.47** | $ 1.37 |

[1]Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.
[4]Represents income tax expense calculated using the statutory tax rates by legal entity.
[5]The Non-GAAP diluted NOEPS numerator is equal to net operating earnings available to common shareholders adjusted for add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts. The add-backs for the three months ended December 31, 2022 and 2021were $0.5M and $0.6M, respectively.The add-back for the twelve months ended December 31, 2022 and 2021 were $2.0M and $1.6M, respectively.

**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, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 531.5 | $ 499.1 | $ (3.2) | $ 1,027.4 |
| Weather - compared to normal | 0.8 | 8.2 | — | 9.0 |
| Operating Revenues (Non-GAAP) | $ 532.3 | $ 507.3 | $ (3.2) | $ 1,036.4 |
| Operating Expenses (Benefit) (GAAP) | $ 479.3 | $ 323.3 | $ (8.2) | $ 794.4 |
| Adjustments | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 479.3 | $ 323.3 | $ (8.2) | $ 794.4 |
| Operating Income (GAAP) | $ 52.2 | $ 175.8 | $ 5.0 | $ 233.0 |
| Total Revenue and Expense Adjustments to Operating Income | 0.8 | 8.2 | — | 9.0 |
| Operating Income (Non-GAAP) | $ 53.0 | $ 184.0 | $ 5.0 | $ 242.0 |

| Three Months Ended September 30, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 575.5 | $ 516.5 | $ (2.5) | $ 1,089.5 |
| Adjustments | | | | |
| Weather - compared to normal | (1.8) | (8.6) | — | (10.4) |
| Operating Revenues (Non-GAAP) | $ 573.7 | $ 507.9 | $ (2.5) | $ 1,079.1 |
| Operating Expenses (GAAP) | $ 542.1 | $ 393.2 | $ (2.5) | $ 932.8 |
| Adjustments | | | | |
| NiSource Next initiative[2] | 0.5 | 0.1 | — | 0.6 |
| Operating Expenses (Non-GAAP) | $ 541.6 | $ 393.1 | $ (2.5) | $ 932.2 |
| Operating Income (GAAP) | $ 33.4 | $ 123.3 | $ — | $ 156.7 |
| Total Revenue and Expense Adjustments to Operating Income | (1.3) | (8.5) | — | (9.8) |
| Operating Income (Non-GAAP) | $ 32.1 | $ 114.8 | $ — | $ 146.9 |

See footnote descriptions contained with Schedule 1A

**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, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | $ 2,731.8 | $ 1,360.9 | $ (9.3) | $ 4,083.4 |
| **Adjustments:** | | | | |
| Weather - compared to normal | 36.5 | 10.7 | — | 47.2 |
| **Operating Revenues (Non-GAAP)** | $ 2,768.3 | $ 1,371.6 | $ (9.3) | $ 4,130.6 |
| | | | | |
| **Operating Expenses (GAAP)** | $ 2,117.3 | $ 1,053.6 | $ (20.4) | $ 3,150.5 |
| **Adjustments:** | — | — | — | — |
| **Operating Expenses (Non-GAAP)** | $ 2,117.3 | $ 1,053.6 | $ (20.4) | $ 3,150.5 |
| | | | | |
| **Operating Income (GAAP)** | $ 614.5 | $ 307.3 | $ 11.1 | $ 932.9 |
| **Total Revenue and Expense Adjustments to Operating Income** | 36.5 | 10.7 | — | 47.2 |
| **Operating Income (Non-GAAP)** | $ 651.0 | $ 318.0 | $ 11.1 | $ 980.1 |

| Nine months ended September 30, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | $ 2,759.6 | $ 1,384.1 | $ 2.3 | $ 4,146.0 |
| **Adjustments:** | | | | |
| Weather - compared to normal | (4.8) | (16.9) | — | (21.7) |
| FAC refunds to customers[1] | — | 8.0 | — | 8.0 |
| **Operating Revenues (Non-GAAP)** | $ 2,754.8 | $ 1,375.2 | $ 2.3 | $ 4,132.3 |
| | | | | |
| **Operating Expenses (GAAP)** | $ 2,134.8 | $ 1,089.0 | $ 21.9 | $ 3,245.7 |
| **Adjustments:** | | | | |
| NiSource Next initiative[2] | 2.6 | 0.7 | — | 3.3 |
| Massachusetts Business related amounts[3] | (105.0) | — | — | (105.0) |
| **Operating Expenses (Non-GAAP)** | $ 2,237.2 | $ 1,088.3 | $ 21.9 | $ 3,347.4 |
| | | | | |
| **Operating Income (Loss) (GAAP)** | $ 624.8 | $ 295.1 | $ (19.6) | $ 900.3 |
| **Total Revenue and Expense Adjustments to Operating Income (Loss)** | (107.2) | (8.2) | — | (115.4) |
| **Operating Income (Loss) (Non-GAAP)** | $ 517.6 | $ 286.9 | $ (19.6) | $ 784.9 |

See footnote descriptions contained with Schedule 1A

**NiSource Inc.**

Schedule 3 - Reconciliation by of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2022 | 2021 |
|---|---|---|
| Net Cash Flows from Operating Activities | 1,409.4 | 1,217.9 |
| Changes to Working Capital | | |
| - Accounts Receivable | (216.3) | (40.3) |
| - Inventories | (258.9) | (112.9) |
| - Accounts Payable | 165.0 | 54.9 |
| - Exchange gas receivable/payable | 57.8 | (114.2) |
| - Other accruals | 73.4 | 43.0 |
| - Prepayments and other current assets | (9.8) | (36.6) |
| Other Adjustments | | |
| - 50% of Preferred Dividends (Series A & B) | 27.6 | 27.6 |
| **Funds from Operations (Adjusted)** | **1,570.7** | **1,396.5** |
| | | |
| Long-term debt | 9,523.6 | 9,183.4 |
| + Current portion of long-term debt | 30.0 | 58.1 |
| + Short-term borrowings | 1,761.9 | 560.0 |
| Other Adjustments | | |
| + 50% Preferred Equity (Series A & B) | 440.0 | 440.0 |
| **Total Adjusted Debt** | **11,755.5** | **10,241.5** |
| | | |
| **FFO to Debt (Adjusted)** | **13.4%** | **13.6%** |

NOTE: Methodology will be adjusted for the Minority Interest transaction going forward



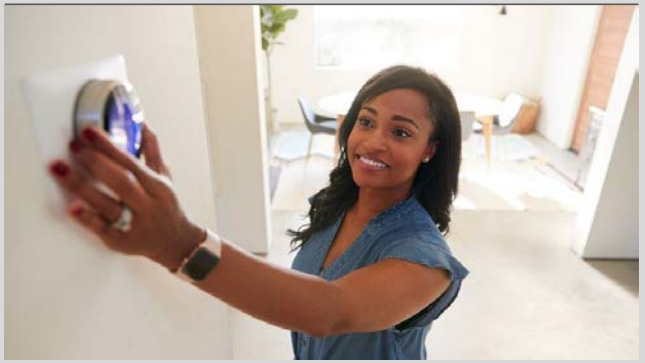




*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# YEAR END 2023 RESULTS

February 21, 2024







# Legal Disclaimer

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. Forward-looking statements in this presentation include, but are not limited to, statements regarding our financial guidance; 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, but are not limited to, risks and uncertainties relating to 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 work successfully with our third party investors; our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations; our increased dependency on 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 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 demand; our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance and quality of third-party suppliers and service providers; potential cybersecurity attacks or security breaches; increased requirements and costs related to cybersecurity; any damage to our reputation; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; compliance with changes in, or new interpretations of applicable laws, regulations and tariffs; the cost of compliance with environmental laws and regulations and the costs of associated liabilities; changes in tax laws or the interpretation thereof; 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 fiscal year ended December 31, 2023, 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.

Non-GAAP Disclosure Statement
This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, diluted earnings per share, segment net operating earnings and funds from operations/debt and earnings CAGR, which are non-GAAP financial measures as defined by the Securities and Exchange Commission. 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, it should be noted that there will likely be a difference between these measures and their GAAP equivalents due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other unusual or infrequent items included in GAAP results. The company 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. In addition, the company is not able to provide a reconciliation of its non-GAAP net operating earnings guidance or its funds from operations/debt guidance to their GAAP equivalents without unreasonable efforts.

# NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH




**Superior Regulatory & Stakeholder Foundation**

**Balance Sheet Flexibility**



1) Net Operating Earnings Per Diluted Share and FFO/Debt (non-GAAP)
2) Goal for Scope 1 and 2 emissions
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield
4) Core business rate base growth; select years may exceed range

# KEY PRIORITIES

- **Resilient Financial Commitments**
  - Achieved 2023 non-GAAP NOEPS(1) of $1.60 versus upper half of $1.54-$1.60 guidance
  - Raising 2024 non-GAAP NOEPS guidance to $1.70-1.74 from $1.68-1.72
  - Reaffirming 6-8% annual 2023-2028 non-GAAP NOEPS growth
  - $16 billion 2024-2028 base plan capital expenditures support 8%-10% annual 2023-2028 rate base growth(2)
  - 14-16% FFO/Debt(3) annually through 2028
- **Superior Regulatory & Stakeholder Foundation**
  - NIPSCO electric renewables CPCN approved in January
  - NIPSCO gas rate case intervenor testimony received in January
- **Balance Sheet Flexibility**
  - NIPSCO minority interest transaction successfully closed in December
- **Programmatic and Enduring Investment Plans Plus Upside Opportunities**
  - Driven by safety, reliability, regulation, decarbonization, modernization

1) Diluted Net Operating Earnings Per Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Funds from Operations / Debt (Non-GAAP)



Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 3 in the appendix to this presentation

# SUSTAINABLE INVESTMENT OPPORTUNITIES FOR CUSTOMERS AND COMMUNITIES




Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

# SUPERIOR REGULATORY AND STAKEHOLDER FOUNDATION

| | | 2021 | | | 2022 | | | | 2023 | | | | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| NIPSCO Electric | Rate Case | | | | | | Filed | | Settled +$292M | | Approved In Rates | | |
| | Trackers | | TDSIC 8 Approved | | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 +$7M | | | | |
| NIPSCO Gas | Rate Case | | Filed | | Settled +$72 | | Approved Step 1 Rates | | Step 2 Rates | | | Filed +$162M | |
| | Trackers | TDSIC 2 Approved | FMCA 6 Approved | TDSIC 3 Approved | FMCA 7 Approved | TDSIC 4 Approved | FMCA 1 Approved | | | FMCA 2 +$4M | TDSIC 6 | TDSIC 7 FMCA 1&2 | |
| Columbia Gas of Ohio | Rate Case | Filed | | | | | | Settled +$68M | Approved In Rates | | | | |
| | Trackers | IRP Approved | CEP Approved | | | IRP Approved | CEP Approved | | | IRP +$38M | CEP +$31M | | |
| Columbia Gas of Pennsylvania | Rate Cases | | Settled | Approved In Rates | Filed | | Settled | Approved In Rates | | | | | |
| Columbia Gas of Virginia | Rate Case | | | | | Filed | Rates Effective | Settled +$26M | | Approved | | | |
| | Trackers | | | SAVE Approved | | | | SAVE +$5M | | | | SAVE +$8M | |
| Columbia Gas of Kentucky | Rate Case | Filed | | Settled Approved | In Rates | | | | | | | | |
| | Trackers | SMRP Approved | | | | | | SMRP +$2M | | | | | SMRP +$5M(1) |
| Columbia Gas of Maryland | Rate Cases | Filed | Settled | Approved In Rates | | Filed | Settled +$4M | Approved In Rates | | Filed | Settled +$4M | Approved In Rates | |
| | Trackers | | | STRIDE Approved | | | | STRIDE Approved | In Rates +$1M | | | | |



1) Rates implemented subject to refund
See appendix for detailed regulatory program names
Select capital trackers shown; does not include expense trackers

# OPERATIONAL EXCELLENCE

**Prioritizes Safety, Assures Predictable, Reliable Operations and a Culture of Continuous Improvement**

## SAFETY

**Gas and Electric Probabilistic Risk Modeling** being used to maximize risk reduction in our work plans

**Advanced Leak Survey Technology and Repair** accelerating the elimination of large-volume leaks with greater precision

**Accelerated In-Line Inspection Capabilities** ensuring the health of our most critical transmission assets

## RELIABILITY

**Work and Asset Management System** standardizing work, system reliability and data quality

**Distribution & Substation Automation (Vipers)** enhancing system awareness and reducing customer impacts

**Underground Storage Modernization** maintains NiSource's ability to keep gas moving during times of supply constraints

**System Hardening** via large scale substation and circuit rebuilds

## EFFICIENCY

**Enterprise Continuous Improvement Organization** driving process efficiencies and waste reduction and ensuring spend is delivering value for our customers and shareholders

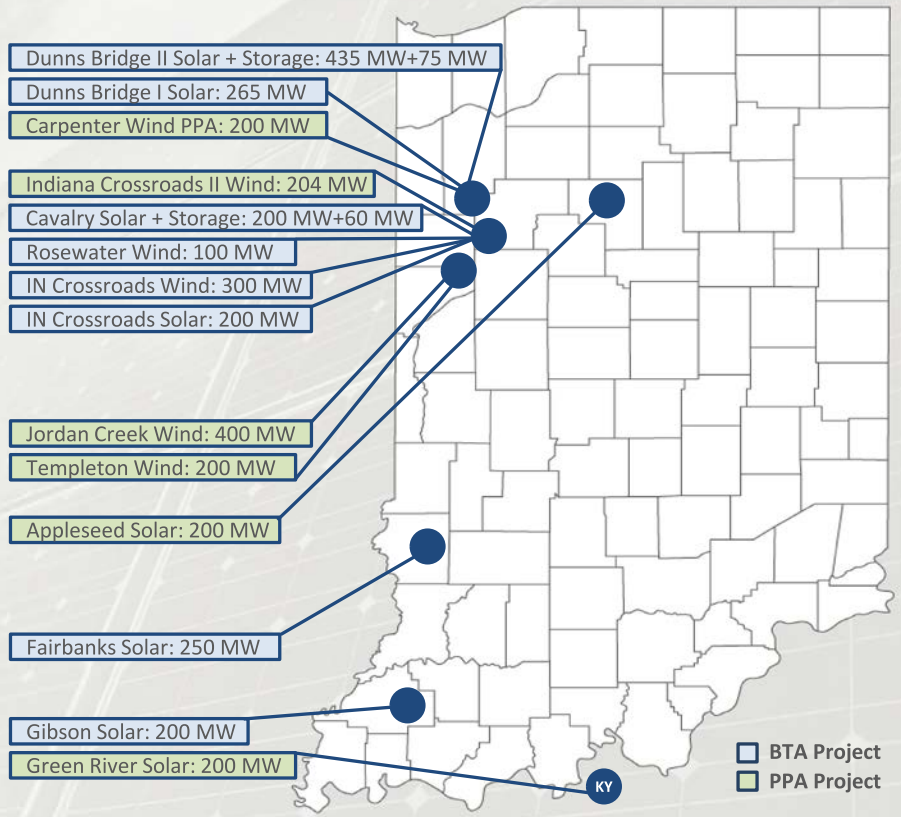
## CULTURE

**Human Performance Training** equipping employees with the tools and skills to minimize error and foster a culture of continuous improvement

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | In-Service[1] | Ownership Structure | NIPSCO Investment ($M) | Status |
|---|---|---|---|---|
| Rosewater Wind | 2020 | Tax Equity JV | ~$1.0B (In Rate base) | Complete |
| Indiana Crossroads Wind | 2021 | Tax Equity JV | | |
| Dunns Bridge I Solar | 2023 | Tax Equity JV | | |
| Crossroads Solar | 2023 | Tax Equity JV | | |
| Transmission Projects | 2023 | Full Ownership | | |
| Cavalry Solar + Storage | 2024 | Full Ownership | ~$1.7B[2] | Construction |
| Dunns Bridge II Solar + Storage | 2024 | Full Ownership | | |
| Fairbanks Solar | 2025 | Tax Equity JV | | |
| Gibson Solar | 2025 | Tax Equity JV | | Pre-Construction |
| Total | | | ~$2.7B | |

| PPA Projects | In Service | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Complete |
| Green River Solar | 2024 | Construction |
| Templeton Wind | 2025 | Pre-Construction |
| Carpenter Wind | 2025 | Pre-Construction |
| Appleseed Solar | 2025 | Pre-Construction |




1) Represents anticipated in-service timing for projects in construction and pre-construction statuses
2) Investment amounts represent base capital plan only. Assumes full ownership of the Cavalry, Dunns Bridge II projects and ownership through tax equity joint ventures for the Fairbanks and Gibson projects

# ADDITIONAL INVESTMENT OPPORTUNITIES FOR NISOURCE

## Near-Term (Through 2028)
**~$2B Upside Opportunity Not Included In Base Plan**

***Investment opportunities that can enhance our current financial plan***

- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision
- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- Investments in **Renewable Natural Gas** production and transportation infrastructure

## Longer-Term (2028+)

***Longer-term investment themes beyond our current financial plan***

- Electric T&D reliability and performance investments focused on **infrastructure replacement, continued grid modernization, system hardening and transportation electrification**
- **Generation investments** to ensure ongoing reliability and support incremental demand, asset retirements and decarbonization
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative
- Continuation of investments in **gas system modernization and AMI programs and Renewable Natural Gas** infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# FOURTH QUARTER & YTD CONSOLIDATED FINANCIAL RESULTS

| GAAP | FOURTH QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders ($ in Millions) | $225.6 | $230.8 | $(5.2) | $661.7 | $749.0 | $(87.3) |
| Diluted Earnings Per Share | $0.50 | $0.52 | $(0.02) | $1.48 | $1.70 | $(0.22) |

| NON-GAAP[1] | FOURTH QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | Change Fav/(Unfav) | 2023 | 2022 | Change Fav/(Unfav) |
| Net Operating Earnings Available to Common Shareholders ($ in Millions) | $239.3 | $221.0 | $18.3 | $716.3 | $648.2 | $68.1 |
| Net Operating Earnings Per Share | $0.53 | $0.50 | $0.03 | $1.60 | $1.47 | $0.13 |

1) Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 in the appendix to this presentation

# FOURTH QUARTER SEGMENT NON-GAAP* RESULTS

| NET OPERATING EARNINGS[1] ($ Millions) | FOURTH QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | CHANGE FAV/(UNFAV) | 2023 | 2022 | CHANGE FAV/(UNFAV) |
| Gas Distribution | $ 302.6 | $ 287.6 | $ 15.0 | $ 953.6 | $ 805.2 | $ 148.4 |
| Electric Operations | $ 69.6 | $ 67.5 | $ 2.1 | $ 387.6 | $ 354.4 | $ 33.2 |
| Corporate & Other | $ 3.8 | $ 7.2 | $ (3.4) | $ 14.9 | $ (12.4) | $ 27.3 |
| **Consolidated Net Operating Earnings** | **$ 376.0** | **$ 362.3** | **$ 13.7** | **$ 1,356.1** | **$ 1,147.2** | **$ 208.9** |

## FOURTH QUARTER DRIVERS

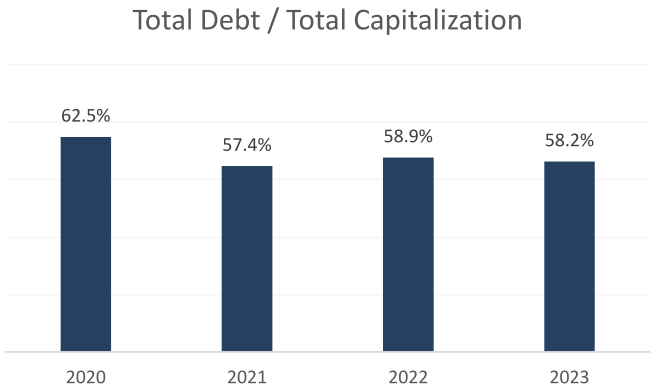
**GAS DISTRIBUTION**
Increased revenue from new rates and capital programs
Higher depreciation and amortization expense

**ELECTRIC OPERATIONS**
Increased revenue from new rates and capital programs
Higher O&M expense
Higher depreciation and amortization expense

1) Net 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-K for the period ended Dec 31, 2023. For a reconciliation of GAAP to non-GAAP earnings, see Schedule 2 in the appendix to this presentation.

# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$14.1B as of December 31, 2023**
  - ~$11.1B of long-term debt
    - Weighted average maturity ~12 years
    - Weighted average interest rate of 3.93%
  - ~$3.0B of short-term debt
    - $1.7B term loans
    - ~$1.1B of commercial paper issued
    - ~$0.3B accounts receivable securitization balance




- **Solid liquidity position**
  - ~$3.1B in net available liquidity as of December 31, 2023(1)
  - ~$2.2B of committed facilities in place as of December 31, 2023
    - ~$1.9B revolving credit facility
    - ~$0.4B accounts receivable securitization facilities(2)

- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)

1) Consisting of cash and available capacity under credit facilities
2) Capacity on accounts receivable securitization facilities changes with seasonality

# LONG-TERM FINANCIAL COMMITMENTS

**Base 5-Year Plan**

- Annual non-GAAP NOEPS[1] growth rate of 6-8% 2023-2028
- Annual rate base[2] growth rate of 8-10% 2023-2028
- Annual average customer bill[3] < 4% growth 2023-2028
- Continued commitment to 14-16% FFO/Debt[4] annually through 2028

## Capital Expenditures

**Base 5-Year Plan**

$16 billion 2024-2028

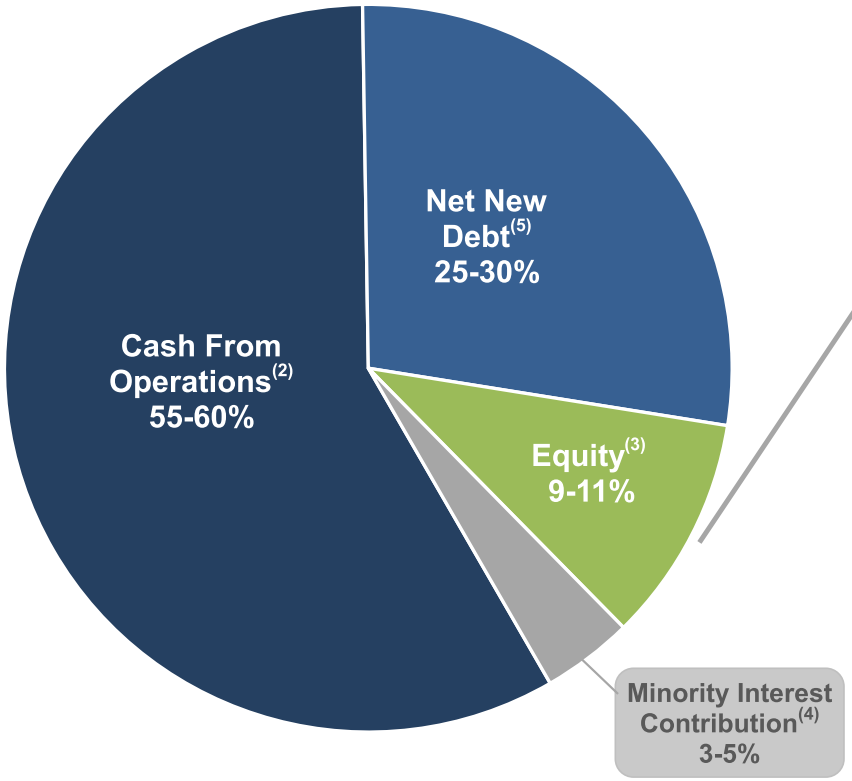
**Upside 5-Year Opportunity**

$2 billion 2024-2028 incremental opportunity not included in base plan

1) Diluted Net Operating Earnings Per Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories
4) Funds from Operations / Debt (Non-GAAP)

# BALANCE SHEET PROVIDES FLEXIBLE FINANCING PLAN TO INVEST IN GROWTH

## $16B CAPITAL INVESTMENT FUNDING SOURCES (2024-2028)




**TARGETING ANNUAL 2024-2028 FFO/Debt(1) 14-16%**

- Base Capital Plan includes up to $600 million of equity via ATM in 2024 and $200-300 million of annual total equity raised via ATM from 2025-2028
- Equity sized to support current investment grade credit ratings and maintain 14-16% FFO/Debt
- Upside to the Base Capital Plan may require modest increases to ATM to maintain the capital structure

1) Funds from Operations / Debt (Non-GAAP); see Appendix for reconciliation
2) Cash from operations to NiSource less common and preferred dividends, cash on hand, other investing and other financing cash flow
3) Equity excludes internal equity programs
4) Includes capital contributions and retained earnings
5) A portion of this is anticipated in 2024

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

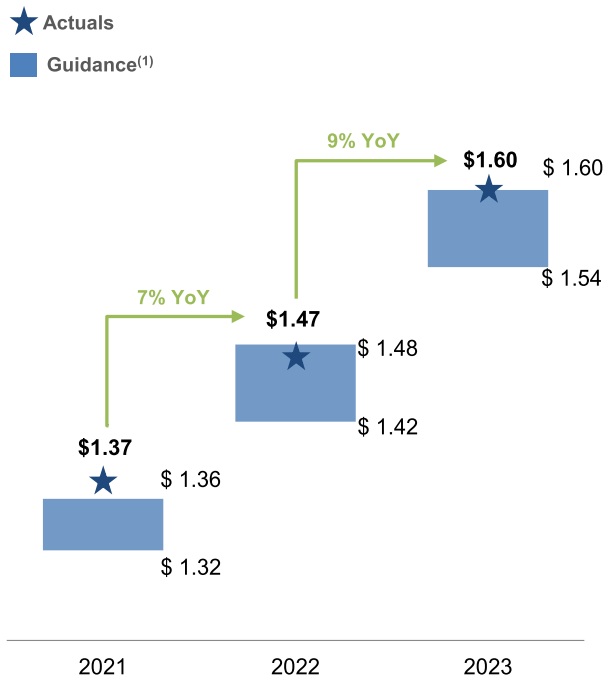
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | PROGRESS |
|---|---|---|---|---|---|---|---|---|---|
| **NOEPS**[1] (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7%) | ✓ $1.60 (+9%) | $1.70-$1.74 | Deliver 6-8% Annual NOEPS Growth | | | | On track 2024 Guidance Raised |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+7%) | ✓ $1.00 (+6%) | $1.06 (+6%) | 10-12% Total Shareholder Return[3] 60-70% Payout | | | | On track |
| **CAPEX** | ✓ $1.9B (Guide: $1.9-2.1B) | ✓ $2.6B (Guide: $2.4-2.7B) | ✓ $3.6B (Guide: $3.3-3.6B) | $16B Sustainable Investment Opportunities For Customers and Communities | | | | | Highly Visible Capital Investment |
| **BALANCE SHEET FLEXIBLITY** (FFO/DEBT)[2] | ✓ 13.6% | ✓ 13.4% | ✓ 14.1% | 14-16% FFO/Debt Annually | | | | | On track NIPSCO Transaction Completed |
| **SUPERIOR REGULATORY & STAKEHOLDER FOUNDATION** | ✓ | ✓ | ✓ | NIPSCO Gas Rate Case<br>Tracking Mechanisms | Sustained Superior Regulatory Execution | | | | On track |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | ✓ | Continuing to Prioritize Safety & Reliability while Optimizing Long-Term Cost Profile | | | | | On track |

1) Diluted Net Operating Earnings Per Share (Non-GAAP)
2) Funds from Operations / Debt (Non-GAAP)
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield
Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 3 in the appendix to this presentation

# CONSISTENT EXECUTION DRIVES SUSTAINABLE NOEPS GROWTH

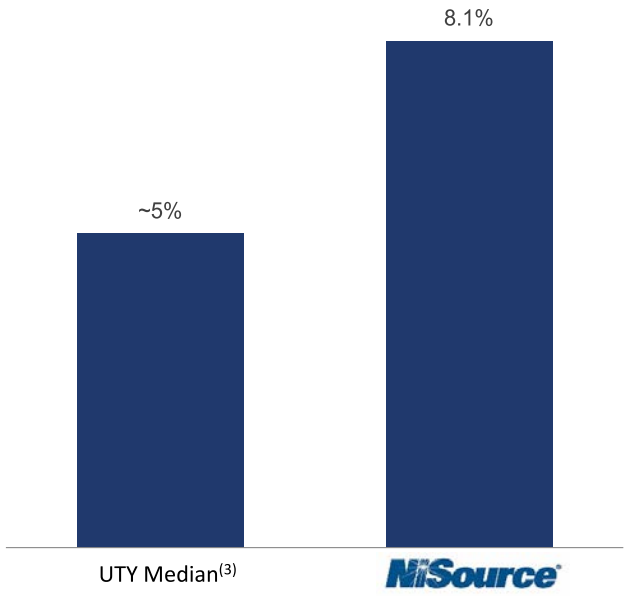
## Achieving High End of Earnings Guidance Rebases Future Growth Upwards

### An Established Track Record of Achieving NOEPS[2] Results



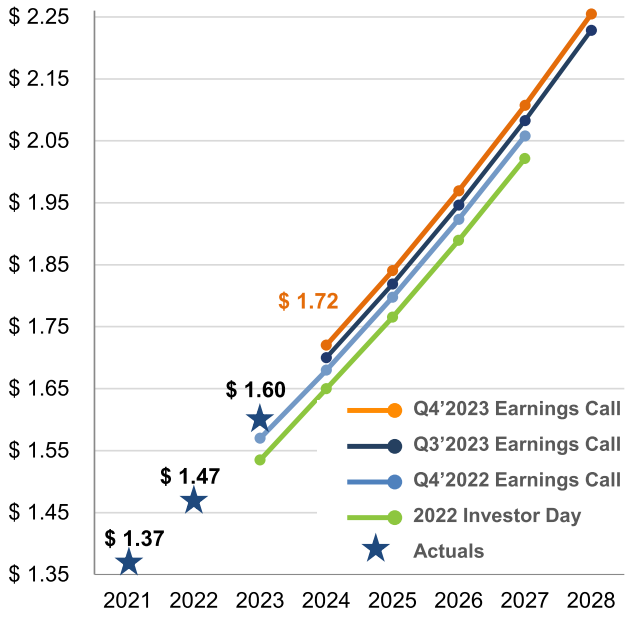

### Top Decile Historical NOEPS Growth

*2021-2023 Non-GAAP Adjusted EPS CAGR*




### Projected Future Guidance Rebases Upwards Off Actual Results

*Implied NOEPS based on applying midpoint of current 6-8% annual growth rate to actual results and stated guidance range*




1) Represents guidance as of May of that calendar year
2) 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 of this presentation
3) Represents the median non-GAAP Adjusted EPS CAGR for member companies of the PHLX Utility Sector index excluding Constellation Energy Group (CEG). Reflects the actual 2023 results for companies that have reported as of 15-Feb-2024 otherwise reflects FactSet consensus estimates for 2023



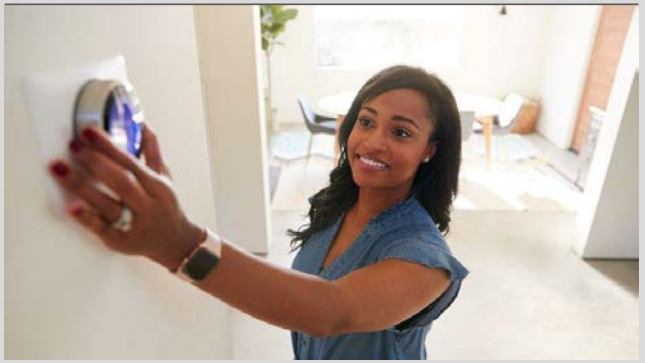


NiSource



*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## YEAR END 2023 RESULTS







# BASE PLAN CAPITAL EXPENDITURES

**Capital Plan by Segment**

| $ in billions | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| **ELECTRIC** | 1.5 | 1.4 - 1.6 | 1.0 - 1.1 | 0.8 | 0.8 |
| **GAS** | 1.9 | 1.7 - 1.9 | 1.9 - 2.1 | 2.2 - 2.4 | 2.2 - 2.4 |
| **TOTAL** | $3.3 - 3.5 | $3.2 - 3.5 | $2.9 - 3.2 | $2.9 - 3.2 | $2.9 - 3.2 |

Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

# DELIVERING TOP QUARTILE ESG PERFORMANCE

## Executing Amid Changing Industry and Economic Landscape

### Environmental Highlights

- **Industry Leading Carbon Reduction**
  - Net zero goal for Scope 1 and 2 greenhouse gas ("GHG") emissions by 2040
  - On track for a 90% reduction in Scope 1 GHG emissions by 2030, from a 2005 baseline
- **Industry Leading Electric Generation Transition**
  - Investing over $3 billion in renewable generation transition investments from 2022 to 2028: ~45% of electric segment capital plan
  - Shifting electric generation mix from ~80% coal capacity in 2018 to ~75% renewable and 0% coal by 2028
- **Innovatively Improving Environmental Performance of Gas System While Reducing Risk**
  - Currently running Advanced Mobile Leak Detection vehicles in 5 of our 6 territories
  - Enhancing safety and reliability while also reducing methane emissions through pipeline modernization
- **Facilitating Customer Fuel Choice Expansion and Emission Reduction**
  - Assessing opportunities to advance sustainable fuels through favorable legislation
  - Testing hydrogen blending technology in Pennsylvania
  - Offering voluntary green path riders for customers in Virginia and Indiana

### Social Highlights

- **Publicly and Transparently Reporting on Our Sustainability Efforts**
  - Published 2023 ESG Report: Building Trust for a Sustainable Energy Future
- **Sustainable Social Practices De-Risk Business Over Time**
  - Preserving utilization of existing infrastructure
    - Avoiding customer conversion cost
    - Leveraging low-cost commodity in deep supply basins across Midwest
  - Prioritizing social concerns when evaluating risks to financial plan
  - Advancing an equitable energy transition through stakeholder engagement
  - Driving toward top decile safety performance
  - Keeping average annual 2023-2028 customer bill growth(1) below 4%
  - Providing energy efficiency and bill assistance to vulnerable customers
  - Achieving 25% diverse supplier spending by 2025
  - Endorsing leadership diversity that reflects communities we serve

### Governance Highlights

- **Oversight and Incentive Practices Align with Shareholder Interests**
  - Independent chairman of the board
  - Actively engaged board in oversight and strategic direction
  - Majority of executive comp is "at risk"
- **Independent, Highly Qualified And Diverse Board**
  - Refreshed 25% of board in last tow years adding cyber, financial and industry experience
  - 33% gender and 33% ethnic diversity

*Named to the Dow Jones Sustainability Indices for the **10th Consecutive Year***







THE USE BY NISOURCE INC. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF NISOURCE INC. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

1) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILINGS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2022 | $316 | May 2023 |
| | Capital Expenditure Program (CEP) | FY 2022 | $265 | Sep 2023 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2023<br>FY 2024 | $46<br>$69 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023<br>FY 2024 | $42<br>$40 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 6: Jan 2022 – Feb 2023<br>TDSIC 7: Mar 2023 – Aug 2023 | $150<br>$207 | Sep 2023<br>Mar 2024 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 2: Apr 2022 – Sep 2022 | $38 | Apr 2023 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 2: Feb 2022 - Jul 2022<br>TDSIC 3: Jan 2023 – Aug 2023 | $144<br>$145 | Feb 2023<br>Sep 2024 |

# INVESTMENT BY OPERATING COMPANY

| COMPANY | YEAR-END 2023 RATE BASE | LAST AUTHORIZED ROE[1] |
|---|---|---|
| Columbia Gas of Kentucky | $524M | 9.35% |
| Columbia Gas of Maryland | $246M | N/A |
| Columbia Gas of Ohio | $4.7B | 9.60% |
| Columbia Gas of Pennsylvania | $3.0B | N/A |
| Columbia Gas of Virginia | $1.2B | N/A |
| NIPSCO – Gas | $2.7B[2] | 9.85% |
| NIPSCO – Electric | $6.4B[2] | 9.80% |

1) ROE authorized in most recent base rate case proceeding
2) Effective equity = 52% with deferred taxes included in capital structure for NIPSCO electric and gas
Note: all rate base figures exclude CWIP except VA and MD; NIPSCO Electric and Columbia Gas of Ohio exclude select regulatory assets

**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 December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | **2023** | 2022 | 2021 | **2023** | 2022 | 2021 |
| **GAAP Net Income Available to Common Shareholders** | **$ 225.6** | $ 230.8 | $ 152.2 | **$ 661.7** | $ 749.0 | $ 529.8 |
| **Adjustments to Operating Income :** | | | | | | |
| **Operating Revenues:** | | | | | | |
| Weather - compared to normal | **13.4** | (3.2) | 13.7 | **60.6** | (24.9) | 1.2 |
| FAC adjustment[1] | — | — | — | — | 8.0 | — |
| **Greater Lawrence Incident** | — | — | 1.2 | — | — | 9.2 |
| **Plant retirement costs** | — | — | 1.9 | — | — | 14.1 |
| **Operating Expenses:** | | | | | | |
| NiSource Next initiative[2] | — | — | 2.6 | — | 3.3 | 24.7 |
| Massachusetts Business related amounts[3] | — | — | — | — | **(105.0)** | **6.8** |
| Total adjustments to operating income | **13.4** | (3.2) | 19.4 | **60.6** | (118.6) | 56.0 |
| **Other Income (Deductions):** | | | | | | |
| Interest rate swap settlement gain | — | (10.0) | — | — | (10.0) | — |
| **Income Taxes:** | | | | | | |
| Tax effect of above items[4] | **(3.3)** | 3.4 | (4.9) | **(15.8)** | 27.8 | (14.6) |
| **Preferred Dividends:** | | | | | | |
| Preferred dividends redemption premium[5] | **3.6** | — | — | **9.8** | — | — |
| Total adjustments to net income (loss) | **13.7** | (9.8) | 14.5 | **54.6** | (100.8) | 41.4 |
| **Net Operating Earnings Available to Common Shareholders (Non-GAAP)** | **$ 239.3** | $ 221.0 | $ 166.7 | **$ 716.3** | $ 648.2 | $ 571.2 |
| **Diluted Average Common Shares** | **449.3** | 445.9 | 428.8 | **447.9** | 442.7 | 417.3 |
| **GAAP Diluted Earnings Per Share[6]** | **$ 0.50** | $ 0.52 | $ 0.36 | **$ 1.48** | $ 1.70 | $ 1.27 |
| Adjustments to diluted earnings (loss) per share | **0.03** | (0.02) | 0.03 | **0.12** | (0.23) | 0.10 |
| **Non-GAAP Diluted Net Operating Earnings Per Share** | **$ 0.53** | $ 0.50 | $ 0.39 | **$ 1.60** | $ 1.47 | $ 1.37 |

[1]Represents fuel costs deemed over-collected from customers through the FAC mechanism and ordered to be refunded to customers.
[2]Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.
[3]Represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.
[4]Represents income tax expense calculated using the statutory tax rates for legal entity.
[5]Represents the difference between the carrying value on the redemption date of the Series A Preferred Stock and the total amount of consideration paid to redeem plus an excise tax liability incurred under the IRA, net of the fair value of common shares issued during 2023.
[6]The GAAP Diluted Earnings Per Share numerator is equal to Net Operating Earnings Available to Common Shareholders adjusted for income allocated to participating securities plus add-backs for interest expense incurred, net of tax, related to Series A Equity Unit purchase contracts.

GAAP 2023 over 2021 CAGR **7.9%**

Non-GAAP 2023 over 2021 CAGR **8.1%**

**NiSource Inc.**

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses (Benefits), and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss) (Non-GAAP) (*unaudited*)

| Three Months Ended December 31, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 1,000.9 | $ 424.1 | $ (3.0) | $ 1,422.0 |
| Weather - compared to normal | 15.2 | (1.8) | — | 13.4 |
| Operating Revenues (Non-GAAP) | $ 1,016.1 | $ 422.3 | $ (3.0) | $ 1,435.4 |
| Operating Expenses (Benefit) (GAAP) | $ 713.5 | $ 352.7 | $ (6.8) | $ 1,059.4 |
| Adjustments | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 713.5 | $ 352.7 | $ (6.8) | $ 1,059.4 |
| Operating Income (GAAP) | $ 287.4 | $ 71.4 | $ 3.8 | $ 362.6 |
| Total Revenue and Expense Adjustments to Operating Income | 15.2 | (1.8) | — | 13.4 |
| Operating Income (Non-GAAP) | $ 302.6 | $ 69.6 | $ 3.8 | $ 376.0 |

| Three Months Ended December 31, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| Operating Revenues (GAAP) | $ 1,260.2 | $ 447.6 | $ (3.2) | $ 1,704.6 |
| Adjustments | | | | |
| Weather - compared to normal | (3.4) | 0.2 | — | (3.2) |
| Operating Revenues (Non-GAAP) | $ 1,256.8 | $ 447.8 | $ (3.2) | $ 1,701.4 |
| Operating Expenses (GAAP) | $ 969.2 | $ 380.3 | $ (10.4) | $ 1,339.1 |
| Adjustments | — | — | — | — |
| Operating Expenses (Non-GAAP) | $ 969.2 | $ 380.3 | $ (10.4) | $ 1,339.1 |
| Operating Income (GAAP) | $ 291.0 | $ 67.3 | $ 7.2 | $ 365.5 |
| Total Revenue and Expense Adjustments to Operating Income | (3.4) | 0.2 | — | (3.2) |
| Operating Income (Non-GAAP) | $ 287.6 | $ 67.5 | $ 7.2 | $ 362.3 |

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, and Income (Loss) (Non-GAAP) (*unaudited*)

| Twelve months ended December 31, 2023 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | $ 3,732.7 | $ 1,785.0 | $ (12.3) | $ 5,505.4 |
| **Adjustments:** | | | | |
| Weather - compared to normal | 51.7 | 8.9 | — | 60.6 |
| **Operating Revenues (Non-GAAP)** | $ 3,784.4 | $ 1,793.9 | $ (12.3) | $ 5,566.0 |
| **Operating Expenses (GAAP)** | $ 2,830.8 | $ 1,406.3 | $ (27.2) | $ 4,209.9 |
| **Adjustments:** | — | — | — | — |
| **Operating Expenses (Non-GAAP)** | $ 2,830.8 | $ 1,406.3 | $ (27.2) | $ 4,209.9 |
| **Operating Income (GAAP)** | $ 901.9 | $ 378.7 | $ 14.9 | $ 1,295.5 |
| **Total Revenue and Expense Adjustments to Operating Income** | 51.7 | 8.9 | — | 60.6 |
| **Operating Income (Non-GAAP)** | $ 953.6 | $ 387.6 | $ 14.9 | $ 1,356.1 |

| Twelve months ended December 31, 2022 *(in millions)* | Gas Distribution | Electric | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | $ 4,019.8 | $ 1,831.7 | $ (0.9) | $ 5,850.6 |
| **Adjustments:** | | | | |
| Weather - compared to normal | (8.2) | (16.7) | — | (24.9) |
| FAC adjustment[1] | — | 8.0 | — | 8.0 |
| **Operating Revenues (Non-GAAP)** | $ 4,011.6 | $ 1,823.0 | $ (0.9) | $ 5,833.7 |
| **Operating Expenses (GAAP)** | $ 3,104.0 | $ 1,469.3 | $ 11.5 | $ 4,584.8 |
| **Adjustments:** | | | | |
| NiSource Next initiative | 2.6 | 0.7 | — | 3.3 |
| Massachusetts Business related amounts | (105.0) | — | — | (105.0) |
| **Operating Expenses (Non-GAAP)** | $ 3,206.4 | $ 1,468.6 | $ 11.5 | $ 4,686.5 |
| **Operating Income (Loss) (GAAP)** | $ 915.8 | $ 362.4 | $ (12.4) | $ 1,265.8 |
| **Total Revenue and Expense Adjustments to Operating Income (Loss)** | (110.6) | (8.0) | — | (118.6) |
| **Operating Income (Loss) (Non-GAAP)** | $ 805.2 | $ 354.4 | $ (12.4) | $ 1,147.2 |

See footnote descriptions contained with Schedule 1

**NiSource Inc.**

Schedule 3 - Reconciliation by of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net Cash Flows from Operating Activities | 1,935 | 1,409 | 1,218 |
| - Accounts receivable | 184 | (216) | (40) |
| - Inventories | 234 | (259) | (113) |
| - Accounts payable | (172) | 165 | 55 |
| - Exchange gas receivable/payable | 127 | 58 | (114) |
| - Other accruals | (103) | 73 | 43 |
| - Prepayments and other current assets | 37 | (10) | (37) |
| - Other adjustments | 21 | 28 | 28 |
| **Funds from Operations (Adjusted)** | **1,607** | **1,570** | **1,396** |
| | | | |
| Long-term debt | 11,056 | 9,524 | 9,183 |
| + Current portion of long-term debt | 24 | 30 | 58 |
| + Short-term borrowings | 3,049 | 1,762 | 560 |
| + Other adjustments | (2,711) | 440 | 440 |
| **Total Adjusted Debt** | **11,418** | **11,756** | **10,241** |
| | | | |
| **FFO to Debt (Adjusted)** | **14.1%** | **13.4%** | **13.6%** |

Note:
Other adjustments include the Series A and B preferred stock and minority interest transaction





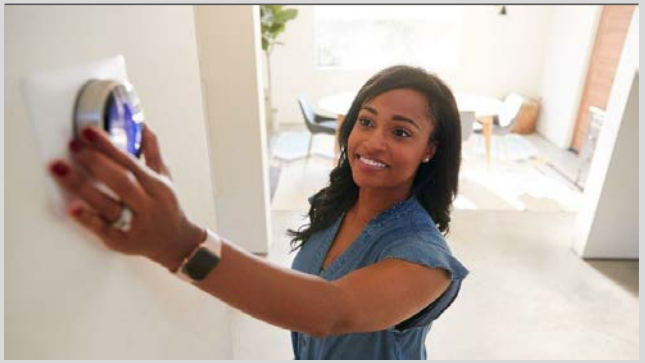
NiSource



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 1Q 2024 RESULTS

May 8, 2024







# LEGAL DISCLAIMER

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. Forward-looking statements in this presentation include, but are not limited to, statements regarding our financial guidance; 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 work successfully with our third party investors; our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations; our increased dependency on 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 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 demand; our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance and quality of third-party suppliers and service providers; potential cybersecurity attacks or security breaches; increased requirements and costs related to cybersecurity; any damage to our reputation; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; compliance with changes in, or new interpretations of applicable laws, regulations and tariffs; the cost of compliance with environmental laws and regulations and the costs of associated liabilities; changes in tax laws or the interpretation thereof; 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 fiscal year ended December 31, 2023, 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.

