

Supplemental Slides

Fourth Quarter 2019 Earnings

February 26, 2020



NiSource



Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of federal securities laws. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. Examples of forward-looking statements in this presentation include, but are not limited to, statements and expectations regarding NiSource's or any of its subsidiaries' plans, strategies, objectives, expected performance, expenditures, recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially.

Factors that could cause actual results to differ materially from the projections, forecasts, estimates, and expectations discussed in this presentation include, among other things, NiSource's debt obligations; any changes in NiSource's credit rating or the credit rating of certain of NiSource's subsidiaries; NiSource's ability to execute its growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; NiSource's ability to obtain expected financial or regulatory outcomes; NiSource's ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office for the District of Massachusetts to settle the U.S. Attorney's Office investigation relating to the Greater Lawrence Incident; the pending sale of the Columbia Gas of Massachusetts business, including the terms and closing conditions under the asset purchase agreement; potential incidents and other operating risks associated with our business; our ability to obtain sufficient insurance coverage; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to NiSource's reputation, including in connection with the Greater Lawrence Incident; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential and commercial customers; economic conditions of certain industries; the success of NIPSCO's electric generation strategy; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill their payment and contractual obligations; potential impairments of goodwill or definite-lived intangible assets; changes in taxation and accounting principles; the impact of an aging infrastructure; the impact of climate change; potential cyber-attacks; construction risks and natural gas costs and supply risks; extreme weather conditions; the attraction and retention of a qualified work force; the ability of NiSource's subsidiaries to generate cash; NiSource's ability to manage new initiatives and organizational changes; the performance of third-party suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters set forth in Item 1A, "Risk Factors" section of NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and in other filings with the Securities and Exchange Commission. A credit rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization. In addition, dividends are subject to board approval. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

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Regulation G Disclosure Statement

This presentation includes financial results and guidance for NiSource with respect to net operating earnings available to common shareholders, which is a non-GAAP financial measure as defined by the SEC's Regulation G. The company includes this measure because management believes it permits investors to view the company's performance using the same tools that management uses and to better evaluate the company's ongoing business performance. With respect to such guidance, it should be noted that there will likely be a difference between this measure and its GAAP equivalent due to various factors, including, but not limited to, fluctuations in weather, the impact of asset sales and impairments, and other items included in GAAP results. NiSource is not able to estimate the impact of such factors on GAAP earnings and, as such, is not providing earnings guidance on a GAAP basis.

Key Takeaways

- **Safety Management System (SMS) implementation, system safety enhancements remain the top priority**
 - Independent Quality Review Board appointed; Chief Safety Officer named
 - Integrated safety, compliance and risk functions across the gas segment
 - Introduced a Corrective Action Program (CAP) to identify, track and prioritize risk
 - More than 1,000 automatic shut-off devices now installed on low pressure systems
- **Agreement reached to sell Columbia Gas of Massachusetts assets for \$1.1B**
 - 2020 net operating earnings per share guidance withdrawn
 - Continue to expect 2020 capital investment of \$1.8B - \$1.9B
 - Expected to eliminate planned 2020 block equity issuance
- **Achieved a number of key milestones in 2019:**
 - Non-GAAP net operating earnings per share (NOEPS)* of \$1.32, vs. \$1.30 in 2018
 - Reached commercial agreements for multiple wind projects in Indiana, closed second RFP for replacement electric generation capacity
 - Invested \$1.9B in our gas and electric utilities, primarily focused on infrastructure and safety
 - Executed on regulatory initiatives, including approval of an electric base rate case in Indiana and gas base rate cases in Maryland and Virginia
 - Substantially completed the restoration in the Merrimack Valley, including the settlement of all major customer claims and finished all service line verifications
 - Added approximately 28,000 net new gas customers, driven by a healthy new construction and conversion market

Core focus on enhancing safety, service and system reliability

* Net Operating Earnings Per Share (non-GAAP); For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's February 26, 2020, Earnings Release

Year End 2019 Financial Highlights

Non-GAAP*	2019	2018	Change
Net Operating Earnings Available to Common Shareholders (\$M)	\$494.7	\$463.3	\$31.4
Net Operating Earnings Per Share	\$1.32	\$1.30	\$0.02