Non-GAAP Disclosure Statement
Beginning with the first quarter of 2024, NiSource Inc. changed its disclosure of non-GAAP results and guidance for net operating earnings available to common shareholders to adjusted net income available to common shareholders and for net operating EPS to adjusted EPS to better align with the presentation used by many companies to report their non-GAAP results. The change reflects a name change only and the calculations of each of these non-GAAP metrics remains consistent with the historical calculations.

This presentation includes financial results and guidance for NiSource with respect to adjusted net income available to common shareholders and adjusted EPS, which are non-GAAP financial measures as defined by the SEC. 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 guidance on adjusted EPS, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on adjusted net income available to commons shareholders due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP adjusted EPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Segment Reporting
Beginning with the period ended March 31, 2024 our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations rather than Gas Distribution Operations and Electric Operations. Prior period amounts have been reclassified to conform to the current year presentation

# NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH






1) Adjusted Earnings Per Diluted Share and FFO/Debt (non-GAAP)
2) Goal for Scope 1 and 2 emissions
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield
4) Core business rate base growth; select years may exceed range

# KEY PRIORITIES

- **Resilient Financial Commitments**
  - Achieved 1Q24 adjusted EPS(1) of $0.85
  - Reaffirming 2024 adjusted EPS(1) guidance of $1.70-1.74
  - Reaffirming 2023-2028 annual adjusted EPS(1) growth of 6-8% and rate base growth of 8-10%(2)
  - $16.4 billion 2024-2028 base plan capital expenditures
  - 14-16% FFO/Debt(3) annually through 2028
- **Superior Regulatory & Stakeholder Foundation**
  - NIPSCO gas rate case settlement filed
  - Fairbanks & Gibson CPCNs filed
- **Balance Sheet Flexibility**
- **Programmatic and Enduring Investment Plans Plus Upside Opportunities**
  - Base capex raised to $16.4 billion

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Funds from Operations / Debt (Non-GAAP)



Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 2 in the appendix to this presentation

# OPERATIONAL EXCELLENCE

**Prioritizes Safety, Assures Predictable, Reliable Operations and a Culture of Continuous Improvement**

## SAFETY

**Gas and Electric Probabilistic Risk Modeling** being used to maximize risk reduction in our work plans

**Advanced Leak Survey Technology and Repair** accelerating the elimination of large-volume leaks with greater precision

**Accelerated In-Line Inspection Capabilities** ensuring the health of our most critical transmission assets

## RELIABILITY

**Work and Asset Management System** standardizing work, system reliability and data quality

**Distribution & Substation Automation (Vipers)** enhancing system awareness and reducing customer impacts

**Underground Storage Modernization** maintains NiSource's ability to keep gas moving during times of supply constraints

**System Hardening** via large scale substation and circuit rebuilds

## EFFICIENCY

**Enterprise Continuous Improvement Organization** driving process efficiencies and waste reduction and ensuring spend is delivering value for our customers and shareholders

## CULTURE

**Human Performance Training** equipping employees with the tools and skills to minimize error and foster a culture of continuous improvement

# SAFETY JOURNEY SINCE 2017

| Program | EOY 2017 | EOY 2023 | Status/ Improvement |
|---|---|---|---|
| Remaining Priority Pipe[1] (Miles) | 4,490 | 2,875 | 36% |
| Regulator Station Isometric Drawings[2] | 0% | 100% | Complete |
| Advanced Mobile Leak Detection Distribution Miles Surveyed[3] | 0% | 51% | 51% |
| Low Pressure System Automatic Shutoff Valve Installation[4] | 0% | 100% | Complete |
| Service Lines Mapped | 4% | 98% | 94% |
| System Visibility/SCADA[5] | 19% | 41% | 22% |
| Legacy Cross Bore Inspection[6] (Miles) | 5,876 | 8,849 | 51% |
| In-Line Inspection Capable Transmission Pipeline[7] | 6% | 30% | 24% |

1) Cast Iron, wrought iron, bare steel
2) 3D renderings of regulating stations
3) Highly sensitive surveying of entire ~55K mile gas distribution system
4) Automatic Shutoff valves – secondary over pressurization protection for low pressure systems
5) Supervisory Control and Data Acquisition – monitoring and controlling pressure on the gas system
6) Top 10% riskiest sewer main miles inspected by robotic controlled cameras inside sewer pipe
7) Retrofitting of transmission class pipe for in-line inspection; goal is 80% by 2032

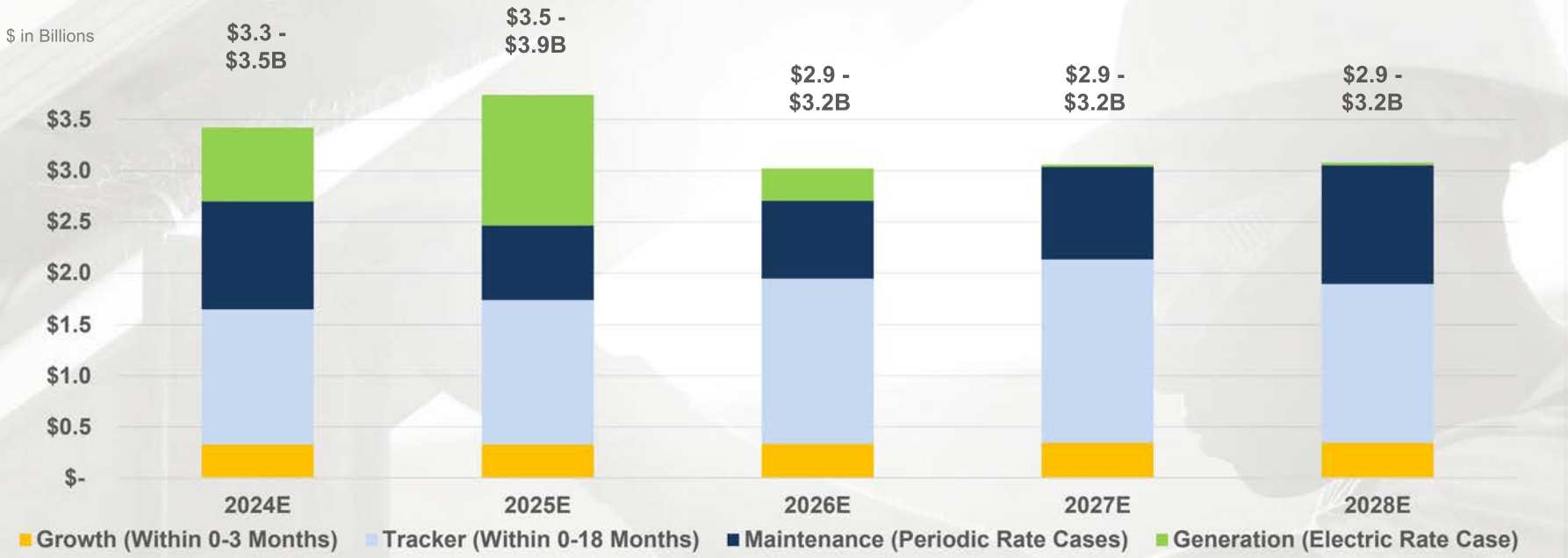
# SUPERIOR REGULATORY AND STAKEHOLDER FOUNDATION

| | | 2021 | | 2022 | | | | 2023 | | | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| NIPSCO Electric | Rate Case | | | | | Filed | | Settled +$292M | | Approved Step 1 Rates | | Step 2 Rates | |
| | Trackers | TDSIC 8 Approved | | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 Approved | | TDSIC 3 Approved | | | |
| NIPSCO Gas | Rate Case | Filed | | Settled +$72 | | Approved Step 1 Rates | | Step 2 Rates | | | Filed +$162M | Settled +$121M | |
| | Trackers | FMCA 6 Approved | TDSIC 3 Approved | FMCA 7 Approved | TDSIC 4 Approved | | FMCA 1 Approved | | FMCA 2 Approved | TDSIC 6 Approved | FMCA 1 Approved | TDSIC 7 Approved | FMCA 2 Approved |
| Columbia Gas of Ohio | Rate Case | | | | | | Settled +$68M | Approved In Rates | | | | | |
| | Trackers | CEP Approved | | | IRP Approved | CEP Approved | | | IRP +$38M | CEP +$31M | | | IRP +$29M PHMSA |
| Columbia Gas of Pennsylvania | Rate Cases | Settled | Approved In Rates | Filed | | Settled | Approved In Rates | | | | | Filed +$124M | |
| Columbia Gas of Virginia | Rate Case | | | | Filed | Rates Effective | Settled | | Approved | | | | Filed +$37M[2] |
| | Trackers | | SAVE Approved | | | | SAVE Approved | | | | SAVE Approved | | |
| Columbia Gas of Kentucky | Rate Case | | Settled Approved | In Rates | | | | | | | | | |
| | Trackers | | | | | | SMRP Approved | | | | | SMRP[1] | |
| Columbia Gas of Maryland | Rate Cases | Settled | Approved In Rates | | Filed | Settled | Approved In Rates | | Filed | Settled +$4M | Approved In Rates | | |
| | Trackers | | STRIDE Approved | | | | STRIDE Approved | In Rates | | | | | |



1) Rates implemented subject to refund
2) Net of $15.4M SAVE Rider
Select capital trackers and associated revenue shown; does not include expense trackers
See appendix for detailed regulatory program names

# SUSTAINABLE INVESTMENT OPPORTUNITIES FOR CUSTOMERS AND COMMUNITIES

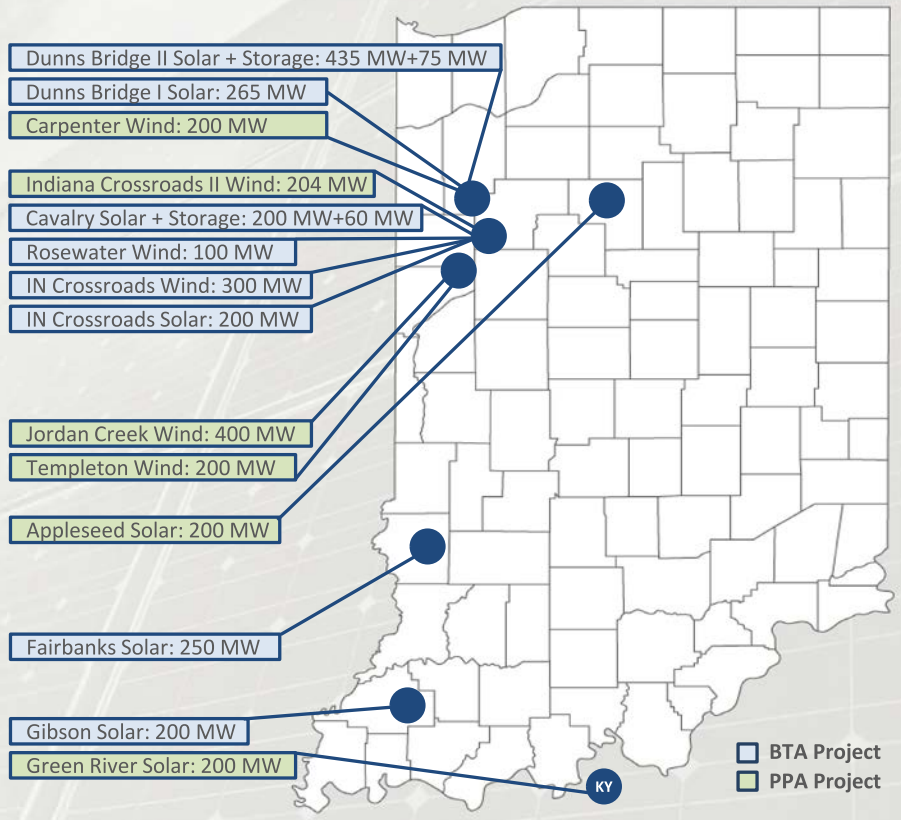



Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | In-Service[1] | Ownership Structure | NIPSCO Investment ($M) | Status |
|---|---|---|---|---|
| Rosewater Wind | 2020 | Tax Equity JV | ~$1.0B (In Rate base) | Complete |
| Indiana Crossroads Wind | 2021 | Tax Equity JV | | |
| Dunns Bridge I Solar | 2023 | Tax Equity JV | | |
| Crossroads Solar | 2023 | Tax Equity JV | | |
| Transmission Projects | 2023 | Full Ownership | | |
| Cavalry Solar + Storage | 2024 | Full Ownership | ~$2.1B[2] | Construction |
| Dunns Bridge II Solar + Storage | 2024 | Full Ownership | | |
| Fairbanks Solar | 2025 | Full Ownership | | |
| Gibson Solar | 2025 | Full Ownership | | |
| Total | | | ~$3.1B | |

| PPA Projects | In-Service[1] | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Complete |
| Green River Solar | 2024 | Construction |
| Templeton Wind | 2025 | Construction |
| Carpenter Wind | 2025 | Construction |
| Appleseed Solar | 2025 | Construction |




1) Represents anticipated in-service timing for projects in construction statuses
2) Investment amounts represent base capital plan only. Assumes full ownership of the Cavalry, Dunns Bridge II, Fairbanks, and Gibson projects

# ADDITIONAL INVESTMENT OPPORTUNITIES

## Near-Term (Through 2028)
**~$1.6B Upside Opportunity Not Included In Base Plan**

***Investment opportunities that can enhance our current financial plan***

- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision
- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- Investments in **Renewable Natural Gas** production and transportation infrastructure
- Infrastructure to support **growing communities** and **manufacturing revitalization** across the region, including onshoring and new technology innovation

## Longer-Term (2028+)

***Longer-term investment themes beyond our current financial plan***

- Electric T&D reliability and performance investments focused on **infrastructure replacement, continued grid modernization, system hardening and transportation electrification**
- **Generation investments** to ensure ongoing reliability and support incremental demand, asset retirements and decarbonization
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative
- Continuation of investments in **gas system modernization and AMI programs and Renewable Natural Gas** infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# FIRST QUARTER CONSOLIDATED & SEGMENT FINANCIAL RESULTS

| GAAP | FIRST QUARTER | | |
|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders | $344.3 | $319.2 | $25.1 |
| Diluted Earnings Per Share | $0.77 | $0.71 | $0.06 |

| NON-GAAP | FIRST QUARTER | | |
|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) |
| Adjusted Net Income Available to Common Shareholders | $382.8 | $343.0 | $39.8 |
| Adjusted Earnings Per Share[1] | $0.85 | $0.77 | $0.08 |

| ADJUSTED OPERATING INCOME[1] | FIRST QUARTER | | |
|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) |
| Columbia Operations | $381.0 | $372.4 | $8.6 |
| NIPSCO Operations | $230.3 | $188.7 | $41.6 |
| Corporate & Other | $5.0 | $2.2 | $2.8 |
| **Consolidated Adjusted Operating Income** | **$616.3** | **$563.3** | **$53.0** |

Note: figures in millions except per share data

1) Non-GAAP; for a reconciliation of GAAP to non-GAAP earnings per share, see Schedule 1 in the appendix to this presentation

# LONG-TERM FINANCIAL COMMITMENTS

**Base 5-Year Plan**

- Annual adjusted EPS[1] growth rate of 6-8% 2023-2028
- Annual rate base[2] growth rate of 8-10% 2023-2028
- Annual average customer bill[3] < 4% growth 2023-2028
- Continued commitment to 14-16% FFO/Debt[4] annually through 2028

## Capital Expenditures

**Base 5-Year Plan**

$16.4 billion 2024-2028

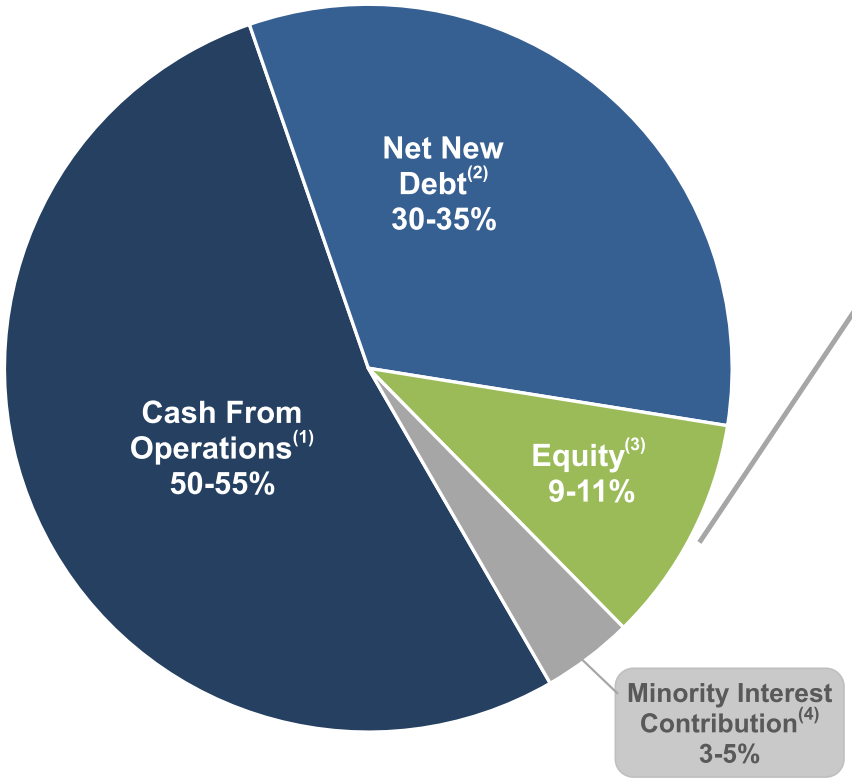
**Upside 5-Year Opportunity**

$1.6 billion 2024-2028 incremental opportunity not included in base plan

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories
4) Funds from Operations / Debt (Non-GAAP)

# BALANCE SHEET PROVIDES FLEXIBLE FINANCING PLAN TO INVEST IN GROWTH

## $16.4B CAPITAL INVESTMENT FUNDING SOURCES (2024-2028)




**TARGETING ANNUAL 2024-2028 FFO/Debt(5) 14-16%**

- Base Capital Plan includes up to $600 million of equity via ATM in 2024 and $200-300 million of annual total equity raised via ATM from 2025-2028
- Equity sized to support current investment grade credit ratings and maintain 14-16% FFO/Debt
- Upside to the Base Capital Plan may require modest increases to ATM to maintain the capital structure

1) Cash from operations to NiSource less common and preferred dividends, cash on hand, other investing and other financing cash flow
2) A portion of this is anticipated in 2024
3) Equity excludes internal equity programs
4) Includes capital contributions and retained earnings
5) Funds from Operations / Debt (Non-GAAP); see Appendix for reconciliation

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | PROGRESS |
|---|---|---|---|---|---|---|---|---|---|
| **ADJUSTED EPS**[1] (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7%) | ✓ $1.60 (+9%) | $1.70-$1.74 | Deliver 6-8% Annual Adjusted EPS[1] Growth | | | | On track Strong 1Q results |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+7%) | ✓ $1.00 (+6%) | $1.06 (+6%) | 10-12% Total Shareholder Return[3] 60-70% Payout | | | | On track |
| **CAPEX** | ✓ $1.9B (Guide: $1.9-2.1B) | ✓ $2.6B (Guide: $2.4-2.7B) | ✓ $3.6B (Guide: $3.3-3.6B) | $16.4B Sustainable Investment Opportunities For Customers and Communities | | | | | Highly Visible Capital Investment |
| **BALANCE SHEET FLEXIBLITY** (FFO/DEBT)[2] | ✓ 13.6% | ✓ 13.4% | ✓ 14.1% | 14-16% FFO/Debt Annually | | | | | On track NIPSCO Transaction Completed |
| **SUPERIOR REGULATORY & STAKEHOLDER FOUNDATION** | ✓ | ✓ | ✓ | NIPSCO Gas Rate Case<br>Tracking Mechanisms | Sustained Superior Regulatory Execution | | | | On track Settlement filed |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | ✓ | Continuing to Prioritize Safety & Reliability while Optimizing Long-Term Cost Profile | | | | | On track |

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Funds from Operations / Debt (Non-GAAP)
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield

Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 2 in the appendix to this presentation

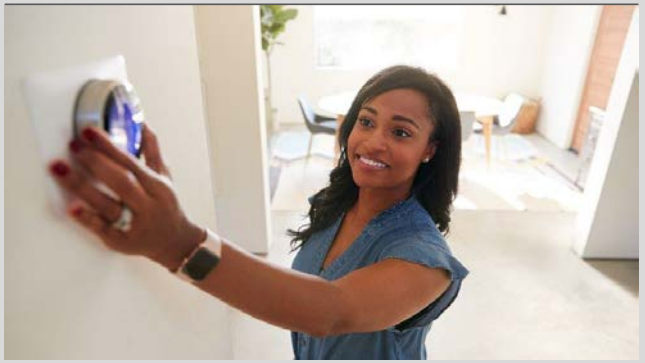






*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## 1Q 2024 RESULTS

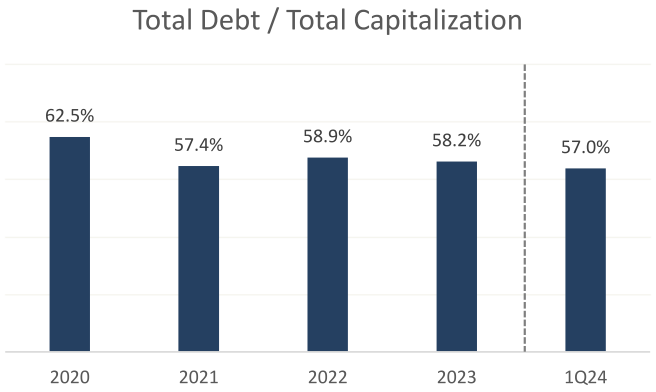






# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$13.0B as of March 31, 2024**
  - ~$11.7B of long-term debt
    - Weighted average maturity ~12 years
    - Weighted average interest rate of 4.01%
  - ~$1.2B of short-term debt
    - ~$1.2B of commercial paper issued
- **Solid liquidity position**
  - ~$1.1B in net available liquidity as of March 31, 2024(1)
  - ~$2.3B of committed facilities in place as of March 31, 2024
    - ~$1.9B revolving credit facility
    - ~$0.4B accounts receivable securitization facilities(2)
- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)




1) Consisting of cash and available capacity under credit facilities
2) Capacity on accounts receivable securitization facilities changes with seasonality

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILINGS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2023 | $231 | May 2024 |
| | PHMSA(1) IRP | FY 2023 | $15 | May 2024 |
| | Capital Expenditure Program (CEP) | FY 2022 | $265 | Sep 2023 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2023<br>FY 2024 | $46<br>$69 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023<br>FY 2024 | $42<br>$40 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 6: Jan 2022 – Feb 2023<br>TDSIC 7: Mar 2023 – Aug 2023 | $150<br>$207 | Sep 2023<br>Mar 2024 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 1: Jan 2023 – Mar 2023<br>FMCA 2: Apr 2023 – Sep 2023 | $22<br>$27 | Oct 2023<br>Apr 2024 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 3: Jan 2023 – Aug 2023 | $70(2) | Mar 2024 |



1) Pipeline and Hazardous Materials Safety Administration
2) Reflects capital recovered through TDISC 3 rider; net of tracked capital amounts rolled into base rates steps 1 & 2

# DELIVERING TOP QUARTILE ESG PERFORMANCE

## Executing Amid Changing Industry and Economic Landscape

### Environmental Highlights

- **Industry Leading Carbon Reduction**
  - Net zero goal for Scope 1 and 2 greenhouse gas ("GHG") emissions by 2040
  - On track for a 90% reduction in Scope 1 GHG emissions by 2030, from a 2005 baseline
- **Industry Leading Electric Generation Transition**
  - Investing over $3 billion in renewable generation transition investments from 2022 to 2028: ~45% of electric segment capital plan
  - Shifting electric generation mix from ~80% coal capacity in 2018 to ~75% renewable and 0% coal by 2028
- **Innovatively Improving Environmental Performance of Gas System While Reducing Risk**
  - Currently running Advanced Mobile Leak Detection vehicles in 5 of our 6 territories
  - Enhancing safety and reliability while also reducing methane emissions through pipeline modernization
- **Facilitating Customer Fuel Choice Expansion and Emission Reduction**
  - Assessing opportunities to advance sustainable fuels through favorable legislation
  - Testing hydrogen blending technology in Pennsylvania
  - Offering voluntary green path riders for customers in Virginia and Indiana

### Social Highlights

- **Publicly and Transparently Reporting on Our Sustainability Efforts**
  - Published 2023 ESG Report: Building Trust for a Sustainable Energy Future
- **Sustainable Social Practices De-Risk Business Over Time**
  - Preserving utilization of existing infrastructure
    - Avoiding customer conversion cost
    - Leveraging low-cost commodity in deep supply basins across Midwest
  - Prioritizing social concerns when evaluating risks to financial plan
  - Advancing an equitable energy transition through stakeholder engagement
  - Driving toward top decile safety performance
  - Keeping average annual 2023-2028 customer bill growth(1) below 4%
  - Providing energy efficiency and bill assistance to vulnerable customers
  - 25% by 2025 diverse supplier spend goal
  - Endorsing leadership diversity that reflects communities we serve

*Named to the Dow Jones Sustainability Indices for the **10th Consecutive Year***







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### Governance Highlights

- **Oversight and Incentive Practices Align with Shareholder Interests**
  - Independent chairman of the board
  - Actively engaged board in oversight and strategic direction
  - Majority of executive comp is "at risk"
- **Independent, Highly Qualified And Diverse Board**
  - Refreshed 33% of board in last two years adding cyber, financial and industry experience
  - 33% gender and 33% ethnic diversity

1) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories

# BASE PLAN CAPITAL EXPENDITURES

## Capital Plan by Segment

| $ in billions | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| **NIPSCO** | 2.0 - 2.1 | 2.3 – 2.5 | 1.4 - 1.6 | 1.4 - 1.6 | 1.4 - 1.6 |
| **COLUMBIA** | 1.4 | 1.2 - 1.4 | 1.4 – 1.6 | 1.5 – 1.7 | 1.5 – 1.7 |
| **TOTAL** | $3.3 - 3.5 | $3.5 - 3.9 | $2.9 - 3.2 | $2.9 - 3.2 | $2.9 - 3.2 |

Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

**NiSource Inc.**

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Adjusted Net Income Available to Common Shareholders (Non-GAAP) (*unaudited*)

| *(in millions, except per share amounts)* | Three Months Ended March 31, 2024 | 2023 |
|---|---|---|
| **GAAP Net Income Available to Common Shareholders** | **$ 344.3** | $ 319.2 |
| **Adjustments to Operating Income :** | | |
| **Operating Revenues:** | | |
| Weather - compared to normal | **32.9** | 32.3 |
| Total adjustments to operating income | **32.9** | 32.3 |
| **Income Taxes:** | | |
| Tax effect of above items[(1)] | **(8.4)** | (8.5) |
| **Preferred Dividends:** | | |
| Preferred dividends redemption premium[(2)] | **14.0** | — |
| Total adjustments to net income | **38.5** | 23.8 |
| **Adjusted Net Income Available to Common Shareholders** | **$ 382.8** | $ 343.0 |
| **Diluted Average Common Shares** | **449.4** | 447.1 |
| **GAAP Diluted Earnings Per Share[(3)]** | **$ 0.77** | $ 0.71 |
| Adjustments to diluted earnings per share | **0.08** | 0.06 |
| **Adjusted Earnings Per Share** | **$ 0.85** | $ 0.77 |

[(1)]Represents income tax expense calculated using the statutory tax rates for legal entity.
[(2)]Represents the difference between the carrying value on the redemption date of the Series B Preferred Stock and the total amount of consideration paid to redeem, net of the fair value of common shares issued during 2024.
[(3)] GAAP Diluted Earnings Per Share includes the effects of income allocated to participating securities and adds back the dilutive effect of Equity Units in the prior year. Please refer to Note 5, "Earnings Per Share," within the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024.

**NiSource Inc.**

Schedule 2 - Reconciliation by of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net Cash Flows from Operating Activities | 1,935 | 1,409 | 1,218 |
| - Accounts receivable | 184 | (216) | (40) |
| - Inventories | 234 | (259) | (113) |
| - Accounts payable | (172) | 165 | 55 |
| - Exchange gas receivable/payable | 127 | 58 | (114) |
| - Other accruals | (103) | 73 | 43 |
| - Prepayments and other current assets | 37 | (10) | (37) |
| - Other adjustments | 21 | 28 | 28 |
| **Funds from Operations (Adjusted)** | **1,607** | **1,570** | **1,396** |
| | | | |
| Long-term debt | 11,056 | 9,524 | 9,183 |
| + Current portion of long-term debt | 24 | 30 | 58 |
| + Short-term borrowings | 3,049 | 1,762 | 560 |
| + Other adjustments | (2,711) | 440 | 440 |
| **Total Adjusted Debt** | **11,418** | **11,756** | **10,241** |
| | | | |
| **FFO to Debt (Adjusted)** | **14.1%** | **13.4%** | **13.6%** |

Note:
Other adjustments include the Series A and B preferred stock and minority interest transaction





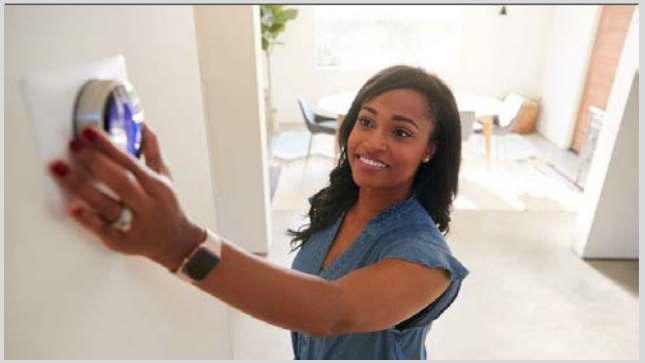
NiSource



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 2Q 2024 RESULTS

August 7, 2024







# LEGAL DISCLAIMER

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. Forward-looking statements in this presentation include, but are not limited to, statements regarding our financial guidance; 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 work successfully with our third party investors; our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations; our increased dependency on 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 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 demand; our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance and quality of third-party suppliers and service providers; potential cybersecurity attacks or security breaches; increased requirements and costs related to cybersecurity; any damage to our reputation; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; compliance with changes in, or new interpretations of applicable laws, regulations and tariffs; the cost of compliance with environmental laws and regulations and the costs of associated liabilities; changes in tax laws or the interpretation thereof; 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 fiscal year ended December 31, 2023 and matters set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, 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.

Non-GAAP Disclosure Statement
Beginning with the first quarter of 2024, NiSource Inc. changed its disclosure of non-GAAP results and guidance for net operating earnings available to common shareholders to adjusted net income available to common shareholders and for net operating EPS to adjusted EPS to better align with the presentation used by many companies to report their non-GAAP results. The change reflects a name change only and the calculations of each of these non-GAAP metrics remains consistent with the historical calculations.

This presentation includes financial results and guidance for NiSource with respect to adjusted net income available to common shareholders and adjusted EPS, which are non-GAAP financial measures as defined by the SEC. 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 guidance on adjusted EPS, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on adjusted net income available to commons shareholders due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP adjusted EPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Segment Reporting
Beginning with the period ended March 31, 2024 our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations rather than Gas Distribution Operations and Electric Operations. Prior period amounts have been reclassified to conform to the current year presentation

# NISOURCE VALUE PROPOSITION DRIVING SUSTAINABLE GROWTH






1) Adjusted Earnings Per Diluted Share and FFO/Debt (non-GAAP)
2) Goal for Scope 1 and 2 emissions
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield
4) Core business rate base growth; select years may exceed range

# KEY PRIORITIES

- **Resilient Financial Commitments**
  - Achieved 2Q24 adjusted EPS(1) of $0.21
  - Reaffirming 2024 adjusted EPS(1) guidance of $1.70-1.74
  - Reaffirming 2023-2028 annual adjusted EPS(1) growth of 6-8% and rate base growth of 8-10%(2)
  - $16.4 billion 2024-2028 base plan capital expenditures
  - 14-16% FFO/Debt(3) annually through 2028
- **Superior Regulatory & Stakeholder Foundation**
- **Balance Sheet Flexibility**
- **Programmatic Investment Plans Plus Accelerated Upside**
  - Future data center load & investment not in 2024-28 financial plan

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Funds from Operations / Debt (Non-GAAP)



Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 2 in the appendix to this presentation

# OPERATIONAL EXCELLENCE

**Prioritizes Safety, Assures Predictable, Reliable Operations and a Culture of Continuous Improvement**

## SAFETY

**Gas and Electric Probabilistic Risk Modeling** being used to maximize risk reduction in our work plans

**Advanced Leak Survey Technology and Repair** accelerating the elimination of large-volume leaks with greater precision

**Accelerated In-Line Inspection Capabilities** ensuring the health of our most critical transmission assets

## RELIABILITY

**Work and Asset Management System** standardizing work, system reliability and data quality

**Distribution & Substation Automation (Vipers)** enhancing system awareness and reducing customer impacts

**Underground Storage Modernization** maintains NiSource's ability to keep gas moving during times of supply constraints

**System Hardening** via large scale substation and circuit rebuilds

## EFFICIENCY

**Enterprise Continuous Improvement Organization** driving process efficiencies and waste reduction and ensuring spend is delivering value for our customers and shareholders

## CULTURE

**Human Performance Training** equipping employees with the tools and skills to minimize error and foster a culture of continuous improvement

# SUPERIOR REGULATORY AND STAKEHOLDER FOUNDATION

| | | 2021 | 2022 | | | | 2023 | | | | 2024 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| NIPSCO Electric | Rate Case | | | | Filed | | Settled +$292M | | Approved Step 1 Rates | | Step 2 Rates | | |
| | Trackers | | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 Approved | | TDSIC 3 Approved | | | | TDSIC 5[2] |
| NIPSCO Gas | Rate Case | | Settled +$72M | | Approved Step 1 Rates | | Step 2 Rates | | | Filed +$162M | Settled +$121M | | Approved Step 1 Rates |
| | Trackers | TDSIC 3 Approved | FMCA 7 Approved | TDSIC 4 Approved | | FMCA 1 Approved | | FMCA 2 Approved | TDSIC 6 Approved | FMCA 1 Approved | TDSIC 7 Approved | FMCA 2 Approved | TDSIC 8[2] |
| Columbia Gas of Ohio | Rate Case | | | | | Settled +$68M | Approved In Rates | | | | | | |
| | Trackers | | | IRP Approved | CEP Approved | | | IRP Approved | CEP Approved | | | IRP +$29M PHMSA | CEP [2] |
| Columbia Gas of Pennsylvania | Rate Cases | Approved In Rates | Filed | | Settled | Approved In Rates | | | | | Filed +$124M | | |
| Columbia Gas of Virginia | Rate Case | | | Filed | Rates Effective | Settled | | Approved | | | | Filed +$37M[1] | |
| | Trackers | SAVE Approved | | | | SAVE Approved | | | | SAVE Approved | | | |
| Columbia Gas of Kentucky | Rate Case | Settled Approved | In Rates | | | | | | | | | Filed +$24M | |
| | Trackers | | | | | SMRP Approved | | | | | SMRP Approved | | |
| Columbia Gas of Maryland | Rate Cases | Approved In Rates | | Filed | Settled | Approved In Rates | | Filed | Settled +$4M | Approved In Rates | | | |
| | Trackers | STRIDE Approved | | | | STRIDE Approved | In Rates | | | | | | |

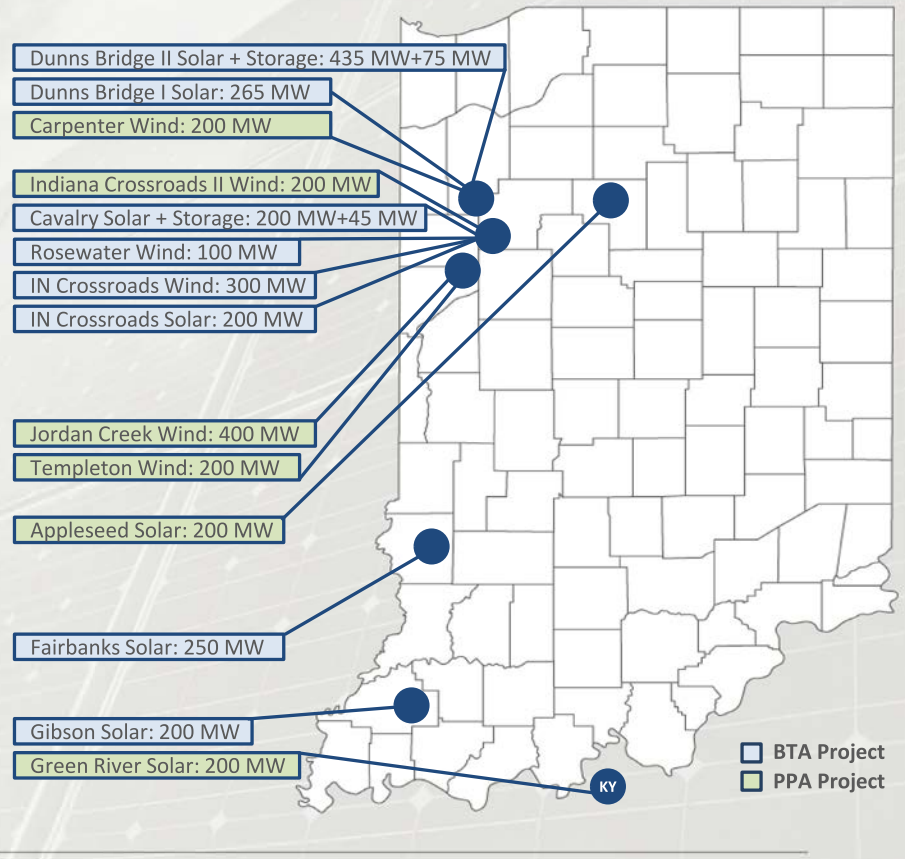


1) Net of $15.4M SAVE Rider
2) Pending commission approval
Select capital trackers and associated revenue shown; does not include expense trackers
See appendix for detailed regulatory program names

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

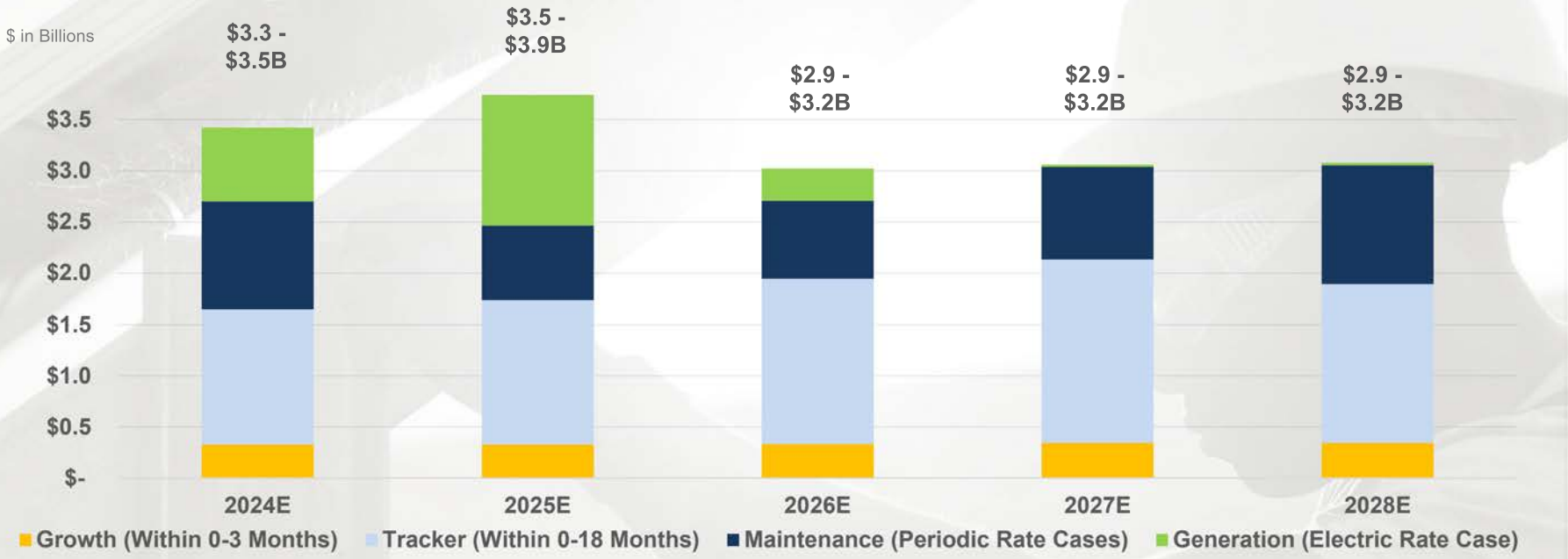
| BTA Projects | In-Service[1] | Ownership Structure | NIPSCO Investment ($M) | Status |
|---|---|---|---|---|
| Rosewater Wind | 2020 | Tax Equity JV | ~$1.0B (In Rate base) | Complete |
| Indiana Crossroads Wind | 2021 | Tax Equity JV | | |
| Dunns Bridge I Solar | 2023 | Tax Equity JV | | |
| Crossroads Solar | 2023 | Tax Equity JV | | |
| Transmission Projects | 2023 | Full Ownership | | |
| Cavalry Solar + Storage | 2024 | Full Ownership | ~$2.1B[2] | Construction |
| Dunns Bridge II Solar + Storage | 2025 | Full Ownership | | |
| Fairbanks Solar | 2025 | Full Ownership | | |
| Gibson Solar | 2025 | Full Ownership | | |
| Total | | | ~$3.1B | |

| PPA Projects | In-Service[1] | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Complete |
| Green River Solar | 2025 | Construction |
| Templeton Wind | 2025 | Construction |
| Carpenter Wind | 2025 | Construction |
| Appleseed Solar | 2025 | Construction |