GAAP	2019	2018	Change
Net Income (Loss) Available to Common Shareholders (\$M)	\$328.0	(\$65.6)	\$393.6
Basic Earnings (Loss) Per Share	\$0.88	(\$0.18)	\$1.06

Non-GAAP Results in Line with Annual Guidance Range

*Net Operating Earnings (non-GAAP). For a reconciliation of GAAP to non-GAAP earnings, see Schedule 1 of NiSource's February 26, 2020, Earnings Release and the supplemental segment and financial information accompanying this presentation available on the investor section of www.nisource.com.

NiSource Debt and Credit Profile

- **Debt level: ~\$9.6B as of December 31, 2019**
 - ~\$7.7B of long-term debt
 - Weighted average maturity ~17 years
 - Weighted average interest rate of 4.4%
- **Solid liquidity position**
 - ~\$1.4B in net available liquidity as of December 31, 2019*
 - ~\$2.2B of committed facilities in place as of December 31, 2019
 - ~\$1.9B revolving credit facility
 - ~\$0.4B accounts receivable securitization facilities **
- **Interest rate hedging position**
 - ~\$500M of anticipated debt issuances hedged as of December 31, 2019
- **Committed to investment-grade credit ratings**
 - S&P BBB+ | Moody's Baa2 | Fitch BBB

Solid Financial Foundation to Support Long-Term Infrastructure and Safety Investments

* Consisting of cash and available capacity under credit facilities

** Capacity on accounts receivable securitization facilities changes with seasonality

Financing Plan Update

NiSource Current Financing Plan*		
(\$ in Millions)	2019 Actual	2020 Estimated
Equity		
Common Equity Block Issuance	None	None Planned
ATM (At-The-Market)	\$229	\$200 - \$300
ESPP/401K/Other	\$34	\$35 - \$60
Long-Term Debt		
Incremental Long-Term Debt	\$714	~\$500
Other Financing		
Non-Convertible Subordinated Debt or Preferred Equity	None	None Planned

Financing Targets Adj. FFO**/Total Debt of ~14%-15%

* Current financing plan may change based on business developments.

**Adjusted Funds from Operations (FFO); represents Net Income adjusted for depreciation and amortization, loss on early extinguishment of debt and deferred taxes.

Gas Distribution Operations

- Regulatory initiatives advancing in several states
- Continuing to execute infrastructure modernization that enhances system safety, reliability and environmental performance

Key Milestones:

<u>Highlight</u>	<u>Key Components</u>	<u>Status</u>
Columbia Gas of Maryland Base Rate Case	<ul style="list-style-type: none"> • Supports continued replacement of aging pipelines and adoption of pipeline safety upgrades • Includes \$1.1M total annual revenue increase; \$(0.1M) net of infrastructure trackers 	<ul style="list-style-type: none"> • Filed May 22, 2019 • Order received Dec. 18, 2019 • New rates effective Dec. 2019
Columbia Gas of Kentucky Safety Modification and Replacement Program (SMRP) Annual Rider Update (formerly AMRP)	<ul style="list-style-type: none"> • Order covers \$40.4M for 2020 capital investments • SMRP rider allows company to recover capital investments not currently recovered in base rates • Approval expands scope to cover capital investments including safety enhancements to low-pressure systems and other risk-based investments 	<ul style="list-style-type: none"> • Filed Oct. 15, 2019 • Order received Dec. 20, 2019 • Rates effective Jan. 2020
NIPSCO Gas System Modernization Program	<ul style="list-style-type: none"> • Six year extension to long-term infrastructure modernization program • Covers nearly \$950M of capital investments through 2025 	<ul style="list-style-type: none"> • Filed Dec. 31, 2019 • Order expected July 2020

~\$20B in Identified Long-Term Infrastructure Investment Opportunities

Electric Operations

- Continued execution of seven-year ~\$1.2B electric system modernization program
- Evaluating second RFP results for replacement capacity
- IURC order received on base rate case that supports generation transition strategy

Key Milestones:

Highlight	Key Components	Status
Wind CPCN Filings	<ul style="list-style-type: none"> • Build-Transfer Agreement (BTA) application approved for Rosewater (100MW*), a joint venture between NIPSCO and EDP Renewables • BTA application approved for Indiana Crossroads (302MW*), a second joint venture between NIPSCO and EDP Renewables 	<ul style="list-style-type: none"> • Rosewater approved by IURC Aug. 7, 2019; Section 203 & 205 applications approved by FERC Dec. 19, 2019 • Indiana Crossroads CPCN filed Oct. 22, 2019, order received Feb. 19, 2020
Electric System Modernization Program	<ul style="list-style-type: none"> • Focused on electric transmission and distribution investments designed to improve system reliability and safety • TDSIC 6 semi-annual tracker update covering \$131.1M in investments from December 2018 - June 2019 	<ul style="list-style-type: none"> • Filed Aug. 21, 2019 • Order received Dec. 18, 2019 • Rates effective Jan. 2020
Base Rate Case	<ul style="list-style-type: none"> • Approved changes to the company's depreciation schedules related to the early retirements of coal-fired generation plants as submitted in the IRP • Includes changes to tariffs to provide service flexibility for industrial customers to remain competitive in the global marketplace • Allows for 9.75% ROE reflecting a lower risk profile 	<ul style="list-style-type: none"> • Filed Oct. 31, 2018 • Partial settlement filed: April 26, 2019 • Order received Dec. 4, 2019 • New rates effective Jan. 2020
Integrated Resource Plan (IRP)	<ul style="list-style-type: none"> • Outlines NIPSCO's plans for meeting customers' long-term electricity needs • 2018 IRP included plans to retire nearly 80 percent of NIPSCO's coal-fired generation fleet by 2023 and the remaining coal-fired unit by 2028 • Replacement options point toward lower-cost, reliable, cleaner energy resources • Second round of RFPs conducted (Oct. 1, 2019 - Nov. 20, 2019) 	<ul style="list-style-type: none"> • Submitted Oct. 31, 2018

~\$10B in Identified Long-Term Infrastructure Investment Opportunities

* Represents installed capacity of generation facilities.

Safety Management System (SMS)

Today

Infrastructure modernization programs driven by:

- Mains and services identified as highest risk
- Bare steel modernization is a priority
- Reactive based on “what has happened”

SMS May Change Priorities

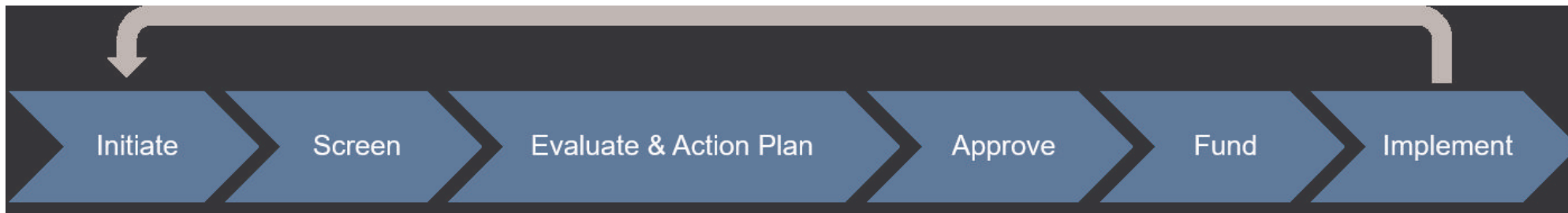
- May identify higher risk reduction than mains and services
- Across asset classes risks may be prioritized differently

In Progress

- Comprehensive risk assessments across asset classes
- Employee risk identification process/tool
- Emergency preparedness
- Contractor engagement

What's Next

- New tools to help identify, analyze and proactively mitigate risk
- New risk informed programs, projects and rate cases
- More flexibility on risk investments