1) Represents anticipated in-service timing for projects in construction statuses
2) Investment amounts represent base capital plan only. Assumes full ownership of the Cavalry, Dunns Bridge II, Fairbanks, and Gibson projects

# SUSTAINABLE INVESTMENT OPPORTUNITIES FOR CUSTOMERS AND COMMUNITIES




Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

# ADDITIONAL INVESTMENT OPPORTUNITIES

## Near-Term (Through 2028)
**~$1.6B Upside Opportunity Not Included In Base Plan**

***Investment opportunities that can enhance our current financial plan***

- **Increased ownership of electric generation** investments utilizing the IRA's tax transferability provision
- New gas system modernization programs focused on replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission programs focused on **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- Investments in **Renewable Natural Gas** production and transportation infrastructure
- Infrastructure to support **growing communities** and **manufacturing revitalization** across the region, including onshoring and new technology innovation

## Longer-Term (2028+)

***Longer-term investment themes beyond our current financial plan***

- Electric T&D reliability and performance investments focused on **infrastructure replacement, continued grid modernization, system hardening and transportation electrification**
- **Generation investments** to ensure ongoing reliability and support incremental demand, asset retirements and decarbonization
- FERC regulated **electric transmission projects** included in MISO's multi-year Long Range Transmission Planning initiative
- Continuation of investments in **gas system modernization and AMI programs and Renewable Natural Gas** infrastructure
- Investments to support **Hydrogen** production, transportation, storage and consumption in our territories

# SECOND QUARTER CONSOLIDATED & SEGMENT FINANCIAL RESULTS

| GAAP | SECOND QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders | $85.8 | $39.9 | $45.9 | $430.1 | $359.1 | $71.0 |
| Diluted Earnings Per Share | $0.19 | $0.09 | $0.10 | $0.95 | $0.80 | $0.15 |

| NON-GAAP | Second Quarter | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Adjusted Net Income Available to Common Shareholders | $94.7 | $50.3 | $44.4 | $477.5 | $393.3 | $84.2 |
| Adjusted Earnings Per Share[1] | $0.21 | $0.11 | $0.10 | $1.06 | $0.88 | $0.18 |

| ADJUSTED OPERATING INCOME[1] | SECOND QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Columbia Operations | $108.0 | $105.6 | $2.4 | $489.0 | $478.0 | $11.0 |
| NIPSCO Operations | $143.0 | $65.2 | $77.8 | $373.3 | $253.9 | $119.4 |
| Corporate & Other | ($1.9) | $4.0 | ($5.9) | $3.1 | $6.2 | ($3.1) |
| **Consolidated Adjusted Operating Income** | **$249.1** | **$174.8** | **$74.3** | **$865.4** | **$738.1** | **$127.3** |

Note: figures in millions except per share data

1) Non-GAAP; for a reconciliation of GAAP to non-GAAP earnings per share, see Schedule 1 in the appendix to this presentation

# LONG-TERM FINANCIAL COMMITMENTS

**Base 5-Year Plan**

- Annual adjusted EPS[1] growth rate of 6-8% 2023-2028
- Annual rate base[2] growth rate of 8-10% 2023-2028
- Annual average customer bill[3] < 4% growth 2023-2028
- Continued commitment to 14-16% FFO/Debt[4] annually through 2028

## Capital Expenditures

**Base 5-Year Plan**

$16.4 billion 2024-2028

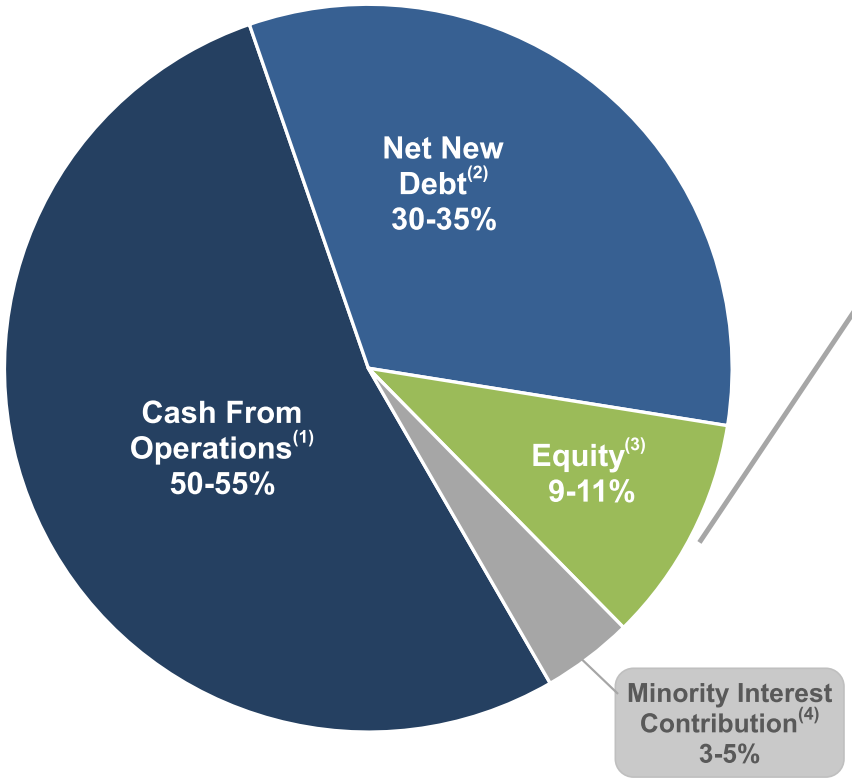
**Upside 5-Year Opportunity**

$1.6 billion 2024-2028 incremental opportunity not included in base plan

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Core business rate base growth; select years may exceed range
3) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories
4) Funds from Operations / Debt (Non-GAAP)

# BALANCE SHEET PROVIDES FLEXIBLE FINANCING PLAN TO INVEST IN GROWTH

## $16.4B CAPITAL INVESTMENT FUNDING SOURCES (2024-2028)




**TARGETING ANNUAL 2024-2028 FFO/Debt(5) 14-16%**

- Base Capital Plan includes up to $600 million of equity via ATM in 2024 and $200-300 million of annual total equity raised via ATM from 2025-2028
- Equity sized to support current investment grade credit ratings and maintain 14-16% FFO/Debt
- Upside to the Base Capital Plan may require modest increases to ATM to maintain the capital structure

1) Cash from operations to NiSource less common and preferred dividends, cash on hand, other investing and other financing cash flow
2) A portion of this is anticipated in 2024
3) Equity excludes internal equity programs
4) Includes capital contributions and retained earnings
5) Funds from Operations / Debt (Non-GAAP); see Appendix for reconciliation

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | PROGRESS |
|---|---|---|---|---|---|---|---|---|---|
| **ADJUSTED EPS**[1] (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7%) | ✓ $1.60 (+9%) | $1.70-$1.74 | Deliver 6-8% Annual Adjusted EPS[1] Growth | | | | On track Strong 1H results |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+7%) | ✓ $1.00 (+6%) | $1.06 (+6%) | 10-12% Total Shareholder Return[3] 60-70% Payout | | | | On track |
| **CAPEX** | ✓ $1.9B (Guide: $1.9-2.1B) | ✓ $2.6B (Guide: $2.4-2.7B) | ✓ $3.6B (Guide: $3.3-3.6B) | $16.4B Sustainable Investment Opportunities For Customers and Communities | | | | | Highly Visible Capital Investment |
| **BALANCE SHEET FLEXIBLITY** (FFO/DEBT)[2] | ✓ 13.6% | ✓ 13.4% | ✓ 14.1% | 14-16% FFO/Debt Annually | | | | | On track NIPSCO Transaction Completed |
| **SUPERIOR REGULATORY & STAKEHOLDER FOUNDATION** | ✓ | ✓ | ✓ | Tracking Mechanisms<br>NIPSCO Electric IRP | Sustained Superior Regulatory Execution | | | | On track NIPSCO Gas Rate Case Completed |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMEMENT, ETC.) | ✓ | ✓ | ✓ | Continuing to Prioritize Safety & Reliability while Optimizing Long-Term Cost Profile | | | | | On track |

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Funds from Operations / Debt (Non-GAAP)
3) Total shareholder return assumes constant P/E ratio and 4% dividend yield

Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 2 in the appendix to this presentation

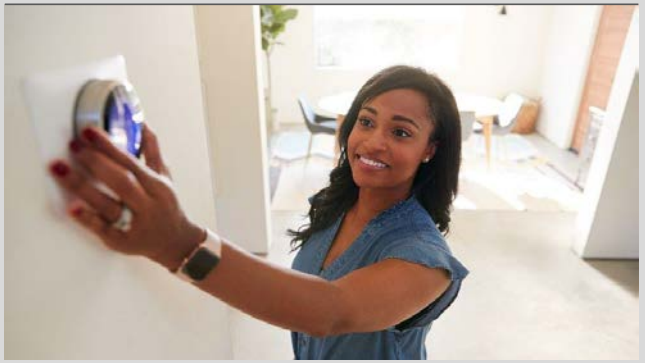






We exist to deliver safe, reliable energy that drives value to our customers

# Appendix
## 2Q 2024 RESULTS

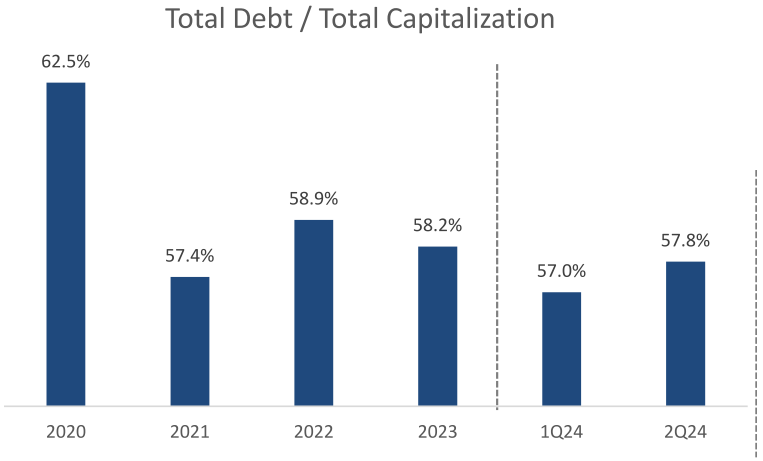






# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$13.5B as of June 30, 2024**
  - ~$12.8B of long-term debt
    - Weighted average maturity ~12 years
    - Weighted average interest rate of 4.01%
  - ~$0.6B of short-term debt
    - ~$0.6B of commercial paper issued
- **Solid liquidity position**
  - ~$1.6B in net available liquidity as of June 30, 2024(1)
  - ~$2.1B of committed facilities in place as of June 30, 2024
    - ~$1.9B revolving credit facility
    - ~$0.3B accounts receivable securitization facilities(2)




- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)

1) Consisting of cash and available capacity under credit facilities
2) Capacity on accounts receivable securitization facilities changes with seasonality

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILINGS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2023 | $231 | May 2024 |
| | PHMSA[1] IRP | FY 2023 | $15 | May 2024 |
| | Capital Expenditure Program (CEP)[2] | FY 2023 | $285 | Sep 2024 |
| Columbia Gas of Pennsylvania | Distribution System Improvement Charge (DSIC) | Feb 2024 – May 2024 | 68 | Jul 2024 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2023<br>FY 2024 | $46<br>$69 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2023<br>FY 2024 | $42<br>$40 | Jan 2023<br>Jan 2024 |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 7: Mar 2023 – Aug 2023<br>TDSIC 8[2]: Sep 2023 – Feb 2024 | $207<br>$69 | Mar 2024<br>Sep 2024 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 2: Apr 2023 – Sep 2023 | $27 | Apr 2024 |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 5[2] : Feb 2023 – Mar 2024 | $276 | Oct 2024 |



1) Pipeline and Hazardous Materials Safety Administration
2) Pending commission approval

# DELIVERING TOP QUARTILE ESG PERFORMANCE

## Executing Amid Changing Industry and Economic Landscape

### Environmental Highlights

- **Industry Leading Carbon Reduction**
  - Net zero goal for Scope 1 and 2 greenhouse gas ("GHG") emissions by 2040
  - On track for a 90% reduction in Scope 1 GHG emissions by 2030, from a 2005 baseline
- **Industry Leading Electric Generation Transition**
  - Investing over $3 billion in renewable generation transition investments from 2022 to 2028: ~45% of electric segment capital plan
  - Shifting electric generation mix from ~80% coal capacity in 2018 to ~75% renewable and 0% coal by 2028
- **Innovatively Improving Environmental Performance of Gas System While Reducing Risk**
  - Currently running Advanced Mobile Leak Detection vehicles in 5 of our 6 territories
  - Enhancing safety and reliability while also reducing methane emissions through pipeline modernization
- **Facilitating Customer Fuel Choice Expansion and Emission Reduction**
  - Assessing opportunities to advance sustainable fuels through favorable legislation
  - Testing hydrogen blending technology in Pennsylvania
  - Offering voluntary green path riders for customers in Virginia and Indiana

### Social Highlights

- **Publicly and Transparently Reporting on Our Sustainability Efforts**
  - Published 2023 ESG Report: Building Trust for a Sustainable Energy Future
- **Sustainable Social Practices De-Risk Business Over Time**
  - Preserving utilization of existing infrastructure
    - Avoiding customer conversion cost
    - Leveraging low-cost commodity in deep supply basins across Midwest
  - Prioritizing social concerns when evaluating risks to financial plan
  - Advancing an equitable energy transition through stakeholder engagement
  - Driving toward top decile safety performance
  - Keeping average annual 2023-2028 customer bill growth(1) below 4%
  - Providing energy efficiency and bill assistance to vulnerable customers
  - 25% by 2025 diverse supplier spend goal
  - Endorsing leadership diversity that reflects communities we serve

### Governance Highlights

- **Oversight and Incentive Practices Align with Shareholder Interests**
  - Independent chairman of the board
  - Actively engaged board in oversight and strategic direction
  - Majority of executive comp is "at risk"
- **Independent, Highly Qualified And Diverse Board**
  - Refreshed 33% of board in last two years adding cyber, financial and industry experience
  - 33% gender and 33% ethnic diversity

*Named to the Dow Jones Sustainability Indices for the **10th Consecutive Year***







THE USE BY NISOURCE INC. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF NISOURCE INC. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

1) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories

# BASE PLAN CAPITAL EXPENDITURES

**Capital Plan by Segment**

| $ in billions | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| **NIPSCO** | 2.0 - 2.1 | 2.3 – 2.5 | 1.4 - 1.6 | 1.4 - 1.6 | 1.4 - 1.6 |
| **COLUMBIA** | 1.4 | 1.2 - 1.4 | 1.4 – 1.6 | 1.5 – 1.7 | 1.5 – 1.7 |
| **TOTAL** | $3.3 - 3.5 | $3.5 - 3.9 | $2.9 - 3.2 | $2.9 - 3.2 | $2.9 - 3.2 |

Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

**NiSource Inc.**

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Adjusted Net Income Available to Common Shareholders (Non-GAAP) (*unaudited*)

| *(in millions, except per share amounts)* | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2023 | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2023 |
|---|---|---|---|---|
| **GAAP Net Income Available to Common Shareholders** | **$ 85.8** | $ 39.9 | **$ 430.1** | $ 359.1 |
| **Adjustments to Operating Income :** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **12.1** | 5.9 | **45.0** | 38.2 |
| Total adjustments to operating income | **12.1** | 5.9 | **45.0** | 38.2 |
| **Income Taxes:** | | | | |
| Tax effect of above items[1] | **(3.2)** | (1.7) | **(11.6)** | (10.2) |
| **Preferred Dividends:** | | | | |
| Preferred dividends redemption premium[2] | **—** | 6.2 | **14.0** | 6.2 |
| Total adjustments to net income | **8.9** | 10.4 | **47.4** | 34.2 |
| **Adjusted Net Income Available to Common Shareholders** | **$ 94.7** | $ 50.3 | **$ 477.5** | $ 393.3 |
| **Diluted Average Common Shares** | **450.2** | 446.8 | **449.8** | 446.9 |
| **GAAP Diluted Earnings Per Share[3]** | **$ 0.19** | $ 0.09 | **$ 0.95** | $ 0.80 |
| Adjustments to diluted earnings per share | **0.02** | 0.02 | **0.11** | 0.08 |
| **Adjusted Earnings Per Share** | **$ 0.21** | $ 0.11 | **$ 1.06** | $ 0.88 |

[1]Represents income tax expense calculated using the statutory tax rates for legal entity.
[2]Represents the difference between the carrying value on the redemption date of the Series B Preferred Stock and the total amount of consideration paid to redeem, net of the fair value of common shares issued during 2024.
[3] GAAP Diluted Earnings Per Share includes the effects of income allocated to participating securities and adds back the dilutive effect of Equity Units in the prior year. Please refer to Note 5, "Earnings Per Share," within the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2024.

**NiSource Inc.**

Schedule 2 - Reconciliation by of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net Cash Flows from Operating Activities | 1,935 | 1,409 | 1,218 |
| - Accounts receivable | 184 | (216) | (40) |
| - Inventories | 234 | (259) | (113) |
| - Accounts payable | (172) | 165 | 55 |
| - Exchange gas receivable/payable | 127 | 58 | (114) |
| - Other accruals | (103) | 73 | 43 |
| - Prepayments and other current assets | 37 | (10) | (37) |
| - Other adjustments | 21 | 28 | 28 |
| **Funds from Operations (Adjusted)** | **1,607** | **1,570** | **1,396** |
| | | | |
| Long-term debt | 11,056 | 9,524 | 9,183 |
| + Current portion of long-term debt | 24 | 30 | 58 |
| + Short-term borrowings | 3,049 | 1,762 | 560 |
| + Other adjustments | (2,711) | 440 | 440 |
| **Total Adjusted Debt** | **11,418** | **11,756** | **10,241** |
| | | | |
| **FFO to Debt (Adjusted)** | **14.1%** | **13.4%** | **13.6%** |

Note:
Other adjustments include the Series A and B preferred stock and minority interest transaction





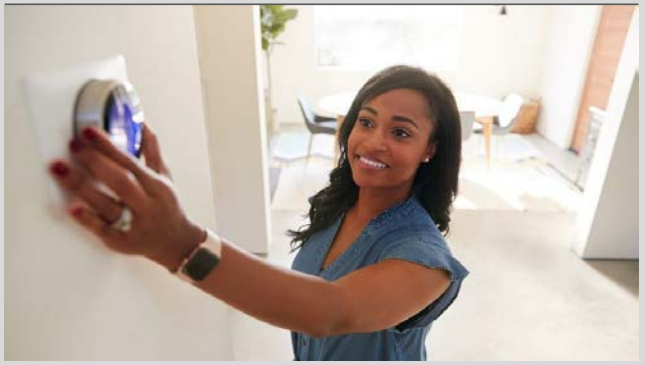
NiSource



*We exist to deliver safe, reliable energy that drives value to our customers*

# SUPPLEMENTAL SLIDES
# 3Q 2024 RESULTS

October 30, 2024







# LEGAL DISCLAIMER

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. Forward-looking statements in this presentation include, but are not limited to, statements regarding our financial guidance; 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 Press Release include, among other things: our ability to execute our business plan or growth strategy, including utility infrastructure investments, or business opportunities, such as data center development and related generation sources and transmission capabilities to meet potential load growth; potential incidents and other operating risks associated with our business; our ability to work successfully with our third-party investors; our ability to adapt to, and manage costs related to, advances in technology, including alternative energy sources and changes in laws and regulations; our increased dependency on 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 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 demand; our ability to attract, retain or re-skill a qualified, diverse workforce and maintain good labor relations; our ability to manage new initiatives and organizational changes; the actions of activist stockholders; the performance and quality of third-party suppliers and service providers; potential cybersecurity attacks or security breaches; increased requirements and costs related to cybersecurity; any damage to our reputation; the impacts of natural disasters, potential terrorist attacks or other catastrophic events; the physical impacts of climate change and the transition to a lower carbon future; our ability to manage the financial and operational risks related to achieving our carbon emission reduction goals, including our Net Zero Goal, including any future associated impact from business opportunities such as data center development as those opportunities evolve; our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; adverse economic and capital market conditions, including increases in inflation or interest rates, recession, or changes in investor sentiment; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; 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; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; compliance with changes in, or new interpretations of applicable laws, regulations and tariffs; the cost of compliance with environmental laws and regulations and the costs of associated liabilities; changes in tax laws or the interpretation thereof; 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 fiscal year ended December 31, 2023 and matters set forth in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024, 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.

Non-GAAP Disclosure Statement
Beginning with the first quarter of 2024, NiSource Inc. changed its disclosure of non-GAAP results and guidance for net operating earnings available to common shareholders to adjusted net income available to common shareholders and for net operating EPS to adjusted EPS to better align with the presentation used by many companies to report their non-GAAP results. The change reflects a name change only and the calculations of each of these non-GAAP metrics remains consistent with the historical calculations.

This presentation includes financial results and guidance for NiSource with respect to adjusted net income available to common shareholders and adjusted EPS, which are non-GAAP financial measures as defined by the SEC. 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 guidance on adjusted EPS, NiSource reminds investors that it does not provide a GAAP equivalent of its guidance on adjusted net income available to commons shareholders due to the impact of unpredictable factors such as fluctuations in weather, impact of asset sales and impairments and other unusual or infrequent items included in the comparable GAAP measures. The company is not able to estimate the impact of such factors on the comparable GAAP measures and, as such, is not providing guidance on a GAAP basis. In addition, the company is not able to provide a reconciliation of its non-GAAP adjusted EPS guidance to the comparable GAAP equivalents without unreasonable efforts.