Integrating Safety, Risk Management and Investment Planning

Greater Lawrence Event Costs and Insurance Update - December 31, 2019

Event Related Costs and Expenses

- **Pipeline Replacement and Restoration (Total Cost Through 12/31/2019 = \$258M)** – replacement of the gas distribution system with modern state-of-the-art plastic mains and service lines, and modern safety features such as pressure regulation and excess flow valves at each premise, as well as paving and property restoration
- **Third-Party Claims, Fines, Penalties and Settlements (Total Current Estimate = \$1,041M - \$1,065M)** - with regard to third-party claims, these costs include emergency response, personal injury, third-party property/infrastructure damage claims, temporary housing, claims-related legal fees, etc.
- **Other Expenses (Total Current Estimate = \$450M - \$460M)** - these costs include charitable contributions as well as employee, legal, third-party vendor & consulting, employee/contractor housing, insurance-related loss surcharges and other incident-related expenses

Insurance Policies Have a Combined Limit of \$1.1B (Casualty = \$800M, Property = \$300M)*

- **Casualty Insurance recoveries recorded through YE2019 = \$800M**
- **Property Insurance recoveries** - Proof of loss and lawsuit filed seeking reimbursement for pipeline replacement

Note: Estimates exclude certain third-party claims and fines, penalties and settlements associated with government investigations that we are not able to estimate. For additional details and notes see Schedule 2 of NiSource's February 26, 2020, Earnings Release

Dedicated NiSource Team Continuing to Support Safety Operations

*Combined limits in effect as of Sept. 13, 2018. Subject to policy exclusions

Appendix:
Fourth Quarter 2019 Earnings



NiSource

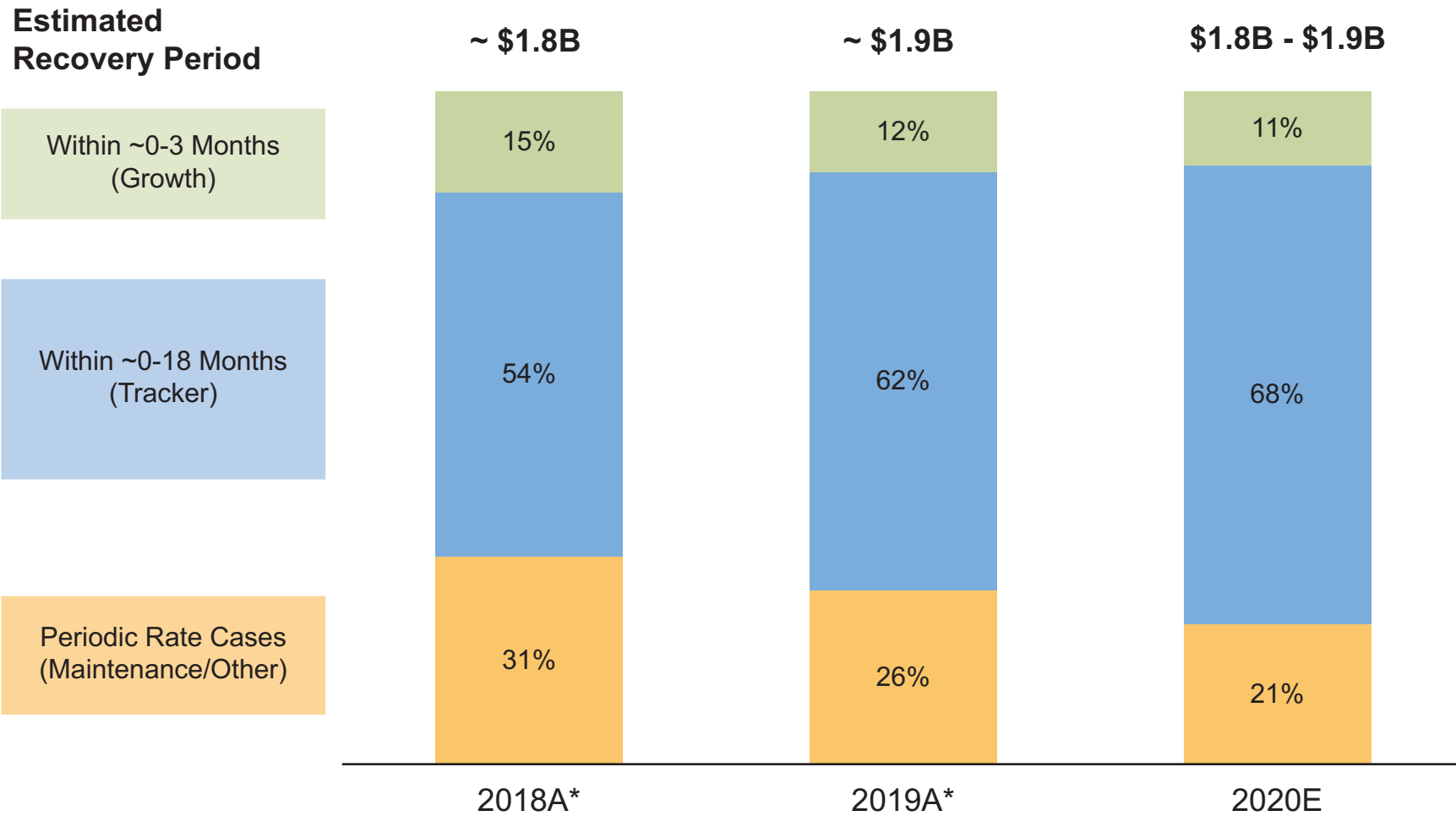


NiSource



Capital Expenditures

Investments Expected to Deliver Customer Value, Enhance System Safety and Reliability



>75% of Capital Investments Begin Earning in Less Than 18 Months

* Greater Lawrence distribution system capital included in maintenance for 2018 and 2019

Liquidity and Debt Detail as of Fourth Quarter 2019 (\$M)

Current Liquidity	Actual 12/31/2019	Maturity
Revolving Credit Facility	\$1,850	Feb. 20, 2024
Accounts Receivable Programs*	353	
Less:		
Drawn on Credit Facility	—	
Commercial Paper	570	
Accounts Receivable Programs Utilized	353	
L/C's Outstanding Under Credit Facility	10	
Add:		
Cash & Equivalents	139	
Net Available Liquidity	\$1,409	

Debt Detail	Balance	Wtd. Avg. Rate**	Wtd. Avg. Maturity
Long-Term Debt	\$7,739	4.40%	17 years
Commercial Paper	570	2.03%	44 days
A/R Program Borrowings	353	2.35%	1 month
Term Loan	850	2.65%	3.5 months
Capital Leases, Def Cost & Other	131	N/A	N/A
Total Debt	\$9,643		

* Represents the lesser of seasonal limit or maximum borrowings supportable by underlying receivables

** Represents coupon or current incremental borrowing rate; does not factor in fees and/or amortization of deferred charges