Segment Reporting
Beginning with the period ended March 31, 2024 our operations are now evaluated through two primary reportable segments, Columbia Operations and NIPSCO Operations rather than Gas Distribution Operations and Electric Operations. Prior period amounts have been reclassified to conform to the current year presentation

# HIGHLY EXECUTABLE FINANCIAL COMMITMENTS




**Superior Regulatory & Stakeholder Foundation**

**Operational Excellence**



1) Adjusted Earnings Per Diluted Share and FFO/Debt (non-GAAP)
2) Goal for Scope 1 and 2 emissions
3) Total shareholder return assumes constant P/E ratio and 3.0% dividend yield

# KEY PRIORITIES

- **Superior Regulatory & Stakeholder Foundation**
  - Columbia Gas of Pennsylvania rate case settlement recommended for approval
  - Columbia Gas of Kentucky rate case settlement reached
  - NIPSCO Work and Asset Management Program approved
  - Fairbanks, Gibson, and gas peaker CPCNs approved
- **Operational Excellence**
  - Strengthening balance sheet with junior subordinated debt
  - Capital allocation prioritizes risk mitigation
- **Highly Executable Financial Commitments**
  - Reaffirming 2024 adjusted EPS(1) guidance of $1.70-1.74 and initiating 2025 guidance of $1.84-1.88
  - Extending 6-8% annual adjusted EPS(1) growth to 2025-2029
  - $19.3 billion 2025-2029 base plan capital expenditures support 8-10% rate base growth
  - 14-16% FFO/Debt(2) annually through 2029
- **Upside & Incremental Investment Opportunities Enhance Return**
  - Risk management drives allocation prioritization
  - Efficient capital allocation allows for optimal returns

1) Diluted Net Operating Earnings Per Share (Non-GAAP)
2) Funds from Operations / Debt (Non-GAAP)

Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedules 1 (A & B) and 3 in the appendix to this presentation

# SUPERIOR REGULATORY AND STAKEHOLDER FOUNDATION

| | | 2022 | | | | 2023 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| NIPSCO Electric | Rate Case | | | Filed | | Settled | | Approved Step 1 Rates | | Step 2 Rates | | Filed | |
| | Trackers | TDSIC 9 Approved | | TDSIC 1 Approved | | TDSIC 2 Approved | | TDSIC 3 Approved | | | | | TDSIC 5 Approved |
| NIPSCO Gas | Rate Case | Settled | | Approved Step 1 Rates | | Step 2 Rates | | | Filed | Settled | | Approved Step 1 Rates | |
| | Trackers | FMCA 7 Approved | TDSIC 4 Approved | | FMCA 1 Approved | | FMCA 2 Approved | TDSIC 6 Approved | FMCA 1 Approved | TDSIC 7 Approved | FMCA 2 Approved | TDSIC 8 Approved | FMCA 3[1] |
| Columbia Gas of Ohio | Rate Case | | | | Settled | Approved In Rates | | | | | | | |
| | Trackers | | IRP Approved | CEP Approved | | | IRP Approved | CEP Approved | | | IRP PHMSA | CEP Approved | |
| Columbia Gas of Pennsylvania | Rate Cases | Filed | | Settled | Approved In Rates | | | | | Filed | | Settled | |
| Columbia Gas of Virginia | Rate Case | | Filed | Rates Effective | Settled | | Approved | | | | Filed | | Rates Effective[2] |
| | Trackers | | | | SAVE Approved | | | | SAVE Approved | | | | SAVE[1] |
| Columbia Gas of Kentucky | Rate Case | In Rates | | | | | | | | | Filed | | Settled |
| | Trackers | | | | SMRP Approved | | | | | SMRP Approved | | | SMRP[1] |
| Columbia Gas of Maryland | Rate Cases | | Filed | Settled | Approved In Rates | | Filed | Settled | Approved In Rates | | | Filed | |
| | Trackers | | | | STRIDE Approved | In Rates | | | | | | STRIDE Filed | |

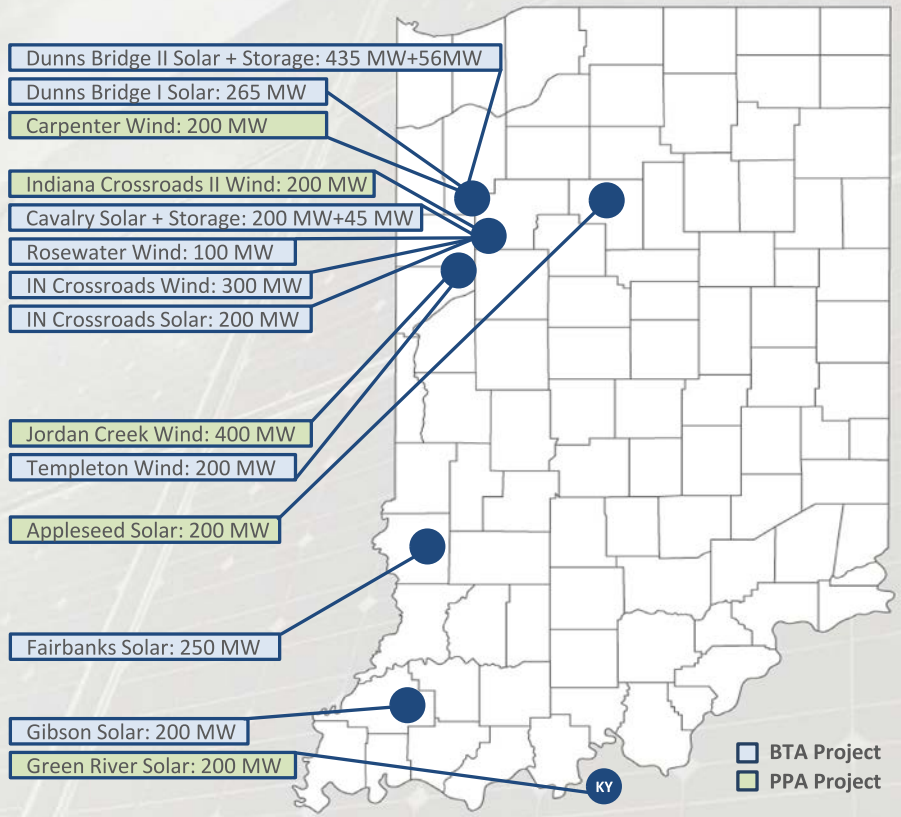


1) Pending commission approval
2) Subject to refund
Select capital trackers and associated revenue shown; does not include expense trackers
See appendix for detailed regulatory program names

# ROBUST RENEWABLE INVESTMENTS IN INDIANA

| BTA Projects | In-Service[1] | Ownership Structure | NIPSCO Investment | Status |
|---|---|---|---|---|
| Rosewater Wind | 2020 | Tax Equity JV | ~$1.0B (In Rate Base) | Complete |
| Indiana Crossroads Wind | 2021 | Tax Equity JV | | |
| Dunns Bridge I Solar | 2023 | Tax Equity JV | | |
| Crossroads Solar | 2023 | Tax Equity JV | | |
| Transmission Projects | 2023 | Full Ownership | | |
| Cavalry Solar + Storage | 2024 | Full Ownership | ~$2.6B[2] | Construction |
| Dunns Bridge II Solar + Storage | 2025 | Full Ownership | | |
| Fairbanks Solar | 2025 | Full Ownership | | |
| Gibson Solar | 2025 | Full Ownership | | |
| Templeton Wind[3] | 2027 | Full Ownership | | |
| Total | | | ~$3.6B | |

| PPA Projects | In-Service[1] | Status |
|---|---|---|
| Jordan Creek Wind | 2020 | Complete |
| Crossroads II Wind | 2023 | Complete |
| Green River Solar | 2025 | Construction |
| Carpenter Wind | 2025 | Construction |
| Appleseed Solar | 2025 | Construction |




1) Represents anticipated in-service timing for projects under construction
2) Investment amounts represent base capital plan only and assume full ownership of the Cavalry, Dunns Bridge II, Fairbanks, Gibson, and Templeton projects
3) Subject to regulatory approval

# NIPSCO INTEGRATED RESOURCE PLAN

- **Data center developer interest for NIPSCO's service territory has been substantial in 2024**
  - State of Indiana is active in supporting economic development
- **MISO rule changes impact existing and potential generation fleet to meet capacity requirements**
  - 4-season capacity construct
  - Direct Loss of Load market design effective in 2028
- **EPA rules impacting generation fleet including new additions**
  - 2024 EPA greenhouse gas standards & fossil fuel fired power plant guidelines
- **Incremental wind, solar, battery storage and gas generation all likely required**
  - Regardless of demand development scenarios



Triennial 20-year electricity supply plan required of all Indiana utilities



# INCREMENTAL INVESTMENT OPPORTUNITIES

***Investment themes additive to base and upside financial plan***

- **Data center** generation and gas system investments to support incremental demand
- **2024 Integrated Resource Plan (IRP)** generation investments to meet capacity obligations while ensuring ongoing reliability requirements
- Distribution, transmission, and other infrastructure to support **growing communities** and **manufacturing revitalization** across the region, including onshoring and new technology innovation
- FERC regulated electric transmission projects in **MISO's multi-year Long Range Transmission Planning** initiative
- Gas system modernization **risk-based** programs replacing **legacy plastic mains** and services installed prior to early 1980s
- Gas transmission **inspection retrofits and reconfirmations to comply with PHMSA regulations**
- New programs to deploy **advanced metering infrastructure (AMI)** for gas systems
- Electric transmission and distribution reliability and performance investments focused on **infrastructure replacement, continued grid modernization, system hardening and transportation electrification**
- **Renewable natural gas** infrastructure and investments to support production, transportation, storage and consumption
- **Information technology** investments to support efficient and safe operations and enhance customer experience

# THIRD QUARTER CONSOLIDATED & SEGMENT FINANCIAL RESULTS

| GAAP | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Net Income Available to Common Shareholders | $85.7 | $77.0 | $8.7 | $515.8 | $436.1 | $79.7 |
| Diluted Earnings Per Share | $0.19 | $0.17 | $0.02 | $1.14 | $0.98 | $0.16 |

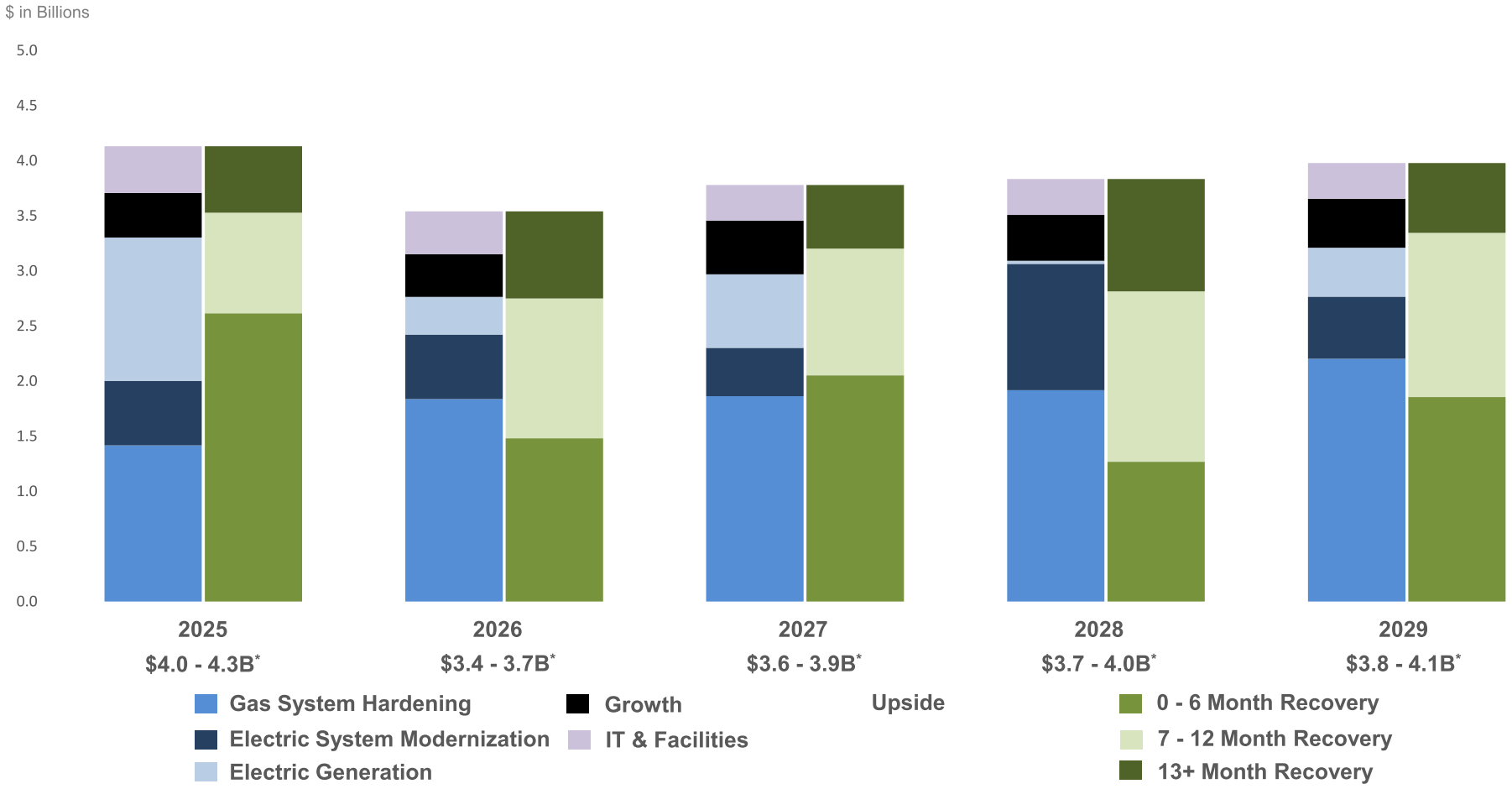
| NON-GAAP | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Adjusted Net Income Available to Common Shareholders | $89.9 | $83.7 | $6.2 | $567.4 | $477.0 | $90.4 |
| Adjusted Earnings Per Share[1] | $0.20 | $0.19 | $0.01 | $1.26 | $1.07 | $0.19 |

| ADJUSTED OPERATING INCOME[1] | THIRD QUARTER | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change Fav/(Unfav) | 2024 | 2023 | Change Fav/(Unfav) |
| Columbia Operations | $42.7 | $55.1 | ($12.4) | $531.7 | $533.1 | ($1.4) |
| NIPSCO Operations | $175.4 | $181.6 | ($6.2) | $548.7 | $435.5 | $113.2 |
| Corporate & Other | $5.8 | $5.3 | $0.5 | $8.9 | $11.5 | ($2.6) |
| **Consolidated Adjusted Operating Income** | **$223.9** | **$242.0** | **($18.1)** | **$1,089.3** | **$980.1** | **$109.2** |

Note: figures in millions except per share data

1) Non-GAAP; for a reconciliation of GAAP to non-GAAP earnings per share, see Schedule 1 in the appendix to this presentation

# SUSTAINABLE INVESTMENT OPPORTUNITIES FOR CUSTOMERS AND COMMUNITIES

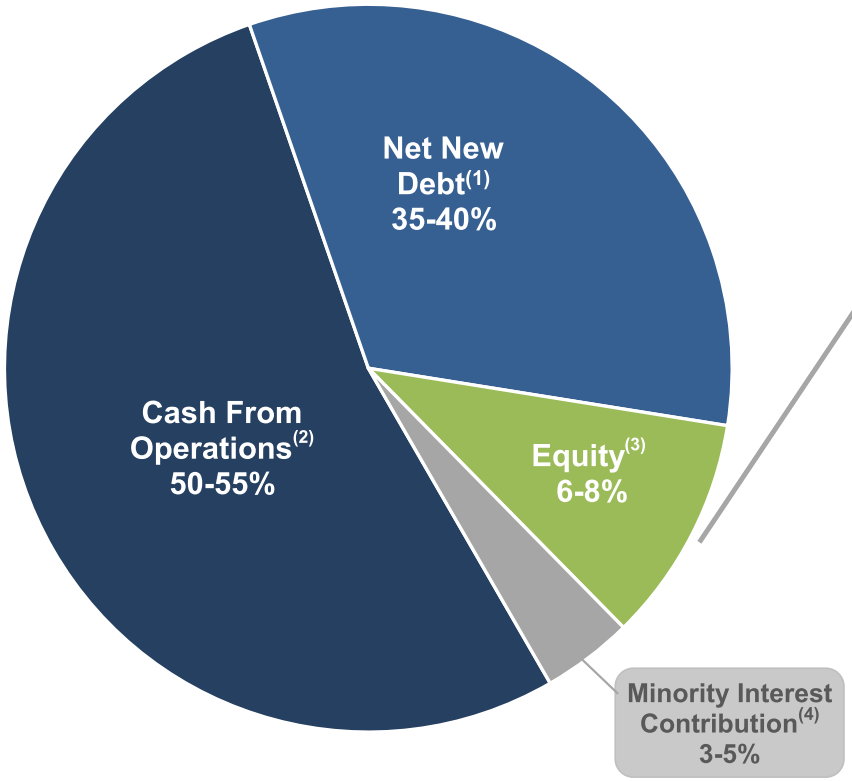





Capital expenditures include 100% of NIPSCO
* Total excluding upside capital expenditures

# BALANCE SHEET PROVIDES FLEXIBLE BASE FOR INVESTMENT

## $19.3B CAPITAL INVESTMENT FUNDING SOURCES (2025-2029)




## TARGETING 14-16% FFO/DEBT(5) ANNUALLY THROUGH 2029

- Base Capital Plan includes $200-300 million of annual equity raised via ATM from 2025-2029
- 2025+ equity needs consistent with prior 5-year plan despite larger Base Capital Plan
- Equity sized to support current investment grade credit ratings and maintain 14-16% FFO/Debt
- Upside 5-year capital opportunity may require modest increases to ATM to maintain capital structure

1) Debt includes hybrid securities
2) Cash from operations to NiSource less common dividends, other investing and other financing cash flow
3) Equity excludes internal equity programs
4) Includes capital contributions and retained earnings
5) Funds from Operations / Debt (Non-GAAP); see Appendix for reconciliation

# LONG-TERM FINANCIAL COMMITMENTS

## Base 5-Year Plan

- Reaffirming 2024 adjusted EPS(1) guidance of $1.70-1.74 and initiating 2025 guidance of $1.84-1.88
- Annual adjusted EPS(1) growth rate of 6-8% in 2025-2029
- Rate base growth of 8-10% across 2025-2029
- Annual average customer bill(2) <5% increase
- Continued commitment to 14-16% FFO/Debt(3) annually through 2029

## Capital Expenditures

### New Base 5-Year Plan

$19.3 billion 2025-2029

### Upside 5-Year Opportunity

$1.8 billion 2025-2029 opportunity not included in base plan

### Incremental Investments

2025+ incremental opportunity not included in base or upside plans

1) Adjusted Earnings Per Diluted Share (Non-GAAP)
2) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories; 2023-2029
3) Funds from Operations / Debt (Non-GAAP)

# BUILDING ON OUR TRACK RECORD OF EXECUTION AND GROWTH

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | PROGRESS |
|---|---|---|---|---|---|---|---|---|---|---|
| **ADJUSTED EPS**[1] (GROWTH) | ✓ $1.37 | ✓ $1.47 (+7%) | ✓ $1.60 (+9%) | $1.70-$1.74 | Deliver 6-8% Annual Adjusted EPS[1] Growth | | | | | On track |
| **DIVIDEND** (ANNUAL GROWTH) | ✓ $0.88 | ✓ $0.94 (+7%) | ✓ $1.00 (+6%) | $1.06 (+6%) | 9-11% Total Shareholder Return[3] 60-70% Payout | | | | | On track |
| **CAPEX** | ✓ $1.9B (Guide: $1.9-2.1B) | ✓ $2.6B (Guide: $2.4-2.7B) | ✓ $3.6B (Guide: $3.3-3.6B) | $3.3-3.5B | $19.3B Sustainable Investment Opportunities For Customers and Communities | | | | | On track |
| **BALANCE SHEET FLEXIBILITY** (FFO/DEBT)[2] | ✓ 13.6% | ✓ 13.4% | ✓ 14.1% | 14-16% FFO/Debt Annually | | | | | | On track |
| **SUPERIOR REGULATORY & STAKEHOLDER FOUNDATION** | ✓ | ✓ | ✓ | Tracking Mechanisms<br>NIPSCO Electric IRP | Sustained Superior Regulatory Execution | | | | | On track |
| **OPERATIONAL EXCELLENCE** (SAFETY, O&M MANAGEMENT, CAPITAL ALLOCATION) | ✓ | ✓ | ✓ | Continuing to Prioritize Safety & Reliability while Optimizing Long-Term Cost Profile | | | | | | On track |



1) Adjusted Earnings Per Diluted Share (Non-GAAP); 2) Funds from Operations / Debt (Non-GAAP)
3) Total shareholder return assumes constant P/E ratio and 3.0% dividend yield
Note: For the GAAP Diluted Earnings Per Share and GAAP Net Cash Flows from Operating Activities/Debt and the reconciliation of GAAP to non-GAAP diluted earnings per share and GAAP Net Cash Flows from Operating Activities/Debt to non-GAAP FFO/Debt, see Schedule 1 and 2 in the appendix to this presentation