N/A = Not Applicable

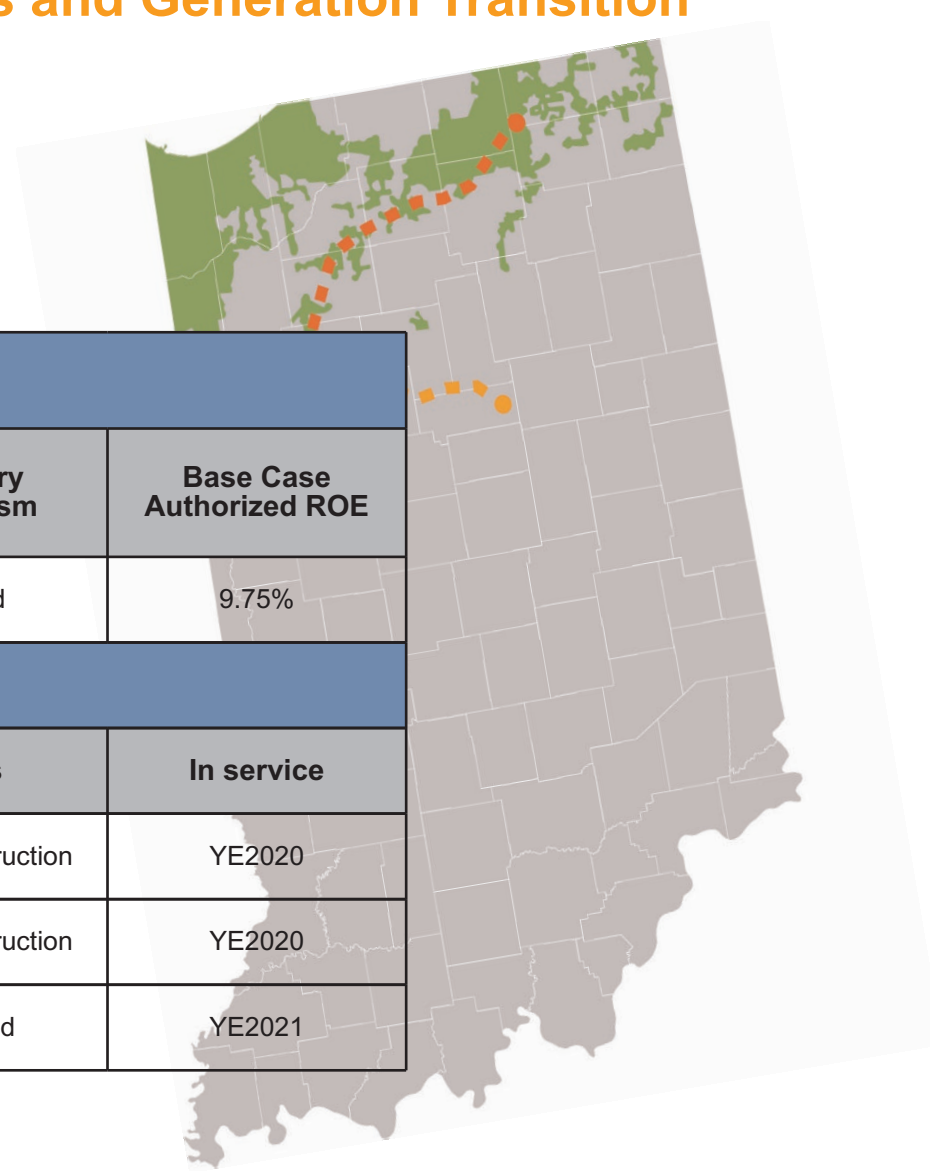
Gas Distribution Operations Infrastructure Programs

Company	Base Case Authorized ROE	Year-End 2019 Rate Base	Total Identified Investments	Modernization Program Investments	Estimated Annual Modernization Program	Recovery Mechanism
Columbia Gas of OH	Not Specified	\$3.2B	~\$10.4B	~\$10.4B	\$435M - \$550M	Tracked
Columbia Gas of PA	Not Specified	\$1.9B	~\$5.0B	~\$3.9B	\$250M - \$296M	Rate Case (Forward Test Year)
NIPSCO Gas	9.85%	\$1.7B	~\$4.9B	~\$3.8B	\$160M - \$180M	Tracked
Columbia Gas of MA	9.55%	\$1.1B	~\$2.2B	~\$1.2B	\$75M - \$120M	Tracked
Columbia Gas of VA	Not Specified	\$850M	~\$1.8B	~\$540M	\$46M - \$65M	Tracked
Columbia Gas of KY	Not Specified	\$327M	~\$1.2B	~\$850M	\$35M - \$40M	Tracked
Columbia Gas of MD	9.60%	\$149M	~\$212M	~\$150M	\$18M - \$25M	Tracked

Robust Long-Term Investment Programs Deliver Value on \$9.2B Rate Base*

* As of Dec. 31, 2019

Electric Operations Investment Programs and Generation Transition



Infrastructure Investment Programs				
Program	Identified Investments	Estimated Annual Investment	Recovery Mechanism	Base Case Authorized ROE
Infrastructure Modernization	~\$5.9B	~\$190M - \$240M	Tracked	9.75%
Generation Transition				
Project	Project Type	MW ICAP (UCAP*)	Status	In service
Jordan Creek	Purchase Power Agreement	400MW (46MW)	Under Construction	YE2020
Rosewater	Joint Venture	100MW (12MW)	Under Construction	YE2020
Indiana Crossroads	Joint Venture	302MW (35MW)	Approved	YE2021

High-Value Investments on \$4.7B Rate Base**

* Represents average estimate, actual UCAP will be based on asset performance

** As of Dec. 31, 2019

Regulatory Update

2019 Rate Case and Program/Project Activity		
Company/Filing	Summary	Timeline
Completed		
NIPSCO Electric - Wind Project Filing	BTA for Indiana Crossroads JV between NIPSCO and EDP Renewables (302 MW)	Filed: 10/22/2019 Order Received: 2/19/2020
Columbia Gas of Maryland - Base Rate Case	Requested Increase: \$2.5M, net of trackers Approved Decrease: \$(0.1M), net of trackers	Filed: 5/22/2019 Order Received: 12/18/2019
NIPSCO Electric - Base Rate Case	Order addresses revenue requirement, federal tax reform and depreciation schedules and allows for 9.75% ROE	Filed: 10/31/2018 Partial Settlement filed: 4/26/19 Order Received: 12/4/2019
NIPSCO Electric - Wind Project Filing	BTA for Rosewater JV between NIPSCO and EDP Renewables (100 MW)	Filed: 2/1/2019 Order Received: 8/7/2019
NIPSCO Gas - PHMSA Compliance Plan 2	Recovery of Federally Mandated Pipeline Safety Compliance Plan Includes ~\$230M of capital through 2023	Filed: 12/31/2018 Order Received: 9/4/2019
Columbia Gas of Virginia - Base Rate Case	Requested Increase: \$14.2M, net of trackers Settled Increase: \$1.3M, net of trackers	Filed: 8/28/2018 Settlement Filed: 4/19/2019 Settlement Approved: 6/12/2019
NIPSCO Electric - Wind Project Filings	20-year PPAs for Jordan Creek and Roaming Bison wind projects	Filed: 2/1/2019 Order Received: 6/5/2019

Continued Regulatory Execution Drives Growth and Customer Value

Safety and Infrastructure Investment and Tracker Filing Details

Company	Recovery Mechanism	Incremental Investments		Recovery	
		Investment Period	Investment Amount (\$M)	Filing Date	Effective Date
Columbia Gas of Ohio	Infrastructure Replacement Program (IRP)	FY 2018	\$199.6	Feb 2019	May 2019
		FY 2019	TBD	Expected - Feb 2020	Expected - May 2020
Columbia Gas of Ohio	Capital Expenditure Program (CEP)	FY 2018	\$121.7	Feb 2019	Sept 2019
		FY 2019	TBD	Expected - Feb 2020	Expected - Sept 2020
Columbia Gas of Pennsylvania	Base Rate Case with Fully Forecasted Test Year	FY 2019	\$258.3	Mar 2018	Dec 2018
Columbia Gas of Virginia	Steps to Advance Virginia's Energy Plan (SAVE)	FY 2019	\$36.0	Aug 2018	Jan 2019
		FY 2020	\$50.0	Aug 2019	Jan 2020
Columbia Gas of Massachusetts	Gas System Enhancement Plan (GSEP)	FY 2019	\$36.0	Oct 2018	May 2019
		FY 2020	\$75.0*	Oct 2019	Expected - May 2020
Columbia Gas of Kentucky	Safety Modification and Replacement Program (SMRP)	FY 2019	\$30.1	Oct 2018	Jan 2019
		FY 2020	\$40.4	Oct 2019	Jan 2020
Columbia Gas of Maryland	Strategic Infrastructure Development and Enhancement (STRIDE)	FY 2019	\$19.7	Nov 2018	Jan 2019
		FY 2020	\$15.0	Nov 2019	Feb 2020
NIPSCO – Gas	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 9: Jan 2018 – Jun 2018	\$54.4	Aug 2018	Jan 2019
		TDSIC 10: Jul 2018 – Apr 2019	\$12.4	Jun 2019	Nov 2019
NIPSCO – Electric	Transmission, Distribution and Storage System Improvement Charge (TDSIC)	TDSIC 5: Jun 2018 – Nov 2018	\$58.8	Jan 2019	Jun 2019
		TDSIC 6: Dec 2018 – Jun 2019	\$131.1	Aug 2019	Jan 2020

* Incremental capital investment anticipated to be lower than \$75.0M for 2020