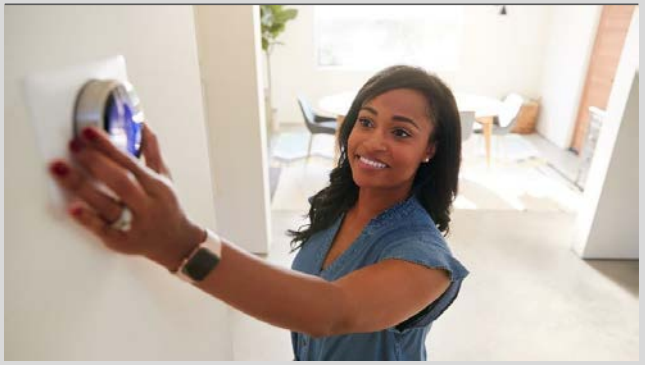


NiSource®



*We exist to deliver safe, reliable energy that drives value to our customers*

# Appendix
## 3Q 2024 RESULTS







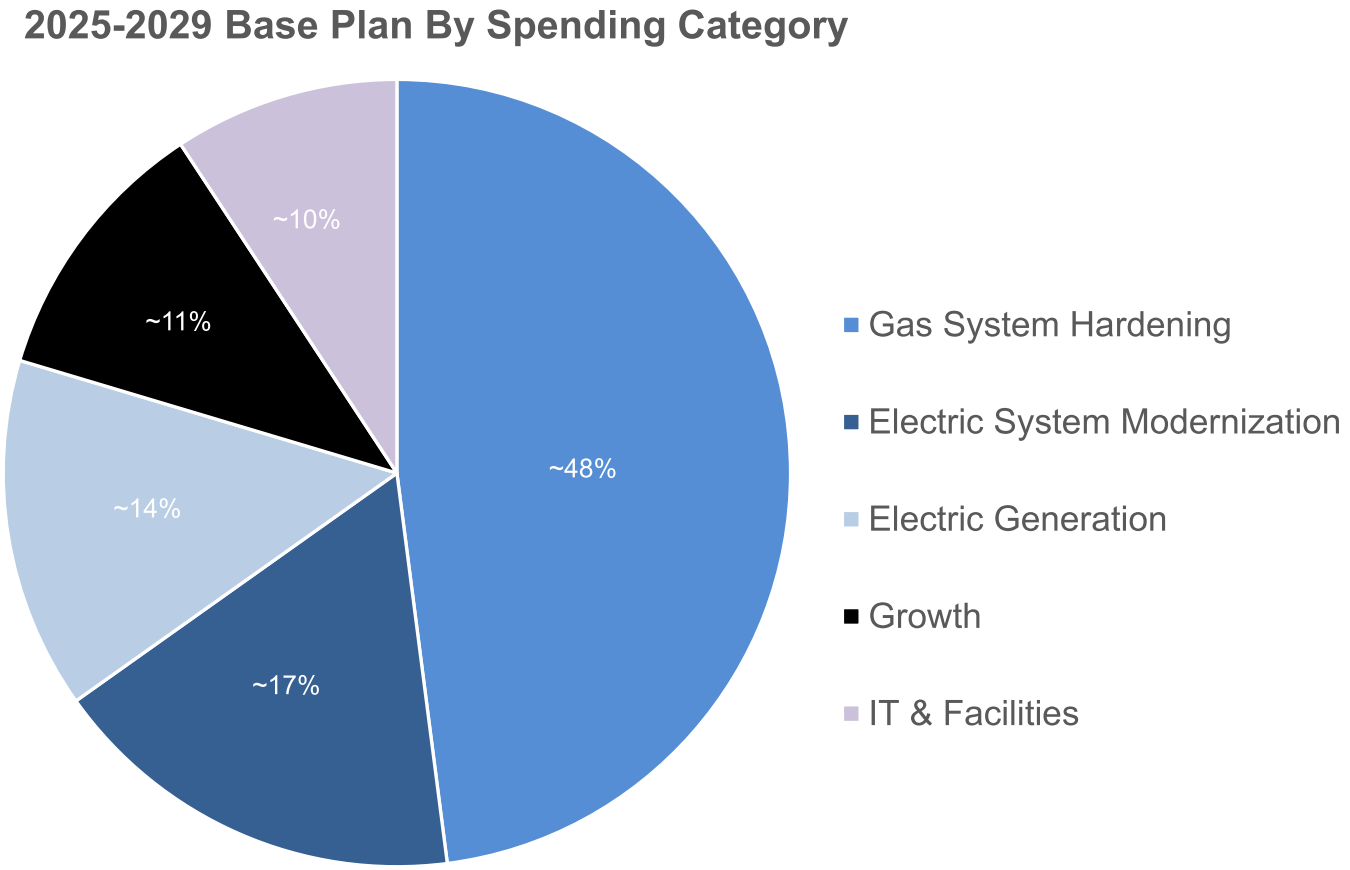
# BASE PLAN CAPITAL EXPENDITURES

## Capital Plan by Segment

| $ in billions | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| **NIPSCO** | $2.7 – 2.8 | $2.0 – 2.1 | $1.8 – 1.9 | $1.9 – 2.0 | $2.0 – 2.1 |
| **COLUMBIA** | $1.3 – 1.5 | $1.4 – 1.6 | $1.8 – 2.0 | $1.8 – 2.0 | $1.8 – 2.0 |
| **TOTAL** | $4.0 – 4.3 | $3.4 – 3.7 | $3.6 – 3.9 | $3.7 – 4.0 | $3.8 – 4.1 |

Capital expenditures include 100% of NIPSCO
Figures exclude upside capex

# ALTERNATE CAPITAL EXPENDITURE BREAKDOWN

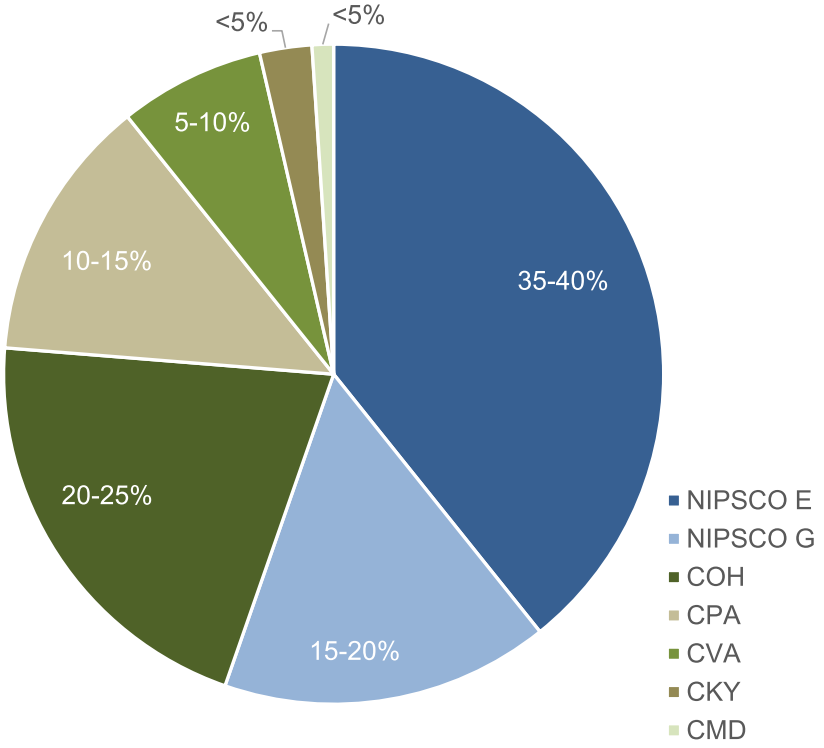




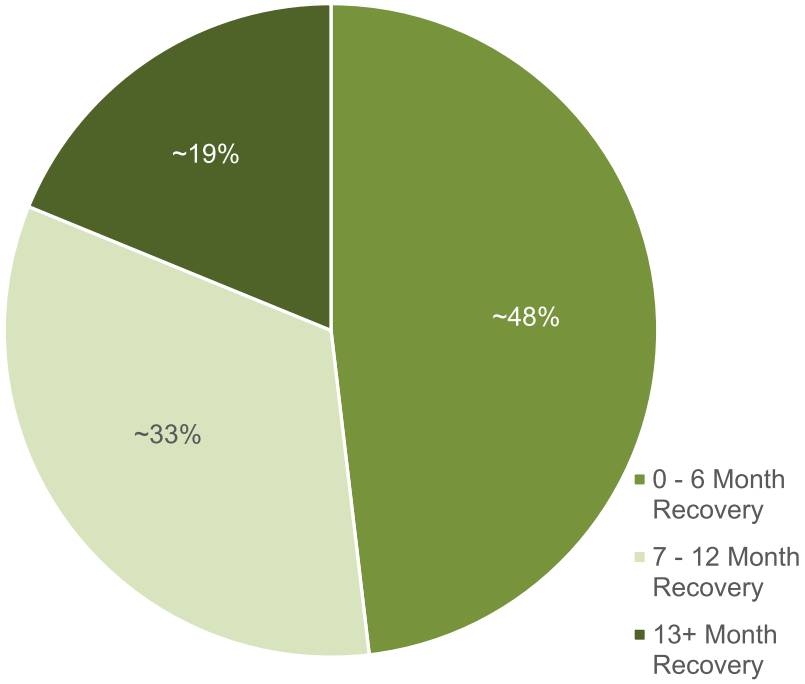

Capital expenditures include 100% of NIPSCO
Total excluding upside capital expenditures

# ALTERNATE CAPITAL EXPENDITURE BREAKDOWN

## 2025-2029 Base Plan by Operating Company




## 2025-2029 Base Plan by Recovery Timeframe





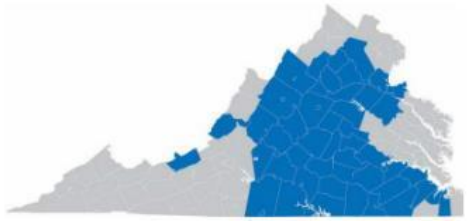

Capital expenditures include 100% of NIPSCO
Total excluding upside capital expenditures

# RATE CASE DETAILS



CPA

| | |
|---|---|
| Docket # | R-2024-3046519 |
| Filing Date | 3/15/2024 |
| Requested Rate Base | $3.5B |
| Requested ROE | 11.75% |
| Requested Equity Layer | 54.40% |
| Requested Revenue Increase | $124.1M |
| Test Year | 2025 |
| **Settlement** | |
| Settlement Filing Date | 8/22/2024 |
| Settled Revenue Increase | $74.0M |
| ALJ Recommended Decision | 10/1/2024 |
| Final Order and Rates Effective | Dec 2024 |



CVA

| | |
|---|---|
| Docket # | PUR-2024-00030 |
| Filing Date | 4/29/2024 |
| Requested Rate Base | $1.2B |
| Requested ROE | 10.85% |
| Requested Equity Layer | 42.76% |
| Requested Net Revenue Increase[1] | $37.2M |
| Test Year | 2025 |
| **Procedural Schedule** | |
| Interim Rates Effective[2] | Oct 2024 |
| Intervenor and Staff Testimony | 10/30/2024 |
| Rebuttal | Nov 2024 |
| Hearing | Dec 2024 |
| Final Order Expected | 1Q2025 |



CKY

| | |
|---|---|
| Docket # | 2024-00092 |
| Filing Date | 5/16/2024 |
| Requested Rate Base | $518.8M |
| Requested ROE | 10.80% |
| Requested Equity Layer | 52.64% |
| Requested Revenue Increase | $23.8M |
| Test Year | 2025 |
| **Settlement** | |
| Settlement Filing Date | 10/14/2024 |
| Settled ROE | 9.75% |
| Settled Equity Layer | 52.64% |
| Settled Revenue Increase | $14.3M |
| Rates Effective[2] | Jan 2025 |
| Final Order Expected | 1Q2025 |



1. Net of $15.4M in service SAVE investments
2. Subject to refund pending Commission approval

# RATE CASE DETAILS



| NIPSCO Electric | |
|---|---|
| Docket # | 46120 |
| Filing Date | 9/12/2024 |
| Requested Rate Base | $9.2B |
| Requested ROE | 10.60% |
| Requested Equity Layer(1) | 53.01% |
| Requested Revenue Increase | $368.7M |
| Test Year | 2025 |
| **Procedural Schedule** | |
| Field Hearings | Nov 24 |
| OUCC and Intervenor Testimony | Dec 2024 |
| Rebuttal | Jan 2025 |
| Requested Commission Order | 3Q2025 |



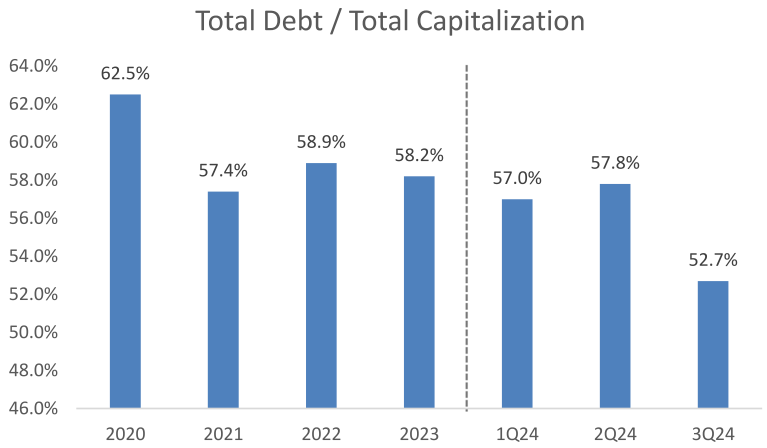
| CMD | |
|---|---|
| Docket # | 9754 |
| Filing Date | 9/24/2024 |
| Requested Rate Base | $250.5M |
| Requested ROE | 11.05% |
| Equity Layer | 52.22% |
| Net Revenue Increase | $8.7M |
| Test Year | 2024 |
| **Procedural Schedule** | |
| Intervenor Testimony | Nov 2024 |
| Rebuttal | Dec 2024 |
| Hearing | Jan 2025 |
| Final Order Expected | 2Q2025 |



1.Capital structure inclusive of deferred taxes and other items

# NISOURCE DEBT AND CREDIT PROFILE

- **Debt level: ~$13.6B as of September 30, 2024**
  - ~$13.4B of long-term debt
    - Weighted average maturity ~10.7 years
    - Weighted average interest rate of 4.27%
  - ~$0.3B of short-term debt
    - ~$0.3B of commercial paper issued
- **Solid liquidity position**
  - ~$1.9B in net available liquidity as of September 30, 2024(1)
  - ~$2.1B of committed facilities in place as of September 30, 2024
    - ~$1.85B revolving credit facility
    - ~$0.2B accounts receivable securitization facilities(2)
- **Committed to maintaining current investment-grade credit ratings**
  - S&P (BBB+), Moody's (Baa2), and Fitch (BBB)




1) Consisting of cash and available capacity under credit facilities
2) Capacity on accounts receivable securitization facilities changes with seasonality

# NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO ELECTRIC)

## Business Profile

- 500K Customers
- 3,100 Employees(1)
- 0.7% Annual Customer Growth(2)
- 13,700 Miles of Distribution/Transmission
- 3,000 MW of Generation Capacity



## Unique Insights/Opportunities

**100%**
Of coal generation to be retired by 2028

**Lowest**
Number of complaints(3) in the state over the past 5 years

Regulatory Landscape
- TDSIC recovers new or replacement projects for safety, reliability and system modernization
- Design of Rate 831 insulates NIPSCO from potential year-to-year variability of industrial electric load
- Forward test year utilized for base rate cases
- Over $500M FERC regulated electric transmission rate base under formula rates

Constructive Legislation
- HB 1420 – *Clarifies incumbent utility ROFR for transmission projects within jurisdiction*
- HB 1421 – *Allows CWIP recovery for gas generation capex and enacts 240-day timeline for IURC to rule on generation CPCNs*
- SB 560 – *Forward test year, timely rate cases and infrastructure tracking*

Economic Outlook
- Indiana Ranked #2 State To Start A Business(4)

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Transmission, Distribution, and Storage System Improvement Charge (TDSIC) | 12 Months(5) (80% of Investment) |
| Federally Mandated Cost Adjustment (FMCA) | 11 Months |
| RTO | Forecasted with a True-Up to Actual |
| Energy Efficiency | Forecasted with a True-Up to Actual |
| Fuel Costs | Forecasted with a True-Up to Actual |
| Resource Adequacy | 10 months |
| Environmental Cost Tracker (ECT) | 12 months |
| Pension/OPEB | WACC/ Base Rate of Return |

**Footnotes:**
1.Inclusive of both Gas & Electric
2.Compound annual growth between 2019A and 2024A
3.Represents complaints justified by the Indiana Utility Regulatory Commission (IURC) 2024 Annual Report
4.Forbes: The Best States to Start a Business in 2024
5.Under TDSIC/FMCA 20% of investment is deferred with carrying cost for recovery in next rate case

# NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO GAS)

## Business Profile

- 900K Customers
- 3,100 Employees(1)
- 0.8% Annual Customer Growth(2)
- 18,500 Miles of Pipeline



Regulatory Landscape
- TDSIC recovers new or replacement projects for safety, reliability, and system modernization; semi-annual infrastructure tracker
- FMCA offers capital and O&M semi-annual recovery for federally mandated costs, including adherence to PHMSA
- Forward test year utilized for base rate cases

Constructive Legislation
- SB 560 – *Forward test year, timely rate cases and infrastructure tracking*
- HB 1470 – *Increased flexibility for inclusion of future projects in TDSIC*
- HB 1191 – *Codifies consumers' right to fuel diversity*

Economic Outlook
- Indiana Ranked #2 State To Start A Business(4)

## Unique Insights/Opportunities

Ranked 17th **lowest** of 19 utilities in the state average residential bill over the last 5 years

**Lowest** Number of complaints(3) in the state over the past 5 years

**100%** Of distribution rate cases settled since 1987

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Transmission, Distribution, and Storage System Improvement Charge (TDSIC) | 12 Months – 80% of Investment(5) |
| Federally Mandated Cost Adjustment (FMCA) | 11 Months |
| Energy Efficiency | Forecasted with a True-Up to Actual |
| Gas Costs | Forecasted with a True-Up to Actual |
| Pension/OPEB | WACC/Base Rate of Return |
| Low Income | Deferral with a True-Up to Actuals |

**Footnotes:**
1.Inclusive of both Gas & Electric
2.Compound annual growth between 2019A and 2024A
3.Represents complaints justified by the Indiana Utility Regulatory Commission (IURC) 2024 Annual Report
4.Forbes: The Best States to Start a Business in 2024
5.Under TDSIC/FMCA 20% of investment is deferred with carrying cost for recovery in next rate case; a future test year is utilized to recover operating expenses

# COLUMBIA GAS OF OHIO (COH)

## Business Profile

- 1.5M Customers
- 1,000 Employees
- 0.7% Annual Customer Growth(1)
- 20,500 Miles of Pipeline



## Unique Insights/Opportunities

**~1,200**
Communities served throughout the state of Ohio

**Most Trusted**
Utility brand awarded three consecutive years by **Escalent**(2)

Regulatory Landscape
- Tracked annual Infrastructure Replacement Program (IRP), Capital Expenditure Program (CEP), and Pipeline and Hazardous Materials Safety Administration ("PHMSA") IRP
- 100% of capital investment within established caps is tracked
- Straight fixed variable rate design for residential customers

Constructive Legislation
- HB 95 – *Authorization of utility modernization capital programs*
- SB 319/HB 201 (2023) – *Annual infrastructure cost recovery for economic development projects*
- HB 33 – *Codifies fuel diversity authorization for PUCO approval*
- HB 201 (2021) – *Prohibits governmental restrictions on the use of natural gas*

Economic Outlook
- New Intel chip fabrication facilities are largest economic development project in Ohio history

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Capital Expenditure Program (CEP) | 14 Months |
| Infrastructure Replacement Program (IRP) & Pipeline and Hazardous Materials Safety Administration IRP (PHMSA IRP) | 10 Months |
| Bad Debt | 10 Months (SGS/GS)<br>Base Rates (LGS) |
| Environmental | Deferral / Base Rates |
| Energy Efficiency | 10 Months |
| Fuel Costs | Forecasted with a True-Up to Actual |
| Low Income | 11 Months |

**Footnotes:**
1.Compound annual growth between 2019A and 2024A
2.Escalent Recognizes 33 Utilities as 2024 Most Trusted Brands

# COLUMBIA GAS OF PENNSYLVANIA (CPA)

## Business Profile

- 440K Customers
- 800 Employees
- 0.7% Annual Customer Growth(1)
- 7,700 Miles of Pipeline



Regulatory Landscape
- Projected future test year allows for capital and expense recovery with zero lag
- Authorized Weather Normalized Adjustment of residential bills during winter period stabilizes revenue for CPA and bills for customers
- State leader in universal services, low-income initiatives, and choice/energy efficiency programs

Constructive Legislation
- Act 11 – *Allows for filing of a Distribution Service Improvement Charge (DSIC) and a rate case with fully forecasted rate year*

Economic Outlook
- Pennsylvania is the second largest producer of natural gas in the US with CPA being geographically situated on top of the Marcellus/Utica shale

## Unique Insights/Opportunities

**100%**
Of capital recovered with zero lag

**#3**
For mid-sized eastern gas utilities in customer satisfaction based on 2023 JD Power Survey(2)

**11**
Of the last 12 base rate cases settled

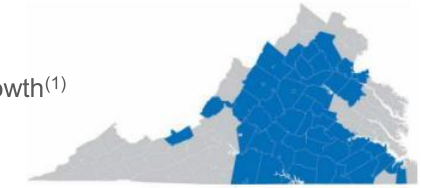
| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Rate Case | 0 Months (Projected Future Test Year) |
| DSIC | 4 - 7 Months |
| USECP Rider | 0 Months |
| Environmental | Deferred to Rate Case |
| Energy Efficiency | Deferral/Surcharge |
| Fuel Costs (inc. Bad debt) | Deferred |
| Pension/OPEB | Deferred |
| Low Income | Deferral/Surcharge |

**Footnotes:**
1.Compound annual growth between 2019A and 2024A
2.JD Power: Among midsized eastern gas utilities (2023)

# COLUMBIA GAS OF VIRGINIA (CVA)

## Business Profile

- 270K Customers
- 500 Employees
- 1.5% Annual Customer Growth(1)
- 5,500 Miles of Pipeline



## Unique Insights/Opportunities

**#1**
Nationally in overall CSAT(2) through 3Q24 (among 87 brands)

**Recognized**
by Escalent as a Customer Champion(3)

Regulatory Landscape
- Tracker filings supplemented by rate case filings with forward test year
- Authorized Weather Normalized Adjustment of residential and small commercial bills during winter period stabilizes revenue for CVA and bills for customers
- Authorized Revenue Normalization Adjustment of residential bills allows for system improvements to meet growing demand

Constructive Legislation
- DIMP Act – *Allows deferral of incremental O&M related to pipeline safety*
- SAVE Act – *Allows recovery of investment on infrastructure replacement and enhanced leak detection and repair programs*
- CARE Act – *Provides for energy efficiency programs and a revenue decoupling adjustment*
- Energy Innovation Act – *Provides regulatory pathways to procure substitute/supplemental gas (RNG/Hydrogen), promotes biogas supply and expands energy efficiency*

Economic Landscape
- Virginia hosts the largest data center market in the world
- CVA will provide gas service to Northrop Grumman's advanced electronic manufacturing and testing facility in Waynesboro
- State awarded $126 million in Virginia Business Ready Sites Program grants to 23 sites in 12 regions across the Commonwealth in 2024 to further drive and accelerate economic growth

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Rate Case | 0 Months (Forward Looking Test Year) |
| Steps to Advance Virginia's Energy Plan (SAVE) | 0 Months (Forward Looking Test Year) |
| Energy Efficiency (CARE) | Deferral/Surcharge |
| Fuel Costs (inc. Bad debt) | Deferral/Surcharge |
| Pipeline Safety (DIMP) | O&M Above baseline Deferred to Rate Case |

**Footnotes:**
1.Compound annual growth between 2019A and 2024A
2.JD Power Residential Customer Satisfaction
3.Escalent: Leading Utilities Delivering on Value(2023)

# COLUMBIA GAS OF KENTUCKY (CKY)

## Business Profile

- 135K Customers
- 200 Employees
- 0.4% Annual Customer Growth(1)
- 2,600 Miles of Pipeline



## Unique Insights/Opportunities

**215**
Miles of priority pipe replaced since 2008

**#2**
In CSAT based on Q2 2024 JD Power Survey(2)

**Recognized**
For Leadership in Emerging Energy /Transition Environment(3)

Regulatory Landscape
- SMRP allows for full cost recovery of eligible pipeline replacement/safety related initiatives via forward looking test year
- Commission authorized economic development extension tariff for high potential sites requiring natural gas
- Weather normalized base rate recovery

Constructive Legislation
- HB 207 – *Codifies consumers' right to fuel diversity*
- HB 100 – *Governments may create and assess for special energy efficiency project districts*
- SB 107 – *Work Zone Safety specifically includes utility workers and increased penalties*

Economic Landscape
- Legislature funded $70M over 2 years for KY Product Development Initiative (KPDI) which will significantly benefit CKY's ED initiatives
- Kentucky ranked third nationally in economic projects per capita and first in the South-Central region in Site Selection magazine's 2023 Governor's Cup Rankings

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Safety Modification & Replacement Program (SMRP) | 0 Months (Forward Looking Test Year) |
| Gas Costs | Forecasted with a True-Up to Actual |

**Footnotes:**
1.Compound annual growth between 2019A and 2024A
2.JD Power Scores – CKY does not meet residential customer threshold for syndicated survey but ranked #1 in Midwest Midsize Segment
3.Recognized at Governor's Conference on Energy & Environment Oct 2023

# COLUMBIA GAS OF MARYLAND (CMD)

## Business Profile

- 34K Customers
- 70 Employees
- 0.6% Annual Customer Growth(1)
- 670 Miles of Pipeline



Regulatory Landscape
- Forward-looking annual infrastructure replacement and improvement surcharge (IRIS) recovers age and condition investment
- IRIS filings supplemented by periodic historic test year rate cases
- Authorized Weather Normalized Adjustment of residential and commercial bills during winter period stabilizes revenue for CMD and bills for customers
- Revenue Normalization Adjustment of residential bills

Constructive Legislation
- STRIDE Act – *Prospective cost recovery for age and condition investment*

Economic Landscape
- Eastern operations are now attracting commuters from Washington DC further supporting customer growth

## Unique Insights/Opportunities

**114**
Miles of cast iron/bare steel pipeline replaced since 2009

**0**
PHMSA/DOT reportable incidents in 2021-3Q24

| Key Riders/Constructs | Weighted Avg. Regulatory Lag |
|---|---|
| Strategic Infrastructure Development & Enhancement (STRIDE) - pending re-approval | 0 Months |
| Energy Efficiency Rider | Deferral/Surcharge |
| Fuel Costs (inc. Bad Debt) | Deferral |
| Environmental | Deferral / Base Rates |

**Footnotes:**
1.Compound annual growth between 2019A and 2024A

# SAFETY AND INFRASTRUCTURE INVESTMENT AND TRACKER FILINGS

| COMPANY | MECHANISM | INCREMENTAL INVESTMENTS | | RECOVERY |
|---|---|---|---|---|
| | | PERIOD | AMOUNT ($M) | EFFECTIVE DATE |
| Columbia Gas of Ohio | Infrastructure Replacement Program (IRP) | FY 2023 | $231 | May 2024 |
| | PHMSA(1) IRP | FY 2023 | $15 | May 2024 |
| | Capital Expenditure Program (CEP) | FY 2023 | $285 | Sep 2024 |
| Columbia Gas of Pennsylvania | Distribution System Improvement Charge (DSIC) | Feb 2024 – May 2024 | $68 | Jul 2024 |
| | | Jun 2024 – Aug 2024 | $112 | Oct 2024 |
| Columbia Gas of Virginia | Steps to Advance Virginia's Energy Plan (SAVE) | FY 2024 | $69 | Jan 2024 |
| | | Oct 2024 – Dec 2025 | $89 | Jan 2025(2) |
| Columbia Gas of Kentucky | Safety Modification and Replacement Program (SMRP) | FY 2024 | $40 | Jan 2024 |
| | | FY 2025 | $47 | Jan 2025(2) |
| Columbia Gas of Maryland | Strategic Infrastructure Development and Enhancement (STRIDE) | FY 2023 | $18 | Jan 2023 |
| NIPSCO – Gas | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 8 : Sep 2023 – Feb 2024 | $8 | Sep 2024 |
| | Federally Mandated Cost Adjustment Rider (FMCA) | FMCA 2: Apr 2023 – Sep 2023 | $11 | Apr 2024 |
| | | FMCA 3: Oct 2023 – Jun 2024 | $16 | Jan 2025(2) |
| NIPSCO – Electric | Transmission, Distribution and Storage System Improvement Charge (TDSIC) | TDSIC 5 : Feb 2023 – Mar 2024 | $276 | Nov 2024 |



1) Pipeline and Hazardous Materials Safety Administration
2) Pending commission approval

# DELIVERING TOP QUARTILE ESG PERFORMANCE

## Executing Amid Changing Industry and Economic Landscape

### Environmental Highlights

- **Industry Leading Carbon Reduction**
  - Net zero goal for Scope 1 and 2 greenhouse gas ("GHG") emissions by 2040
- **Industry Leading Electric Generation Transition**
  - Shifting electric generation mix from ~80% coal capacity in 2018 to ~75% renewable and 0% coal by 2028
- **Innovatively Improving Environmental Performance of Gas System While Reducing Risk**
  - Currently running Advanced Mobile Leak Detection vehicles in 5 of our 6 territories
  - Enhancing safety and reliability while also reducing methane emissions through pipeline modernization
- **Facilitating Customer Fuel Choice Expansion and Emission Reduction**
  - Assessing opportunities to advance sustainable fuels through favorable legislation
  - Testing hydrogen blending technology in Pennsylvania
  - Offering voluntary green path riders for customers in Virginia and Indiana

### Social Highlights

- **Publicly and Transparently Reporting on Our Sustainability Efforts**
  - Published 2023 ESG Report: Building Trust for a Sustainable Energy Future
- **Sustainable Social Practices De-Risk Business Over Time**
  - Preserving utilization of existing infrastructure
    - Avoiding customer conversion cost
    - Leveraging low-cost commodity in deep supply basins across Midwest
  - Prioritizing social concerns when evaluating risks to financial plan
  - Advancing an equitable energy transition through stakeholder engagement
  - Driving toward top decile safety performance
  - Providing energy efficiency and bill assistance to vulnerable customers
  - 25% by 2025 diverse supplier spend goal
  - Endorsing leadership diversity that reflects communities we serve

### Governance Highlights

- **Oversight and Incentive Practices Align with Shareholder Interests**
  - Independent chairman of the board
  - Actively engaged board in oversight and strategic direction
  - Majority of executive comp is "at risk"
- **Independent, Highly Qualified And Diverse Board**
  - Refreshed 33% of board in last two years adding cyber, financial and industry experience
  - 33% gender and 33% ethnic diversity

*Named to the Dow Jones Sustainability Indices for the **10th Consecutive Year***







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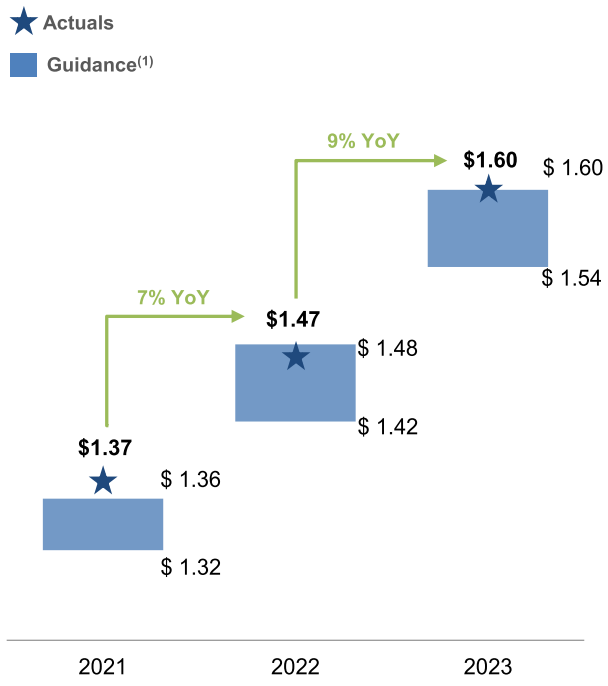


1) Total residential customer bill impact including commodity cost; weighted average electric and gas bills across all service territories

# CONSISTENT EXECUTION DRIVES SUSTAINABLE GROWTH

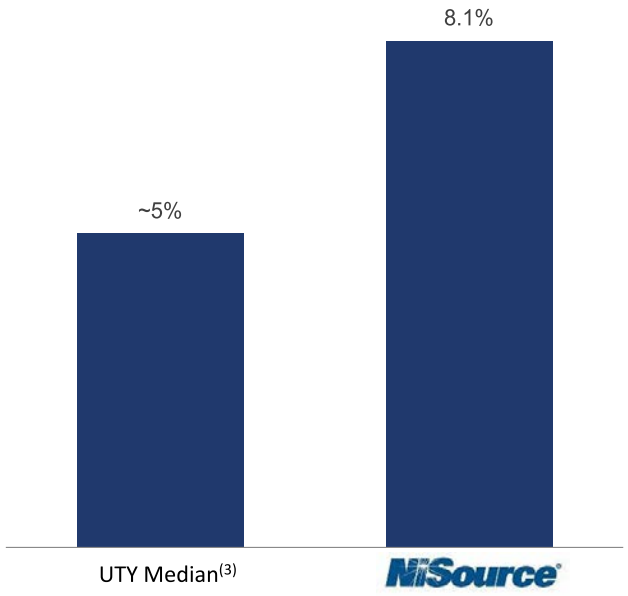
## Achieving High End of Earnings Guidance Rebases Future Growth Upwards

### An Established Track Record of Achieving Adjusted EPS[2] Results



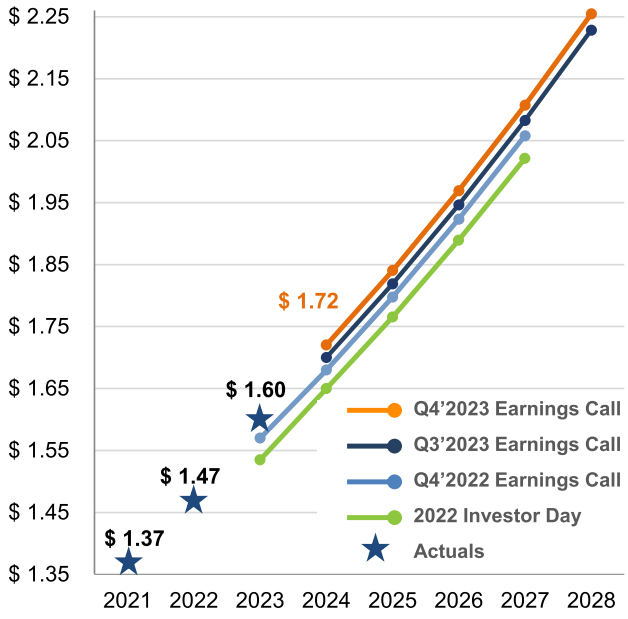

### Top Decile Historical Adjusted EPS Growth

*2021-2023 Non-GAAP Adjusted EPS CAGR*




### Projected Future Guidance Rebases Upwards Off Actual Results

*Implied Adjusted EPS based on applying midpoint of current 6-8% annual growth rate to actual results and stated guidance range*




1) Represents guidance as of May of that calendar year
2) Adjusted Earnings Per Diluted 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 of this presentation
3) Represents the median non-GAAP Adjusted EPS CAGR for member companies of the PHLX Utility Sector index excluding Constellation Energy Group (CEG)

**NiSource Inc.**

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Adjusted Net Income Available to Common Shareholders (Non-GAAP) (*unaudited*)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(in millions, except per share amounts)* | **2024** | 2023 | **2024** | 2023 |
| **GAAP Net Income Available to Common Shareholders** | **$ 85.7** | $ 77.0 | $ 515.8 | $ 436.1 |
| **Adjustments to Operating Income :** | | | | |
| **Operating Revenues:** | | | | |
| Weather - compared to normal | **5.6** | 9.0 | **50.6** | 47.2 |
| Total adjustments to operating income | **5.6** | 9.0 | **50.6** | 47.2 |
| **Income Taxes:** | | | | |
| Tax effect of above items[1] | **(1.4)** | (2.3) | **(13.0)** | (12.5) |
| **Preferred Dividends:** | | | | |
| Preferred dividends redemption premium[2] | **—** | — | **14.0** | 6.2 |
| Total adjustments to net income | **4.2** | 6.7 | **51.6** | 40.9 |
| **Adjusted Net Income Available to Common Shareholders** | **$ 89.9** | $ 83.7 | **$ 567.4** | $ 477.0 |
| **Diluted Average Common Shares** | **454.5** | 448.3 | **451.4** | 447.4 |
| **GAAP Diluted Earnings Per Share[3]** | **$ 0.19** | $ 0.17 | **$ 1.14** | $ 0.98 |
| Adjustments to diluted earnings per share | **0.01** | 0.02 | **0.12** | 0.09 |
| **Adjusted Earnings Per Share** | **$ 0.20** | $ 0.19 | **$ 1.26** | $ 1.07 |

[1]Represents income tax expense calculated using the statutory tax rates for legal entity.

[2]Represents the difference between the carrying value on the redemption date of the Series B Preferred Stock and the total amount of consideration paid to redeem, net of the fair value of common shares issued during the nine months ended September 30, 2024 and the difference between the carrying value of the Series A Preferred Stock and the total amount of consideration paid to redeem in 2023.

[3] GAAP Diluted Earnings Per Share includes the effects of income allocated to participating securities and adds back the dilutive effect of Equity Units in the prior year. Please refer to Note 5, "Earnings Per Share," within the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024.

**NiSource Inc.**

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses, and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss)
(Non-GAAP) (unaudited)

| Three Months Ended September 30, 2024 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 426.7** | **$ 652.9** | **$ (3.3)** | **$ 1,076.3** |
| **Adjustments** | | | | |
| Weather - compared to normal | 1.5 | 4.1 | — | **5.6** |
| **Operating Revenues (Non-GAAP)** | **$ 428.2** | **$ 657.0** | **$ (3.3)** | **$ 1,081.9** |
| | | | | |
| **Operating Expenses (Benefit) (Non-GAAP)** | **$ 385.5** | **$ 481.6** | **$ (9.1)** | **$ 858.0** |
| | | | | |
| **Operating Income (GAAP)** | **$ 41.2** | **$ 171.3** | **$ 5.8** | **$ 218.3** |
| **Total Revenue and Expense Adjustments to Operating Income** | **1.5** | **4.1** | **—** | **5.6** |
| **Adjusted Operating Income** | **$ 42.7** | **$ 175.4** | **$ 5.8** | **$ 223.9** |

| Three Months Ended September 30, 2023 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 414.0** | **$ 616.6** | **$ (3.2)** | **$ 1,027.4** |
| **Adjustments** | | | | |
| Weather - compared to normal | 0.5 | 8.5 | — | **9.0** |
| **Operating Revenues (Non-GAAP)** | **$ 414.5** | **$ 625.1** | **$ (3.2)** | **$ 1,036.4** |
| | | | | |
| **Operating Expenses (Benefit) (Non-GAAP)** | **$ 359.4** | **$ 443.5** | **$ (8.5)** | **$ 794.4** |
| | | | | |
| **Operating Income (GAAP)** | **$ 54.6** | **$ 173.1** | **$ 5.3** | **$ 233.0** |
| **Total Revenue and Expense Adjustments to Operating Income** | **0.5** | **8.5** | **—** | **9.0** |
| **Adjusted Operating Income** | **$ 55.1** | **$ 181.6** | **$ 5.3** | **$ 242.0** |

**NiSource Inc.**

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses, and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss)
(Non-GAAP) (unaudited)

| Nine months ended September 30, 2024 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 1,874.1** | **$ 2,003.0** | **$ (9.8)** | **$ 3,867.3** |
| **Adjustments:** | | | | |
| Weather - compared to normal | 31.9 | 18.7 | — | **50.6** |
| **Operating Revenues (Non-GAAP)** | **$ 1,906.0** | **$ 2,021.7** | **$ (9.8)** | **$ 3,917.9** |
| | | | | |
| **Operating Expenses (Benefit) (Non-GAAP)** | **$ 1,374.3** | **$ 1,473.0** | **$ (18.7)** | **$ 2,828.6** |
| | | | | |
| **Operating Income (GAAP)** | **$ 499.8** | **$ 530.0** | **$ 8.9** | **$ 1,038.7** |
| **Total Revenue and Expense Adjustments to Operating Income** | **31.9** | **18.7** | **—** | **50.6** |
| **Operating Income (Non-GAAP)** | **$ 531.7** | **$ 548.7** | **$ 8.9** | **$ 1,089.3** |

| Nine months ended September 30, 2023 *(in millions)* | Columbia Operations | NIPSCO Operations | Corporate & Other | Total |
|---|---|---|---|---|
| **Operating Revenues (GAAP)** | **$ 1,990.6** | **$ 2,102.1** | **$ (9.3)** | **$ 4,083.4** |
| **Adjustments:** | | | | |
| Weather - compared to normal | 25.6 | 21.6 | — | **47.2** |
| **Operating Revenues (Non-GAAP)** | **$ 2,016.2** | **$ 2,123.7** | **$ (9.3)** | **$ 4,130.6** |
| | | | | |
| **Operating Expenses (Benefit) (Non-GAAP)** | **$ 1,483.1** | **$ 1,688.2** | **$ (20.8)** | **$ 3,150.5** |
| | | | | |
| **Operating Income (GAAP)** | **$ 507.5** | **$ 413.9** | **$ 11.5** | **$ 932.9** |
| **Total Revenue and Expense Adjustments to Operating Income** | **25.6** | **21.6** | **—** | **47.2** |
| **Operating Income (Non-GAAP)** | **$ 533.1** | **$ 435.5** | **$ 11.5** | **$ 980.1** |

**NiSource Inc.**

Schedule 3 - Reconciliation of Net Cash Flows from Operating Activities to FFO to Debt (Adjusted)
(Non-GAAP) (*unaudited*)

## Annual FFO/Debt Reconciliation

*($ in millions)*

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Net Cash Flows from Operating Activities | 1,935 | 1,409 | 1,218 |
| - Accounts receivable | 184 | (216) | (40) |
| - Inventories | 234 | (259) | (113) |
| - Accounts payable | (172) | 165 | 55 |
| - Exchange gas receivable/payable | 127 | 58 | (114) |
| - Other accruals | (103) | 73 | 43 |
| - Prepayments and other current assets | 37 | (10) | (37) |
| - Other adjustments | 21 | 28 | 28 |
| **Funds from Operations (Adjusted)** | **1,607** | **1,570** | **1,396** |
| | | | |
| Long-term debt | 11,056 | 9,524 | 9,183 |
| + Current portion of long-term debt | 24 | 30 | 58 |
| + Short-term borrowings | 3,049 | 1,762 | 560 |
| + Other adjustments | (2,711) | 440 | 440 |
| **Total Adjusted Debt** | **11,418** | **11,756** | **10,241** |
| | | | |
| **FFO to Debt (Adjusted)** | **14.1%** | **13.4%** | **13.6%** |

Note:
Other adjustments include the Series A and B preferred stock and minority interest transaction

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 2025 | | $40 million | | 6.50% | | 30 Year |
| December 2025 | | $155 million | | 6.50% | | 30 Year |
| December 2026 | | $165 million | | 6.50% | | 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 NiSource Gas Distribution, Inc and is not publicly traded.

Response: NiSource Inc.

NiSource Inc. has not issued any shares of its common stock over the last five years (2020-2024) through an underwritten public offering. However, NiSource Inc. issued 72,258,919 shares of common stock during the time period 2020-2024 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 |
| 401(k) and other employee benefit plans | |
| Series A Equity Units Purchase Contracts Settlement | |

| | | Shares |
|---|---|---|
| 401(k) | | |
| | 2020 | 543,576 |
| | 2021 | 390,809 |
| | 2022 | 336,777 |
| | 2023 | 366,148 |
| | 2024 | 309,177 |
| | | 1,946,487 |
| ESPP | | |
| | 2020 | 236,323 |
| | 2021 | 208,739 |
| | 2022 | 186,093 |
| | 2023 | 216,236 |
| | 2024 | 218,235 |
| | | 1,065,626 |
| 2020 Omnibus Plan | | |
| | 2020 | 385,042 |
| | 2021 | 418,209 |
| | 2022 | 379,262 |
| | 2023 | 757,848 |
| | 2024 | 769,489 |
| | | 2,709,850 |
| ATM 2018 | | |
| | 2020 | 8,459,430 |
| | 2021 | 12,525,215 |
| | 2022 | 5,941,598 |
| | 2023 | - |
| | 2024 | - |
| | | 26,926,243 |
| ATM 2021 | | |
| | 2021 | 6,672,740 |
| | 2022 | 11,794,073 |
| | 2023 | - |
| | 2024 | - |
| | | 18,466,813 |
| ATM 2024 | | |
| | 2024 | 21,143,900 |
| Total Issued | | 72,258,919 |

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. The Company does not have preferred stock outstanding.